

BUDGET AND FINANCE COMMITTEE CITY AND COUNTY OF SAN FRANCISCO

MEETING MINUTES

Thursday, June 15, 2017 - 10:00 AM

City Hall, Legislative Chamber, Room 250

Rescheduled Meeting

Members: Malia Cohen, Norman Yee, Katy Tang, Jane Kim, Jeff Sheehy

Clerk: Linda Wong (415) 554-7719

Angela Calvillo, Clerk of the Board

BOARD COMMITTEES

Committee Membership

Budget and Finance Committee

Supervisors Cohen, Yee, Tang, Kim, Sheehy

Budget and Finance Federal Select Committee

Supervisors Cohen, Sheehy, Fewer

Budget and Finance Sub-Committee

Supervisors Cohen, Yee, Tang

Government Audit and Oversight Committee

Supervisors Kim, Peskin, Breed

Land Use and Transportation Committee

Supervisors Farrell, Peskin, Tang

Public Safety and Neighborhood Services Committee

Supervisors Ronen, Sheehy, Fewer

Rules Committee

Supervisors Safai, Fewer, Yee

Meeting Days

Thursday

1:00 PM

2nd and 4th Thursday

1:05 PM

Thursday

10:00 AM

1st and 3rd Wednesday

10:00 AM

Monday

1:30 PM

2nd and 4th Wednesday

10:00 AM

2nd and 4th Wednesday

1:00 PM

First-named Supervisor is Chair, Second-named Supervisor is Vice-Chair of the Committee.

Members Present: Malia Cohen, Norman Yee, Katy Tang, Jane Kim, and Jeff Sheehy

The Budget and Finance Committee met in regular session on Thursday, June 15, 2017, with Chair Malia Cohen presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Cohen called the meeting to order at 10:06 a.m. On the call of the roll, Chair Cohen, Member Tang, Member Kim, and Member Sheehy were noted present. Vice Chair Yee was noted not present. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

Vice Chair Yee was noted present at 10:10 a.m.

170422 [Real Property Acquisition - 145-165-11th Street, 973 Minna Street, and 964 Natoma Street - Recreation and Park Department - \$9,725,000]

Sponsor: Kim

Resolution approving and authorizing an agreement for the City's acquisition of five parcels of improved real estate, consisting of approximately 19,500 square feet in land area, including the assumption of certain existing leases, from Ares Commercial Properties, Inc., for \$9,725,000; placing the property under the jurisdiction of the Recreation and Park Department, and authorizing the use of revenues from the property for property-related costs and future park planning; adopting findings under the California Environmental Quality Act for the acquisition, but requiring any future park conversion project to be subject to the review and approval of the Recreation and Park Commission following environmental review; adopting findings that the conveyance is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of Property to execute documents, make certain modifications, and take certain actions in furtherance of the purchase agreement and this Resolution.

(Fiscal Impact)

Heard in Committee. Speakers: Dawn Kamalanathan (Recreation and Park Department); Harvey Rose (Office of the Budget and Legislative Analyst); John Updike, Director (Real Estate Division); provided an overview and responded to questions raised throughout the discussion. Rebecca Evans; Female Speaker; Donna Lee; Jane Wild; Casey Ausberry; Eileen Bowgan; Todd David; spoke in support of the hearing matter.

Chair Cohen, seconded by Member Tang, moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

170444 [Administrative Code - Kindergarten to College Fund]**Sponsor: Sheehy**

Ordinance amending the Administrative Code to create the Kindergarten to College Fund.

Heard in Committee. Speaker: Amanda Fried (Office of the Treasurer and Tax Collector); provided an overview and responded to questions raised throughout the discussion.

Chair Cohen, seconded by Member Sheehy, moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

Chair Cohen requested File Nos. 170677 and 170678 be called and heard together.

170677 [Appropriation - Proceeds from Water Enterprise Revenue Bonds - Property Purchase Located at Rollins Road - FY2017-2018 - \$9,132,962]**Sponsor: Mayor**

Ordinance appropriating \$9,132,962 of proceeds from Water Enterprise Revenue Bonds to purchase the property located at 1657-1663 Rollins Road, Burlingame that has served as the primary work location for San Francisco Public Utilities Commission (SFPUC) staff from the Water Quality Division, the Natural Resources & Land Management Division, and the Water Supply & Treatment Division in FY2017-2018; and placing \$9,132,962 of proceeds on Controller's Reserve pending receipt of proceeds of indebtedness.

(Fiscal Impact)

Heard in Committee. Speakers: Charles Perl (Public Utilities Commission); Harvey Rose (Office of the Budget and Legislative Analyst); Jon Givner (Office of the City Attorney); John Updike, Director (Real Estate Division); provided an overview and responded to questions raised throughout the discussion.

Chair Cohen, seconded by Member Kim, moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

170678 [Ordinance Amendment - Public Utilities Commission - Water Revenue Bond Issuance - Not to Exceed \$274,130,430]**Sponsor: Mayor**

Ordinance amending Ordinance No. 112-16 to authorize an increase of the issuance and sale of tax-exempt or taxable Water Revenue Bonds and other forms of indebtedness (as described below) by the San Francisco Public Utilities Commission (Commission) to an aggregate principal amount not to exceed \$274,130,430 to finance the costs of various capital water projects benefitting the Water Enterprise, including new funding to finance the cost of the acquisition of the Rollins Road Property (as described below) pursuant to amendments to the Charter of the City and County of San Francisco enacted by the voters on November 5, 2002, as Proposition E; authorizing the issuance of Water Revenue Refunding Bonds; declaring the Official Intent of the Commission to reimburse itself with one or more issues of tax-exempt or taxable bonds or other forms of indebtedness; and ratifying previous actions taken in connection therewith. (Public Utilities Commission)
(Fiscal Impact)

Heard in Committee. Speakers: Charles Perl (Public Utilities Commission); Harvey Rose (Office of the Budget and Legislative Analyst); Jon Givner (Office of the City Attorney); John Updike, Director (Real Estate Division); provided an overview and responded to questions raised throughout the discussion.

Chair Cohen, seconded by Member Kim, moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

Chair Cohen requested File Nos. 170676, 170683, 170684, and 170686 be called and heard together.

170676 [Neighborhood Beautification and Graffiti Clean-up Fund Tax Designation Ceiling - Tax Year 2017]**Sponsor: Mayor**

Ordinance adopting the Neighborhood Beautification and Graffiti Clean-up Fund Tax designation ceiling for tax year 2017.

Heard in Committee. Speakers: Ben Rosenfield, City Controller (Office of the Controller); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Member Tang, seconded by Member Kim, moved that this Ordinance be RECOMMENDED to the Board of Supervisors meeting of July 11, 2017. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

170713 [Hearing - Controller's Revenue Letter and Mayor's Proposed Budget - FYs 2017-2019]**Sponsor: Cohen**

Hearing to consider the Controller's Revenue Letter and discussion of the Mayor's Proposed Budget for FYs 2017-2018 and 2018-2019; and requesting the Controller and Mayor's Office of Public Policy and Finance to report.

Heard in Committee. Speakers: Melissa Whitehouse (Office of the Mayor); Ben Rosenfield, City Controller (Office of the Controller); provided an overview and responded to questions raised throughout the discussion.

Chair Cohen, seconded by Member Kim, moved that this Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

Chair Cohen requested File Nos. 170653 and 170654 be called together.

Chair Cohen recessed the meeting at 1:57 p.m., and reconvened the meeting at 2:13 p.m.

Member Kim was noted absent at 4:47 p.m.

Supervisor Fewer was noted present at 4:51 p.m.

SPECIAL MEETING OF THE BOARD OF SUPERVISORS

Member Kim was noted present at 5:13 p.m.; thereby, constituting a quorum of the Board of Supervisors. A Special Meeting of the Board of Supervisors was convened at 5:13 p.m. However, the meeting was conducted in all respects as a committee meeting and all substantive decisions were recommendations of the committee; no action was taken as the Board.

Present: Supervisors Cohen, Fewer, Kim, Sheehy, Tang, and Yee

170653 [Budget and Appropriation Ordinance for Departments - FYs 2017-2018 and 2018-2019]

Sponsor: Mayor

Proposed Budget and Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for Departments of the City and County of San Francisco as of May 31, 2017, for the FYs ending June 30, 2018, and June 30, 2019.
(Fiscal Impact.)

Heard in Committee. Speakers: Carmen Chu, Assessor-Recorder, and Rachel Superman (Office of the Assessor-Recorder); Ben Rosenfield, City Controller (Office of the Controller); Jon Givner (Office of the City Attorney); Michelle Allersma (Office of the Controller); Jesse Smith and Moira Walsh (Office of the City Attorney); Jay Huish (Retirement System); Benjamin McCloskey (Mayor's Office of Housing and Community Development); Melissa Whitehouse (Office of the Mayor); John Arntz, Director (Department of Elections); Mitchell Craig and Pamela Levin (Health Service System); Micki Callahan, Director (Department of Human Resources); Max Hollein, Director, and Ed Prohaska (Fine Arts Museum); Jay Xu, Director (Asian Arts Museum); Debbie Raphael, Director (Department of the Environment); Naomi Kelly, City Administrator, and Adam Nguyen (Office of the City Administrator); Jaci Fong, City Purchaser (Office of Contract Administration); Miguel Gamiño, Executive Director (Department of Technology); Mohammed Nuru, Director (Public Works); Phil Ginsburg, General Manager (Recreation and Park Department); Angela Calvillo, Clerk of the Board (Board of Supervisors); Jason Fried, Executive Officer (San Francisco Local Agency Formation Commission); Supervisor Sandra Lee Fewer (Board of Supervisors); Teresa Stricker, Legal Counsel (Renne Sloan Holtzman Sakai LLP); Harvey Rose, Severin Campbell, and Debra Newman (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Cohen, seconded by Vice Chair Yee, moved that this Ordinance be CONTINUED to the Special Budget and Finance Committee meeting of June 16, 2017. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

170654 [Annual Salary Ordinance - FYs 2017-2018 and 2018-2019]**Sponsor: Mayor**

Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the FYs ending June 30, 2018, and June 30, 2019, continuing, creating, or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefore.
(Fiscal Impact)

Heard in Committee. Speakers: Carmen Chu, Assessor-Recorder, and Rachel Superman (Office of the Assessor-Recorder); Ben Rosenfield, City Controller (Office of the Controller); Jon Givner (Office of the City Attorney); Michelle Allersma (Office of the Controller); Jesse Smith and Moira Walsh (Office of the City Attorney); Jay Huish (Retirement System); Benjamin McCloskey (Mayor's Office of Housing and Community Development); Melissa Whitehouse (Office of the Mayor); John Arntz, Director (Department of Elections); Mitchell Craig and Pamela Levin (Health Service System); Micki Callahan, Director (Department of Human Resources); Max Hollein, Director, and Ed Prohaska (Fine Arts Museum); Jay Xu, Director (Asian Arts Museum); Debbie Raphael, Director (Department of the Environment); Naomi Kelly, City Administrator, and Adam Nguyen (Office of the City Administrator); Jaci Fong, City Purchaser (Office of Contract Administration); Miguel Gamiño, Executive Director (Department of Technology); Mohammed Nuru, Director (Public Works); Phil Ginsburg, General Manager (Recreation and Park Department); Angela Calvillo, Clerk of the Board (Board of Supervisors); Jason Fried, Executive Officer (San Francisco Local Agency Formation Commission); Supervisor Sandra Lee Fewer (Board of Supervisors); Teresa Stricker, Legal Counsel (Renne Sloan Holtzman Sakai LLP); Harvey Rose, Severin Campbell, and Debra Newman (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Cohen, seconded by Vice Chair Yee, moved that this Ordinance be CONTINUED to the Special Budget and Finance Committee meeting of June 16, 2017. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

170656 [Treasure Island Development Authority Budget - FYs 2017-2018 and 2018-2019]**Sponsor: Mayor**

Resolution approving the Budget of the Treasure Island Development Authority for FYs 2017-2018 and 2018-2019.
(Fiscal Impact; No Budget and Legislative Analyst Report.)

Heard in Committee. Speaker: Melissa Whitehouse (Office of the Mayor); provided an overview and responded to questions raised throughout the discussion.

Chair Cohen, seconded by Member Kim, moved that this Resolution be RECOMMENDED to the Board of Supervisors meeting of July 11, 2017. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

170658 [Office of Community Investment and Infrastructure, Operating as Successor Agency to the San Francisco Redevelopment Agency - FY2017-2018 Budget]**Sponsor: Mayor**

Resolution approving the FY2017-2018 Budget of the Office of Community Investment and Infrastructure, operating as the Successor Agency to the San Francisco Redevelopment Agency. (Fiscal Impact; No Budget and Legislative Analyst Report.)

Heard in Committee. Speaker: Nadia Sesay, Director (Office of Community Investment and Infrastructure); provided an overview and responded to questions raised throughout the discussion.

Member Kim, seconded by Member Tang, moved that this Resolution be RECOMMENDED to the Board of Supervisors meeting of July 11, 2017. The motion carried by the following vote:

Ayes: 4 - Cohen, Tang, Kim, Sheehy

Absent: 1 - Yee

170683 [Access Line Tax Adjustment - Consumer Price Index of 2017]**Sponsor: Mayor**

Resolution concurring with the Controller's establishment of the Consumer Price Index for 2017, and adjusting the Access Line Tax by the same rate.

Heard in Committee. Speakers: Ben Rosenfield, City Controller (Office of the Controller); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Member Tang, seconded by Member Kim, moved that this Resolution be RECOMMENDED to the Board of Supervisors meeting of July 11, 2017. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

170684 [Authorization to Examine Prepaid Mobile Telephony Service Surcharge and Local Charge Records]**Sponsor: Mayor**

Resolution authorizing the Controller's Office and Office of the Treasurer and Tax Collector to examine the prepaid mobile telephony services surcharge and local charges collected by the State Board of Equalization.

Heard in Committee. Speakers: Ben Rosenfield, City Controller (Office of the Controller); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Member Tang, seconded by Member Kim, moved that this Ordinance be RECOMMENDED to the Board of Supervisors meeting of July 11, 2017. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

170673 [Re-Appropriation - 2014 Transportation and Road Improvements General Obligation Bonds Series 2015B Projects - \$26,200,000 - FY2017-2018]**Sponsor: Mayor**

Ordinance re-appropriating \$26,200,000 of 2014 Transportation and Road Improvements General Obligation Bonds Series 2015B funded Better Market Street projects and Muni Forward and Pedestrian Safety Improvements Projects to Transit projects including Muni Facility Upgrades in FY2017-2018.

(Fiscal Impact)

Heard in Committee. Speakers: Monique Webster (Municipal Transportation Agency); Harvey Rose (Office of the Budget and Legislative Analyst); Sean Kennedy and Dillon Auyoung (Municipal Transportation Agency); provided an overview and responded to questions raised throughout the discussion.

Chair Cohen, seconded by Member Tang, moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

170685 [Proposition J Contract Certification - Security Guard Services]**Sponsor: Mayor**

Resolution concurring with the Controller's certification that security services at the new Medical Examiner facility at 1 Newhall Street can be performed by a private contractor for a lower cost than similar work performed by City and County employees at the General Services Agency-City Administrator.

Heard in Committee. Speakers: Ben Rosenfield, City Controller (Office of the City Controller); Jaci Fong, City Purchaser (Office of Contract Administration); provided an overview and responded to questions raised throughout the discussion. Aaron Barbero; Diane Fitzgibbon; Sue Taylor; Ari Gutierrez; spoke on the hearing matter.

Chair Cohen, seconded by Member Tang, moved that this Resolution be CONTINUED to the next Budget and Finance Committee meeting. The motion carried by the following vote:

Ayes: 3 - Cohen, Yee, Tang, Kim, Sheehy

Chair Cohen, seconded by Member Kim, moved to rescind the previous vote. The motion carried by the following vote:

Ayes: 3 - Cohen, Yee, Tang, Kim, Sheehy

Chair Cohen, seconded by Member Kim, moved that this Resolution be CONTINUED to the Special Budget and Finance Committee meeting of June 21, 2017. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

170686 [Proposition J Contract Certification - Specified Contracted-Out Services Previously Approved]**Sponsor: Mayor**

Resolution concurring with the Controller's certification that services previously approved can be performed by private contractor for a lower cost than similar work performed by City and County employees, for the following services: budget analyst (Board of Supervisors); citywide custodial services (excluding City Hall), citywide security services, central shops security, convention facilities management (General Services Agency-City Administrator); mainframe system support (General Services Agency-Technology); security services (Human Services Agency); food services for jail inmates (Sheriff); and assembly of vote-by-mail envelopes (Department of Elections).

Heard in Committee. Speakers: Ben Rosenfield, City Controller (Office of the Controller); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Member Tang, seconded by Member Kim, moved that this Resolution be RECOMMENDED to the Board of Supervisors meeting of July 11, 2017. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

170647 [Outreach Community Advertising and Neighborhood Outreach Advertising - Small Business Exchange; Sing Tao Daily; World Journal SF LLC; El Reportero; Bay Area Reporter; The Potrero View; Jasmine Blue Media, dba Marina Times - FY2017-2018]

Resolution designating Small Business Exchange to be the outreach periodical of the City and County of San Francisco for the African American community; San Francisco Print Media Co., doing business as SF Weekly, to be the outreach periodical of the City and County of San Francisco for the Chinese community; San Francisco Print Media Co., doing business as SF Weekly to be the outreach periodical of the City and County of San Francisco for the Hispanic community; Bay Area Reporter to be the outreach periodical of the City and County of San Francisco for the Lesbian, Gay, Bisexual and Transgender community; and The Potrero View to be the neighborhood outreach periodical of the City and County of San Francisco for the Potrero Hill, Bayview, Mission Bay and SoMa neighborhoods; to provide outreach advertising for FY2017-2018. (Office of Contract Administration)

Heard in Committee. Speakers: Ben Rosenfield, City Controller (Office of the City Controller); Jaci Fong, City Purchaser (Office of Contract Administration); provided an overview and responded to questions raised throughout the discussion. Aaron Barbero; Diane Fitzgibbon; Sue Taylor; Ari Gutierrez; spoke on the hearing matter.

Member Kim, seconded by Vice Chair Yee, moved that this Resolution be AMENDED to remove San Francisco Print Media Co., dba SF Weekly, and to include SingTao Daily, World Journal SF, LLC, and El Reportero. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

Resolution designating Small Business Exchange to be the outreach periodical of the City and County of San Francisco for the African American community; Sing Tao Daily and World Journal SF LLC, to be the outreach periodical of the City and County of San Francisco for the Chinese community; El Reportero to be the outreach periodical of the City and County of San Francisco for the Hispanic community; Bay Area Reporter to be the outreach periodical of the City and County of San Francisco for the Lesbian, Gay, Bisexual and Transgender community; and The Potrero View to be the neighborhood outreach periodical of the City and County of San Francisco for the Potrero Hill, Bayview, Mission Bay and SoMa neighborhoods; to provide outreach advertising for FY2017-2018. (Office of Contract Administration)

Chair Cohen, seconded by Member Tang, moved that this Resolution be CONTINUED AS AMENDED to the next Budget and Finance Committee meeting. The motion carried by the following vote:

Ayes: 3 - Cohen, Yee, Tang, Kim, Sheehy

Chair Cohen, seconded by Member Kim, moved to rescind the previous vote. The motion carried by the following vote:

Ayes: 3 - Cohen, Yee, Tang, Kim, Sheehy

Member Kim, seconded by Member Tang, moved that this Resolution be RECOMMENDED AS AMENDED to the Special Budget and Finance Committee meeting of June 21, 2017. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

170648 [Official Advertising - San Francisco Print Media Co., dba San Francisco Examiner - FY2017-2018]

Resolution designating San Francisco Print Media Co., dba San Francisco Examiner, to be the official newspaper of the City and County of San Francisco for all official advertising for FY2017-2018. (Office of Contract Administration)

Heard in Committee. Speakers: Ben Rosenfield, City Controller (Office of the City Controller); Jaci Fong, City Purchaser (Office of Contract Administration); provided an overview and responded to questions raised throughout the discussion. Aaron Barbero; Diane Fitzgibbon; Sue Taylor; Ari Gutierrez; spoke on the hearing matter.

Member Kim, seconded by Member Tang, moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 5 - Cohen, Yee, Tang, Kim, Sheehy

ADJOURNMENT

There being no further business, the Board of Supervisors and the Budget and Finance Committee adjourned at the hour of 6:11 p.m.

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

Approved by the Board of Supervisors on July 25, 2017.

Angela Calvillo, Clerk of the Board