File No. 110931

Committee Item No. 3
Board Item No. 21

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Government Audit & Oversight **Date:** November 10, 2011

Board of Supervisors Meeting **Date:** 11.22.11

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Completed by: Andrea S. Ausberry **Date** November 4, 2011
Completed by: A. Ausberry **Date** 11.16.11

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

Amendment of the Whole
In Committee, Bearing Same Title
11/10/11

FILE NO. 110931 RESOLUTION NO.

[Response to the 2010-2011 Civil Grand Jury Report entitled "Continuity Reports Reviewing the State of Prior Recommendations"]

Resolution responding to the Presiding Judge of the Superior Court on the findings and recommendations contained in the 2010-2011 Civil Grand Jury Report entitled "Continuity Reports Reviewing the State of Prior Recommendations" and urging the Mayor to cause the implementation of accepted findings and recommendations through his/her department heads and through the development of the annual budget.

WHEREAS, Under California Penal Code Section 933 et seq., the Board of Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior Court on the findings and recommendations contained in Civil Grand Jury Reports; and

WHEREAS, In accordance with Penal Code Section 933.05(c), if a finding or recommendation of the Civil Grand Jury addresses budgetary or personnel matters of a county agency or a department headed by an elected officer, the agency or department head and the Board of Supervisors shall respond if requested by the Civil Grand Jury, but the response of the Board of Supervisors shall address only budgetary or personnel matters over which it has some decision making authority; and

WHEREAS, The 2010-2011 Civil Grand Jury Report entitled "Continuity Reports Reviewing the State of Prior Recommendations" is on file with the Clerk of the Board of Supervisors in File No. 110930, which is hereby declared to be a part of this resolution as if set forth fully herein; and

WHEREAS, The Civil Grand Jury has requested that the Board of Supervisors respond to Finding Nos. 1 and 2 as well as Recommendation Nos. 1 and 2 related to the 2008-2009 Civil Grand Jury report entitled "Pensions Beyond Our Ability to Pay" and the 2009-2010 Civil Grand Jury report entitled "Pension Tsunami: The Billion Dollar Bubble", Findings No. 1 and 2

and Recommendation 1 related to the 2007-2008 Civil Grand Jury report entitled "Citizen's General Obligation Bond Oversight Committee" (CGOBOC), Findings No. 2 and 7 and Recommendations No. 1 and 4 related to the 2006-2007 Civil Grand Jury report entitled "Parking for the Disabled- Abuse of Over-Use" contained in the subject Civil Grand Jury report; and

WHEREAS, Finding No. 1 related to the 2008-2009 Civil Grand Jury report entitled "Pensions Beyond Our Ability to Pay" and the 2009-2010 Civil Grand Jury report entitled "Pension Tsunami: The Billion Dollar Bubble" states: "The City is relying on the Mayor's pension reform proposal that will, hopefully, appear on the November, 2011 ballot to address the City's health care plan's unfunded liability. However, as presently written the higher contribution rates mandated in the measure would only apply to employees hired after January 2009. Higher contributions for the majority of City workers hired before January 2009 do not take effect until effect until 2016-2017. Therefore, the measure will not begin to have a meaningful impact on the City's health care costs for several years;" and

WHEREAS, Recommendation No. 1 related to the 2008-09 Civil Grand Jury report entitled "Pensions Beyond Our Ability to Pay" and the 2009-2010 Civil Grand Jury report entitled "Pension Tsunami: The Billion Dollar Bubble" states: "Until such time as the retiree health trust fund can cover the expense, the Controller, the Mayor and the Board of Supervisors' Budget and Finance Committee should develop a temporary remedy to the Other Post Employment Benefits unfunded liability, until the retiree health trust fund can cover the expense, in order to reduce its negative impact on funding levels for other city programs;" and

WHEREAS, Finding No. 2 related to the 2008-2009 Civil Grand Jury report entitled "Pensions Beyond Our Ability to Pay" and the 2009-2010 Civil Grand Jury report entitled "Pension Tsunami: The Billion Dollar Bubble" states: "A number of employees in the Fire Department and to a lesser extent the Police and other departments continue to receive

annual salary increases in excess of 10% in at least one of the three years before they retire. This leads to a deficit in the City's retirement system account, which is calculated on an anticipated 4.5% annual salary increase. It also unfairly spreads the costs of pension spiking to other departments that do not engage in this practice;" and

WHEREAS, Recommendation No. 2 related to the 2008-2009 Civil Grand Jury report entitled "Pensions Beyond Our Ability to Pay" and the 2009-2010 Civil Grand Jury report entitled "Pension Tsunami: The Billion Dollar Bubble" states: "The City should implement changes as to how salary increases are currently granted to employees within at least three years of their retirement. Changes would include a review of all salary increases in excess of actuarial estimates (currently 4.5%) within 3 years of full retirement age, including temporary assignments. This review should be performed by the Office of the Controller and the San Francisco Employee Retirement System's Actuarial and would identify the additional funds needed by the pension system to support the higher salary. The employee's department would then transfer the additional pension liability arising from the promotion to the Retirement System. ;" and

WHEREAS, Finding No. 1 related to the 2007-2008 Civil Grand Jury report entitled "Citizen's General Obligation Bond Oversight Committee" states: "Because the 2007-2008 Jury's recommendation did not define "appearing regularly", there is a possibility that the CGOBOC and Board of Supervisors would disagree about how often such presentations should occur;" and

WHEREAS, Finding No. 2 related to the 2007-2008 Civil Grand Jury report entitled "Citizen's General Obligation Bond Oversight Committee" states: "A 20-month gap between the promise of regular appearances and the first such appearance does not constitute appearing regularly;" and

WHEREAS, Recommendation No. 1 related to the 2007-2008 Civil Grand Jury report entitled "Citizen's General Obligation Bond Oversight Committee" states: "The CGOBOC and Board of Supervisors should work together to ensure that the Annual Report is presented at a hearing annually. This appearance should occur within one month of the CGOBOC's publishing its Annual Report;" and

WHEREAS, Finding No. 2 related to the 2006-2007 Civil Grand Jury report entitled "Parking for the Disabled- Abuse of Over-Use" states: "In March 2007 Ordinance File No. 070406 would have set up a review panel. However, in November of 2007 this piece of legislation died without a single hearing. The City Attorney has advised that under the City's Charter the San Francisco Municipal Transportation Agency (SFMTA) has the authority to establish an independent review panel, but it has not done so;" and

WHEREAS, Recommendation 1 No. related to the 2006-2007 Civil Grand Jury report entitled "Parking for the Disabled- Abuse of Over-Use" states: "The Board of Supervisors and Mayor should work to establish an independent review panel. If the Board of Supervisors does not act, the Mayor should request the SFMTA Board of Directors to authorize an independent review panel. The panel should include at least one qualified physician or medical authority as specified in CVC Section 255511.58. The panel should have adequate statistical and clerical staff. The panel should be empowered to hold open hearings and make its findings available to the general public;" and

WHEREAS, Finding No. 7 related to the 2006-2007 Civil Grand Jury report entitled "Parking for the Disabled- Abuse of Over-Use" states: "Polls have shown that a majority of residents do not begrudge disabled drivers some special parking privileges, but it is the government's responsibility to curb abuse and protect city residents from unfair financial burdens. They pay higher parking fees and fines to fill the revenue hole created by that abuse;" and

WHEREAS, Recommendation No. 4 related to the 2006-2007 Civil Grand Jury report entitled "Parking for the Disabled- Abuse of Over-Use" states: "The Board of Supervisors should not pass new legislation that allows installing additional meters, extending operation hours or raising meter rates and parking fines until meaningful policies are implemented to eliminate the $8 million hole in the City's parking revenue caused by continued disabled placard abuse;" and

WHEREAS, in accordance with Penal Code Section 933.05(c), the Board of Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior Court on Finding Nos. 1 and 2 as well as Recommendation Nos. 1 and 2 related to the 2008-2009 Civil Grand Jury report entitled "Pensions Beyond Our Ability to Pay" and the 2009-2010 Civil Grand Jury report entitled "Pension Tsunami: The Billion Dollar Bubble", Findings No. 1 and 2 and Recommendation No. 1 related to the 2007-2008 Civil Grand Jury report entitled "Citizen's General Obligation Bond Oversight Committee", Findings No. 2 and 7 and Recommendations No. 1 and 4 related to the 2006-2007 Civil Grand Jury report entitled "Parking for the Disabled- Abuse of Over-Use" contained in the subject Civil Grand Jury report; now, therefore, be it

RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that it disagrees with Finding Nos. 1 and 2 related to the 2008-2009 Civil Grand Jury report entitled "Pensions Beyond Our Ability to Pay" and the 2009-2010 Civil Grand Jury report entitled "Pension Tsunami: The Billion Dollar Bubble"; and be it

FURTHER RESOLVED, That the Board of Supervisors reports that it disagrees with Recommendation Nos. 1 and 2 related to the 2008-2009 Civil Grand Jury report entitled "Pensions Beyond Our Ability to Pay" and the 2009-2010 Civil Grand Jury report entitled "Pension Tsunami: The Billion Dollar Bubble", for reasons as follows: Proposition C, which was recently approved by the San Francisco voters on November 8, 2011 will result in

significant changes such that these recommendations are not warranted and impossible to implement in some regards; and be it

FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that it agrees with Finding Nos. 1 and 2 related to the 2007-2008 Civil Grand Jury report entitled "Citizen's General Obligation Bond Oversight Committee"; and be it

FURTHER RESOLVED, That the Board of Supervisors reports that it agrees with Recommendation No. 1 related to the 2007-2008 Civil Grand Jury report entitled "Citizen's General Obligation Bond Oversight Committee"; and be it

FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that it agrees with Finding Nos. 2 and 7 related to the 2006-2007 Civil Grand Jury report entitled "Parking for the Disabled- Abuse of Over-Use"; and be it

FURTHER RESOLVED, That the Board of Supervisors reports that it disagrees with Recommendation No. 1 related to the 2006-2007 Civil Grand Jury report entitled "Parking for the Disabled- Abuse of Over-Use", for the following reasons: an independent review panel is fine when it has the power to do something, but creating an independent review panel which has no authority to make recommendations or make changes is a waste; and be it

FURTHER RESOLVED, That the Board of Supervisors reports that it disagrees with Recommendation No. 4 related to the 2006-2007 Civil Grand Jury report entitled "Parking for the Disabled- Abuse of Over-Use", for the following reasons: implementation of Recommendation No. 4 is impractical because of the SFMTA's need for flexibility to move forward on many different policies while the issue of parking and placards is being debated; and be it

FURTHER RESOLVED, That the Board of Supervisors urges the Mayor to cause the implementation of accepted findings and recommendations through his/her department heads and through the development of the annual budget.