



City and County of San Francisco
Meeting Minutes
Government Audit and Oversight Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Members: Aaron Peskin, Norman Yee, London Breed

Clerk: Erica Major (415) 554-4441

Thursday, November 17, 2016

9:30 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

President London Breed assigned Supervisor Katy Tang in place of Vice Chair Norman Yee, for File Nos. 160998 and 161191, for the November 17, 2016, Government Audit and Oversight Committee regular meeting.

Present: 3 - Aaron Peskin, London Breed, and Katy Tang

Excused: 1 - Norman Yee

The Government Audit and Oversight Committee met in regular session on Thursday, November 17, 2016, with Chair Aaron Peskin presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Peskin called the meeting to order at 9:35 a.m. On the call of the roll, Chair Peskin and Member Tang were noted present. Member Breed was noted not present. There was a quorum.

Supervisor Yee Excused from Attendance

Member Tang moved that Supervisor Yee be excused from the November 17, 2016, Government Audit and Oversight Committee meeting. The motion carried by the following vote:

Ayes: 2 - Peskin, Tang

Excused: 1 - Yee

Absent: 1 - Breed

AGENDA CHANGES

Chair Peskin requested that File No. 161191 be called and heard first.

Chair Peskin requested that File Nos. 161141, 161142, and 161144 be called and heard together.

REGULAR AGENDA

Member Breed was noted present at 9:49 a.m. and for the remainder of the meeting.

160998 [Hearing - The City's Electric Vehicle Fleet]

Sponsor: Tang

Hearing on the City's electric vehicle fleet, to determine what would be required for the City to commit to procuring 100% of its light-duty fleet as electric vehicles by 2020, and how to accelerate the adoption of electric vehicles for our medium- and heavy-duty fleets; and requesting the City Administrator, the General Services Agency, the Department of the Environment, the Mayor's Office, and the San Francisco Public Utilities Commission to report.

09/13/16; RECEIVED AND ASSIGNED to Budget and Finance Committee.

09/19/16; REFERRED TO DEPARTMENT. Referred to City Administrator, General Services Agency, Department of Environment, Mayor's Office, Public Utilities Commission for informational purposes.

10/06/16; TRANSFERRED to Government Audit and Oversight Committee. President Breed transferred the matter from the Budget and Finance Committee to the Government Audit and Oversight Committee.

Heard in Committee. Speakers: Jessie Denver, Energy Program Manager (Department of Environment); Jackie Fong (City Administrator's Office); John Leal (Public Works); Taras Madison (Department of Building Inspection); Barbara Hale, Assistant General Manager of Power Enterprise (San Francisco Public Utilities Commission); presented information and answered questions raised throughout the discussion.

Vice Chair Tang moved that this Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 3 - Peskin, Breed, Tang

Excused: 1 - Yee

161191 [Appointment, Parks, Recreation and Open Space Advisory Committee - Natalie Dillon]

Hearing to consider appointing one member, term ending February 1, 2017, to the Park, Recreation and Open Space Advisory Committee. (Rules Committee)

Vacant seat 4, succeeding Heather Fuchs, resigned, must be nominated by the District 4 Supervisor and from District 4, for the unexpired portion of a two-year term ending February 1, 2017.

10/28/16; RECEIVED AND ASSIGNED to Rules Committee.

11/15/16; TRANSFERRED to Government Audit and Oversight Committee. Pursuant to File No. 161207, passed by the Board of Supervisors on November 15, 2016, this item was transferred from the Rules Committee to the Government Audit and Oversight Committee - 11/15/16.

Heard in Committee. Speaker: Natalie Dillon; spoke on their qualifications.

Appointment of Natalie Dillon, seat 4, recommended.

PREPARED IN COMMITTEE AS A MOTION

Motion appointing Natalie Dillon, term ending February 1, 2017, to the Park, Recreation and Open Space Advisory Committee. (Rules Committee)

Natalie Dillon, seat 4, succeeding Heather Fuchs, resigned, must be nominated by the District 4 Supervisor and from District 4, for the unexpired portion of a two-year term ending February 1, 2017.

Supervisor Tang moved that this Motion be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Peskin, Tang

Excused: 1 - Yee

Absent: 1 - Breed

Member Tang was noted absent at 10:26 a.m. and for the remainder of the meeting.

161099 [Mills Act Historical Property Contract - 361 Oak Street]

Sponsor: Breed

Resolution approving a historical property contract between Christopher J. Ludwig and Liesl Ludwig, the owners of 361 Oak Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor-Recorder to execute the historical property contract. (Planning Department)

10/12/16; RECEIVED FROM DEPARTMENT.

10/18/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

10/26/16; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review; Planning Department, Office of the Assessor-Recorder, and the Historical Preservation Commission for informational purposes.

11/09/16; RESPONSE RECEIVED. Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

Heard in Committee. Speakers: Shannon Ferguson (Planning Department); Christopher Ludwig; presented information and answered questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

161206 [Setting the Budget and Legislative Analyst Services Audit Plan - Department of Technology - FY2016-2017]

Sponsor: Peskin

Motion directing the Budget and Legislative Analyst to conduct a performance audit of the Department of Technology in FY2016-2017, with a focus on the following areas: 1) staffing, recruitment, and retention, 2) information security, 3) strategic planning and project management, 4) customer service and performance management, and 5) financial management.

11/01/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

11/04/16; REFERRED TO DEPARTMENT. Referred to the Budget and Legislative Analyst's Office, Department of Technology, and Real Estate Division for informational purposes.

Heard in Committee. Speaker: Severin Campbell (Office of the Budget and Legislative Analyst); presented information and answered questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

Chair Peskin recessed the Government Audit and Oversight Committee meeting at 10:30 a.m. and reconvened at 10:38 a.m.

160975 [Hearing - Building Standards in Seismic Safety Zones]**Sponsor: Peskin**

Hearing on existing building standards in seismic safety zones, including infill and waterfront neighborhoods; and requesting the Department of Building Inspection to report.

09/06/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

09/12/16; REFERRED TO DEPARTMENT. Referred to the Department of Building Inspection for informational purposes and requested the department to report.

09/22/16; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Tom Hui, Director, Ron Tom, William Strawn, Gary Ho, Daniel Lowry, Ed Sweeney, and Hanson Tom (Department of Building Inspection); Raymond Lui; (Public Works); Patrick Otellini (Office of the City Administrator); presented information and answered questions raised throughout the discussion. Denis Shanagher, Esq. (Duane Morris LLP), Evette Davis (BergDavis Public Affairs); Female Speaker; Female Speaker; Nina Agavian; Male Speaker; spoke on various concerns relating to the hearing matter.

10/28/16; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Director Tom Hui, William Strawn, Hanson Tom, Raymond Lui, Ed Sweeney, and Daniel Lowry (Department of Building Inspection); presented information and answered questions raised throughout the discussion. Frank Jernigan; spoke on various concerns relating to the hearing matter.

Heard in Committee. Speakers: Director Tom Hui, Daniel Lowry, and Ronald Tom (Department of Building Inspection); Frank Chiu, former Director of Department of Building Inspection; Hanson Tom and Gary Ho (Department of Building Inspection); David Briggs (San Francisco Public Utilities Commission); presented information and answered questions raised throughout the discussion. Janet Campbell (support); presented various concerns relating to the hearing matter.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

LITIGATION

Speakers: None.

Conference with City Attorney

[Convene in Closed Session - Existing Litigation - City as Plaintiff and/or Defendant]

Motion that the Government Audit and Oversight Committee of the Board of Supervisors convene in closed session with the City Attorney for the purpose of conferring with, or receiving advice from, the City Attorney regarding the following existing lawsuits and claims in which proposed settlements are being considered by the Committee. Administrative Code Section 67.10(d) permit this closed session. Discussion in open session concerning these matters would likely and unavoidably prejudice the position of the City in the pending lawsuits and claims listed below.

Persons in attendance: Jon Givner (Office of the City Attorney) and Derek Evans (Office of the Clerk of the Board).

After a closed session, if one occurs, the Committee shall adopt a motion either to disclose or not to disclose.

The Committee elected to hold the Litigation items in open session, therefore no motion was made to convene in closed session or disclose closed session deliberations.

161141 [Settlement of Lawsuit and Supplemental Appropriation - First National Insurance Company of America - \$405,000]

Ordinance authorizing settlement of the lawsuit filed by First National Insurance Company of America against the City and County of San Francisco for \$405,000; the lawsuit was filed on February 13, 2015, in San Francisco Superior Court, Case No. CGC-15-544117; entitled First National Insurance Company of America v. City and County of San Francisco, et al.; the lawsuit involves alleged water main break and flooded property; and appropriating \$405,000 from the Water Enterprise fund balance for such purpose. (City Attorney)

10/24/16; RECEIVED FROM DEPARTMENT.

11/01/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

161142 [Settlement of Lawsuit - Beresford Corporation, a California Corporation - \$52,500]

Ordinance authorizing settlement of the lawsuit filed by Beresford Corporation, a California Corporation, against the City and County of San Francisco for \$52,500; the lawsuit was filed on October 30, 2014, in San Francisco Superior Court, Case No. CGC-14-542440; entitled Beresford Corporation, A California Corporation v. City and County of San Francisco, DOE 1 - 10, Inclusive; the lawsuit involves a demand for tax refund. (City Attorney)

10/24/16; RECEIVED FROM DEPARTMENT.

11/01/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

161144 [Settlement of Unlittigated Claim - BHR Operations, LLC - \$169,263.18]

Resolution approving the settlement of the unlittigated claim filed by BHR Operations, LLC against the City and County of San Francisco for \$169,263.18; claim was filed on March 14, 2016; the claim involves a refund of Transient Occupancy Tax, Tourist Improvement District Fees and Moscone Expansion District fees. (City Attorney)

10/24/16; RECEIVED FROM DEPARTMENT.

11/01/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 12:02 p.m.

N.B. The Minutes of this meeting set forth all actions taken by the Government Audit and Oversight Committee on the matters stated, but not necessarily in the chronological sequence in which the matters were taken up.