



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: John Avalos, Ross Mirkarimi, Sean Elsbernd

Clerk: Victor Young (415) 554-7723

Wednesday, December 8, 2010

11:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - John Avalos, Ross Mirkarimi and Sean Elsbernd

MEETING CONVENED

The meeting convened at 11:15 a.m.

REGULAR AGENDA

101148 [Visitacion Valley Infrastructure Fee Revenue Appropriation - Public Library and Department of Public Works for FY2010-2011- \$2,385,068]

Sponsor: Maxwell

Ordinance appropriating \$2,385,068 of Visitacion Valley Infrastructure Fee revenue from the Visitacion Valley Infrastructure Fund, including \$2,169,200 in the Public Library for the Visitacion Valley Branch Library Project and \$215,868 in the Department of Public Works, for the planning and design of utility undergrounding on Leland Avenue for FY2010-2011, and placing \$1,156,304 on Controller's reserve in the Public Library pending receipt of Visitacion Valley Infrastructure Fee revenue.
(Fiscal Impact.)

11/09/10; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Jon Lau, Legislative Aide to Supervisor Sophie Maxwell; John Dirch, CFO, San Francisco Public Library; Chris Elber, Department of Public Works; Harvey Rose, Budget and Legislative Analyst; Francisco Da Costa; Peter Warfield; Fran Martin.

RECOMMENDED by the following vote:

Ayes: 3 - Avalos, Mirkarimi, Elsbernd

101374 [Purchase Agreement - Subsurface Easements - Bay Division Pipeline Reliability Upgrade Project - Bay Tunnel - \$650]

Resolution approving and authorizing an Agreement for Purchase and Sale of Real Estate to obtain two permanent, exclusive, subsurface easements from Cargill, Inc., for the purpose of constructing the San Francisco Public Utilities (SF PUC) Commission Water System Improvement Program-Funded Project No. CUW36801, Bay Division Pipeline Reliability Upgrade - Bay Tunnel, for a purchase price of \$650; adopting environmental findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Administrative Code Chapter 31; adopting findings of consistency with City Planning Code Section 101.1; and authorizing the General Manager of SFPUC to execute documents, make certain modifications and take certain actions in furtherance of this resolution. (Real Estate Department)

11/01/10; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: John Updike, Department of Real Estate; Walter Paulson.

RECOMMENDED by the following vote:

Ayes: 3 - Avalos, Mirkarimi, Elsbernd

100598 [Real Property Lease - 238 Eddy Street]

Resolution authorizing the Master Lease of the Windsor Hotel at 238 Eddy Street for the Department of Public Health. (Real Estate Department)
(Fiscal Impact.)

11/08/10; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: John Updike, Department of Real Estate; Harvey Rose, Budget and Legislative Analyst; Walter Paulson.

RECOMMENDED by the following vote:

Ayes: 3 - Avalos, Mirkarimi, Elsbernd

101375 [Construction Management Services Agreement - San Francisco General Hospital Rebuild Program - Not to Exceed \$16,400,000]

Resolution authorizing the Director of Public Works to execute an amendment to a professional construction management services agreement for the San Francisco General Hospital Rebuild Program from \$8,000,000 to \$16,400,000. (Public Works Department)
(Fiscal Impact.)

11/01/10; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Ryan Alameida, San Francisco General Hospital Rebuild Program; Harvey Rose, Budget and Legislative Analyst; Walter Paulson.

RECOMMENDED by the following vote:

Ayes: 3 - Avalos, Mirkarimi, Elsbernd

101346 [Airport Concession Leases - Lori's Diner, Andale, Meyers Holdings, and H. Young Enterprises]

Resolution approving Amendment No. 1 to Domestic Terminals Food and Beverage Lease No. 03-0178 with Lori's Diner International; No. 03-0179 with Andale Airports; No. 03-0181 with Meyers Holdings, LLC; and No. 03-0188 with H. Young Enterprises, and the City and County of San Francisco, by and through its Airport Commission. (Airport Commission)

10/22/10; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Cathy Widener, San Francisco International Airport; Harvey Rose, Budget and Legislative Analyst; Walter Paulson.

RECOMMENDED by the following vote:

Ayes: 3 - Avalos, Mirkarimi, Elsbernd

101460 [Airport Concession Lease - Melshire DFW, L.P.]

Resolution approving the Terminal 2 Specialty Store Lease between Melshire DFW, L.P. dba Natalie's Candy Jar, and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

11/10/10; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Cathy Widener, San Francisco International Airport; Harvey Rose, Budget and Legislative Analyst; Walter Paulson.

RECOMMENDED by the following vote:

Ayes: 3 - Avalos, Mirkarimi, Elsbernd

101444 [Accept and Expend Grant - Chinatown Broadway Streetscape Improvement Design Plan - \$250,000]**Sponsor: Chiu**

Ordinance authorizing the San Francisco Planning Department to accept and expend a grant in the amount of \$250,000 from the California Department of Transportation, Division of Transportation Planning for the FY 2010-2011 Environmental Justice Grant for the Chinatown Broadway Streetscape Improvement Design Plan, and amending Ordinance No. 191-10 (Annual Salary Ordinance, FY2010-2011) to reflect the addition of one (1) limited duration Job Class 5293 Planner IV, grant funded position (0.06 FTE), in the Planning Department.

11/16/10; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Tom DiSanto, Planning Department; Walter Paulson.

RECOMMENDED by the following vote:

Ayes: 3 - Avalos, Mirkarimi, Elsbernd

101446 [Accept and Expend Grant - Central Corridor Growth Strategy and Design Plan - \$250,000]**Sponsor: Mayor**

Ordinance authorizing the San Francisco Planning Department to accept and expend a grant in the amount of \$250,000 from the California Department of Transportation, Division of Transportation Planning, for the CalTrans Community-Based Transportation Grant for the Central Corridor Growth Strategy and Design Plan, and amending Ordinance No. 191-10 (Annual Salary Ordinance, FY2010-2011) to reflect the addition of one (1) limited duration Job Class 5293 Planner IV, grant funded position (0.15 FTE), in the Planning Department.

11/16/10; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Tom DiSanto, Planning Department; Walter Paulson.

RECOMMENDED by the following vote:

Ayes: 3 - Avalos, Mirkarimi, Elsbernd

101267 [Reserved Funds, San Francisco Public Utilities Commission - \$1,873,500]

Hearing to consider release of reserved funds, San Francisco Public Utilities Commission (FY2007-2008 Hetch Hetchy Capital Project Budget), in the amount of \$1,873,500 to support the costs associated with the implementation of the Community Choice Aggregation Plan by early 2011. (Public Utilities Commission)

10/04/10; RECEIVED AND ASSIGNED to Budget and Finance Committee.

\$430,000 released and filed.

Heard in Committee. Speakers: Mike Campbell, San Francisco Public Utilities Commission; Harvey Rose, Budget and Legislative Analyst; Walter Paulson; Michael Christian; Ernestine Weiss.

APPROVED AND FILED by the following vote:

Ayes: 3 - Avalos, Mirkarimi, Elsbernd

101461 [Contract Amendment - Sunol Valley Regional Construction Management Services - Water System Improvement Program Projects - Not to Exceed \$19,000,000]

Resolution authorizing an amendment to the San Francisco Public Utilities Commission contract CS-915R for Sunol Valley Regional Construction Management Services in the amount not to exceed \$3,000,000, for a total agreement not to exceed amount of \$19,000,000 to fund Construction Management Services for Bioregional Habitat Restoration actions required for various Water System Improvement Program Projects within the Sunol Valley Region, Alameda County, pursuant to Charter Section 9.118, and adopting findings pursuant to the California Environmental Quality Act. (Public Utilities Commission)

(Fiscal Impact.)

11/15/10; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Dan Wade, San Francisco Public Utilities Commission; Harvey Rose, Budget and Legislative Analyst; Walter Paulson.

RECOMMENDED by the following vote:

Ayes: 3 - Avalos, Mirkarimi, Elsbernd

101462 [Contract Amendment - Peninsula Habitat Restoration Construction Management Services - Water System Improvement Program Projects - Not to Exceed \$26,000,000]

Resolution authorizing an amendment to the San Francisco Public Utilities Commission Contract No. CS- 916 for Peninsula Regional Construction Management Services in the amount not to exceed \$ 4,000,000, for a total agreement not to exceed amount of \$26,000,000 to fund Construction Management Services for Bioregional Habitat Restoration actions required for various Water System Improvement Program Projects within the Peninsula Region, San Mateo County, pursuant to Charter Section 9.118, and adopting findings pursuant to the California Environmental Quality Act. (Public Utilities Commission)
(Fiscal Impact.)

11/15/10; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Dan Wade, San Francisco Public Utilities Commission; Harvey Rose, Budget and Legislative Analyst; Walter Paulson.

RECOMMENDED by the following vote:

Ayes: 3 - Avalos, Mirkarimi, Elsbernd

101488 [Assessment Ballots for City Parcels to Form the Proposed Civic Center Community Benefit District]

Sponsor: Mayor

Resolution authorizing the Mayor to cast ballots in the affirmative on behalf of the City and County of San Francisco as owner of 11 parcels of real property over which the Board of Supervisors has jurisdiction, where those parcels would be subject to assessment in the proposed property and business improvement district to be named the Civic Center Community Benefit District.

11/23/10; RECEIVED AND ASSIGNED to Budget and Finance Committee.

The meeting was recessed to December 13, 2010, at 1:00 p.m.

MEETING RECESSED to December 13, 2010, at 1:00 p.m., by the following vote:

Ayes: 2 - Avalos, Mirkarimi

Absent: 1 - Elsbernd

101284 [Review of Fiscal Impacts of Hosting the America's Cup]**Sponsor: Mirkarimi**

Hearing before the Budget and Finance Committee to review the fiscal feasibility and responsibility, including analysis from the Budget Analyst, of the City hosting the America's Cup Regatta under the conditions contemplated and set forth in the "Term Sheet" to fully understand and define the City's expectations for both the short term and long term benefits that would accrue to the City for the purposes of negotiating a formal Host City Agreement.

Economic Impact

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

Heard in Committee. Speakers: President David Chiu, Supervisor Bevan Dufty and Supervisor David Campos, San Francisco Board of Supervisors; Jennifer Matz, Rick Hillis, and Kyri McClellan, Office of Economic and Workforce Development; Harvey Rose, Budget and Legislative Analyst; Tom Owen, Deputy City Attorney; Mark Buel, Chairman, San Francisco America's Cup Organization Committee; Monique Moyer and Brad Benson, Port of San Francisco; Fred Cuso, Budget and Legislative Analyst's Office; Ted Egan, Controller's Office; Ron Young; John Arndt; Dick Robinson, St Francis Yatch Club; Ernestine Weiss; Kevin Berry; Karen and Norman Pearce; Kimball Livingston; Gary Near; Liz Diaz; Female Speaker; Dwight Wilson; Als Spector; Chritina Reske; Male Speaker; Carl Wild Roy; Jimmy Moller; Female Speaker; Stanley Stern; Dave Bloch; Anthony Poplawski; Female Speaker; Mark Roudier; Walter Paulson; Ellen Johuck; Diane Isley; Paul Captain; Dave Gelbridge; Laurie Armstrong, Travel Association; Dennis MacKinzie; Peter Stoneberg; Simon Sengold; Andrew Watters; Patrick Markle; George Broder; Garrett Greenbalgh; Tom Relyea; John Harold; Nial Visnobles; Rob Black, SF Chamber of Commerce; Bob Harris, Deputy City Attorney.

The meeting was recessed to December 13, 2010, at 1:00 p.m.

MEETING RECESSED to December 13, 2010, at 1:00 p.m., by the following vote:

Ayes: 2 - Avalos, Mirkarimi

Absent: 1 - Elsbernd

101259 [34th America's Cup Host City Agreement and Finding of Fiscal Feasibility]**Sponsors: Mayor; Chiu, Mirkarimi, Alioto-Pier, Chu, Dufty and Maxwell**

Resolution approving a Host City and Venue Agreement among the City, the America's Cup Event Authority and the San Francisco America's Cup Organizing Committee; authorizing the Mayor or his designee and the Port to execute the Host City and Venue Agreement; authorizing and urging the Mayor, Office of Economic and Workforce Development, Port and such other City Officials as appropriate to take such steps and execute such additional agreements as are consistent with the Host City and Venue Agreement and this Resolution to bring the 34th America's Cup to the San Francisco Bay; and finding that the proposed Event is fiscally feasible as set forth in Administrative Code Chapter 29.

(Economic Impact, Fiscal Impact.)

11/09/10; RECEIVED AND ASSIGNED to Budget and Finance Committee.

11/16/10; SUBSTITUTED AND ASSIGNED to Budget and Finance Committee.

11/23/10; SUBSTITUTED AND ASSIGNED to Budget and Finance Committee.

12/08/10 - *Amendment of the whole bearing the same title.*

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

(Economic Impact, Fiscal Impact.)

Heard in Committee. Speakers: President David Chiu, Supervisor Bevan Dufty and Supervisor David Campos, San Francisco Board of Supervisors; Jennifer Matz, Rick Hillis, and Kyri McClellan, Office of Economic and Workforce Development; Harvey Rose, Budget and Legislative Analyst; Tom Owen, Deputy City Attorney; Mark Buel, Chairman, San Francisco America's Cup Organization Committee; Monique Moyer and Brad Benson, Port of San Francisco; Fred Cuso, Budget and Legislative Analyst's Office; Ted Egan, Controller's Office; Ron Young; John Arndt; Dick Robinson, St Francis Yatch Club; Ernestine Weiss; Kevin Berry; Karen and Norman Pearce; Kimball Livingston; Gary Near; Liz Diaz; Female Speaker; Dwight Wilson; Als Spector; Chritina Reske; Male Speaker; Carl Wild Roy; Jimmy Moller; Female Speaker; Stanley Stern; Dave Bloch; Anthony Poplawski; Female Speaker; Mark Rouder; Walter Paulson; Ellen Johuck; Diane Isley; Paul Captain; Dave Gelbridge; Laurie Armstrong, Travel Association; Dennis MacKinzie; Peter Stoneberg; Simon Sengold; Andrew Watters; Patrick Markle; George Broder; Garrett Greenbalgh; Tom Relyea; John Harold; Nial Visnobles; Rob Black, SF Chamber of Commerce; Bob Harris, Deputy City Attorney.

The meeting was recessed to December 13, 2010, at 1:00 p.m.

MEETING RECESSED to December 13, 2010, at 1:00 p.m., by the following vote:

Ayes: 2 - Avalos, Mirkarimi
Absent: 1 - Elsbernd

101324 [Ongoing Budget Updates]

Sponsor: Avalos

Hearing to consider various updates and presentations regarding the City budget.

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

10/27/10; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Leo Levenson and Monique Zmuda, Controller's Office; Kate Howard, Mayor's Office.

The meeting was recessed to December 13, 2010, at 1:00 p.m.

MEETING RECESSED to December 13, 2010, at 1:00 p.m., by the following vote:

Ayes: 2 - Avalos, Mirkarimi
Absent: 1 - Elsbernd

LITIGATION

Conference with City Attorney

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

Motion that the Budget and Finance 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. Government Code 54956.9(a) and San Francisco 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/or claims listed below.

101463 [Settlement of Lawsuit - Lexington Insurance - City to Receive \$2,750,000; Appropriating Settlement Proceeds]

Ordinance authorizing settlement of the lawsuit entitled City and County of San Francisco v. Lexington Insurance Company, San Francisco County Superior Court Case No: CGC-10-498967 (Action), removed to United States District Court, N.D. Cal., Case No: 3:10-CV1-02188-SI, arising from an insurance coverage dispute involving a claims-made Designers and Construction (i.e., professional liability) Project Specific Professional Liability and Pollution Liability Policy issued by Lexington Insurance Company (Lexington) to the San Francisco Public Utilities Commission for the period February 1, 2002, to February 1, 2006, policy number 1152114 (Lexington Policy), calling for payment of \$2,750,000 from Lexington to the City and County of San Francisco and including other material terms of said settlement: (1) Lexington will have no further obligations under the Lexington Policy and said policy shall be considered null and void and of no further force and effect; (2) San Francisco will defend and hold harmless and indemnify Lexington from and against any demand against Lexington made under the Lexington Policy; (3) all parties will execute a mutual release; (4) San Francisco will execute and file a dismissal of all claims with prejudice; (5) the City and Lexington each shall bear its own legal costs and fees arising from this action; and appropriating the full proceeds from the settlement to fund the San Francisco Public Utilities Commission's attorney fees and legal expenses related to certain pending litigation matters. (City Attorney)

11/15/10; RECEIVED AND ASSIGNED to Budget and Finance Committee.

The meeting was recessed to December 13, 2010, at 1:00 p.m.

MEETING RECESSED to December 13, 2010, at 1:00 p.m., by the following vote:

Ayes: 2 - Avalos, Mirkarimi

Absent: 1 - Elsbernd

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

Deputy City Attorney Cheryl Adams reported that the Rules 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 To Disclose]

Motion that the Board finds it is in the public interest to disclose information discussed in closed session, and directs the Chair immediately to disclose that information.

[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.

ADJOURNMENT

At the hour of 5:11 p.m. the meeting was recessed to Monday, December 13, 2010, at 1:00 p.m.