



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, Eric Mar, John Avalos, London Breed, Scott Wiener

Clerk: Linda Wong (415) 554-7719

Wednesday, June 11, 2014

10:00 AM

City Hall, Legislative Chamber, Room 250

Rescheduled Meeting

Present: 5 - Mark Farrell, Eric Mar, John Avalos, London Breed, and Scott Wiener

MEETING CONVENED

The meeting convened at 1:40 p.m.

REGULAR AGENDA

File Nos. 140619, 140621, 140479, 140480, 140481, 140482, 140483, and 140484 were heard together.

140619 [Annual Budget and Appropriation Ordinance for Selected Departments - FYs 2014-2015 and 2015-2016]

Sponsor: Mayor

Proposed Annual Budget and Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for selected departments of the City and County of San Francisco as of June 2, 2014, for the FYs ending June 30, 2015, and June 30, 2016.

(Fiscal Impact)

06/03/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Harlan Kelly, General Manager (Public Utilities Commission); Harvey Rose (Office of the Budget & Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

CONTINUED to June 16, 2014, by the following vote:

Ayes: 5 - Farrell, Mar, Avalos, Breed, Wiener

140621 [Annual Salary Ordinance - FYs 2014-2015 and 2015-2016]**Sponsor: Mayor**

Proposed Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the FYs ending June 30, 2015, and June 30, 2016, 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)

06/03/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Harlan Kelly, General Manager (Public Utilities Commission); Harvey Rose (Office of the Budget & Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

CONTINUED to June 16, 2014, by the following vote:

Ayes: 5 - Farrell, Mar, Avalos, Breed, Wiener

File Nos. 140618 and 140620 were heard together.

140618 [Interim Proposed Annual Budget and Appropriation Ordinance - FYs 2014-2015 and 2015-2016]**Sponsor: Mayor**

Interim Proposed Annual Budget and Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for selected departments of the City and County of San Francisco as of June 2, 2014, for the FYs ending June 30, 2015, and June 30, 2016.

(Fiscal Impact)

06/03/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Kate Howard (Mayor's Office); provided an overview and responded to questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 5 - Farrell, Mar, Avalos, Breed, Wiener

140620 [Interim Annual Salary Ordinance - FYs 2014-2015 and 2015-2016]**Sponsor: Mayor**

Interim Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the FYs ending June 30, 2015, and June 30, 2016, 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)

06/03/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Kate Howard (Mayor's Office); provided an overview and responded to questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 5 - Farrell, Mar, Avalos, Breed, Wiener

140479 [Appropriation - Proceeds from Revenue Bonds, Bay Area Water Supply and Conservation Agency Pre-payment Bonds, Water Revenues and Water Capacity Fees of \$363,758,000 for Water Capital Improvements - FYs 2014-2015 and 2015-2016]

Sponsor: Mayor

Ordinance appropriating \$363,758,000 of proceeds from revenue bonds, Bay Area Water Supply and Conservation Agency pre-payment bonds, water revenues and water capacity fees for the Public Utilities Commission (PUC) Water Enterprise's Capital Improvement Program for FY2014-2015 at \$181,213,000 and FY2015-2016 at \$182,545,000; and placing \$229,023,000 by project on Controller's reserve subject to PUC's and Board of Supervisors' approval following completion of project-related analysis pursuant to the California Environmental Quality Act, where required, and receipt of proceeds of indebtedness.

(Fiscal Impact)

05/06/14; ASSIGNED to Budget and Finance Committee.

05/21/14; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Harlan Kelly, General Manager; Todd Rydstrom (Public Utilities Commission); Harvey Rose (Office of the Budget & Legislative Analyst); Jay Huish, Executive Director (Retirement System); Ed Reiskin, Executive Director (SFMTA); Kate Howard (Mayor's Office); Jon Giver (City Attorney's Office); Severin Campbell (Office of the Budget & Legislative Analyst); presented information and responded to questions raised throughout the discussion. Dr. Espanola Jackson; John Russo; Eddie On; Rosaline Jackson; Pam Huang; Melissa McDermick; Nancy Kaufman; Todd T.; Paul Chadman; Hilary Pierson; Eddy Schwartz; Walter Ray; Javiar Flores; Jeannie Carter; Eric Brooks; Jackie Flynn; Male Speaker; spoke on various concerns regarding the hearing matter.

Heard in Committee. Speakers: Harlan Kelly, General Manager (Public Utilities Commission); Harvey Rose (Office of the Budget & Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 5 - Farrell, Mar, Avalos, Breed, Wiener

140480 [Appropriation - Proceeds from Revenue Bonds, Hetch Hetchy Revenue, Cap and Trade Allowance of \$217,478,836 for Hetch Hetchy Water and Power Capital Improvements Amending - Ordinance Nos. 110-12, 123-12, and 200-12 – FYs 2014-2015 and 2015-2016]

Sponsor: Mayor

Ordinance appropriating \$215,108,836 of Hetch Hetchy revenue, Cap and Trade Allowance, Power and Water Revenue Bonds for the San Francisco Public Utilities Commission (SFPUC) Hetch Hetchy Capital Improvement Program for FY2014-2015 at \$103,508,198 and FY2015-2016 at \$111,600,638; and placing \$172,735,378 on Controller's reserve by project, subject to SFPUC and Board of Supervisors' approval following completion of project-related analysis pursuant to the California Environmental Quality Act, where required, and receipt of proceeds of indebtedness and loan funds; amending adopted capital appropriation Ordinance Nos. 110-12, 123-12, and 200-12 for the San Francisco Public Utilities Commission including de-appropriation and re-appropriation \$16,269,463 of Bond Proceeds and Cap and Trade Allowance Revenue; de-appropriating and re-appropriating \$18,769,463 of the Hetch Hetchy Capital Improvement Program Projects; and de-appropriating and re-appropriating \$19,500,000 of the CleanPowerSF Community Choice Aggregation Program. (Fiscal Impact)

05/06/14; ASSIGNED to Budget and Finance Committee.

05/21/14; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Harlan Kelly, General Manager; Todd Rydstrom (Public Utilities Commission); Harvey Rose (Office of the Budget & Legislative Analyst); Jay Huish, Executive Director (Retirement System); Ed Reiskin, Executive Director (SFMTA); Kate Howard (Mayor's Office); Jon Giver (City Attorney's Office); Severin Campbell (Office of the Budget & Legislative Analyst); presented information and responded to questions raised throughout the discussion. Dr. Espanola Jackson; John Russo; Eddie On; Rosaline Jackson; Pam Huang; Melissa McDermick; Nancy Kaufman; Todd T.; Paul Chadman; Hilary Pierson; Eddy Schwartz; Walter Ray; Javiar Flores; Jeannie Carter; Eric Brooks; Jackie Flynn; Male Speaker; spoke on various concerns regarding the hearing matter.

Heard in Committee. Speakers: Harlan Kelly, General Manager (Public Utilities Commission); Harvey Rose (Office of the Budget & Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Supervisor Avalos, seconded by Supervisor Mar, moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE by the following vote:

Ayes: 5 - Farrell, Mar, Avalos, Breed, Wiener

Ordinance appropriating \$217,478,836 of Hetch Hetchy revenue, Cap and Trade Allowance, Power and Water Revenue Bonds for the Public Utilities Commission (PUC) Hetch Hetchy Capital Improvement Program for FY2014-2015 at \$105,878,198 and FY2015-2016 at \$111,600,638; and placing \$173,755,378 of bond funded appropriation on Controller's reserve by project, subject to PUC and Board of Supervisors' approval following completion of project-related analysis pursuant to the California Environmental Quality Act, where required, and receipt of proceeds of indebtedness and loan funds amending adopted capital appropriation Ordinances 110-12, 123-12, and 200-12 for the San Francisco Public Utilities Commission including de-appropriation and re-appropriation \$16,269,463 of Bond Proceeds and Cap and Trade Allowance Revenue; de-appropriating and re-appropriating \$18,769,463 of the Hetch Hetchy Capital Improvement Program Projects; and de-appropriating and re-appropriating \$17,300,000 of the CleanPowerSF Community Choice Aggregation Program, and placing \$3,000,000 of the FY2015-2016 GoSolarSF appropriation on Budget & Finance Committee reserve.

(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 5 - Farrell, Mar, Avalos, Breed, Wiener

140481 [Appropriation - Proceeds from Revenue Bonds, Wastewater Revenues and Capacity Fees of \$950,906,000 for Wastewater Capital Improvements, and Amending Ordinance No. 108-12 - FYs 2014-2015 and 2015-2016]

Sponsor: Mayor

Ordinance appropriating \$950,906,000 of proceeds from revenue bonds, wastewater revenue and capacity fees for the Public Utilities Commission (PUC) Wastewater Enterprise's Capital Improvement Program for FY2014-2015 at \$342,775,000 and FY2015-2016 at \$608,131,000; and placing \$846,906,000 by functional improvement area for the Sewer System Improvement Program (SSIP) at \$629,504,000 and the non-SSIP project at \$217,402,000 on Controller's reserve subject to PUC's and the Board of Supervisors' approval following completion of project-related analysis pursuant to the California Environmental Quality Act, where required; receipt of proceeds of indebtedness; and amending Ordinance No. 108-12.

(Fiscal Impact)

05/06/14; ASSIGNED to Budget and Finance Committee.

05/21/14; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Harlan Kelly, General Manager; Todd Rydstrom (Public Utilities Commission); Harvey Rose (Office of the Budget & Legislative Analyst); Jay Huish, Executive Director (Retirement System); Ed Reiskin, Executive Director (SFMTA); Kate Howard (Mayor's Office); Jon Giver (City Attorney's Office); Severin Campbell (Office of the Budget & Legislative Analyst); presented information and responded to questions raised throughout the discussion. Dr. Espanola Jackson; John Russo; Eddie On; Rosaline Jackson; Pam Huang; Melissa McDermick; Nancy Kaufman; Todd T.; Paul Chadman; Hilary Pierson; Eddy Schwartz; Walter Ray; Javiar Flores; Jeannie Carter; Eric Brooks; Jackie Flynn; Male Speaker; spoke on various concerns regarding the hearing matter.

Heard in Committee. Speakers: Harlan Kelly, General Manager (Public Utilities Commission); Harvey Rose (Office of the Budget & Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 5 - Farrell, Mar, Avalos, Breed, Wiener

140482 [Power Revenue Bond Issuance and Sale - Public Utilities Commission - Not to Exceed \$112,346,843]

Sponsor: Mayor

Ordinance approving the issuance and sale of power revenue bonds by the Public Utilities Commission (PUC) in an aggregate principal amount not to exceed \$111,326,843 to finance the costs of various power capital projects benefitting the PUC Power Enterprise, pursuant to City Charter, Section 9.107(8); declaring the official intent of the Commission to reimburse itself with one or more issues of tax-exempt bonds; and ratifying previous actions taken in connection therewith.

(Fiscal Impact)

05/06/14; ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Harlan Kelly, General Manager (Public Utilities Commission); Harvey Rose (Office of the Budget & Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Supervisor Avalos, seconded by Supervisor Mar, moved that this Ordinance be AMENDED to increase the principal aggregate not-to-exceed amount to \$112,346,843, by the following vote:

Ayes: 5 - Farrell, Mar, Avalos, Breed, Wiener

Ordinance approving the issuance and sale of power revenue bonds by the Public Utilities Commission (PUC) in an aggregate principal amount not to exceed \$112,346,843 to finance the costs of various power capital projects benefitting the PUC Power Enterprise, pursuant to City Charter, Section 9.107(8); declaring the official intent of the Commission to reimburse itself with one or more issues of tax-exempt bonds; and ratifying previous actions taken in connection therewith.
(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 5 - Farrell, Mar, Avalos, Breed, Wiener

140483 [Wastewater Revenue Bond Issuance and Sale - Public Utilities Commission - Not to Exceed \$819,035,941]

Sponsor: Mayor

Ordinance approving the issuance and sale of wastewater revenue bonds by the San Francisco Public Utilities Commission in an aggregate principal amount not to exceed \$846,906,000 to finance the costs of various projects benefitting the Wastewater Enterprise 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; declaring the official intent of the Commission to reimburse itself with one or more issues of tax-exempt bonds; and ratifying previous actions taken in connection therewith.
(Fiscal Impact)

05/06/14; ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Harlan Kelly, General Manager (Public Utilities Commission); Harvey Rose (Office of the Budget & Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Supervisor Avalos, seconded by Supervisor Mar, moved that this Ordinance be AMENDED to reduce the principal aggregate not-to-exceed amount to \$819,035,941, by the following vote:

Ayes: 5 - Farrell, Mar, Avalos, Breed, Wiener

Ordinance approving the issuance and sale of wastewater revenue bonds by the Public Utilities Commission in an aggregate principal amount not to exceed \$819,035,941 to finance the costs of various projects benefitting the Wastewater Enterprise 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; declaring the official intent of the Commission to reimburse itself with one or more issues of tax-exempt bonds; and ratifying previous actions taken in connection therewith.
(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 5 - Farrell, Mar, Avalos, Breed, Wiener

140484 [Water Revenue Bond Issuance and Sale - Public Utilities Commission - Not to Exceed \$209,171,566]**Sponsor: Mayor**

Ordinance approving the issuance and sale of water revenue bonds by the Public Utilities Commission in an aggregate principal amount not to exceed \$290,431,536 to finance the costs of various capital water projects benefitting the Water Enterprise 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; declaring the official intent of the Commission to reimburse itself with one or more issues of tax-exempt bonds; and ratifying previous actions taken in connection therewith.
(Fiscal Impact)

05/06/14; ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Harlan Kelly, General Manager (Public Utilities Commission); Harvey Rose (Office of the Budget & Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Supervisor Avalos, seconded by Supervisor Mar, moved that this Ordinance be AMENDED to reduce the aggregate principal revenue bond amount to \$209,171,566, by the following vote:

Ayes: 5 - Farrell, Mar, Avalos, Breed, Wiener

Ordinance approving the issuance and sale of water revenue bonds by the Public Utilities Commission in an aggregate principal amount not to exceed \$209,171,566 to finance the costs of various capital water projects benefitting the Water Enterprise 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; declaring the official intent of the Commission to reimburse itself with one or more issues of tax-exempt bonds; and ratifying previous actions taken in connection therewith.
(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 5 - Farrell, Mar, Avalos, Breed, Wiener

ADJOURNMENT

The meeting adjourned at 2:22 p.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.