

BUDGET AND FINANCE COMMITTEE CITY AND COUNTY OF SAN FRANCISCO

MEETING MINUTES

Wednesday, June 19, 2019 - 10:00 AM

City Hall, Legislative Chamber, Room 250

Rescheduled Meeting

Members: Sandra Lee Fewer, Catherine Stefani, Rafael Mandelman, Hillary Ronen, Norman Yee

Clerk: Linda Wong (415) 554-7719

Angela Calvillo, Clerk of the Board

BOARD COMMITTEES

Committee Membership

Budget and Finance Committee

Supervisors Fewer, Stefani, Mandelman, Ronen, Yee

Budget and Finance Sub-Committee

Supervisors Fewer, Stefani, Mandelman

Government Audit and Oversight Committee

Supervisors Mar, Brown, Peskin

Joint City, School District, and City College Select Committee

Supervisors Haney, Walton, Mar (Alt), Commissioners Cook, Collins, Moliga (Alt),
Trustees Randolph, Williams, Selby (Alt)

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

Wednesday

10:00 AM

1st and 3rd Thursday

10:00 AM

2nd Friday

10:00 AM

Monday

1:30 PM

2nd and 4th Thursday

10:00 AM

Monday

10:00 AM

First-named Supervisor is Chair, Second-named Supervisor is Vice-Chair of the Committee.

Members Present: Sandra Lee Fewer, Catherine Stefani, Rafael Mandelman, Hillary Ronen, and Norman Yee

The Budget and Finance Committee met in a rescheduled session on Thursday, June 19, 2019, with Chair Sandra Lee Fewer presiding.

Chair Fewer called the meeting to order at 10:07 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Fewer, Vice Chair Stefani, Member Mandelman, Member Ronen, and Member Yee were noted present.

A quorum was present.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

Chair Fewer requested File Nos. 190619 and 190620 be called together.

SPECIAL MEETING OF THE BOARD OF SUPERVISORS

Supervisor Haney was noted present at 11:37 a.m.; thereby constituting a quorum of the Board of Supervisors. A Special Meeting of the Board of Supervisors was convened at 11:37 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 Fewer, Haney, Mandelman, Ronen, Stefani, and Yee

.ADJOURNMENT OF THE BOARD OF SUPERVISORS

At the hour of 11:57 a.m., Supervisor Haney was noted absent; thereby adjourning the Special Meeting of the Board of Supervisors.

190619 [Budget and Appropriation Ordinance for Departments - FYs 2019-2020 and 2020-2021]**Sponsor: Mayor**

Budget and Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for Departments of the City and County of San Francisco as of June 1, 2019, for the FYs ending June 30, 2020, and June 30, 2021.

(Fiscal Impact)

Heard in Committee. Speakers: Dan Goncher (Office of the Budget and Legislative Analyst); Douglas Legg (Office of the Assessor-Recorder); Kelly Kirkpatrick, Budget Director (Office of the Mayor); Ben Rosenfield, City Controller, and Michelle Allersma (Office of the City Controller); Moira Walsh (Office of the City Attorney); Benjamin McCloskey (Mayor's Office of Housing and Community Development); John Arntz, Director (Department of Elections); Debbie Raphael, Director (Department of Environment); Micki Callahan, Director (Department of Human Resources); Tom Campbell (Fine Arts Museum); Jay Xu, Director (Asian Art Museum); Naomi Kelly, City Administrator, and Ken Bukowski, Deputy City Administrator (Office of the City Administrator); Linda Gerull, Chief Information Officer (Department of Technology); Mohammed Nuru, Director, and Chris Robinson (Public Works); Phil Ginsburg, General Manager, and Derek Chu (Recreation and Park Department); Jose Cisneros, Treasurer-Tax Collector (Office of the Treasure and Tax Collector); Abbie Yant, Executive Director (Health Service System); Michael Lambert, City Library (Library); Beth Murray, Director (War Memorial); Tom Decaigny, Director (Arts Commission); Joaquin Torres, Director (Office of Economic and Workforce Development); Angela Calvillo, Clerk of the Board (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; Speaker; Brad Edwards; Huang May; Speaker; Speaker; spoke on various concerns relating to the hearing matter.

Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be CONTINUED to the Special Budget and Finance Committee meeting of June 20, 2019. The motion carried by the following vote:

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

190620 [Annual Salary Ordinance - FYs 2019-2020 and 2020-2021]**Sponsor: Mayor**

Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the FYs ending June 30, 2020, and June 30, 2021, 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)

Heard in Committee. Speakers: Dan Goncher (Office of the Budget and Legislative Analyst); Douglas Legg (Office of the Assessor-Recorder); Kelly Kirkpatrick, Budget Director (Office of the Mayor); Ben Rosenfield, City Controller, and Michelle Allersma (Office of the City Controller); Moira Walsh (Office of the City Attorney); Benjamin McCloskey (Mayor's Office of Housing and Community Development); John Arntz, Director (Department of Elections); Debbie Raphael, Director (Department of Environment); Micki Callahan, Director (Department of Human Resources); Tom Campbell (Fine Arts Museum); Jay Xu, Director (Asian Art Museum); Naomi Kelly, City Administrator, and Ken Bukowski, Deputy City Administrator (Office of the City Administrator); Linda Gerull, Chief Information Officer (Department of Technology); Mohammed Nuru, Director, and Chris Robinson (Public Works); Phil Ginsburg, General Manager, and Derek Chu (Recreation and Park Department); Jose Cisneros, Treasurer-Tax Collector (Office of the Treasure and Tax Collector); Abbie Yant, Executive Director (Health Service System); Michael Lambert, City Library (Library); Beth Murray, Director (War Memorial); Tom Decaigny, Director (Arts Commission); Joaquin Torres, Director (Office of Economic and Workforce Development); Angela Calvillo, Clerk of the Board (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; Speaker; Brad Edwards; Huang May; Speaker; Speaker; spoke on various concerns relating to the hearing matter.

Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be CONTINUED to the Special Budget and Finance Committee meeting of June 20, 2019. The motion carried by the following vote:

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

190625 [Appropriation - Public Utilities Commission - \$12,218,229 - De-Appropriation and Re-Appropriation - Expenditures of \$2,431,505 - Port Commission and Airport Commission - FY2019-2020]

Sponsor: Mayor

Ordinance appropriating \$12,218,229 in the Public Utilities Commission, de-appropriating and re-appropriating \$2,127,062 in the Airport Commission, and de-appropriating and re-appropriating \$304,443 in the Port Commission; this Ordinance requires a two-thirds vote of all members of the Board of Supervisors for \$12,195,582 in the Public Utilities Commission appropriations approval, \$453,770 in the Airport Commission re-appropriations approval, and for \$139,396 in the Port Commission re-appropriations, pursuant to Charter, Section 9.113(c).

(Pursuant to Charter, Section 9.113(c), this matter shall require a vote of two-thirds (8 votes) of all members of the Board of Supervisors to approve such appropriation ordinance for passage.)

(Fiscal Impact)

Heard in Committee. Speakers: Kelly Kirkpatrick, Budget Director (Office of the Mayor); Dan Goncher (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; spoke neither in support nor opposition on the matter.

Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 5 - Fewer, Mandelman, Ronen, Stefani, Yee

Chair Fewer, seconded by Member Mandelman, moved to rescind the previous vote. The motion carried by the following vote:

Ayes: 5 - Fewer, Mandelman, Ronen, Stefani, Yee

Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be AMENDED to state that \$282,917 of the Airport re-appropriation requires a two-thirds vote of all members of the Board of Supervisors for approval. The motion carried by the following vote:

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

Ordinance appropriating \$12,218,229 in the Public Utilities Commission, de-appropriating and re-appropriating \$2,127,062 in the Airport Commission, and de-appropriating and re-appropriating \$304,443 in the Port Commission; this Ordinance requires a two-thirds vote of all members of the Board of Supervisors for \$12,195,582 in the Public Utilities Commission appropriations approval, \$282,917 in the Airport Commission re-appropriations approval, and for \$139,396 in the Port Commission re-appropriations, pursuant to Charter, Section 9.113(c).

(Pursuant to Charter, Section 9.113(c), this matter shall require a vote of two-thirds (8 votes) of all members of the Board of Supervisors to approve such appropriation ordinance for passage.)

(Fiscal Impact)

Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

Chair Fewer requested File Nos. 190623, 190632, 190633, 190624, and 190626 be called together.

190623 [Neighborhood Beautification and Graffiti Clean-up Fund Tax Designation Ceiling]

Sponsor: Mayor

Ordinance adopting the Neighborhood Beautification and Graffiti Clean-up Fund Tax designation ceiling for tax year 2019.

Heard in Committee. Speakers: Ben Rosenfield, City Controller (Office of the Controller); Dan Goncher (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; spoke neither in support nor opposition on the matter.

Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be RECOMMENDED to the Board of Supervisors meeting of July 16, 2019. The motion carried by the following vote:

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

190632 [Access Line Tax Adjustment - Consumer Price Index of 2019]

Sponsor: Mayor

Resolution concurring with the Controller's establishment of the Consumer Price Index for 2019, and adjusting the Access Line Tax by the same rate. (Controller)

Heard in Committee. Speakers: Ben Rosenfield, City Controller (Office of the Controller); Dan Goncher (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; spoke neither in support nor opposition on the matter.

Chair Fewer, seconded by Member Mandelman, moved that this Resolution be RECOMMENDED to the Board of Supervisors meeting of July 16, 2019. The motion carried by the following vote:

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

190633 [Proposition J Contract Certification - Specified Contracted-Out Services Previously Approved]

Sponsor: Mayor

Resolution concurring with the Controller's certification that services previously approved can be performed by a private contractor for a lower cost than similar work performed by City and County employees, for the following services: budget analyst (Board of Supervisors); citywide custodial services (excluding City Hall), citywide security services, central shops security, convention facilities management (General Services Agency - City Administrator); security services at Building Design and Construction, and Infrastructure Design and Construction (Public Works); mainframe system support (General Services Agency - Technology); security services (Human Services Agency); security services (Homelessness and Supportive Housing); food services for jail inmates (Sheriff); and assembly of vote-by-mail envelopes (Department of Elections). (Controller)

Heard in Committee. Speakers: Ben Rosenfield, City Controller (Office of the Controller); Dan Goncher (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; spoke neither in support nor opposition on the matter.

Chair Fewer, seconded by Member Mandelman, moved that this Resolution be CONTINUED to the Budget and Finance Committee meeting of June 26, 2019. The motion carried by the following vote:

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

190624 [Authorizing Refunding Certificates of Participation, Series 2019-R1 - Multiple Capital Improvement Projects - Not to Exceed \$160,000,000]**Sponsor: Mayor**

Ordinance authorizing the execution and delivery of Certificates of Participation, in one or more series from time to time, on a tax-exempt or taxable basis, evidencing and representing an aggregate principal amount of not to exceed \$160,000,000 to refinance certain certificates of participation that financed various capital improvement projects and finance certain additional capital improvements; approving the form of a Third Supplement to Trust Agreement between the City and County of San Francisco and U.S. Bank National Association, as trustee ("Trustee") (including certain indemnities contained therein); approving respective forms of a Third Supplement to Property Lease and a Third Supplement to Project Lease, each between the City and the Trustee for the lease and lease back of all or a portion of certain real property and improvements located at 375 Laguna Honda Boulevard or other property as determined by the Director of Public Finance; approving the form of two separate Escrow Agreements (including certain indemnities contained therein), between the City and U.S. Bank National Association, as escrow agent ("Escrow Agent"); approving the form of an Official Notice of Sale and a Notice of Intention to Sell the Certificates of Participation; approving the form of an official statement in preliminary and final form; approving the form of a Continuing Disclosure Certificate; granting general authority to City officials to take necessary actions in connection with the authorization, sale, execution and delivery of the Certificates of Participation; approving modifications to documents; and ratifying previous actions taken in connection therewith, as defined herein. (Fiscal Impact)

Heard in Committee. Speakers: Ben Rosenfield, City Controller (Office of the Controller); Dan Goncher (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; spoke neither in support nor opposition on the matter.

Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be RECOMMENDED to the Board of Supervisors meeting of July 16, 2019. The motion carried by the following vote:

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

190626 [Appropriation - Refunding Certificates of Participation - \$160,000,000 - Deappropriation - Series 2009A and 2009B - \$16,500,000 - Re-Appropriation - Series 2019-R1 - \$176,500,000 - FY2019-2020]**Sponsor: Mayor**

Ordinance appropriating \$160,000,000 of one or more series of Refunding Certificates of Participation proceeds, de-appropriating Series 2009A and 2009B Certificates of Participation of prior reserve funds of \$16,500,000 and re-appropriating Refunding Certificates of Participation Series 2019-R1 of \$176,500,000 and placing these funds on Controller's Reserve pending the sale of the Certificates of Participation for FY2019-2020. (Fiscal Impact)

Heard in Committee. Speakers: Ben Rosenfield, City Controller (Office of the Controller); Dan Goncher (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; spoke neither in support nor opposition on the matter.

Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be RECOMMENDED to the Board of Supervisors meeting of July 16, 2019. The motion carried by the following vote:

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

190634 [Accept and Expend Grant - State Transportation Development Act, Article 3 - Pedestrian and Bicycle Projects - \$972,338]**Sponsor: Mayor**

Resolution authorizing the acceptance and expenditure of State Transportation Development Act, Article 3, Pedestrian and Bicycle Project funding for FY2019-2020, in the amount of \$972,338 which includes \$486,169 for Public Works and \$486,169 for the San Francisco Municipal Transportation Agency, for the term of July 1, 2019, through June 30, 2022.

Heard in Committee. Speakers: Mohammed Nuru, Director (Public Works); Dan Goncher (Office of the Budget and Legislative Analyst); Chris Robinson (Public Works); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; spoke on various concerns relating to the hearing matter.

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

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

Chair Fewer requested File Nos. 190628, 190629, and 190630 be heard together.

Member Ronen was noted absent at 12:02 p.m.

190628 [Park Code - Marina Guest Docking Fees]**Sponsor: Mayor**

Ordinance amending the Park Code to permit the Recreation and Park Department General Manager to set guest docking fees at the Marina Small Craft Harbor by flexible pricing based on certain factors; and affirming the Planning Department's determination under the California Environmental Quality Act.

Heard in Committee. Speakers: Phil Ginsburg, General Manager, and Derek Chu (Recreation and Park Department); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; Jon Golinger; spoke on various concerns relating to the hearing matter.

Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be RECOMMENDED to the Board of Supervisors meeting of July 16, 2019. The motion carried by the following vote:

Ayes: 4 - Fewer, Stefani, Mandelman, Yee

Absent: 1 - Ronen

190629 [Park Code - Non-Resident Fees at Certain Specialty Attractions]**Sponsor: Mayor**

Ordinance amending the Park Code to permit the Recreation and Park Department General Manager to set non-resident adult admission fees for the Japanese Tea Garden, the Coit Tower Elevator, the Conservatory Of Flowers, and the San Francisco Botanical Garden by flexible pricing based on certain factors; and affirming the Planning Department's determination under the California Environmental Quality Act.

Heard in Committee. Speakers: Phil Ginsburg, General Manager, and Derek Chu (Recreation and Park Department); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; Jon Golinger; spoke on various concerns relating to the hearing matter.

Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be CONTINUED to the Budget and Finance Committee meeting of June 26, 2019. The motion carried by the following vote:

Ayes: 4 - Fewer, Stefani, Mandelman, Yee

Absent: 1 - Ronen

190630 [Park Code - Temporary Surcharge - Japanese Tea Garden]**Sponsor: Mayor**

Ordinance amending the Park Code to permit the Recreation and Park Department General Manager to impose a surcharge of \$1 per non-resident adult visitor at the Japanese Tea Garden to fund the restoration of that facility, until such time as the restoration is complete; and affirming the Planning Department's determination under the California Environmental Quality Act.

Heard in Committee. Speakers: Phil Ginsburg, General Manager, and Derek Chu (Recreation and Park Department); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; Jon Golinger; spoke on various concerns relating to the hearing matter.

Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be CONTINUED to the Budget and Finance Committee meeting of June 26, 2019. The motion carried by the following vote:

Ayes: 4 - Fewer, Stefani, Mandelman, Yee

Absent: 1 - Ronen

Chair Fewer requested File Nos. 190638 and 190631 be called together.

Member Ronen was noted present at 12:25 p.m.

190638 [Accept and Expend Grant - Friends of San Francisco Public Library - Annual Grant Award, FY2019-2020 - Up to \$807,820 of In-Kind Gifts, Services, and Cash Monies]**Sponsor: Mayor**

Resolution authorizing the San Francisco Public Library to accept and expend a grant in the amount of up to \$807,820 of in-kind gifts, services, and cash monies from the Friends of the San Francisco Public Library for direct support for a variety of public programs and services in FY2019-2020. (Public Library)

Heard in Committee. Speakers: Michael Lambert, City Librarian (Public Library); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; David Calvert (Friends of San Francisco Public Library); spoke on various concerns relating to the hearing matter.

Chair Fewer, seconded by Member Mandelman, moved that this Resolution be RECOMMENDED to the Board of Supervisors meeting of July 16, 2019. The motion carried by the following vote:

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

190631 [Administrative Code - Eliminating Fines for Overdue Library Materials]**Sponsors: Mayor; Ronen**

Ordinance amending the Administrative Code to eliminate fines for overdue library books and other materials and equipment, and forgiving outstanding patron debt for overdue fines. (Fiscal Impact)

Heard in Committee. Speakers: Michael Lambert, City Librarian (Public Library); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; David Calvert (Friends of San Francisco Public Library); spoke on various concerns relating to the hearing matter.

Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be RECOMMENDED to the Board of Supervisors meeting of July 16, 2019. The motion carried by the following vote:

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

190642 [Hearing - Release of Reserved Funds - Office of City Administrator - 49 SVN Project - \$26,200,000]

Hearing to consider the release of reserved funds to the Office of the City Administrator, placed on the Budget and Finance Committee reserve by Ordinance No. 118-17, in the amount of \$26,200,000 to fund the 49 SVN project, previously known as 1500 Mission. (City Administrator)

Heard in Committee. Speakers: Dan Goncher (Office of the Budget and Legislative Analyst); Naomi Kelly, City Administrator, and Ken Bukowski, Deputy City Administrator (Office of the City Administrator); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; spoke neither in support nor opposition to the hearing matter.

Chair Fewer, seconded by Member Yee, moved that the \$26,200,000 of reserved funds be RELEASED and that the Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 1:13 p.m.

N.B. The Minutes of this meeting set forth all actions taken by the Budget and Finance Committee and the Special 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 July 30, 2019.

Angela Calvillo, Clerk of the Board