

BUDGET AND FINANCE COMMITTEE CITY AND COUNTY OF SAN FRANCISCO

MEETING MINUTES

Wednesday, February 6, 2019 - 10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Members: Sandra Lee Fewer, Catherine Stefani, Rafael Mandelman

Clerk: Linda Wong (415) 554-7719

Angela Calvillo, Clerk of the Board

BOARD COMMITTEES

Committee Membership

Budget and Finance Committee
Supervisors Fewer, Stefani, Mandelman

Budget and Finance Federal Select Committee
Supervisors Fewer

Government Audit and Oversight Committee
Supervisors Mar, Brown, Peskin

Land Use and Transportation Committee
Supervisors Peskin, Safai, Haney

Public Safety and Neighborhood Services Committee
Supervisors Mandelman, Stefani, Walton

Rules Committee
Supervisors Ronen, Walton, Mar

Meeting Days

Wednesday
1:00 PM

2nd and 4th Thursday
1:15 PM

1st and 3rd Thursday
10:00 AM

Monday
1:30 PM

2nd and 4th Thursday
10:00 AM

Monday
10:00 AM

Members Present: Sandra Lee Fewer, Catherine Stefani, and Rafael Mandelman

The Budget and Finance Committee met in a regular session on Wednesday, February 6, 2019, with Chair Sandra Lee Fewer presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Fewer called the meeting to order at 10:05 a.m. On the call of the roll, Chair Fewer, Vice Chair Stefani, and Member Mandelman were noted present. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

190017 [Airport Professional Services Agreement Modification - WCME JV - Project Management Support Services - Terminal 3 West Modernization Project - Not to Exceed \$50,000,000]

Resolution approving Modification No. 6 to Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project, with WCME JV to extend the term by four and a half years, from April 5, 2019, through October 4, 2023; and to increase the Contract amount by \$36,000,000 for a new total contract amount not to exceed \$50,000,000 pursuant to Charter, Section 9.118(b). (Airport Commission)
(Fiscal Impact)

Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Member Mandelman moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

190018 [2011 Airport Lease and Use Agreement - Icelandair ehf]

Resolution approving the terms of 2011 Lease and Use Agreement No. 18-0322 between Icelandair ehf, and the City and County of San Francisco, acting by and through its Airport Commission, with joint use space rent and landing fees, for the lease term to commence following Board approval and expiring on June 30, 2021. (Airport Commission)

Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

181180 [Lease Agreement - Elevate Gourmet Brands, Inc., and Aimhigh ESG, LLC, a Joint Venture dba Elevate Gourmet Brands - SFO Group - Terminal 3 Coffee and Quick Serve Concession - \$375,000 Minimum Annual Guarantee]

Resolution approving the Terminal 3 Coffee and Quick Serve Concession Lease - Lease No. 18-0346, between Elevate Gourmet Brands, Inc., and Aimhigh ESG, LLC, a joint venture dba Elevate Gourmet Brands - SFO Group, as joint tenants, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of eight years, to commence following Board approval, with two one-year options to extend, and a minimum annual guarantee of \$375,000 for the first year of the Lease. (Airport Commission)

Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Vice Chair Stefani moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

SPECIAL MEETING OF THE BOARD OF SUPERVISORS

Supervisors Brown, Ronen, Yee, Haney, and Mar were noted present at 10:19 a.m.; thereby constituting a quorum of the Board of Supervisors. A Special Meeting of the Board of Supervisors was convened at 10:19 a.m.; although, the meeting was conducted in all respects as a committee meeting for items on the agenda and any substantive decisions constitute a recommendation of the committee and not action taken by the Board.

Present: Supervisors Brown, Fewer, Haney, Mandelman, Mar, Ronen, Stefani and Yee

Supervisor Safai was noted present at 10:20 a.m.

Supervisor Walton was noted present at 10:24 a.m.

Chair Fewer requested File Nos. 181185 and 181186 be called together.

181185 [Appropriation - Educational Revenue Augmentation Fund Property Tax - Homeless and Behavioral Health Services, Affordable Housing, and Mandatory Baseline Contributions - \$220,546,870 - FY2018-2019]

Sponsor: Mayor

Ordinance appropriating a total of \$220,546,870 in excess Education Revenue Augmentation Fund Property Taxes to support homelessness and behavioral health services and for affordable housing projects for \$185,850,616; mandatory baselines contributions for \$34,696,254; and placing \$220,546,870 on Controller's Reserve pending confirmation of cash flow timing from the State of California.

(Fiscal Impact)

Heard in Committee. Speakers: President Norman Yee, and Supervisors Hillary Ronen, Matt Haney, Shamann Walton, and Ahsha Safai (Board of Supervisors); Jeff Kositsky, Director (Department of Homelessness and Supportive Housing); Greg Wagner, Acting Director (Department of Public Health); Kate Hartley (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion. Rafael Picazo and Kaden Knalzer (SEIU Local 1021); Bridget Farley, Tom Irvine, Sherry Linker, Jeffrey Finger, and Sunshine Roque (UESF); Kelly Cutler (Coalition on Homelessness); Claire Merced (UESF); Jordan Davis; Tony Roma; Speaker; Curtis Bradford; Theresa Cooper (Glide Foundation); Speaker; Ms. Chappael; Kelly Kiado; Marie DeSantiago; Speaker; Linda Antoine; Michael Lee; Teresa Arriaga; Julia Fung (UESF); Speaker; Speaker; A.J.; Marley Baluda; Julin Ready (Family Child Care); Speaker; Kevin Miller (Swords to Plowshares); Vishal Fashaski; Nancy Obregon (SFUSD); Erica Ray (SFUSD); Li Lovett (City College); Speaker; Speaker; Lita Blanc (UESF); Speaker; David Strother (SFUSD); Kai Roy King (UESF); Robinson-Harris (UESF); Sara Hicks-Kieday (Early Care Educators of San Francisco); Leiann Laiks (Alice Fong Yu Alternative School); Ronnie T.; Subrina Leapaga; Breonna Frierson; Joanna Lidos; Maria Zuniga (Innovate Public Schools); Cynthia Segura (Innovate Public Schools); Speaker; Deborah Summers (Innovate Public Schools); Virginia Cheung and Jessica Campos (Wu Yee Children's Services); Kari Gray (SFPTA); Alice Aramen; Tomiquia Moss (Hamilton Families); Ms. Graver; Lizz Cady; Juba; Barbara Gallios (C5 Children's School); Luis Castillo; Dennis Kelly; Bill Hirst (ALRP); Speaker; Lourdes Alarcon and Elia Fernandez (Parent Voices); Maria Luz Torre; Speaker; Maki Matsunami (FACES SF); Meghan Graber (SFUSD); Speaker; John W. Smith; Comelia Johnson (Vistacion Valley Strong Families); Speaker, President (Public Housing Tenant Association); Meghan Johnson (Coalition on Homelessness); Patricia Smith; Tracey Nixon (Coalition on Homelessness); Speaker; Olivia Blanc; Erika Frommer (HealthRIGHT360); Malia Chavez and Denice Garcia (Homeless Prenatal Program); Speaker; Brian Basinger (Q Foundation); Speaker; Calder Lorenz; Speaker; Krista Denio (Larkin Street Youth Services); Mary Lowry; Speaker; Tim Hoang; Speaker; Rudy Gonzalez (San Francisco Labor Council); Tony Page and Ben Lintschinger (Glide Foundation); Donnie Falmer; Alexis Johanson Williams; Beverly Melugin, Director (C5 Children's School); Matt Pemberton (Child Care Planning & Advisory Council); Martha Barron; Sandy Mori (Dignity Fund Coalition); Heather Dickson (Care Through Touch Institute); Kevin Carroll, Executive Director (Hotel Council); David Smith (UESF); Andy Stone (San Francisco AIDS Coalition); Sonja Trauss; Kimberly Hill Brown and Neola Gans (PHTA); Alita Fischer; Margarita Guzman; Jason Agar; Jackie Fielder; Sasha Perigo (Democratic Socialist of America); Joe Wilson (Hospitality House); Debbie Lerman; Kevin Bogus; Jack Rice (Coalition on Homelessness); Diana Martinez (Mission SRO Collaborative, DSCS); Sam Lew and Jennifer Friedenbach (Coalition on Homelessness); spoke various concerns on the hearing matter.

Chair Fewer moved that this Ordinance be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

Supervisors Ronen, Haney, Walton, Brown, and Safai requested to be added as co-sponsors.

181186 [Appropriation - Educational Revenue Augmentation Fund Property Tax \$220,551,322 - Rainy Day One-Time Reserve Funds \$52,000,000 - SFPUC Revenue Bonds \$10,000,000 - Various Services - FY2018-2019]

Sponsors: Peskin; Fewer, Mandelman, Yee, Mar, Ronen, Haney, Walton, Brown and Safai Ordinance appropriating \$220,545,896 of excess Educational Revenue Augmentation Fund Property Taxes and \$10,900,000 of Rainy Day One-Time Reserve funds for affordable housing small site, single residence occupancy hotel, and behavioral health acquisition and renovation, homelessness and behavioral health services, early childhood education funding, to support utility distribution acquisition and mandatory baseline contributions.
(Fiscal Impact)

Heard in Committee. Speakers: President Norman Yee, and Supervisors Hillary Ronen, Matt Haney, Shamann Walton, and Ahsha Safai (Board of Supervisors); Jeff Kositsky, Director (Department of Homelessness and Supportive Housing); Greg Wagner, Acting Director (Department of Public Health); Kate Hartley (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion. Rafael Picazo and Kaden Knalzer (SEIU Local 1021); Bridget Farley, Tom Irvine, Sherry Linker, Jeffrey Finger, and Sunshine Roque (UESF); Kelly Cutler (Coalition on Homelessness); Claire Merced (UESF); Jordan Davis; Tony Roma; Speaker; Curtis Bradford; Theresa Cooper (Glide Foundation); Speaker; Ms. Chappael; Kelly Kiado; Marie DeSantiago; Speaker; Linda Antoine; Michael Lee; Teresa Arriaga; Julia Fung (UESF); Speaker; Speaker; A.J.; Marley Baluda; Julin Ready (Family Child Care); Speaker; Kevin Miller (Swords to Plowshares); Vishal Fashaski; Nancy Obregon (SFUSD); Erica Ray (SFUSD); Li Lovett (City College); Speaker; Speaker; Lita Blanc (UESF); Speaker; David Strother (SFUSD); Kai Roy King (UESF); Robinson-Harris (UESF); Sara Hicks-Kieday (Early Care Educators of San Francisco); Leiann Laiks (Alice Fong Yu Alternative School); Ronnie T.; Subrina Leapaga; Breonna Frierson; Joanna Lidos; Maria Zuniga (Innovate Public Schools); Cynthia Segura (Innovate Public Schools); Speaker; Deborah Summers (Innovate Public Schools); Virginia Cheung and Jessica Campos (Wu Yee Children's Services); Kari Gray (SFPTA); Alice Aramen; Tomiquia Moss (Hamilton Families); Ms. Graver; Lizz Cady; Juba; Barbara Gallios (C5 Children's School); Luis Castillo; Dennis Kelly; Bill Hirst (ALRP); Speaker; Lourdes Alarcon and Elia Fernandez (Parent Voices); Maria Luz Torre; Speaker; Maki Matsunami (FACES SF); Meghan Graber (SFUSD); Speaker; John W. Smith; Comelia Johnson (Vistacion Valley Strong Families); Speaker, President (Public Housing Tenant Association); Meghan Johnson (Coalition on Homelessness); Patricia Smith; Tracey Nixon (Coalition on Homelessness); Speaker; Olivia Blanc; Erika Frommer (HealthRIGHT360); Malia Chavez and Denice Garcia (Homeless Prenatal Program); Speaker; Brian Basinger (Q Foundation); Speaker; Calder Lorenz; Speaker; Krista Denio (Larkin Street Youth Services); Mary Lowry; Speaker; Tim Hoang; Speaker; Rudy Gonzalez (San Francisco Labor Council); Tony Page and Ben Lintschinger (Glide Foundation); Donnie Falmer; Alexis Johanson Williams; Beverly Melugin, Director (C5 Children's School); Matt Pemberton (Child Care Planning & Advisory Council); Martha Barron; Sandy Mori (Dignity Fund Coalition); Heather Dickison (Care Through Touch Institute); Kevin Carroll, Executive Director (Hotel Council); David Smith (UESF); Andy Stone (San Francisco AIDS Coalition); Sonja Trauss; Kimberly Hill Brown and Neola Gans (PHTA); Alita Fischer; Margarita Guzman; Jason Agar; Jackie Fielder; Sasha Perigo (Democratic Socialist of America); Joe Wilson (Hospitality House); Debbie Lerman; Kevin Bogus; Jack Rice (Coalition on Homelessness); Diana Martinez (Mission SRO Collaborative, DSCS); Sam Lew and Jennifer Friedenbach (Coalition on Homelessness); spoke various concerns on the hearing matter.

Chair Fewer moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to make clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

Ordinance appropriating \$220,551,322 of excess Educational Revenue Augmentation Fund Property Taxes and \$52,000,000 of Rainy Day One-Time Reserve funds for affordable housing small site, single residence occupancy hotel, and behavioral health acquisition and renovation, homelessness and behavioral health services, early care and SFUSD educator funding, for a utility distribution acquisition assessment, various mandatory baseline contributions, and to establish a Teacher and Early Care Educator Unappropriated Emergency Reserve, and \$10,000,000 from San Francisco Public Utilities Commission Revenue Bonds for a utility substation.
(Fiscal Impact)

Chair Fewer moved that this Ordinance be CONTINUED AS AMENDED to a Special Budget and Finance Committee meeting of February 11, 2019. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

Supervisor Yee was noted absent at 2:20 p.m. and for the remainder of the meeting.

Supervisor Safai was noted absent at 3:02 p.m. and for the remainder of the meeting.

Supervisor Haney was noted absent at 3:09 p.m. and for the remainder of the meeting.

Supervisor Walton was noted absent at 3:13 p.m. and for the remainder of the meeting.

ADJOURNMENT OF THE BOARD OF SUPERVISORS

At the hour of 3:15 p.m., Supervisor Mar was noted absent; thereby adjourning the Special Meeting of the Board of Supervisors.

Supervisor Brown was noted absent at 3:17 p.m. and for the remainder of the meeting.

Supervisor Ronen was noted absent at 3:31 p.m. and for the remainder of the meeting.

190044 [Appropriation - Educational Revenue Augmentation Fund Property Tax - New Light Rail Vehicles, Energy Efficiency Audits, Small Business Mitigation Fund, and Mandatory City Services Auditor Baseline - SFMTA - \$38,124,000 - FY2018-2019] **Sponsor: Mayor**

Ordinance appropriating \$38,124,000 in excess Educational Revenue Augmentation Fund Property Taxes to the Municipal Transportation Agency to purchase light rail vehicles in FY2018-2019; and placing \$38,124,000 on Controller's Reserve pending confirmation of cash flow timing from the State of California.
(Fiscal Impact)

Heard in Committee. Speakers: Leo Levenson (Municipal Transportation Agency); Severin Campbell (Office of the Budget and Legislative Analyst); Jon Givner (Office of the City Attorney); Ben Rosenfield, City Controller (Office of the Controller); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to make clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

Ordinance appropriating \$38,124,000 in excess Educational Revenue Augmentation Fund Property Taxes to the San Francisco Municipal Transportation Agency (SFMTA), including \$19,247,904 to purchase Light Rail Vehicles, \$13,800,000 to conduct energy efficiency audits and improvements at SFMTA facilities, \$5,000,000 to a Small Business Impact Mitigation Fund and a mandatory City Services Auditor baseline in FY 2018-2019; and placing \$38,124,000 on Controller's Reserve pending confirmation of cash flow timing from the State of California. (Fiscal Impact)

Chair Fewer moved that this Ordinance be CONTINUED AS AMENDED to a Special Budget and Finance Committee meeting of February 11, 2019. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

190085 [Hearing - Annual Review and Adoption of the Board of Supervisors/Clerk of the Board Draft Budget - FYs 2019-2020 and 2020-2021]

Hearing to consider the annual review and adoption of the Proposed Draft Budgets for FYs 2019-2020 and 2020-2021 for the Board of Supervisors/Office of the Clerk of the Board; and requesting the Office of the Clerk of the Board to report. (Clerk of the Board)

Heard in Committee. Speaker: Angela Calvillo, Clerk of the Board (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion.

Member Mandelman moved that this Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 3:55 p.m.

N.B. The Minutes of this meeting set forth all actions taken by the Budget and Finance Committee, and the Special Meeting of the Board of Supervisors, 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 March 12, 2019.

Angela Calvillo, Clerk of the Board