



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: Sandra Lee Fewer, Shamann Walton, Rafael Mandelman

Clerk: Linda Wong (415) 554-7719

Wednesday, February 12, 2020

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Sandra Lee Fewer, Shamann Walton, and Rafael Mandelman

The Budget and Finance Committee met in regular session on Wednesday, February 12, 2020, with Chair Sandra Lee Fewer presiding. Chair Fewer called the meeting to order at 10:04 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Fewer, Vice Chair Walton, and Member Mandelman were noted present. A quorum was present.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

200006 [Airport Professional Services Agreement Modification - SITA Information Networking Computing USA, Inc. - Airport's Shared Use Passenger Processing Systems - Not to Exceed \$15,894,796]

Resolution approving Modification No. 1 to Contract No. 11211.51, Support of Airport's Shared Use Passenger Processing Systems, with SITA Information Networking Computing USA, Inc., to increase the contract amount by \$5,928,253 for a new not to exceed amount of \$15,894,796 with no change to the contract term to expire on December 31, 2023, to commence upon approval by the Board of Supervisors, pursuant to Charter, Section 9.118(b). (Airport Commission)
(Fiscal Impact)

12/23/19; RECEIVED FROM DEPARTMENT.

01/07/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Cathy Widener (Airport Department); 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, Walton, Mandelman

200046 [Accept and Expend Grant - FY 2018 Better Utilizing Investments to Leverage Development Transportation Discretionary Grant - United States Department of Transportation - Better Market Street Phase 1 - \$15,000,000]

Sponsor: Mayor

Resolution authorizing Public Works to accept and expend a grant in the amount of \$15,000,000 from the United States Department of Transportation for the FY 2018 Better Utilizing Investments to Leverage Development Transportation Discretionary Grant to fund the construction of the Public Works' Better Market Street Phase 1 project for the period of June 2020 through June 2025. (Public Works)

(Fiscal Impact)

01/14/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Oscar Quintanilla and Cristina Olea (Public Works); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Francisco DaCosta; spoke neither in support nor opposition to the hearing matter.

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

Ayes: 3 - Fewer, Walton, Mandelman

Chair Fewer requested File Nos. 200062 and 200063 be called together.

200062 [Agreement - HDR Engineering, Inc. - Specialized and Technical Services for Natural Resources and Watershed Management and Monitoring - Not to Exceed \$11,000,000]

Resolution authorizing the General Manager of the San Francisco Public Utilities Commission to execute an Agreement No. PRO.0138.A with HDR Engineering, Inc. for planning, design, and possibly engineering support, with an agreement amount not to exceed \$11,000,000 with a term not to exceed 11 years, for a period anticipated to commence on April 16, 2020, through April 15, 2031, pursuant to Charter, Section 9.118(b). (Public Utilities Commission)

(Fiscal Impact)

01/17/20; RECEIVED FROM DEPARTMENT.

01/28/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Calvin Huey (Public Utilities Commission); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Francisco DaCosta; spoke neither in support nor opposition to the hearing matter.

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

Ayes: 3 - Fewer, Walton, Mandelman

200063 [Agreement - AECOM Technical Services, Inc. - Specialized and Technical Services for Natural Resources and Watershed Management and Monitoring - Not to Exceed \$11,000,000]

Resolution authorizing the General Manager of the San Francisco Public Utilities Commission to execute Agreement No. PRO.0138.C with AECOM Technical Services, Inc. for planning, design, and possibly engineering support with an agreement amount not to exceed \$11,000,000 with a term not to exceed 11 years, for a period anticipated to commence on April 16, 2020, through April 15, 2031, pursuant to Charter, Section 9.118(b). (Public Utilities Commission)
(Fiscal Impact)

01/17/20; RECEIVED FROM DEPARTMENT.

01/28/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Calvin Huey (Public Utilities Commission); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Francisco DaCosta; spoke neither in support nor opposition to the hearing matter.

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

Ayes: 3 - Fewer, Walton, Mandelman

200043 [Lease of Real Property - TC II 888 Post, LLC - 888 Post Street - Base Annual Rent \$1,500,000 - Landlord Work \$5,000,000]**Sponsors: Mayor; Peskin**

Resolution approving and authorizing the Director of Property, on behalf of the Department of Homelessness and Supportive Housing, to lease real property located at 888 Post Street, for an initial term of 20 years anticipated to commence October 1, 2020, from TC II 888 Post, LLC, at a base rent of \$1,500,000 per year, increasing at 3% per year, including one option to extend the Lease for a period of ten years; authorizing the City's contribution of up to \$5,000,000 towards the cost of Landlord Work; authorizing the Director of Property, under certain conditions, to negotiate and enter into future subleases, including with Goodwill Industries of San Francisco, San Mateo and Marin Counties, Inc. as a subtenant; authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of the Lease and this Resolution, as defined herein, including allowing the City to increase its contribution towards the cost of the Landlord Work, subject to future appropriation of funds, as defined herein; finding the proposed transaction is in conformance with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and adopting findings under the California Environmental Quality Act. (Department of Homelessness and Supportive Housing)
(Fiscal Impact)

01/14/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

01/30/20; REFERRED TO DEPARTMENT. Referred to the Planning Department of environmental review.

02/11/20; RESPONSE RECEIVED. The project is categorically exempt under CEQA.

Heard in Committee. Speakers: Supervisor Aaron Peskin (Board of Supervisors); Gigi Whitley (Department of Homelessness and Supportive Housing); Andrico Penick, Director (Real Estate Division); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Deborah Bow; Chris Romes; Speaker; Peter Jacobson; Sherilyn Adams (Larkin Street Youth Services); Katie Reisinger (Huckleberry Youth Programs); Sarah Short (Community Housing Partnership); Austin Truong, Itzel Estrada, and Kiely Hosmon, Director (Youth Commission); spoke in support of the hearing matter. Francisco Da Costa; spoke neither in support nor opposition to the hearing matter.

Chair Fewer moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to a delete the provision that allows the Director of Property and the Director of the Department of Homelessness and Supportive Housing to exercise the option to extend the lease by ten years at the end of the initial 20 year term; and, to add language to request the Department of Homelessness and Supportive Housing, subject to the availability of funding, to submit a plan to the Board of Supervisors prior to August 2021 to purchase 888 Post Street. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

Resolution approving and authorizing the Director of Property, on behalf of the Department of Homelessness and Supportive Housing, to lease real property located at 888 Post Street, for an initial term of 20 years anticipated to commence October 1, 2020, from TC II 888 Post, LLC, at a base rent of \$1,500,000 per year, increasing at 3% per year; authorizing the City's contribution of up to \$5,000,000 towards the cost of Landlord Work; authorizing the Director of Property, under certain conditions, to negotiate and enter into future subleases, including with Goodwill Industries of San Francisco, San Mateo and Marin Counties, Inc. as a subtenant; authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of the Lease and this Resolution, as defined herein, including allowing the City to increase its contribution towards the cost of the Landlord Work, subject to future appropriation of funds, as defined herein; finding the proposed transaction is in conformance with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and adopting findings under the California Environmental Quality Act. (Department of Homelessness and Supportive Housing)
(Fiscal Impact)

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

Ayes: 3 - Fewer, Walton, Mandelman

200092 [Accept and Expend Grant - Retroactive - United States Department of Health and Human Services National Institutes of Health - Magee-Womens Research Institute and Foundation - Leadership and Operations Center (LOC): Microbicide Trials Network - \$134,610]

Sponsors: Mayor; Mandelman

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant in the amount of \$134,610 from the United States Department of Health and Human Services National Institutes of Health through the Magee-Womens Research Institute and Foundation for participation in a program, entitled "Leadership and Operations Center (LOC): Microbicide Trials Network," for the period of December 1, 2019, through November 30, 2020. (Public Health Department)

01/28/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Delia Molloy (Department of Public Health); 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, Walton, Mandelman

200093 [Accept and Expend Grant - Retroactive - California Department of Public Health - Overdose Prevention Program in Single Room Occupancy Hotel (SRO) - \$700,000]
Sponsors: Mayor; Haney

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant in the amount of \$700,000 from the California Department of Public Health for participation in a program, entitled "Overdose Prevention Program in Single Room Occupancy Hotel (SRO)," for the period of February 1, 2020, through January 30, 2022. (Public Health Department)

01/28/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Phillip Coffin, Director of Substance Use Research (Department of Public Health); 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, Walton, Mandelman

Chair Fewer requested File Nos. 200096 and 200097 be called together.

200096 [Accept and Expend Grant - Retroactive - California Department of Insurance - Automobile Insurance Fraud Program - \$201,447]**Sponsor: Safai**

Resolution retroactively authorizing the Office of the District Attorney to accept and expend a grant in the amount of \$201,447 from the California Department of Insurance for the Automobile Insurance Fraud Program for the grant period of July 1, 2019, through June 30, 2020.

01/28/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Suhagey Sandoval (Office of Supervisor Ahsha Safai); Supriya Perry (Office of the District Attorney); 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, Walton, Mandelman

200097 [Accept and Expend Grant - Retroactive - California Department of Insurance - Workers' Compensation Insurance Fraud Program - \$850,327]**Sponsor: Safai**

Resolution retroactively authorizing the Office of the District Attorney to accept and expend a grant in the amount of \$850,327 from the California Department of Insurance for the Workers' Compensation Insurance Fraud Program for the grant period of July 1, 2019, through June 30, 2020.

01/28/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Suhagey Sandoval (Office of Supervisor Ahsha Safai); Supriya Perry (Office of the District Attorney); 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, Walton, Mandelman

200094 [Standard Agreements, Accept and Expend Grant - California Department of Housing and Community Development Affordable Housing and Sustainable Communities Program - 500 Turk Street Project - \$20,000,000]**Sponsor: Mayor**

Resolution authorizing the Mayor's Office of Housing and Community Development (MOHCD) to execute the Standard Agreements with California Department of Housing and Community Development (HCD) under the Affordable Housing and Sustainable Communities Program for a total award of \$20,000,000 including \$13,700,000 disbursed by HCD as a loan to Turk 500 Associates L.P. for a 100% affordable housing project at 500 Turk Street and \$6,300,000 to be disbursed as a grant to the City public transportation improvements near 500 Turk Street, for the period starting on the execution date of the Standard Agreements through June 30, 2039; authorizing MOHCD to accept and expend a grant of \$6,300,000 for transportation, bicycle, and pedestrian improvements, and other transit oriented programming and improvements approved by HCD. (Mayor's Office of Housing and Community Development)

01/28/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Joyce Slen (Mayor's Office of Housing and Community Development); 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, Walton, Mandelman

200091 [Accept and Expend In-Kind Grants - San Francisco Public Health Foundation - Ross Recreation - Playground Equipment and Materials Bay View Playground - Valued Up to \$180,000]

Sponsors: Mayor; Walton

Resolution authorizing the Recreation and Park Department to accept in-kind grants from the San Francisco Public Health Foundation for playground equipment and materials for improvements from Ross Recreation for improvements to Bay View Playground valued up to \$180,000.

01/28/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Toni Moran (Recreation and Park Department); 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, Walton, Mandelman

191266 [Accept and Expend Grant - Retroactive - California Department of Parks and Recreation Local Assistance Specified Grant - West Portal Playground - \$388,000]

Sponsors: Mayor; Yee

Resolution retroactively authorizing the Recreation and Park Department to accept and expend a Local Assistance Specified Grant in the amount of \$400,000 from the California Department of Parks and Recreation for the West Portal Playground Project for the grant period of July 1, 2019, through June 30, 2022.

12/10/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Toni Moran (Recreation and Park Department); Anne Pearson (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to reduce the grant amount from \$400,000 to \$388,000. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

Resolution retroactively authorizing the Recreation and Park Department to accept and expend a Local Assistance Specified Grant in the amount of \$388,000 from the California Department of Parks and Recreation for the West Portal Playground Project for the grant period of July 1, 2019, through June 30, 2022.

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

Ayes: 3 - Fewer, Walton, Mandelman

Chair Fewer requested File Nos. 200088 and 200089 be called together.

200088 [General Obligation Refunding Bonds - Not to Exceed \$1,482,995,000]

Sponsor: Mayor

Resolution authorizing the issuance from time to time, in one or more series, of not to exceed \$1,482,995,000 aggregate principal amount of City and County of San Francisco General Obligation Refunding Bonds (Bonds), including an initial Series or Series of such Bonds in an aggregate principal amount not to exceed \$255,000,000 to be designated as "City and County of San Francisco General Obligation Refunding Bonds, Series 2020-R1" (Series 2020-R1 Bonds), to refund certain outstanding General Obligation Bonds of the City (Prior Bonds); approving the form and terms of said Bonds; authorizing the execution, authentication and registration of said Bonds; providing for the appointment of Depositories, Verification Agents, and other Agents for said Bonds; approving the form and authorizing the execution and delivery of Escrow Agreement(s) relating to the Prior Bonds; approving and directing the tax levy for repayment of said Bonds; approving procedures for competitive or negotiated sales including approving forms of Official Notice of Sale and Notice of Intention to Sell said Bonds and authorizing the selection of Underwriter(s) and the execution and delivery of Bond Purchase Contract(s); approving the form and authorizing the execution and delivery of Continuing Disclosure Certificates; approving the form and authorizing the distribution of the Preliminary Official Statement and authorizing the execution, delivery, and distribution of the Official Statement for the Series 2020-R1 Bonds; authorizing payment of Costs of Issuance of said Bonds; approving modifications to documents; ratifying actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale, and delivery of the Bonds, including the Series 2020-R1 Bonds and the Prior Bonds. (Fiscal Impact)

01/28/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Anna Van Degna (Office of the Controller); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer moved that this Resolution be CONTINUED to the Budget and Finance Committee meeting of February 26, 2020. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

200089 [Debt Policy - Controller's Office of Public Finance]

Sponsor: Mayor

Resolution approving the Controller's Office of Public Finance Debt Policy in accordance with California Government Code, Section 8855; and determining other matters in connection therewith, as defined herein.

01/28/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Anna Van Degna (Office of the Controller); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer moved that this Resolution be CONTINUED to the Budget and Finance Committee meeting of February 26, 2020. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

Chair Fewer requested File Nos. 200012 and 200013 be called together.

200012 [Agreement - Retroactive - McKesson Corporation - Group Purchasing Distribution of Pharmaceuticals - Not to Exceed \$381,382,991]

Resolution retroactively approving an agreement between McKesson Corporation and the Department of Public Health for a group purchasing agreement for the purchase of pharmaceuticals for a total amount not to exceed \$381,382,991 for a term of five years, from February 1, 2020, through January 31, 2024. (Public Health Department)
(Fiscal Impact)

12/27/19; RECEIVED FROM DEPARTMENT.

01/07/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: David Woods, Chief Pharmacy Officer (Department of Public Health); Severin Campbell (Office of the Budget and Legislative Analyst); Anne Pearson (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer moved that this Resolution be RECOMMENDED to the Board of Supervisors meeting of March 24, 2020. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

200013 [Agreement - Retroactive - McKesson Plasma and Biologics LLC - Pharmaceuticals, Biologics and Specialty Drugs - Not to Exceed \$295,934,790]

Resolution retroactively approving an agreement between McKesson Plasma and Biologics LLC and the Department of Public Health for the purchase of pharmaceutical products, biologics and specialty drugs for a total amount not to exceed \$295,934,790 for a term of five years, from February 1, 2020, through January 31, 2024. (Public Health Department)
(Fiscal Impact)

12/27/19; RECEIVED FROM DEPARTMENT.

01/07/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: David Woods, Chief Pharmacy Officer (Department of Public Health); Severin Campbell (Office of the Budget and Legislative Analyst); Anne Pearson (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer moved that this Resolution be RECOMMENDED to the Board of Supervisors meeting of March 24, 2020. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 11:29 a.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.