



City and County of San Francisco
Meeting Minutes
Budget and Finance Committee

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

Members: Mark Farrell, Katy Tang, Norman Yee

Clerk: Linda Wong (415) 554-7719

Wednesday, January 27, 2016

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Mark Farrell, Katy Tang, and Norman Yee

The Budget and Finance Committee met in regular session on Wednesday, January 27, 2016, with Chair Mark Farrell presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Farrell called the meeting to order at 10:04 a.m. On the call of the roll, Chair Farrell, Vice Chair Tang, and Member Yee were noted present. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

File Nos. 151276 and 151275 were heard together.

151276 [General Obligation Bond Election - Public Health and Safety - \$350,000,000]

Sponsor: Mayor

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, June 7, 2016, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$350,000,000 to finance the construction, acquisition, improvement, and betterment of critical community health, emergency response and safety, and animal care facilities for earthquake safety and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants in accordance with Administrative Code, Chapter 37; finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; adopting findings under the California Environmental Quality Act ("CEQA"), CEQA Guidelines, and Administrative Code, Chapter 31; finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and with the General Plan, consistency requirement of Charter, Section 4.105, and Administrative Code, Section 2A.53; consolidating the special election with the general election; establishing the election precincts, voting places and officers for the election; waiving the word limitation on ballot propositions imposed by Municipal Elections Code, Section 510; complying with the restrictions on the use of bond proceeds specified in California Government Code, Section 53410; incorporating the provisions regarding the citizens' bond oversight committee in Administrative Code, Sections 5.30-5.36; and waiving the time requirements specified in Administrative Code, Section 2.34.

(Fiscal Impact)

12/15/15; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 1/14/2016.

12/23/15; REFERRED TO DEPARTMENT. (12/23/15 - Referred to the Capital Planning Program; Fire Commission; Police Commission; Office of the Controller; Office of the Treasurer & Tax Collector for informational purposes.)

Heard in Committee. Speakers: Brian Strong (Capital Planning Committee); Jon Givner (Office of the City Attorney); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Sally Stephens; Lydia Brown; Male Speaker; Tracy Tang; Female Speaker; Hoi Fong Ip; Female Speaker; Jane; Male Speaker; Bevan Dufty; Josephine Zhao; spoke on the hearing matter.

Member Tang moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to include improvement of mental health and homeless services, and making other clarifying amendments. The motion carried by the following vote:

Ayes: 3 - Farrell, Tang, Yee

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, June 7, 2016, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$350,000,000 to finance the construction, acquisition, improvement, seismic strengthening and betterment of critical community and mental health, emergency response and safety, and homeless shelter and service facilities and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants in accordance with Administrative Code, Chapter 37; finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; adopting findings under the California Environmental Quality Act ("CEQA"), CEQA Guidelines, and Administrative Code, Chapter 31; finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and with the General Plan, consistency requirement of Charter, Section 4.105, and Administrative Code, Section 2A.53; consolidating the special election with the general election; establishing the election precincts, voting places and officers for the election; waiving the word limitation on ballot propositions imposed by Municipal Elections Code, Section 510; complying with the restrictions on the use of bond proceeds specified in California Government Code, Section 53410; incorporating the provisions regarding the citizens' bond oversight committee in Administrative Code, Sections 5.30-5.36; and waiving the time requirements specified in Administrative Code, Section 2.34.

(Fiscal Impact)

CONTINUED AS AMENDED to the Budget and Finance Committee Meeting of February 3, 2016, by the following vote:

Ayes: 3 - Farrell, Tang, Yee

151275 [General Obligation Bonds - Public Health and Safety - Estimated Cost of \$350,000,000]**Sponsor: Mayor**

Resolution determining and declaring that the public interest and necessity demand the construction, acquisition, improvement and betterment of critical community health, emergency response and safety, and animal care facilities for earthquake safety and the payment of related costs necessary or convenient for the foregoing purposes; finding that the estimated cost of \$350,000,000 for such improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require incurring bonded indebtedness; finding that a portion of the proposed bond is not a project under the California Environmental Quality Act ("CEQA") and adopting findings under CEQA, CEQA Guidelines, and San Francisco Administrative Code, Chapter 31, for the remaining portion of the proposed bond; finding the proposed bond is in conformity with the priority policies of Planning Code, Section 101.1(b) and with the General Plan consistency requirement of Charter, Section 4.105, and Administrative Code, Section 2A.53; and waiving the time limits set forth in Administrative Code, Section 2.34.

(Economic Impact)

(Fiscal Impact)

12/15/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Brian Strong (Capital Planning Committee); Jon Givner (Office of the City Attorney); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Sally Stephens; Lydia Brown; Male Speaker; Tracy Tang; Female Speaker; Hoi Fong Ip; Female Speaker; Jane; Male Speaker; Bevan Dufty; Josephine Zhao; spoke on the hearing matter.

Vice Chair Tang moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to include improvement of mental health and homeless services, and making other clarifying amendments. The motion carried by the following vote:

Ayes: 3 - Farrell, Tang, Yee

Resolution determining and declaring that the public interest and necessity demand the construction, acquisition, improvement, seismic strengthening and betterment of critical community and mental health, emergency response and safety, and homeless shelter and service facilities and the payment of related costs necessary or convenient for the foregoing purposes; finding that the estimated cost of \$350,000,000 for such improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require incurring bonded indebtedness; finding that a portion of the proposed bond is not a project under the California Environmental Quality Act ("CEQA") and adopting findings under CEQA, CEQA Guidelines, and San Francisco Administrative Code, Chapter 31, for the remaining portion of the proposed bond; finding the proposed bond is in conformity with the priority policies of Planning Code, Section 101.1(b) and with the General Plan consistency requirement of Charter, Section 4.105, and Administrative Code, Section 2A.53; and waiving the time limits set forth in Administrative Code, Section 2.34.

(Economic Impact)

(Fiscal Impact)

CONTINUED AS AMENDED to the Budget and Finance Committee Meeting of February 3, 2016, by the following vote:

Ayes: 3 - Farrell, Tang, Yee

151278 [Agreement Amendment - AT&T Corporation - Telecommunications Services - Not to Exceed \$122,429,557]**Sponsor: Farrell**

Ordinance retroactively authorizing the Department of Technology and the Department of Contract Administration to enter into the Third Amendment of an Agreement between the City and the AT&T Corporation, for the City's telecommunications services, by extending the term of the agreement for an additional five years through December 31, 2020, and increasing the total not-to-exceed amount of the agreement from \$97,953,700 to \$121,764,312.

(Fiscal Impact)

12/15/15; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 1/14/2016.

Heard in Committee. Speakers: Leo Levenson (Department of Technology); Joe Lapka (Office of the Controller); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Vice Chair Tang moved that this Ordinance be AMENDED to increase the master contract not-to-exceed amount to \$122,429,557. The motion carried by the following vote:

Ayes: 3 - Farrell, Tang, Yee

Ordinance retroactively authorizing the Department of Technology and the Department of Contract Administration to enter into the Third Amendment of an Agreement between the City and the AT&T Corporation, for the City's telecommunications services, by extending the term of the agreement for an additional five years through December 31, 2020, and increasing the total not-to-exceed amount of the agreement from \$97,953,700 to \$122,429,557.

(Fiscal Impact)

CONTINUED AS AMENDED to the Budget and Finance Meeting of February 3, 2016, by the following vote:

Ayes: 3 - Farrell, Tang, Yee

151167 [Contract Amendment - Addiction, Research and Treatment, dba BAART - Behavioral Health Services - Not-to-Exceed \$51,359,308]

Resolution retroactively approving amendment number three to the Department of Public Health contract for behavioral health services with Addiction, Research and Treatment, doing business as BAART, to extend the contract by three years, from July 1, 2010, through June 30, 2015, to July 1, 2010, through June 30, 2018, with a corresponding increase of \$26,681,213 for a total amount not to exceed \$52,724,278. (Public Health Department)

(Fiscal Impact)

11/02/15; RECEIVED FROM DEPARTMENT.

11/17/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Michelle Ruggels (Department of Public Health); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Walter Paulson; spoke neither in support nor opposition to the hearing matter.

Member Yee moved that this Resolution be AMENDED to be retroactive to July 1, 2015, and to reduce the requested not-to-exceed amount to \$51,359,308. The motion carried by the following vote:

Ayes: 3 - Farrell, Tang, Yee

Resolution retroactively approving amendment number three to the Department of Public Health contract for behavioral health services with Addiction, Research and Treatment doing business as BAART to extend the contract by three years, from July 1, 2010, through June 30, 2015, to July 1, 2015, through June 30, 2018, with a corresponding increase of \$25,316,243 for a total amount not-to-exceed \$51,359,308. (Public Health Department)
(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

151011 [Accept and Expend Grant - Federal Emergency Management Agency - Purchase Five Ambulances - \$780,664]

Sponsor: Breed

Resolution retroactively authorizing the San Francisco Fire Department to accept and expend a grant in the amount of \$780,664 from the Federal Emergency Management Agency to purchase five ambulances, over the period of August 6, 2015, through August 5, 2016.

10/06/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Mark Corso (Fire Department); provided an overview and responded to questions raised throughout the discussion. Walter Paulson; spoke neither in support nor opposition to the hearing matter.

RECOMMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

151012 [Accept Gift - Broderick Fire Engine - Allianz Global Corporate & Specialty North America - \$123,000]

Sponsor: Farrell

Resolution authorizing the San Francisco Fire Department to accept a gift of a Worth-Built Hand Pumped Fire Engine ("Broderick Fire Engine") from Fireman's Fund Insurance Company and Allianz Global Risks US Insurance Company, also known as Allianz Global Corporate & Specialty North America, valued at \$123,000 for use by the San Francisco Fire Department Museum.

10/06/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Mark Corso (Fire Department); provided an overview and responded to questions raised throughout the discussion. Walter Paulson; spoke neither in support nor opposition to the hearing matter.

RECOMMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

File Nos. 151226 and 160021 were heard together.

151226 [Waiver of Certain Contract Requirements for Project Delivery Agreement for New Central Shops Facilities - Oryx Development I, LLC - \$55,000,000 Project Cost; Interdepartmental Property Transfers]

Sponsor: Mayor

Ordinance approving and authorizing the Director of Property of the General Services Agency's Real Estate Division ("RED") to execute a Project Delivery Agreement with Oryx, LLC ("Developer") for the design and construction of proposed improvements to future City owned real estate at 555 Selby Street and 1975 Galvez Avenue (Assessor's Block No. 5250, Lot No. 15, and Assessor's Block No. 5250, Lot No. 16), and tenant improvements to future City leased property at 450 Toland Street (Assessor's Block No. 5230, Lot No. 18), to create new facilities for the relocation of the City's Central Fleet Maintenance Shop ("Central Shops") from 1800 Jerrold Street (portions of Assessor's Block Nos. 5262 and 5270), with total anticipated project delivery cost of \$55,000,000 from San Francisco Public Utilities Commission ("SFPUC") Wastewater Enterprise funds; exempting the project from certain contracting requirements in Administrative Code, Chapter 6, by waiving the requirements of Administrative Code, Sections 6.61(b) and 6.61(c)(1) - (4), and approving the selection of Oryx, LLC as Developer, and Developer's selection of FM&E Architecture & Design as a Subcontractor to serve as the Project Architect and Charles Pankow Builders, Ltd., as a Subcontractor to serve as General Contractor, without competitive bidding; authorizing the jurisdictional transfer of 1800 Jerrold Street, from General Services Agency's Office of Contract Administration ("OCA") to the SFPUC Wastewater Enterprise, and the jurisdictional transfer of 555 Selby Street and 1975 Galvez Avenue, and the leasehold of 450 Toland Street, from the SFPUC to OCA, subject to the terms and conditions of the Memorandum of Understanding entered into between the RED, OCA, and SFPUC; and finding the proposed transactions are in conformance with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

(Fiscal Impact)

12/01/15; ASSIGNED to Budget and Finance Committee. 12/3/2015 - President Breed waived the 30-day hold.

Heard in Committee. Speakers: Male Representative (Public Utilities Commission); John Updike (Real Estate Division); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Walter Paulson; spoke neither in support nor opposition to the hearing matter.

Vice Chair Tang moved that this Ordinance AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to clarify that the Board of Supervisors is only approving Phase I Design of the Project Delivery Agreement and making other clarifying amendments. The motion carried by the following vote:

Ayes: 3 - Farrell, Tang, Yee

Ordinance approving and authorizing the Director of Property of the General Services Agency's Real Estate Division ("RED") to execute a Project Delivery Agreement with Oryx Development I, LLC, a Nevada limited liability company ("Developer" or "Oryx"), for the design and construction of proposed improvements to future City owned real estate at 555 Selby Street and 1975 Galvez Avenue (Assessor's Block No. 5250, Lot No. 15, Assessor's Block No. 5250, Lot No. 16), and tenant improvements to future City leased property at 450 Toland Street (Assessor's Block No. 5230, Lot No. 18), to create new facilities for the relocation of the City's Central Fleet Maintenance Shop ("Central Shops") from 1800 Jerrold Street (portions of Assessor's Block Nos. 5262 and 5270), with total anticipated project delivery cost of \$55,000,000 from San Francisco Public Utilities Commission ("SFPUC") Wastewater Enterprise funds; exempting the project from certain contracting requirements in Administrative Code, Chapter 6, by waiving the requirements of Administrative Code, Sections 6.61(b) and 6.61(c)(1) - (4), and approving the selection of Oryx Development I, LLC as Developer, and Developer's selection of FM&E Architecture & Design as a Subcontractor to serve as the Project Architect, and Charles Pankow Builders, Ltd. as a Subcontractor to serve as General Contractor, without competitive bidding; authorizing the jurisdictional transfer of 1800 Jerrold Street, from General Services Agency's Office of Contract Administration ("OCA") to the SFPUC Wastewater Enterprise, and the jurisdictional transfer of 555 Selby Street and 1975 Galvez Avenue, and the leasehold of 450 Toland Street, from the SFPUC to OCA, subject to the terms and conditions of the Memorandum of Understanding entered into between the RED, OCA and SFPUC; and finding the proposed transactions are in conformance with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

160021 [Appropriation - Transfer from Wastewater Enterprise Funds to City Administrator to Implement the Central Shops Relocation Project - \$62,200,000 - FYs 2015-2016 and 2016-2017]

Sponsor: Mayor

Ordinance appropriating a \$62,200,000 transfer from Wastewater Enterprise Funds to the City Administrator for pre-development costs of the Central Shops Relocation Project in FY2015-2016. (Fiscal Impact)

01/12/16; ASSIGNED to Budget and Finance Committee. 1/14/2016 - President Breed waived the 30-day rule.

Heard in Committee. Speakers: Male Representative (Public Utilities Commission); John Updike (Real Estate Division); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Walter Paulson; spoke neither in support nor opposition to the hearing matter.

Vice Chair Tang moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to place \$45,000,000 of the total requested \$62,200,000 on Budget and Finance Committee reserve. The motion carried by the following vote:

Ayes: 3 - Farrell, Tang, Yee

Ordinance appropriating a \$62,200,000 transfer from Public Utilities Commission Wastewater Enterprise Funds to the City Administrator the Central Shops Relocation Project in FYs 2015-2016 and 2016-2017, and placing \$45,000,000 on Budget and Finance Committee reserve. (Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

151216 [Agreement Amendment - Hellmuth, Obata & Kassabaum, Inc. - Traffic Company and Forensic Services Division Facility - Earthquake Safety and Emergency Response Bond Program - Not-to-Exceed \$11,862,305]

Resolution authorizing the Director of Public Works to execute an amendment to the Agreement between the City and County of San Francisco and Hellmuth, Obata & Kassabaum, Inc., to furnish architectural and engineering design and related other consulting services for the Traffic Company and Forensic Services Division Facility under the Earthquake Safety and Emergency Response bond program, and increasing the not-to-exceed amount from \$993,952 to \$11,862,305. (Public Works) (Fiscal Impact)

11/20/15; RECEIVED FROM DEPARTMENT.

12/01/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Charles Higuera (Public Works); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

ADJOURNMENT

There being no further business, the Committee adjourned at the hour of 11:15 a.m.

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