



City and County of San Francisco
Meeting Minutes
Government Audit and Oversight Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Members: Aaron Peskin, Norman Yee, London Breed

Clerk: Erica Major (415) 554-4441

Thursday, June 16, 2016

9:30 AM

City Hall, Committee Room 263

Regular Meeting

Present: 2 - Aaron Peskin, and London Breed

Excused: 1 - Norman Yee

The Government Audit and Oversight Committee met in a regular meeting on Thursday, June 16, 2016, with Chair Aaron Peskin presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Peskin called the meeting to order at 9:42 a.m. On the call of the roll Chair Peskin and Member Breed were noted present. Vice Chair Yee was noted not present. There was a quorum.

Supervisor Yee Excused from Attendance

Member Breed, seconded by Chair Peskin, moved that Supervisor Yee be excused from attending the Government Audit and Oversight Committee meeting of June 16, 2016. The motion carried by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

160439 [Hearing - Immigrant Janitor Service Industry Workers]

Sponsor: Breed

Hearing on San Francisco's efforts to protect janitors, particularly immigrant women janitors, from physical and economic exploitation, sexual harassment, and displacement; and requesting the Office of Labor Standards and Enforcement, Office of Economic and Workforce Development, Commission on the Status of Women, Immigrant Rights Commission, and City Administrator to report.

04/26/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

05/03/16; REFERRED TO DEPARTMENT. Referred to the Office of Labor Standards and Enforcement, Office of Economic and Workforce Development, Commission on the Status of Women, Immigrant Rights Commission, and the Office of the City Administrator for informational purposes and requesting the various departments to report.

Heard in Committee. Speakers: Lisa Pagan (Office of Economic and Workforce Development); Kandel Minouche, Esq. (Department on the Status of Women); Olga Miranda, President (Service Employees International Union, Local 87); Patrick Mulligan (Office of Labor Standards Enforcement); Susan Gard (Department of Human Resources); John Updike, Director (Real Estate Division); presented information and answered questions raised throughout the discussion. Janice Hernandez; Male Speaker; Altragaci Deleon; spoke on various concerns relating to the hearing matter.

Member Breed moved that this Hearing be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

160383 [Environment Code - Food Service and Packaging Waste Reduction]**Sponsors: Breed; Peskin**

Ordinance amending the Environment Code to prohibit the sale of food service ware and other specified products including packing materials that are made from polystyrene foam or that are non-recyclable and non-compostable; setting an operative date of January 1, 2017; and affirming the Planning Department's determination under the California Environmental Quality Act.

04/18/16; RESPONSE RECEIVED. 4/18/2016 - Department of the Environment submitted their response agreeing to provide a waiver for a period of 3 years, from the implementation date of the proposed ordinance, to allow the continued use of polystyrene foam packaging to ship sensitive medical devices and medicine requiring cold temperatures; also touching on various concerns.

04/19/16; ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 5/19/2016.

04/26/16; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review; Planning Department, Recreation and Parks Department, Department of the Environment, Department of Public Health, Public Works, and Fire Department for informational purposes; Small Business Commission for comment and recommendation.

05/06/16; RESPONSE RECEIVED. Categorically Exempt under CEQA Guidelines Section 15307, or Class 7, Actions by Regulatory Agencies for Protection of Natural Resources, and 15308, or Class 8, Actions by Regulatory Agencies for Protection of the Environment.

05/27/16; RESPONSE RECEIVED. 5/9/2016 - Small Business Commission voted unanimously to recommend this matter with four recommendations.

Heard in Committee. Speakers: Deborah Raphael, Director (Department of the Environment); presented information and answered questions raised throughout the discussion. Male Speaker; Jim Lazarus (Chamber of Commerce); Eva Wholeman; Miriam Gordon (Clean Water Action); Caitlen O'Brien (Bay.org); Joe Mirabile; Paul Giusti (Recology); spoke in support of the hearing matter. John Cowan (ACH Foam Technologies); Renee Furrow (Foam Fabricators); Todd Sutton (The Waste Sleuth & Moore Recycling Association); Betsy Steiner (EPS Industry Alliance); spoke in opposition of the hearing matter.

Member Breed moved that this Ordinance be AMENDED, AMENDMENT OF THE WHOLE BEARING NEW TITLE, by revising 'Section 2. Findings' to clarify various verbiage and incorporating findings from recent studies in state environmental decisions; clarifying the trademark name "Styrofoam" is not the same as all polystyrene foam; and adding a longer implementation period for meat trays. The motion carried by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

Ordinance amending the Environment Code to prohibit the sale of food service ware and other specified products including packing materials that are made from polystyrene foam or that are non-recyclable and non-compostable; setting operative dates; and affirming the Planning Department's determination under the California Environmental Quality Act.

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

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

160522 [Selection of Independent Auditors - Macias, Gini & O'Connell, LLP - Not to Exceed \$9,388,686]**Sponsor: Peskin**

Resolution selecting Macias, Gini & O'Connell, LLP, as independent auditors for the Controller's Office and the separately audited departments of the City, for an amount not to exceed \$9,388,686 over a four-year contract term to commence July 1, 2016, with one three-year option to renew. (Controller)

(Fiscal Impact; No Budget and Legislative Analyst Report)

05/10/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

05/17/16; REFERRED TO DEPARTMENT. Referred to the Office of the Controller, Employees' Retirement System, Office of Community Investment and Infrastructure, and Port Department for informational purposes.

Heard in Committee. Speaker: Joy Kimotsuki (Office of the Controller); presented information and answered questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

Chair Peskin recessed the meeting at 11:26 a.m. and reconvened the meeting at 11:28 a.m.

Chair Peskin requested File Nos. 160547, 160548, 160549, 160665, and 160666 be called together.

160547 [Memorandum of Understanding - International Federation of Professional and Technical Engineers, Local 21]**Sponsor: Mayor**

Ordinance adopting and implementing Amendment No. 1 to the FYs 2014-2017 Memorandum of Understanding between the City and County of San Francisco and International Federation of Professional and Technical Engineers, Local 21 by implementing specified terms and conditions of employment for FYs 2016-2017.

05/17/16; ASSIGNED to Government Audit and Oversight Committee. President Breed waived the 30-day hold pursuant to Board Rule 3.22.

05/23/16; REFERRED TO DEPARTMENT. Referred to the Department of Human Resources for informational purposes and the Office of the Controller for cost analysis.

Heard in Committee. Speaker: Micki Callahan, Director (Department of Human Resources); presented information and answered questions raised throughout the discussion.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

160548 [Memorandum of Understanding - Service Employees International Union, Local 1021]**Sponsor: Mayor**

Ordinance adopting and implementing Amendment No. 1 to the FYs 2014-2017 Memorandum of Understanding between the City and County of San Francisco and Service Employees International Union, Local 1021, by implementing specified terms and conditions of employment for FYs 2016-2017.

05/17/16; ASSIGNED to Government Audit and Oversight Committee. President Breed waived the 30-day hold pursuant to Board Rule 3.22.

05/23/16; REFERRED TO DEPARTMENT. Referred to the Department of Human Resources for informational purposes and the Office of the Controller for cost analysis.

Heard in Committee. Speaker: Micki Callahan, Director (Department of Human Resources); presented information and answered questions raised throughout the discussion.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

160549 [Compensation for Unrepresented Employees]**Sponsor: Mayor**

Ordinance fixing compensation for persons employed by the City and County of San Francisco whose compensation is subject to the provisions of Charter, Section A8.409, in job codes not represented by an employee organization, and establishing working schedules and other terms and conditions of employment and, methods of payment, effective July 1, 2016.

05/17/16; ASSIGNED to Government Audit and Oversight Committee. President Breed waived the 30-day hold pursuant to Board Rule 3.22.

05/23/16; REFERRED TO DEPARTMENT. Referred to the Department of Human Resources for informational purposes and the Office of the Controller for cost analysis.

Heard in Committee. Speaker: Micki Callahan, Director (Department of Human Resources); presented information and answered questions raised throughout the discussion.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

160665 [Memorandum of Understanding - Service Employees International Union, Local 1021: Staff & Per Diem Nurses]**Sponsor: Mayor**

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and Service Employees International Union, Local 1021: Staff & Per Diem Nurses to be effective July 1, 2016, through June 30, 2017.

06/07/16; ASSIGNED to Government Audit and Oversight Committee. President Breed waived the 30-day hold pursuant to Board Rule 3.22.

06/15/16; REFERRED TO DEPARTMENT. Referred to the Office of the Controller for cost analysis and the Department of Human Resources for informational purposes.

Heard in Committee. Speaker: Micki Callahan, Director (Department of Human Resources); presented information and answered questions raised throughout the discussion.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

160666 [Memorandum of Understanding - Teamsters, Local 856: Supervising Registered Nurses]**Sponsor: Mayor**

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and Teamsters, Local 856: Supervising Registered Nurses to be effective July 1, 2016, through June 30, 2019.

06/07/16; ASSIGNED to Government Audit and Oversight Committee. President Breed waived the 30-day hold pursuant to Board Rule 3.22.

06/15/16; REFERRED TO DEPARTMENT. Referred to the Office of the Controller for cost analysis and the Department of Human Resources for informational purposes.

Heard in Committee. Speaker: Micki Callahan, Director (Department of Human Resources); presented information and answered questions raised throughout the discussion.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

160512 [Contract Agreement - Walgreen Co. - Pharmacy Services - Not To Exceed \$19,600,000]**Sponsor: Mayor**

Resolution approving a contract between the Department of Public Health and Walgreen Co., to provide pharmacy services under the federal drug discount program established by Public Health Service Act, Section 340B, for a five-year term of July 1, 2016, through June 30, 2021, in an amount not to exceed \$19,600,000. (Public Health Department)
(Fiscal Impact; No Budget and Legislative Analyst Report)

05/10/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

05/23/16; TRANSFERRED to Government Audit and Oversight Committee. 5/23/16 - President Breed transferred this item from Budget and Finance Sub-Committee to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Michelle Ruggels and David Woods (Department of Public Health); presented information and answered questions raised throughout the discussion.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

160314 [Contract Amendment - Regents of the University of California, Division of Substance Abuse and Addiction Medicine - Behavioral Health Services - Not to Exceed \$27,552,154]

Resolution retroactively approving amendment number one to the Department of Public Health contract for behavioral health services with the Regents of the University of California, Division of Substance Abuse and Addiction Medicine, to extend the contract by two years, from July 1, 2010, through December 31, 2015, to July 1 2010, through December 31, 2017, with a corresponding increase of \$9,648,526 for a total amount not to exceed \$27,552,154. (Public Health Department) (Fiscal Impact; No Budget and Legislative Analyst Report.)

04/04/16; RECEIVED FROM DEPARTMENT.

04/12/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

05/23/16; TRANSFERRED to Government Audit and Oversight Committee. 5/23/16 - President Breed transferred this item from Budget and Finance Sub-Committee to Government Audit and Oversight Committee.

Heard in Committee. Speaker: Michelle Ruggles (Department of Public Health); presented information and answered questions raised throughout the discussion.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

160595 [Accept and Expend Grant - San Francisco Bay Area Rapid Transit District - Pit Stop Public Toilet Program - \$200,000]

Sponsors: Mayor; Kim and Campos

Resolution retroactively authorizing the Department of Public Works to accept and expend a grant of up to \$200,000 from the San Francisco Bay Area Rapid Transit District for the Pit Stop Public Toilet Program for the period of February 17, 2016, through February 16, 2017.

05/24/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speaker: Rachel Alonso (Public Works); presented information and answered questions raised throughout the discussion.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

160442 [Hearing - Below-Market-Rate Housing Policies and Procedures]**Sponsors: Kim; Breed**

Hearing on the Below-Market-Rate Housing policies and procedures utilized throughout the City and County of San Francisco; and requesting the Mayor's Office of Housing and Community Development to report.

04/26/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

05/03/16; REFERRED TO DEPARTMENT. Referred to the Mayor's Office of Housing and Community Development for informational purposes and requesting the department to report.

05/05/16; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: None.

05/19/16; CONTINUED. Heard in Committee. Speakers: Supervisor Jane Kim (Board of Supervisors); Maria Benjamin (Mayor's Office of Housing and Community Development); presented information and answered questions raised throughout the discussion. Karen Fleshman; Caroline Calderon, Theresa Imperial, and Gloria Calonsag (Bill Soro Housing Program); Bianca Polovina (Human Rights Commission); Laura Daza (Bill Soro Housing Program); Chirag Bhakta (Dolores Street Community Services); Laura; Socorro Campos (South of Market Community Action Network); Laura Melgarejo (Poder); Ana DeCorolis (Mujeres Unidas y Activas); Amy Aguilera and Flor Ramos (Poder); Gabrielle Medina (South of Market Community Action Network); Charlie Sciammas (Poder); Marilyn Duran (Poder); Angelica Cabande (South of Market Community Action Network); Raymond Castillo; Fis Jerraza; spoke on various concerns relating to the hearing matter.

06/02/16; CONTINUED. Heard in Committee. Speakers: None.

Heard in Committee. Speakers: None.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

Chair Peskin requested File Nos. 160187, 160500, 160501, 160543, 160544, 160576, 160577, and 160578 be called together.

LITIGATION

Speakers: Carter Zinn, Esq.; Mike McCallin; Andy Carson; Kai Roy; Andrew Valesquez; Kelly Constantine; spoke in support File No. 160187.

Conference with City Attorney

[Convene in Closed Session - Existing Litigation - City as Plaintiff and/or Defendant]

Motion that the Government Audit and Oversight Committee of the Board of Supervisors convene in closed session with the City Attorney for the purpose of conferring with, or receiving advice from, the City Attorney regarding the following existing lawsuits and claims in which proposed settlements are being considered by the Committee. Administrative Code Section 67.10(d) permit this closed session. Discussion in open session concerning these matters would likely and unavoidably prejudice the position of the City in the pending lawsuits and claims listed below.

Persons in attendance: Jon Givner, Deputy City Attorney (Office of the City Attorney) and Erica Major (Office of the Clerk of the Board).

After a closed session, if one occurs, the Committee shall adopt a motion either to disclose or not to disclose.

Member Breed moved to convene in closed session. The motion carried by the following vote:

Ayes: 2 - Peskin, Breed
Excused: 1 - Yee

160187 [Settlement of Lawsuit - David Zeller - \$900,000]

Ordinance authorizing settlement of the lawsuit filed by David Zeller against the City and County of San Francisco for \$900,000; the lawsuit was filed on March 14, 2013, in San Francisco Superior Court, Case No. CGC-13-529554; entitled David Zeller v. San Francisco General Hospital, et al.; the lawsuit involves alleged medical malpractice. (City Attorney)

02/24/16; RECEIVED FROM DEPARTMENT.

03/08/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Member Breed moved that this Ordinance be RECOMMENDED "DO NOT PASS". The motion carried by the following vote:

Ayes: 2 - Peskin, Breed
Excused: 1 - Yee

160500 [Settlement of Lawsuit - Ken Meisle - \$40,000]

Ordinance authorizing settlement of the lawsuit filed by Ken Meisle against the City and County of San Francisco for \$40,000; the lawsuit was filed on November 26, 2014, in San Francisco Superior Court, Case No. CGC-14-542935; entitled Ken Meisle v. City and County of San Francisco; the lawsuit involves personal injury and property damage. (City Attorney)

05/03/16; RECEIVED FROM DEPARTMENT.

05/17/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Member Breed moved that this Ordinance be RECOMMENDED... The motion carried by the following vote:

Ayes: 2 - Peskin, Breed
Excused: 1 - Yee

160501 [Settlement of Lawsuit - Martha Abbene - \$81,000]

Ordinance authorizing settlement of the lawsuit filed by Martha Abbene against the City and County of San Francisco for \$81,000; the lawsuit was filed on January 21, 2015, in San Francisco Superior Court, Case No. CGC-15-543761; entitled Martha Abbene v. City and County of San Francisco, et al.; the lawsuit involves personal injury due to uneven road surface. (City Attorney)

05/03/16; RECEIVED FROM DEPARTMENT.

05/17/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Member Breed moved that this Ordinance be RECOMMENDED... The motion carried by the following vote:

Ayes: 2 - Peskin, Breed
Excused: 1 - Yee

160543 [Settlement of Unlitigated Claim - Ebates Inc. - \$395,000]

Resolution approving the settlement of the unlitigated claim filed by Ebates Inc. against the City and County of San Francisco for \$395,000; the claim was filed on February 11, 2016; the claim involves a refund of payroll expense taxes. (City Attorney)

05/11/16; RECEIVED FROM DEPARTMENT.

05/24/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

160544 [Settlement of Administrative Civil Liability Complaint - California Regional Water Quality Control Board - \$611,100]

Resolution approving settlement of an administrative civil liability complaint proposed by California Regional Water Quality Control Board against the City and County of San Francisco for \$611,100; the complaint is entitled In the matter of SAN FRANCISCO PUBLIC UTILITIES COMMISSION; February 8, 2014, Discharge of Chlorinated Treated Wastewater; February 8, 2014, Discharge of Undisinfected Partially Treated Wastewater; July 19, 2014, Discharge of Chlorinated Treated Wastewater; July 21, 2014, Discharge of Partially Treated Wastewater; the matter involves alleged violations of combined sewage discharge permit limitations; the settlement also provides for penalty suspension pending completion of a supplemental environmental project. (City Attorney)

05/11/16; RECEIVED FROM DEPARTMENT.

05/24/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

160576 [Settlement of Lawsuits - Justice Operating Co. LLC, and Justice Investors LP, Kearny Street Employers LLC - \$1,450,000]

Ordinance authorizing settlement of two lawsuits filed by Justice Investors LP, Kearny Street Employers LLC, and Justice Operating Co. LLC, against the City and County of San Francisco for \$1,450,000; the first lawsuit was filed on July 16, 2015, in San Francisco Superior Court, Case No. CGC-15-546897; entitled Justice Investors LP, Justice Operating Co. LLC v. City and County of San Francisco; the second lawsuit was filed on October 19, 2015, in San Francisco Superior Court, Case No. CPF-15-514532; entitled Justice Investors LP, Kearny Street Employers LLC v. City and County of San Francisco; these are suits for refund of Real Property Transfer Tax, Transient Occupancy Tax and Tourism Improvement District Fees; other material term of said settlement is San Francisco's dismissal of its cross-complaint in Case No. CPF-15-514532. (City Attorney)

05/18/16; RECEIVED FROM DEPARTMENT.

05/31/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Member Breed moved that this Ordinance be RECOMMENDED... The motion carried by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

160577 [Settlement of Unlitigated Claim - Tamsyn Waterhouse - \$73,978.82]

Resolution approving the settlement of the unlitigated claim filed by Tamsyn Waterhouse against the City and County of San Francisco for \$73,978.82; the claim was filed on June 3, 2015; the claim involves alleged property damage resulting from the December 2014 floods. (City Attorney)

05/19/16; RECEIVED FROM DEPARTMENT.

05/31/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

160578 [Settlement of Unlitigated Claim - 500 Sansome Street Investors, L.L.C. - \$44,345.14]

Resolution approving the settlement of the unlitigated claim filed by 500 Sansome Street Investors, L.L.C., against the City and County of San Francisco for \$44,345.14; the claim was filed on June 29, 2015; the claim involves alleged property damage arising from flooding. (City Attorney)

05/19/16; RECEIVED FROM DEPARTMENT.

05/31/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

Deputy City Attorney Jon Givner reported that the Government Audit and Oversight Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations listed above.

Member Breed moved to not disclose closed session deliberations. The motion carried by the following vote:

Ayes: 2 - Peskin, Breed

Excused: 1 - Yee

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 12:27 p.m.

N.B. The Minutes of this meeting set forth all actions taken by the Government Audit and Oversight Committee on the matters stated, but not necessarily in the chronological sequence in which the matters were taken up.