



CAPITAL PLANNING PROGRAM

EDWIN M. LEE
Mayor

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Director of Capital Planning

October 1, 2012

Honorable Katherine Feinstein, Presiding Judge
Superior Court of California, County of San Francisco
400 McAllister Street, Room 008
San Francisco, CA 94102

Dear Judge Feinstein,

Please find the requested response to the June 2012 Civil Grand Jury report, "Where There's Smoke ... The Need to Strengthen the Art Commission's Stewardship of San Francisco's Cultural Legacy."

Finding 18. *Art maintenance is more appropriately an operating rather than a capital cost as it is a day-to-day responsibility of the Arts Commission.*

Agree. Regardless of funding source, we consider routine art maintenance an operating cost. However, failure to conduct routine maintenance impacts the lifecycle of capital assets leading to quicker deterioration of the asset and increased capital costs.

Finding 19. *Art maintenance is inappropriately treated as a capital expense by City government.*

Disagree. The Capital Budget process provides a small amount of supplemental funding for routine maintenance. This funding relationship allows CPC Staff to work with the SFAC to identify maintenance needs, obtain fiscal support for maintenance, and extend the life of their assets.

Recommendation 9. *Re-designate maintenance and conservation of the Collection as an operating expense of SFAC rather than a capital budget item.*

This change in policy is beyond the authority of the Capital Planning Committee to implement. If implemented, the CPC would likely continue to be involved in maintenance and conservation funding issues due to the impact of maintenance on capital assets.

Recommendation 15. *SFAC hold public hearings about the Cultural Centers and their short-and-long term funding (for programs and facility maintenance), facility, and safety needs to develop an action plan to secure the Cultural Centers.*

It is beyond the authority of the CPC to hold public hearings for the SFAC. However, we will continue to work with the SFAC to identify needs and funding options for SFAC assets in both the 10-Year Capital Plan and the Capital Budget.

Thank you for the opportunity to respond and please do not hesitate to contact me if you have additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Strong". The signature is fluid and cursive, with the first name "Brian" written in a larger, more prominent script than the last name "Strong".

Brian Strong
Director, Capital Planning Program

cc:
Naomi Kelly, Chair, Capital Planning Committee
Civil Grand Jury Office
Angela Calvillo, Clerk of the Board of Supervisors