



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, February 3, 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, February 3, 2016, with Chair Mark Farrell presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Farrell called the meeting to order at 10:16 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

REGULAR AGENDA

Files Nos. 151275 and 151276 were heard together.

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

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)

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

01/27/16; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. 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.

01/27/16; CONTINUED AS AMENDED.

Heard in Committee. Speakers: Brian Strong (Capital Planning Committee); Barbara Garcia, Director (Department of Public Health); Joann Hayes-White, Chief (Fire Department); Sam Dodge; Harvey Rose (Office of the Budget and Legislative Analyst); Nadia Sasay, Director (Office of Public Finance); Jon Givner (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion. Tom O'Connor; Dr. Edward Chow; Sue Carlisle; Ted Miclau; Dr. Todd May; Kim Farrell; Mari English; Roma Guy; Kermit Kubitz; Laura Thomas; Perry Lang; Jeff Kositsky; Jimmy Loyce; Ken Rezzo; spoke in support of the hearing matter. Gora Leung; Male Speaker; Meina Young; Tracy Tang; Jane lee; spoke in opposition to the hearing matter.

CONTINUED to a Special Budget and Finance Committee Meeting of February 8, 2016, by the following vote:

Ayes: 3 - Farrell, Tang, Yee

151276 [General Obligation Bond Election - Public Health and Safety - \$350,000,000]**Sponsors: Mayor; Breed**

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)

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.)

01/27/16; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. 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.

01/27/16; CONTINUED AS AMENDED.

Heard in Committee. Speakers: Brian Strong (Capital Planning Committee); Barbara Garcia, Director (Department of Public Health); Joann Hayes-White, Chief (Fire Department); Sam Dodge; Harvey Rose (Office of the Budget and Legislative Analyst); Nadia Sasay, Director (Office of Public Finance); Jon Givner (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion. Tom O'Connor; Dr. Edward Chow; Sue Carlisle; Ted Miclau; Dr. Todd May; Kim Farrell; Mari English; Roma Guy; Kermit Kubitz; Laura Thomas; Perry Lang; Jeff Kositsky; Jimmy Loyce; Ken Rezzo; spoke in support of the hearing matter. Glora Leung; Male Speaker; Meina Young; Tracy Tang; Jane lee; spoke in opposition to the hearing matter.

Member Yee moved that the Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE to make 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 a Special Budget and Finance Committee meeting of February 8, 2016. The motion carried 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 \$122,429,557.

(Fiscal Impact)

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

01/27/16; AMENDED. 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.

01/27/16; CONTINUED AS AMENDED.

Heard in Committee. Speakers: Leo Levenson (Department of Technology); 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

160027 [Accept and Expend Grant - State of California, Department of Parks and Recreation - Boating Safety and Enforcement Equipment - FY2015-2016 - \$77,000]
Sponsor: Farrell

Resolution retroactively authorizing the San Francisco Police Department (SFPD) to accept and expend a grant in the amount of \$77,000 from the State of California, Department of Parks and Recreation, Division of Boating and Waterways, to procure equipment and gear for the SFPD Marine Unit, for the 15-year period of October 1, 2015, through September 30, 2030.

01/12/16; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Patrick Young (Police Department); provided an overview and responded to questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

151259 [Administrative Code - City-Owned Fiber-Optic Facilities]
Sponsors: Farrell; Mar

Ordinance amending the Administrative Code to require the Department of Technology to gather information from City departments concerning City-owned fiber-optic facilities; and to require the Public Utilities Commission to consider and approve any future expansion of City-owned fiber-optic facilities.

12/08/15; ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 1/7/2016.

12/15/15; REFERRED TO DEPARTMENT. Referred to the Public Utilities Commission, Department of Technology, and Municipal Transportation Agency for informational purposes.

01/26/16; SUBSTITUTED AND ASSIGNED to Budget and Finance Committee.

02/01/16; REFERRED TO DEPARTMENT. Referred to the Public Utilities Commission, Department of Technology, and Municipal Transportation Agency for informational purposes.

Heard in Committee. Speakers: Harvey Rose (Office of the Budget and Legislative Analyst); Miguel Gamino, Executive Director (Department of Technology); provided an overview and responded to questions raised throughout the discussion.

Member Yee moved that this Ordinance be AMENDED to state that the requirement of Section 22E.3 shall be subject to funding by the Board of Supervisors. The motion carried by the following vote:

Ayes: 3 - Farrell, Tang, Yee
(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

151291 [Hearing - Budget Updates]
Sponsor: Farrell

Hearing to receive budget updates from the Mayor, the Controller, and the Budget and Legislative Analyst, including balance, shortfalls, strengths, and additional revenues.

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

Heard in Committee. Speakers: Michelle Allersma (Office of the Controller); Kate Howard, Budget Director (Office of the Mayor); provided an overview and responded to questions raised throughout the discussion.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Farrell, Tang, Yee

151145 [Adopting a Fixed Two-Year Budget - Various City Departments - FYs 2016-2017 and 2017-2018]**Sponsors: Mayor; Farrell and Tang**

Resolution adopting a fixed two-year budgetary cycle for multiple City departments: Academy of Sciences; Adult Probation; Airport; Arts Commission; Asian Art Museum; Assessor-Recorder; Board of Appeals; Building Inspection; Child Support Services; Children and Families Commission; City Attorney; City Planning; Civil Service; Controller; County Education; District Attorney; Economic and Workforce Development; Elections; Employees' Retirement System; Environment; Ethics; Fine Arts Museums; General Services Agency-Administrative Services; General Services Agency-Telecommunication and Information Systems; Health Service System; Human Resources; Human Rights; Juvenile Probation; Law Library; Mayor; Port; Public Library; Public Utilities Commission; Rent Arbitration; Status of Women; Treasurer-Tax Collector; Trial Courts; War Memorial; defining terms; and setting deadlines.

11/03/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

12/02/15; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: Supervisor David Campos (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion. Connor Johnson, Legislative Aide (President London Breed's Office); Ms. Chang; spoke neither in support nor opposition on the matter.

Supervisor Mar requested to be removed as a co-sponsor.

01/20/16; CONTINUED. Heard in Committee. Speakers: None.

Heard in Committee. Speakers: Michelle Allersma (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 Yee moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE to remove various departments. The motion carried by the following vote:

Ayes: 3 - Farrell, Tang, Yee

Resolution adopting a fixed two-year budgetary cycle for the following various City departments: Airport; Child Support Services; Employees' Retirement System; Port; Public Library; Public Utilities Commission; defining terms; and setting deadlines.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

ADJOURNMENT

There being no further business, the Committee adjourned at the hour of 11:52 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.