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7/5/95

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- (NOTICE OF CANCELLED MEETING
- (BUDGET COMMITTEE
- (S.F. BOARD OF SUPERVISORS

DOCUMENTS DEPT.

AUG 27 1995

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NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of
the Budget Committee for Wednesday, July 5, 1995, at 1:00 p.m., has been
cancelled.

The next regular meeting of the Budget Committee will be held on
Wednesday, ^{July} ~~June~~ 12, 1995, at 1:00 p.m., Room 410, War Memorial
Building, 401 Van Ness Avenue.

NOTICE OF CANCELLED MEETING
BUDGET COMMITTEE
S.F. BOARD OF SUPERVISORS
NOTICE IS HEREBY GIVEN that the
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Budget Committee for Wednesday, July
5, 1995, at 1:00 p.m., has been cancelled.
The next regular meeting of the
Budget Committee will be held on
Wednesday, June 12, 1995, at 1:00 p.m.,
Room 410, War Memorial Building, 401
Van Ness Avenue.
JOHN L. TAYLOR
CLERK OF THE BOARD
ONS 12936L 6/30/95 JT

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MINUTES

REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JULY 12, 1995 - 1:00 P.M.

ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:05 P.M.

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CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
 - a) File 101-92-11.5. [Reserved Funds, Airport] Consideration of release of reserved funds, Airport, (1992 Airport Improvement Bonds) totalling \$1,780,323, (\$839,184 for Contract No. 5856, \$746,579 for Contract #3414R, and \$194,560 for Contract No. 3432R) for the purpose of Airport Master Plan construction contracts awarded April 18, 1995 and May 16, 1995. (Airports Commission)
 - b) File 101-94-76.1. [Reserved Funds, Chief Administrative Officer] Consideration of release of reserved funds, Chief Administrative Officer, (Convention Facilities Fund), in the amount of \$679,500, for capital improvements for the Children's Place and Moscone Center. (Chief Administrative Officer)

SPEAKERS: None.

ACTION: HEARING HELD. CONSENT CALENDAR APPROVED. FILED.

VOTE: 3-0.

REGULAR CALENDARFISCAL ITEMS

2. File 101-94-112. [Appropriation, Police and Sheriff] Ordinance appropriating \$955,423, Sheriff and Police Departments, from the General Fund Reserve for overtime, fringe benefits, materials and supplies, other non-personal services and services of other departments for costs associated with the UN 50 Celebration for fiscal year 1994-95. (Controller) RO #94287

SPEAKERS: None.

ACTION: HEARING HELD. TABLED.

VOTE: 3-0.

3. File 101-95-3. [Appropriation, Public Works] Ordinance appropriating \$200,000, Department of Public Works, of parking revenue to capital improvement project (Clay/Washington parcel rezoning). (Supervisors Shelley, Kaufman, Teng, Hsieh)

SPEAKERS: ELECTED OFFICIAL: Supervisor Kevin Shelley, President of the Board. DEPARTMENTAL REPRESENTATIVES: Rebecca Kolstrand, Chief Administrative Office; Ted Lakey, Deputy City Attorney; Harvey Rose Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Amend to add a Section 2 to read: "It is the intent of the Board of Supervisors in approving this appropriation, that at least half of the Clay/Washington Street parcel (i.e., Block 202) shall remain under the jurisdiction of the Recreation and Park Commission and be reserved for public open space. Further amend to add a Section 3 to read: "Funds in the amount of \$101,095 are hereby placed on reserve pending selection of consultants, the hourly rates, the estimated hours and determination of the MBE/WBE status." NEW TITLE: "Ordinance appropriating \$200,000 of parking revenue to capital improvement project at the Department of Public Works for fiscal year 1995-96 (Clay/Washington parcel rezoning); providing that at least one half of the Clay/Washington Street parcel be reserved for public open space and placing a reserve on \$101,095." (SUPERVISORS KAUFMAN, TENG AND HSIEH REQUESTED TO BE ADDED AS CO-SPONSORS.)

VOTE: 3-0.

GENERAL ITEMS

4. File 170-94-1.1. [General Obligation Refunding Bonds] Resolution affirming and renewing the authorization for the issuance from time to time in one or more series of not to exceed \$600,000,000 aggregate principal amount of City and County of San Francisco General Obligation Bonds contained in Resolution No. 93-94. (Chief Administrative Officer)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Laura Lockwood, Chief Administrative Office. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

5. File 38-95-3. [Gift Acceptance, National Blue Ribbon Commission] Resolution accepting gifts of \$11,000 from various sources to fund the National Blue Ribbon Commission and authorizing the National Blue Ribbon Commission to expend the monies donated to facilitate the business of the Commission and directing the Clerk of the Board of Supervisors to reimburse the Commission for monies expended to carry out its functions. (Supervisor Bierman)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Amend amount of accepting gift from \$11,000 to \$970. Add a resolved clause to read: "Authorizing the National Blue Ribbon Commission to accept and expend a gift of \$970 and the expenditure of \$10,000 from various sources retroactively to facilitate the business of the Commission and directing the Clerk of the Board of Supervisors to reimburse the Commission for monies expended to carry out its functions." NEW TITLE: "Authorizing the National Blue Ribbon Commission to accept and expend a gift of \$970 and the expenditure of \$10,000 from various sources retroactively to facilitate the business of the Commission and directing the Clerk of the Board of Supervisors to reimburse the Commission for monies expended to carry out its functions."

VOTE: 3-0.

6. File 60-95-5. [Special Election, Bond Measures] Ordinance calling and providing for a Special Election to be held in the City and County on Tuesday, November 7, 1995, for the purpose of submitting to the voters of the City and County propositions to incur the following bonded debts of the City and County for the acquisition, construction or completion by the City and County of the following municipal improvements, to wit: \$63,590,000; \$29,245,000 and \$44,100,000 for acquisition, construction and/or reconstruction of certain improvements to City Hall, Steinhart Aquarium and related facilities and structures and to underground storage tanks owned by City and County; that estimated cost of said improvements is and will be too great to be paid out of ordinary annual income and revenue will require expenditures greater than the amount allowed by annual tax levy; reciting estimated costs of manner of holding such election and procedure for voting for or against the propositions; fixing maximum rate of interest on said bonds and providing for levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; consolidating the Special Election with the General Election; and providing that the election precincts, voting places and officers for election shall be the same as for such General Election. (Supervisors Shelley, Hsieh, Kaufman, Alioto, Migden, Hallinan, Ammiano, Bierman)

SPEAKERS: ELECTED OFFICIAL: Supervisor Kevin Shelley, President of the Board. DEPARTMENTAL REPRESENTATIVES: Harvey Rose Budget Analyst. NO POSITION: John Erlich. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING SAME TITLE PRESENTED IN COMMITTEE. ADOPTED. AMENDMENT OF THE WHOLE RECOMMENDED. (SUPERVISOR BIERMAN REQUESTED TO BE ADDED AS CO-SPONSOR.)

VOTE: 3-0.

7. File 170-95-7.1. [Underground Storage Tank Bond Reimbursement] Resolution declaring the intent of the City and County of San Francisco to reimburse certain expenditures (repair, removal, replacement of underground storage tanks and remediation of contaminated soil) from proceeds of future indebtedness, and approving and ratifying previous actions. (Chief Administrative Officer)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

TIME MEETING ADJOURNED: 1:45 P.M.



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BOARD OF SUPERVISORS

2/95

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

July 7, 1995

TO: Budget Committee

FROM: Budget Analyst *Recommendation of*

SUBJECT: July 12, 1995 Budget Committee Meeting

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Item 1a - File 101-92-11.5

Department: Airports Commission

Item: Hearing requesting release of reserved funds, Airport, totaling \$1,780,323, for Airport Master Plan construction work.

Amount: \$1,780,323

Source of Funds: 1992 Airport Revenue Bonds

Description: In December of 1992, the Board of Supervisors approved an ordinance appropriating \$2.4 billion in Airport Revenue Bond funds for Near Term Master Plan Projects at the San Francisco International Airport. Of the \$2.4 billion, \$1,554,200,000 was placed on reserve for construction contracts pending the selection of contractors, the submission of budget details and the MBE/WBE status of the contractors.

In July of 1994, the Board of Supervisors released \$51,792,700 of this reserve (File 101-92-11.2) to fund the South San Francisco and San Bruno Home Insulation Project and construction of the Lot DD Parking Structure at San Bruno Avenue and Route 101, leaving a balance of \$1,502,407,300 still on reserve for construction contracts.

In October of 1994, the Board of Supervisors released \$6,489,745 of this reserve (File 101-92-11.3) to fund initial construction and contingency costs of a new paved open air parking area for aircraft in the northwest section of the Airport (Plot 41 Hardstands Phase I), leaving a balance of \$1,495,917,555 still on reserve.

In May of 1995, the Board of Supervisors released \$35,977,753 of this reserve (File 101-92-11.4) to fund the toxic cleanup and remediation of Plots 7, 8, and 10 in preparation for construction of the west field cargo complex on those sites, the completion of the Plot 41 Hardstands, and noise insulation funding for 1,202 homes in South San Francisco, San Bruno, Daly City, and Millbrae, leaving a balance of \$1,459,939,802 still on reserve.

The proposed subject release of reserve in the amount of \$1,780,323 would leave a balance of \$1,458,159,479 on reserve and would fund the following Master Plan Projects:

- The renovation of vacated Delta Airlines space into office space for five tenants being relocated from the old Airborne Building which is slated for demolition. Office space is also required to accommodate the administration and management of Master Plan projects (**Contract Cost - \$839,184**).
- The demolition of existing buildings on Plot 50 in order to begin construction of a cargo facility as part of the Airport Master Plan Program (**Contract Cost - \$194,560**).
- The demolition of existing facilities and construction of new facilities as part of the Airport Master Plan program on Plots 7, 8, and 10. This project involves asbestos and lead based paint abatement, demolition of existing hangars and the removal and disposal of hazardous materials off the Airport property (**Contract Cost - \$746,579**).

The contract information for the three projects to be funded under this appropriation is shown below:

Delta Airlines Building Renovation, Contract No. 5856 (\$839,184)

The contractor for this project is Lem Construction. Lem Construction is an MBE firm. Lem Construction is subcontracting with four MBE firms for approximately 37.9 percent of the requested release of reserve (\$317,944 of the

total \$839,184), and one WBE firm for approximately 2.3 percent of the requested release of reserve (\$19,000 of the total \$839,184). The MBE firms and WBE firm that Lem Construction is subcontracting with are:

√ the MBE firm of Pacific Shores for approximately 6.1 percent of the requested release of reserve (\$51,000 of the total \$839,184);

√ the MBE firm of A & B Painting for approximately 1.7 percent of the requested release of reserve (\$14,644 of the total \$839,184);

√ the MBE firm of Temper Insulation for approximately .5 percent of the requested release of reserve (\$4,300 of the total \$839,184);

√ the MBE firm of LC Electric for approximately 29.6 percent of the requested release of reserve (\$248,000 of the total \$839,184);

√ and the WBE firm of Continental Building for approximately 2.3 percent of the requested release of reserve (\$19,000 of the total \$839,184).

Plot 50 Abatement/Building Demolition. Contract No. 3432R (\$194,560)

The contractor for this project is Cleveland Wrecking Company. Cleveland Wrecking Company is not an MBE firm. Cleveland Wrecking Company is subcontracting with three MBE firms for approximately 25.7 percent of the requested release of reserve (\$50,000 of the total \$194,560), and two WBE firms for approximately 2.6 percent of the requested release of reserve (\$5,000 of the total \$194,560). The MBE firms and WBE firm that Cleveland Wrecking Company is subcontracting with are:

√ the MBE firm of Esquivel Paving for approximately 16.5 percent of the requested release of reserve (\$32,000 of the total \$194,560);

√ the MBE firm of Big J Trucking for approximately 5.1 percent of the requested release of reserve (\$10,000 of the total \$194,560);

√ the MBE firm of P & K Trucking for approximately 4.1 percent of the requested release of reserve (\$8,000 of the total \$194,560);

√ the WBE firm of Sierra Electric for approximately 1.3 percent of the requested release of reserve (\$2,500 of the total \$194,560);

√ and the WBE firm of Greenleaf Trucking for approximately 1.3 percent of the requested release of reserve (\$2,500 of the total \$194,560).

**Plots 7, 8, & 10 Abatement/Building Demolition,
Contract No. 3414R (\$746,579)**

The contractor for this project is Iconco, Inc. Iconco, Inc. is not an MBE firm. Iconco, Inc. is subcontracting with two MBE firms for approximately 24.8 percent of the requested release of reserve (\$185,000 of the total \$746,579), and one WBE firm for approximately 2.4 percent of the requested release of reserve (\$18,000 of the total \$746,579). The MBE firms and WBE firm that Iconco, Inc. is subcontracting with are:

√ the MBE firm of Ocampo-Talao for approximately 5.4 percent of the requested release of reserve (\$40,000 of the total \$746,579);

√ the MBE firm of P & K Trucking for approximately 19.4 percent of the requested release of reserve (\$145,000 of the total \$746,579);

√ the WBE firm of Greenleaf for approximately 2.4 percent of the requested release of reserve (\$18,000 of the total \$746,579).

Recommendation: Release the requested reserved funds in the amount of \$1,780,323.

Item 1b - File 101-94-76.1

Department: Chief Administrative Officer

Item: Hearing requesting release of reserved funds in the amount of \$679,500 for capital improvements for the Children's Place and Moscone Center.

Amount: \$679,500

Source of Funds: 1994 Lease Revenue Bond Proceeds
Convention Facilities Fund

Description: In March of 1995, the Board of Supervisors approved a \$32,117,349 supplemental appropriation for debt service, capital improvements to the Moscone Center, and the construction of the Children's Center to be located on the roof of Moscone Center South (File 101-94-76). Of the \$32,117,349, \$22,973,794 was placed on reserve pending the provision of cost details, the selection of contractors, and the MBE/WBE status of the contractors.

The \$679,500 requested for release from reserve would be used to fund the First Phase Programming and Planning Studies for the Children's Center, at a cost of \$226,500, and Architectural, Mechanical, and Electrical Design for the Children's Center, at \$453,000. Most of the costs associated with these studies would support the Department of Public Works (DPW) Bureau of Architecture staff hours, with some costs for consultants (see below).

According to Mr. Jack Moerschbaeher, Director of the Convention Facilities, when the programming and design are completed, the Convention Facilities will prepare a request to release the remaining of \$22,294,294, including cost details, selection of the contractors, and the MBE/WBE status of the contractors.

Comments: 1. According to Mr. Mark Dorian of the DPW, the costs associated with these two studies include the following activities pursuant to Planning and Design for the new Children's Center:

- Planning meetings;
- Project reviews;
- Facilities walks/surveys;
- Programming;
- Development of preliminary alternatives;

BOARD OF SUPERVISORS
BUDGET COMMITTEE

- Americans with Disabilities Act projects identification;
- Code reviews;
- Project administration, scheduling, and budgeting; and
- Cost estimating.

Attachments 1 and 2 provided by Mr. Dorian contain the classifications, hours, hourly rates and total costs of the DPW Bureau of Architecture personnel and consultants who will be expending the \$226,500 for the First Phase Programming and Planning Study and for the Architectural, Mechanical and Electrical Design Phase of this project, at \$453,000.

2. The information provided in Attachment II regarding the proposed Architectural, Mechanical, and Electrical Design Phase for the Children's Center shows a total of \$453,837, rather than the requested release of \$453,000. Mr. Dorian advises that the Bureau of Architecture will absorb the \$837 into its existing budget.

3. Both of the proposed studies include costs for consultant services from Honeywell, Inc., as follows:

- √ \$14,500 (145 hours at \$100 per hour) of the total \$453,000 for the Design Phase; and
- √ \$10,350 (103.5 hours at \$100 per hour) of the total \$226,317 for the Programming & Planning Phase.

These services are to be provided by Honeywell, Inc. as part of an existing contract for light, heat and power maintenance services at the Moscone Center. Honeywell, Inc. is not an MBE/WBE firm.

4. The DPW will use a consultant, Arcost/CPM Group, to provide coordination and estimates, at \$7,350 (73.5 hours at \$100 per hour), for the \$226,500 Programming and Planning Phase of the project. Arcost/CPM Group was selected through an Request for Qualifications, and is an MBE firm.

Recommendation: Release \$679,500, as requested.

Budget Backup - Programming & Planning Phase		7/7/95	
DCF Moscone Center Capital Bond Program			
May '95 - December '96			
Hourly Takeoff - DPW Architectural Staff & Management			
First Phase program duration = 18 months or 1.5 years.			
Class	Rate / Hr	Hours	Total
Architectural Assoc. 2 - 5266	\$69	180	\$12,420
Architectural Asst. 2 - 5261	\$54	90	\$4,860
Architectural Asst. 1 - 5260	\$52	275	\$14,300
Secretary - 1450	\$45	134	\$6,033
Project Manager 2 - 5504	\$91	1,657	\$150,787
- (1st P/P phase)		(248)	(22,568)
- (Remaining Phases)		(1,409)	(128,219)
Subtotal		2,336	\$188,400

Budget Backup - Programming & Planning Phase			
DCF Moscone Center Capital Bond Program			
May '95 - December '96			
7/7/95			
DPW Engineering Hours Takeoff			
Assume \$75 / hour			
Discipline	hours	x \$75	
Mechanical	130	\$9,750	
Electrical	142	\$10,650	
Structural	0	\$0	
Subtotal	272	\$20,400	

Budget Backup - Programming & Planning Phase		
DCF Moscone Center Capital Bond Program		
May '95 - December '96		7/7/95
Cost Estimating Consultant		
ARCOST - CPM GROUP		
(MBE - recertified by HRC on 5/95 for 3 years)		
Assume \$100 / hour		
Type	Hours	x \$100
Coordination	18.5	\$1,850
Estimates	55	\$5,500
Subtotal	73.50	\$7,350

Budget Backup - Programming & Planning Phase		
DCF Moscone Center Capital Bond Program		
May '95 - December '96		7/7/95
Private Consultant's Hours Takeoff		
Assume \$100 / hour		
Type	Hours	x \$100
Honeywell / Energy Systems Services	103.5	\$10,350
Subtotal	103.50	\$10,350
TOTAL		\$226,500

Budget Backup - Design Phase		5/22/95	
DCF Moscone Center Capital Bond Program			
May '95 - December '96			
Hourly Takeoff - Architectural Staff			
First Phase program duration = 18 months or 1.5 years.			
Class	Rate / Hr	Hours	Total
Architectural Assoc. 2 - 5266	\$69	1104	\$76,176
Architectural Asst. 2 - 5261	\$54	828	\$44,712
Architectural Asst. 1 - 5260	\$52	1463	\$76,076
Secretary - 1450	\$45	690	\$31,050
Project Manager 2 - 5504	\$91	773	\$70,343
Subtotal		4858	\$298,357

Budget Backup - Design Phase			
DCF Moscone Center Capital Bond Program			
May '95 - December '96			
Engineering Hours Takeoff			
Assume \$75 / hour			
Discipline	hours	x \$75	
Mechanical	942	\$70,650	
Electrical	938	\$70,350	
Structural	0	\$0	
Subtotal	1880	\$141,000	

Budget Backup - Design Phase		
DCF Moscone Center Capital Bond Program		
May '95 - December '96		
Consultants Hours Takeoff		
Assume \$100 / hour		
Type	Hours	x \$100
Honeywell/ Energy Specialist	145	\$14,500
Subtotal	\$145	\$14,500

TOTAL \$453,857

Item 2 - File 101-94-112

Departments: Police Department
Sheriff's Department

Item: Ordinance appropriating \$955,423 from the General Fund Reserve for overtime, fringe benefits, materials and supplies, other non-personal services and services of other departments for costs associated with the UN 50 Celebration incurred by the Sheriff and the Police Departments in Fiscal Year 1994-95.

Amount: \$955,423

Source of Funds: 1994-95 General Fund Reserve

Budget:	<u>Police Department</u>	
	Overtime	\$656,859
	Fringe Benefits	11,360
	Contractual Services	32,343
	Materials and Supplies	22,701
	DPW Work Order	<u>5,800</u>
	Subtotal Police Department	\$729,063
	<u>Sheriff's Department</u>	
	Overtime (including premium pay)	\$192,308
	Fringe Benefits	2,163
	Materials and Supplies	<u>31,889</u>
	Subtotal Sheriff's Department	\$226,360
	TOTAL REQUESTED SUPPLEMENTAL FUNDS	\$955,423

Description: San Francisco was the host City for the 50th Anniversary of the United Nations which was held throughout the City, including the Civic Center area. The proposed supplemental appropriation request would pay for the costs incurred by the Police Department and the Sheriff's Department during the period June 23, 1995 through June 28, 1995 for the increased law enforcement activity associated with the UN 50 Celebration. Specifically, the proposed supplemental funds would be used to fund the following:

- Overtime personnel assigned to various UN 50 Celebration key events, including the "We the People" celebration, the Royal Philharmonic concert, the

Marilyn Horne concert, the Opera de Lyon, and the UN Plaza ceremonies and luncheon;

- Bomb Squad;
- Diplomatic Protection;
- Traffic Enforcement;
- Trailer Security;
- Various field support activities including standby for mass arrests, crowd control, transportation of arrestees;
- Increase in Jail staff as required by the circumstances;
- Station transfers.

According to the Controller, there has been no formal commitment regarding Federal reimbursement of the expenses incurred by the City. Mr. John Kaye of the Police Department reports that negotiations are currently being held between the Police Department and the U. S. State Department to determine the amount of Federal reimbursement. Therefore, the proposed supplemental funds would be used to pay for all expenses incurred by the Police and Sheriff Departments associated with the UN 50 Celebration event, prior to the receipt of any Federal funds.

Comments:

1. As noted above, the proposed budget includes \$656,859 for overtime costs for the Police Department, and \$192,308 requested for overtime costs in the Sheriff's Department. However, as of the writing of this report, neither the Police Department nor the Sheriff's Department have actual overtime cost information available. Actual overtime cost information is needed by the Budget Analyst to analyze this request and to determine whether the requested overtime funds exceed the actual costs incurred (See Comment #4).

2. The Police Department is currently finalizing cost details regarding the contractual services, materials and supplies and the DPW work order.

~~3. According to~~ Ms. Theresa Lee of the Mayor's Office, the Police Department and the Sheriff's Department are the only departments requesting supplemental funds for the UN 50 Celebration at this time, and no other City Departments are

BOARD OF SUPERVISORS
BUDGET ANALYST

anticipated to submit funding requests for the UN 50 Celebration.

4. The Controller advises that the overtime report detailing actual costs incurred by the Police Department and the Sheriff's Department will not be available until early next week. In addition, the Police Department is currently finalizing an itemized breakdown of other contractual services and materials and supplies expenses. Therefore, the Budget Analyst recommends that this proposed legislation be continued for one week until the Budget Committee meeting of July 19, 1995.

Recommendation: Continue the proposed ordinance for one week, pending the submission of finalized cost details.

Item 3- File 101-95-3

Departments: Department of Public Works
Chief Administrative Officer

Item: Supplemental Appropriation ordinance appropriating \$200,000 from the Broadway Parking Lot revenues to the Department of Public Works for a capital improvement project.

Amount: \$200,000

Source of Funds: Broadway Parking Lot (BPL) revenues (See Comment #1)

Description: In 1989, the Loma Prieta earthquake destroyed parts of the Embarcadero Freeway, leading to its complete demolition. As a result, parcels of land formerly part of the Embarcadero Freeway right-of-way and owned by the California Department of Transportation (CalTrans) were left vacant at Broadway and Clay/Washington Streets. In 1991, the State Legislature approved SB 181 requiring CalTrans to transfer this land to the City. SB 181 also specified that the City use this land or proceeds from the sale of this land, to construct an alternate system of local streets.

Currently, the Department of Public Works (DPW) and the Chief Administrative Officer (CAO) are working on a plan to sell the vacant parcels of land at Clay/Washington Streets (Blocks 202 and 203). The proceeds of the sale of this land will be used to help fund the Mid-Embarcadero Replacement Project, the construction project that creates an alternate system of local streets. In order to sell the land for the maximum profit, DPW and the CAO have determined that the land must be rezoned to make it more attractive to developers. Currently, the land is zoned for Public Use and Open Space.

In order to rezone the parcels at Clay/Washington Streets, the City must pay for an environmental review as well as other rezoning expenses associated with the Department of City Planning (DCP). DPW has determined that the total cost to rezone the parcels at Clay/Washington Streets will be \$300,000.

DPW has requested this supplemental appropriation ordinance to pay for part of the rezoning of the Clay/Washington Street parcels. DPW will use \$167,000 of the requested \$200,000 to pay for the rezoning. The remaining \$133,000 (\$300,000 total cost less this request of

\$167,000) needed to rezone the Clay/Washington parcels will be funded with Sales Tax revenues which were previously appropriated by the Board of Supervisors acting as the Transportation Authority in March, 1995 (Transportation Authority Resolution 95-8).

Rezoning the Clay/Washington Street Parcels (\$167,000)

The proposed expenditure plan for the Clay/Washington Street parcels is summarized below:

Task	To Be Performed by	Sales Tax	Broadway Parking Revenues (Subject of this Request)	Total Amount
Consolidate Parcels	DCP, CAO	\$18,428	\$23,172	\$41,600
Environmental Review	Consultants	80,405	101,095	181,500
Rezoning	DCP	7,974	10,026	18,000
Project Management	CAO, DPW	13,467	16,933	30,400
Department Staff Review	CAO, DPW	12,726	15,774	28,500
TOTAL		\$133,000	\$167,000	\$300,000

As noted above, only \$167,000 of this proposed budget will be funded from this supplemental appropriation request of \$200,000. The remaining \$133,000 (\$300,000 total project cost less this request of \$167,000) needed to rezone the Clay/Washington parcels will be funded with Sales Tax monies which have previously been appropriated.

General Development Guidelines for Broadway Street Parcels (\$33,000)

According to Ms. Rebecca Kohlstrand of the Department of City Planning, the remaining \$33,000 (request of \$200,000 less \$167,000 for the rezoning project above) of the proposed supplemental appropriation will be used to fund the preparation of general development guidelines for three parcels located on Broadway (Lot 21: Block 165, Lot 1: Block 141, and Lot 8: Block 140), as requested by the Chinatown, North Beach, and Telegraph Hill communities and the Broadway-Embarcadero Community Planning Group (BECPG) due to the potential impacts on their communities. According to Ms. Kohlstrand, the objective of these general design guidelines is to address community concerns that have arisen due to the pending Mid-Embarcadero Replacement

Project. Currently, these three parcels of land on Broadway Street are being used as parking lots, known as the Broadway Parking Lots (BPL).

The preparation of the general development guidelines, to address land use, transportation, and urban design concerns of the community, will be performed entirely by the Department of City Planning with assistance from other City Departments. Up to two public meetings will be held to solicit community input.

Comments:

1. As stated in the ordinance and reported by the Capital Improvements Advisory Committee (CIAC) (see Attachment), the source of funds for this supplemental appropriation are revenues from the Broadway Parking Lots. According to SB 181, revenues from the Broadway Parking Lots can only be expended for the Mid-Embarcadero Replacement Project. These parking lots are leased by the City to private operators. According to Ms. Tina Olson of DPW, the projected annual parking revenues received by the City from the Broadway Parking Lots total \$261,060.
2. As stated in the attached letter from the CAO, no General Fund monies would be used for these projects. The CIAC recommends approval of this supplemental appropriation request of \$200,000.
3. Ms. Olson advises that the consultants who will perform the environmental review (\$181,500) have not yet been selected. As such, the amount of \$101,095, the proportion of consultant fees to be allocated from this proposed supplemental appropriation request of \$200,000 for the Environmental Review pertaining to the Clay/Washington Street parcels, should be placed on reserve, pending the selection of the consultant, the hourly rates, the estimated hours and the determination of the MBE/WBE status of the consultant.

Recommendation:

1. Amend the proposed request by reserving the amount of \$101,095 of the requested \$200,000, pending the selection of consultants, the hourly rates, the estimated hours and the determination of the MBE/WBE status of the consultant.
2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.



WILLIAM L. LEE
CHIEF ADMINISTRATIVE OFFICER

June 6, 1995

The Honorable Frank Jordan
The Honorable Board of Supervisors
Mr. Edward Harrington, Controller

Ladies and Gentlemen:

In accordance with Section 3.010 of the Administrative Code, I am reporting on behalf of the Capital Improvement Advisory Committee on the following request for supplemental appropriation:

Department:	Public Works
Title:	Rezoning Clay/Washington Parcels
Source of Funds:	Revenue Broadway Parking Lots
Total Amount:	\$200,000

It is the report of the CIAC that:

1. The funds will be used to pay the costs associated with the rezoning and consolidation of the Clay/Washington parcels as well as the costs associated with environmental review and the preparation of a set of development guidelines for properties located on Broadway. These actions are needed as part of the process of selling the Broadway parcels to provide funds to complete the Embarcadero Roadway Replacement Project.
2. Revenues for these purposes will come from revenues generated from parking lots on the Broadway parcels. Thus, no General Fund money is being used.

The CIAC recommends approval of this request.

Sincerely,

A handwritten signature in cursive script that reads "William Lee".

William Lee
Chief Administrative Officer and,
Chair, Capital Improvement Advisory Committee

Item 4 - File 170-94-1.1

Department: Chief Administrative Officer (CAO)

Item: Resolution affirming and renewing the authorization for the issuance from time to time in one or more series of not to exceed \$600,000,000 aggregate principal amount of City and County of San Francisco General Obligation Bonds as contained in Resolution No. 93-94.

Description: In January of 1994, the Board of Supervisors approved a resolution (Resolution 93-94, File 170-94-1) authorizing the Chief Administrative Officer, the Controller, the Treasurer, and other City officials to take the necessary actions in FY 1994-95 to issue and sell up to \$600,000,000 in Series 1994 General Obligation Refunding Bonds in order to refund a portion of up to \$713,819,000 in outstanding General Obligation bonds of the City, for the purpose of realizing debt service savings by retiring higher interest rate bonds and replacing such bonds with lower interest rate bonds. The proposed resolution would reaffirm and extend that authorization for the next fiscal year, through June 30, 1996, and thereby authorize the sale of Series 1995 General Obligation Refunding Bonds.

The amount of the Series 1994 Refunding Bonds previously issued was \$344,185,000. As such, an amount of \$255,815,000 (\$600,000,000 less \$344,185,000) remains within the limit of the aggregate principal amount of Refunding Bonds authorized under Resolution 93-94.

Ms. Stephanie Carlisle of the CAO's Office advises that the proposed amount of the Series 1995 Refunding Bonds is \$192,875,000. Following the issuance of the Series 1995 Refunding Bonds, an amount of \$62,940,000 (\$255,815,000 less \$192,875,000) would remain within the limit of the aggregate principal amount of Refunding Bonds authorized under Resolution 93-94.

General provisions of the issuance and sale of the City's Refunding Bonds authorized under Resolution 93-94 are as follows:

- The CAO would be authorized and directed to determine which issues (or maturities within any issues) of previously issued General Obligation Bonds shall be refunded from proceeds of any series of bonds and to provide for the sale of any series of bonds;

Memo to Budget Committee
July 12, 1995 Budget Committee Meeting

- The Series 1995 Refunding Bonds would be issued only if the application of the proceeds of the Series 1995 Refunding Bonds to refund the previously issued bonds would result in lower total scheduled principal and interest payments to the City;
- The Series 1995 Refunding Bonds would be sold at an interest rate which could not exceed 12 percent per year, and would mature no later than the final maturity date of the bonds to be refunded, and in no event shall the Series 1995 Refunding Bonds have a final maturity date after June 30, 2011;
- Costs incurred in connection with the issuance of the Series 1995 Refunding Bonds shall not exceed two percent of the principal amount of such Bonds;
- No Series 1995 Refunding Bonds could be issued or sold after June 30, 1996. Authorization to issue Refunding Bonds under Resolution 93-94 requires annual review and approval of the Board of Supervisors.

Comments:

1. Under the proposed resolution, the annual interest rate for the bonds may not exceed 12 percent. Ms Stephanie Carlisle of the CAO's Office reports that if the Series 1995 Refunding bonds were sold today, the interest rate would be approximately 5.5 percent, which is 1.3 percent less than the average overall interest rate of approximately 6.8 on the existing bonds.
2. Ms. Carlisle reports that the average annual debt service for the proposed \$192,875,000 in Series 1995 Refunding Bonds would be an estimated \$17,864,000, and the average annual debt service of the previously issued bonds to be refunded is approximately \$18,386,000. Thus, according to Ms. Carlisle, the City will realize an estimated savings of approximately \$522,000 per year, or a total estimated savings of \$8,874,000 over the 17-year life of the Series 1995 Refunding Bond issue.
3. Ms. Carlisle reports that the cost of issuing the proposed Series 1995 Refunding bonds, including fees for private bond counsel and financial advisors and the services of the Chief Administrative Officer and the City Attorney, are expected to be approximately \$450,000. Ms. Carlisle notes that the CAO would submit a separate supplemental appropriation request to fund the issuance costs, and that ~~the amount~~ ^{an amount} appropriated for such costs would be reimbursed from the bond proceeds.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 5 - File 38-95-3

Department: National Service Blue Ribbon Commission (NSBRC), an advisory body to the Board of Supervisors

Item: Resolution accepting cash gifts totaling \$11,000 to fund the National Service Blue Ribbon Commission and authorizing the National Blue Ribbon Commission to expend the monies donated to facilitate the business of the Commission and directing the Clerk of the Board of Supervisors to reimburse the Commission for monies expended to carry out its functions.

Amount: \$10,970 - See Comment No. 1

Source of Gift:	Mr. David Jenkins, a local benefactor	\$10,000
	Individual donors throughout the community (See Attachment)	
	Total Cash Gifts:	<u>970</u>
		<u>\$10,970</u>

Description:

The creation of the National Service Blue Ribbon Commission (NSBRC) was authorized by the Board of Supervisors in 1993 (Resolution 300-93) to serve as an advisory body to the Board pertaining to the implementation of the National Service Program, a Federal Government program. The National Service Program, which was signed into law in September, 1993 (called The National and Community Service Trust Act), includes the creation of a voluntary service corps, to be known as "AmeriCorps", consisting of young people primarily, between the ages of 16 and 24, who will provide service to their local communities in the areas of education, human services, environment and public safety. In exchange for this service, the participants will receive an educational award in the amount of \$4,725 per year, payable to the participant's college or trade school, to be used to pay for tuition or job training or to repay college student loans.

The authorizing legislation specifies that the Board of Supervisors would provide in-kind professional and administrative staff and services to the NSBRC and that the Mayor and Chief Administrative Officer were urged to do the same. However, the NSBRC was also authorized to seek funds from public and private sources to carry out its functions and as such, the NSBRC is requesting authorization to accept and expend the subject cash gifts totaling \$10,970.

In April, 1994 the Board of Supervisors approved acceptance of the \$10,000 portion of the subject cash gifts from Mr. David Jenkins. However, the NSBRC was not granted authority to expend the \$10,000 pending the submission, to the Board of Supervisors, of a detailed budget for the \$10,000 gift. As noted above, the proposed resolution would authorize the acceptance of cash gifts totaling \$11,000. Since the \$10,000 cash gift has already been accepted, the proposed legislation should be amended to (1) authorize only the expenditure of the \$10,000 and (2) authorize the acceptance and expenditure of the remaining \$970 portion of the gift.

The budget for the \$10,000 gift plus an additional \$970 in donations for a total of \$10,970 is detailed below:

Personnel

Executive Director's Salary (\$2,000/month for a period of 4 months)	<u>\$8,000.00</u>
Total Personnel:	\$8,000.00

Swearing In Ceremony

Catering by Adama Saunders	550.00
Photographic Documentation	59.80
Name Tags	21.70
Sign Language Interpreter	75.00
Invitations	200.00
Mailing	<u>109.00</u>
Total Swearing In Ceremony:	\$ 1,015.50

Other

Postage	1,500.00
Printing	<u>454.50</u>
Total Other:	\$ 1,954.50

TOTAL CASH GIFT BUDGET: \$10,970.00

According to Mr. Jason Wong, Treasurer of the NSBRC, the above-noted services and materials have been paid for by a \$10,970 interest free loan to the NSBRC, from New College of California, on the condition that New College would be reimbursed once the subject cash gifts totaling \$10,970 were received. As such, the proposed resolution should be amended to authorize the NSBRC to expend retroactively the total cash gift amount of \$10,970. Mr. Wong also advises, that there is no formal loan agreement between New College of California and the NSBRC.

Comment: Mr. Wong advises that the actual amount of the cash gifts is \$10,970 and not \$11,000. As such, the proposed resolution should be amended to reflect this new amount.

- Recommendations:**
1. Amend the proposed resolution to reflect that the total amount of the cash gifts is \$10,970 instead of \$11,000.
 2. Amend the proposed resolution to (1) authorize only the expenditure of the \$10,000 and (2) authorize the acceptance and expenditure of the remaining \$970 portion of the gift.
 3. Amend the proposed resolution to authorize the National Service Blue Ribbon Commission to expend the \$10,970 in cash gifts retroactively.
 4. Approve the proposed resolution, as amended.

Commission on National Service
 Report of the Treasurer
 Credits as of March 9, 1994

<u>Name:</u>	<u>Amount</u>
Bierman, Sue - San Francisco Supervisor	\$50
Chin, Eddie Y.	\$25
Cochrane, Ann	\$30
Duca, Samuel and Betty	\$30
Edelman, Florence	\$30
Felder, Jane Zirpoli	\$35
Good Samaritan Family Resource Center, Inc.	\$30
Jenkins, Dave - Giant's Baseball Team Owner	\$10,000
Kavanagh, Julia A.	\$100
Lanfranchi, Marcello	\$15
League of Women Voters of S.F., Jean Lacey	\$30
Lee, Charles S. and Betty F.	\$30
Mabel Teng - College Board Member	\$30
Neuwirth and Assoc., Donald B. and Carol B.	\$30
Nivola, Claire A.	\$15
Ong, Eugene and Jane	\$30
Queen, Jim	\$100
Rivaldo, Joseph	\$100
Rohrer, Deborah	\$100
Simon, Juno	\$10
Skain, Patrick M.	\$30
Sustainable City, Beryl Magilary	\$30
Union Chartered Corp, Derek Chan	\$30
Wong, Moon Y.	\$30
Wong, Sandra	\$30
	<hr/>
	<u>\$10,970</u>

Checks to be returned:

Eddy, Elizabeth and Wilk, John R. (\$30)

Item 6 - File 60-95-5

Department: Chief Administrative Officer (CAO)

Item: Ordinance calling and providing for a Special Election to be held in the City and County on Tuesday, November 7, 1995, for the purpose of submitting to the voters of the City and County propositions to incur the following bonded debts of the City and County for the acquisition, construction or completion by the City and County of the following municipal improvements, to wit: \$63,590,000 for certain improvements to City Hall; \$29,245,000 for Steinhart Aquarium improvements; and \$44,100,000 for improvements to underground storage tanks owned by the City and County; that the estimated cost of said improvements is and will be too great to be paid out of ordinary annual income and revenue will require expenditures greater than the amount allowed by the annual tax levy; reciting estimated costs of such municipal improvements (i.e., the amount of the bonds plus interest); fixing the date of election and the manner of holding such election and procedure of voting for or against the propositions; fixing maximum rate of interest on said bonds and providing for levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; consolidating the Special Election with the General Election; and providing that the election precincts, voting places and officers for election shall be the same as for such General Election.

Amount: \$63,590,000: City Hall improvements
\$29,245,000: Steinhart Aquarium improvements
\$44,100,000: Underground storage tank improvements

Description: The State General Obligation Bond Law requires that, in order for the City to issue General Obligation Bonds, a resolution of public convenience and necessity must first be adopted by a two-thirds vote of the Board of Supervisors, and the proposed bonds must then be approved by two-thirds of the electorate. In June of 1995, the Board of Supervisors adopted three pieces of legislation by a two-thirds vote determining and declaring that the public interest and necessity would be served by approving the following bond issues:

\$63,590,000 to finance non-seismic capital improvement projects at City Hall, including waterproofing, improvements to the plumbing, fire protection, and heating, ventilation and

air conditioning (HVAC) systems, and accessibility improvements. (File 170-95-6)

- \$44,100,000 to construct a secondary containment (usually a double wall) in underground storage tanks owned by the City and to clean up any leakage from existing single-walled underground fuel storage tanks, in conformance with a State law requiring that such improvements be completed by December 1998.

The amount initially proposed for this bond issue was \$51 million. However, the Budget Committee amended the resolution to decrease the amount to \$44.1 million, because the Capital Improvements Advisory Committee (CIAC) determined that only \$44.1 million was required for the proposed construction related to the underground storage tanks. (File 170-95-7)

- \$29,245,000 for seismic retrofitting and structural repairs for the Steinhart Aquarium, including the removal of asbestos and other toxic materials, and improvements to the electrical and water supply systems, which are crucial to the maintenance of the aquarium.

The amount initially proposed for this bond issue was \$28,670,829. However, the Budget Committee amended the resolution to approve a bond issue of \$29,245,000, because the Capital Improvements Advisory Committee (CIAC) determined that \$29,245,000 was required for the proposed seismic retrofitting and structural repairs for the Steinhart Aquarium. (File 170-95-8)

The proposed ordinance would provide for a Special Election on Tuesday, November 7, 1995, to submit the above bond issues to the voters.

Comments:

1. In conformance with State law, the proposed ordinance would provide for a Special Election, since bond issues must be submitted to the voters in a Special Election. The proposed ordinance would further provide that the Special Election be consolidated with the General Election, so that the election precincts, voting places and officers for the elections would be the same as for the General Election.

2. The proposed ordinance would require that notice be given of the proposed election. The proposed ordinance would be published once a day for at least seven days in the official newspaper of the City and County.

3. The three previously approved resolutions of public convenience and necessity found that the sum of money specified was too great to be paid out of the City's ordinary annual revenue. This proposed ordinance would submit the same finding to the voters.

4. The proposed ordinance would fix the interest rate of the bond issues at a maximum of twelve percent per year, paid semiannually. As the Budget Analyst previously reported, the owner of a single family owner-occupied residence assessed at \$300,000 would pay the following in additional property taxes in FY 1996-97 to support the proposed bond issues:

<u>File Number and Purpose</u>	<u>Bond Issue Amount</u>	<u>Increase in Property Tax Rate*</u>	<u>Additional 1996-97 Property Tax**</u>
170-95-6 City Hall improvements	\$63,590,000	\$0.0117	\$34.28
170-95-7 Underground storage tank repair	44,100,000	0.0074	21.68
170-95-8 Steinhart Aquarium improvements	<u>29,245,000</u>	<u>0.0054</u>	<u>15.82</u>
TOTAL IF ALL THREE BOND MEASURES ARE APPROVED	\$136,935,000	\$0.0245	\$71.78

* Per \$100 of assessed value

**For single family owner occupied residences assessed at \$300,000

Ms. Stephanie Carlisle of the CAO's Office advises that the above costs are based on eight percent annual interest rates. According to Ms. Carlisle, it is likely that the actual interest rate will be lower than eight percent. The proposed ordinance includes a maximum interest rate of twelve percent per annum.

Ms. Laura Wagner-Lockwood of the CAO's Office advises that the proposed bond issues would most likely not be issued all at once, but would instead be apportioned in separate bond issues over time. Therefore, the total outstanding debt pursuant to any particular bond issue would not, at any given time, be as much as the total authorized bond issue amount, since a portion of the debt would be repaid before the total authorized amount were issued.

5. The Capital Improvements Advisory Committee (CIAC), which is responsible for prioritizing the City's proposed capital improvement projects, recommended approval of all three of the above bond issues. As noted in the Budget Analyst's previous reports, according to the CIAC, the City is reaching its prudent remaining debt capacity of \$642,000,000

(assuming a three percent growth rate), which represents 2.4 percent of the net assessed property value in the City, less outstanding debt and authorized bonds through the year 2005.

If all of the above bond issues are approved by the voters in November, 1995, the City would issue up to a total of \$136,935,000 in General Obligation bonds, using approximately 21 percent of the City's remaining estimated prudent bonding capacity of \$642,000,000 to the year 2005, leaving approximately \$505 million, or approximately 79 percent of prudent remaining bonding capacity through the year 2005.

6. Expenditures related to any of the proposed General Obligation bonds, if approved by the voters, would require a supplemental appropriation to be approved by the Board of Supervisors.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 7 - File 170-95-7.1

Departments: Chief Administrative Officer (CAO)
Department of Parking and Traffic (DPT)

Item: Resolution declaring the intent of the City and County of San Francisco to reimburse certain expenditures, related to the City's underground storage tanks, from the proceeds of future bonded indebtedness, and approving and ratifying previous actions.

Description: The Board of Supervisors recently approved legislation (1) determining and declaring that the public interest and necessity demand that certain improvements be made to underground storage tanks owned by the City and (2) that the estimated cost of \$44,100,000 for said improvements, which will involve repair, removal and/or replacement of the subject storage tanks and the clean up of related leakage, is and will be too great to be paid out of the ordinary annual income and revenue of the City and will require the incurring of a bonded indebtedness (File 170-95-7).

Item 6, File 60-95-5 in this report to the Budget Committee is a proposed ordinance calling and providing for a Special Election to be held in the City and County on November 7, 1995 to incur bonded debts totaling an estimated \$136,935,000 for various municipal improvements including improvements to the City's underground storage tanks. Of the \$136,935,000, \$44,100,000 represents a General Obligation Bond issue designated for improvements to the City's underground storage tanks.

The proposed legislation states that Section 1.150-2 of the Treasury Regulations under the Internal Revenue Code of 1986 requires that the City declare its official intent to reimburse itself for any expenditures that are to be financed by the proceeds of bonds, when such expenditures are incurred before the bonds have been sold. The proposed resolution would declare such intent by the City. The proposed legislation further states that this resolution is solely for purposes of establishing compliance with the requirements of Section 1.150-2 and does not bind the Board of Supervisors to make any expenditure, incur any indebtedness or proceed with the proposed project.

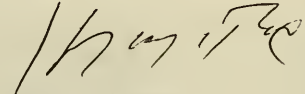
The proposed resolution will allow City departments, that advance money for the repair, removal and replacement of underground storage tanks and/ or clean-up of contaminated soil resulting from the City's underground storage tanks, to

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
July 12, 1995 Budget Committee Meeting

be reimbursed from the pending General Obligation Bond proceeds related to the City's underground storage tanks.

Recommendation: Approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

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MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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WEDNESDAY, JULY 19, 1995 - 1:00 P.M.

ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:05 P.M.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
 - a) File 101-90-121.5. [Reserved Funds] Consideration of release of reserved funds, Water Department (1991 Water Bond Funds) in the amount of \$881,930, to fund Water Main Replacement Contract 2146 - Howard Street. (Public Utilities Commission)
 - b) File 101-93-88.2. [Reserved Funds, Department of Public Works] Consideration of release of reserved funds, Department of Public Works (1989 Earthquake Safety Bond Fund), in the amount of \$191,000 to provide additional funding for the construction contract for Fire Station No. 31. (Department of Public Works)
 - c) File 101-93-104.1. [Reserved Funds, Department of Electricity] Consideration of release of reserved funds, Department of Electricity and Telecommunications, in the amount of \$40,000, for the City-Wide Radio System project. (Department of Electricity and Telecommunications).

- d) File 101-93-105.2. [Reserved Funds, Public Library] Consideration of release of reserved funds, Public Library (1988 Library Improvement Bond Interest), in the amount of \$584,250, for the renovation of Mission Branch Library. (Public Library)
- e) File 101-94-89.1. [Reserved Funds, Department of Public Works] Consideration of release of reserved funds, Department of Public Works, (Special Recreation and Park Revenue Funds - Rent Credit from San Francisco 49'ers), in the amount of \$141,000 for improvements to Candlestick Park for the 1999 Superbowl. (Department of Public Works)
- f) File 28-95-10. [Emergency Repair, Chlorination Facilities] Resolution authorizing expenditure of San Francisco Water Department funds for emergency repairs at City chlorination facilities. (Public Utilities Commission)

SPEAKERS: ITEMS a-c, e-f. None.

ACTION: ITEMS d AND e REMOVED FROM CONSENT CALENDAR.
REMAINING ITEMS a-c, e-f APPROVED. FILED.

VOTE: 3-0.

- d) File 101-93-105.2. [Reserved Funds, Public Library] Consideration of release of reserved funds, Public Library (1988 Library Improvement Bond Interest), in the amount of \$584,250, for the renovation of Mission Branch Library. (Public Library)

SPEAKER: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. REDUCE AMOUNT TO \$289,250 AND APPROVE. FILED.

- e) File 101-94-89.1. [Reserved Funds, Department of Public Works] Consideration of release of reserved funds, Department of Public Works, (Special Recreation and Park Revenue Funds - Rent Credit from San Francisco 49'ers), in the amount of \$141,000 for improvements to Candlestick Park for the 1999 Superbowl. (Department of Public Works)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

REGULAR CALENDAR
FISCAL ITEM

2. File 101-95-4. [Appropriation, Police and Sheriff] Ordinance appropriating \$955,423, Sheriff and Police Departments, from the General Fund Reserve for overtime, fringe benefits, materials and supplies, other non-personal services and services of other departments for costs associated with the UN 50 Celebration for fiscal year 1995-96. Providing for ratification of action previously taken. (Controller) RO #95011

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Maryanne Soza, Chief Deputy, Sheriff's Department; Ed Harrington, Controller; Ted Lakey, Deputy City Attorney; Lt. Ryan, Police Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING NEW TITLE PRESENTED IN COMMITTEE. ADOPTED. AMENDMENT OF THE WHOLE AMENDED. CONSIDERATION CONTINUED TO JULY 26, 1995, MEETING. Amend to reduce overtime to \$195,013; reduce mandatory fringe benefits to \$11,019; reduce materials and supplies to \$67,163 and amend the title to add the following: "and other public safety activities performed by the Sheriff Department in late June 1995. NEW TITLE: "Ordinance appropriating \$1,243,899 from the General Fund Reserve for overtime, fringe benefits, materials and supplies, other non-personal services and services of other departments for costs associated with the UN 50 Celebration in the Sheriff and the Police Departments and other public safety activities performed by the Sheriff Department in late June 1995 for fiscal year 1995-96." Providing for ratification of action previously taken.

VOTE: 3-0.

GENERAL ITEM

3. File 172-95-27. [Sales of Grants and Easements] Ordinance authorizing and approving sales of and grants of easements with respect to City-owned property (portions of Block 5269, Lots 7 and 8; and Block 5282, Lot 31) to the State of California, Department of Transportation in connection with the retrofit and maintenance of the Interstate 280 Freeway. (Real Estate Department)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Tony DeLucchi, Director, Real Estate Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

HEARING

4. File 200-95-2. [Cost of Installation of Public Toilets] Hearing to consider the cost to the City of the installation of public toilets when the manufacturer is limited to \$20,000 per toilet for installation. (Supervisors Kaufman, Bierman)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Vitaly Troyan, Department of Public Works; Gerald Green, City Planning Department; Ed Harrington, Controller; Ted Lakey, Deputy City Attorney. IN SUPPORT: None. OPPOSED: John Korman, National Park Service; Dzavid Bowsman, SF Hertiage Foundation; Ed Lawson, Union Square Association; Yvonne Yeates Northset Property Management; Dave Reese, Merrill Drugs; GB Platt, Historic Preservation Consultant; Janet Copeland, Property Manager, 111 Sutter Street.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO AUGUST 2, 1995, MEETING.

VOTE: 3-0.

TIME MEETING ADJOURNED: 4:00 P.M.

CITY AND COUNTY



OF SAN FRANCISCO

07

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

195

July 14, 1995

TO: Budget Committee
FROM: Budget Analyst *Recommendation of...*
SUBJECT: July 19, 1995 Budget Committee Meeting

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Item 1a - File 101-90-121.5

Department: Water Department

Item: Release of reserved funds in the amount of \$881,930 to fund the Water Main Replacement Contract No. 2146 - Howard Street.

Amount: \$881,930

Source of Funds: 1991 Series A San Francisco Water Revenue Bonds

Description: In June of 1991, the Board of Supervisors approved a supplemental appropriation ordinance in the amount of \$47,925,000 in 1991 Water Revenue Bonds for various capital improvement projects (File 101-90-121). Of this amount, \$14,000,000 was placed on reserve for the Water Main Replacement Program and the San Andreas Pipeline No. 3 Relining Project, pending the selection of contractors, the submission of budget details and the MBE/WBE status of the contractors. Thus far, \$13,080,240 of the \$14,000,000 originally placed on reserve has been released, leaving a balance on reserve of \$919,760.

The Water Department is now requesting the release of \$881,930 for the Water Main Replacement Project at Howard Street. This project involves replacing approximately 5,190

Memo to Budget Committee
 July 19, 1995

feet of water mains on Howard Street, between Fourth and Thirteenth Streets, and on Russ Street, between Howard and Folsom Streets.

Through a competitive bid process, the Water Department awarded a contract in the amount of \$595,930 to the sole bidder, P & J Utility Company. P & J Utility Company is not an MBE or WBE firm.

The budget details and the MBE/WBE subcontractor information are as follows:

Water Department Personnel

The following in-house staff positions will be responsible for purchasing all materials, preparing contract specifications and drawings and performing construction management, inspection and service connections.

<u>Position</u>	<u>FTE</u>	<u>Amount</u>	
5210 Senior Civil Engineer	0.01	\$1,250	
5206 Associate Civil Engineer	0.26	17,500	
5364 Civil Engineer Associate I	0.52	27,500	
6318 Construction Inspector	0.02	1,250	
7250 Utility Plumber Supervisor	0.14	11,200	
7388 Utility Plumber	0.90	62,850	
7463 Utility Plumber Apprentice	0.37	23,650	
7514 General Laborer	<u>0.38</u>	<u>16,800</u>	
Total - In-house Personnel	2.60		\$162,000

Materials and Supplies

Materials include ductile iron pipe, gate valves, fittings, gaskets, and service pipes. 124,000

Construction Contract

<u>Prime Contractor</u>	<u>Percentage of Contract</u>	<u>Amount</u>	
P & J Utility Company	70.8	\$421,930	
<u>Subcontractors</u>			
Esquivel Paving (MBE)	15.9	\$95,000	
Vickers Sawing (MBE)	4.2	25,000	
J. Higgins Trucking (MBE)	4.9	29,000	
Double B & L Trucking (WBE)	<u>4.2</u>	<u>25,000</u>	
Subtotal - Subcontractors	29.2	\$174,000	
Total - Construction Contract	100.0		<u>595,930</u>
Total Request to Release Reserved Funds			<u><u>\$881,930</u></u>

Comment: Mr. Jeff Pera of the Public Utilities Commission (PUC) reports that an Invitation for Bids (IFB) was advertised in the San Francisco Examiner on March 18, 1995. According to Mr. Pera, due to an apparent lack of interest on the part of potential bidders in responding to the City's IFB, the PUC conducted one extra pre-bid conference for potential bidders and postponed the bid date. Still, only one bid was received, from P & J Utility Company, prior to the revised deadline for the receipt of bids.

Recommendation: Approve the release of reserved funds in the amount of \$881,930.

Item 1b- File 101-93-88.2

Departments: Fire Department
Department of Public Works (DPW)

Item: Requesting release of reserved funds, Department of Public Works (1989 Earthquake Safety Bond Fund) in the amount of \$191,000 to provide additional funding for the construction contract for Fire Station No. 31.

Amount: \$191,000

Source of Funds: Interest earned on 1989 Earthquake Safety Bond Program, Phase One Bonds.

Project: Fire Station No. 31 Seismic Improvement Project.

Description: The requested release of \$191,000 is for additional funding of DPW seismic improvement work related to Fire Station No. 31 located at 441 Twelfth Avenue.

In April of 1994, the Board of Supervisors approved a supplemental appropriation of \$1,400,000 for various Fire Department capital improvement projects. The funding source was interest income earned on 1989 Earthquake Safety Bonds (File 101-93-88). Included in this supplemental appropriation of \$1,400,000 was \$191,000 for additional construction costs for seismic improvement work on Fire Station No. 31. The \$191,000, requested by the DPW, represented the difference between previously appropriated funds for the construction costs of the Fire Station No. 31 Seismic Improvement Project of \$1,692,760 and the DPW estimated construction cost for the project of \$1,883,760. The entire \$191,000 was placed on reserve, pending the identification of the contractor, the MBE/WBE/LBE status of the contractor, and finalization of contract cost details. The DPW is now requesting that the \$191,000 be released from reserve to fund additional construction costs for seismic improvements to Fire Station No. 31.

A construction contract in the amount of \$1,695,913 was awarded to Lee Engineering Services to perform seismic improvements to Fire Station No. 31 (File 101-92-72.3). This \$1,695,913 construction contract was for \$3,153 more than the previously appropriated amount of \$1,692,760 for the Fire Station No. 31 Seismic Improvement Project. Lee Engineering Services commenced construction on the project in August of 1994. Mr. Roger Wong of DPW advises that subsequently, in the course of construction, increased costs

have resulted due to conditions on the project site that were not detected when the construction contract was approved. Additional funds in the amount of \$191,000 are now needed to complete the Fire Station No. 31 Seismic Improvement Project, according to Mr. Wong.

The additional work needed to complete the Fire State No. 31 Seismic Improvement Project will be performed by the DPW staff, by Lee Engineering Enterprises, a WBE firm, and by three other non-MBE/WBE firms that have on-going contracts with DPW. The three other firms are Signet Testing Laboratory, Paradigm Environmental, and Roger Foott Associates.

The \$191,000 in additional requested funding will be expended as follows:

Contractual Services

<u>Lee Engineering Services</u> (51.9 percent)	
Fire Department requested changes (slide pole hardware, miscellaneous electrical work)	\$7,811
Filling in two existing windows	3,718
Conduit and Cable for PG&E pull box	9,305
Concrete pad for generator	3,907
Structural repair to existing grade beam	2,584
Repair damage sidewalk	3,030
Other*	<u>45,645</u>
Subtotal	\$76,000
<u>Signet Testing Laboratory</u> (15.5 percent)	
Testing/special inspection	22,623
<u>Paradigm Environmental</u> (24.3 percent)	
Asbestos/lead abatement	35,522
<u>Roger Foott Associates</u> (8.3 percent)	
Underground-tank removal	<u>12,100</u>
Subtotal - Contractual Services	\$146,245

In-house DPW Personnel

Installation of telecommunication system	\$20,000
Construction Management and Inspection	<u>15,000</u>
Subtotal - in-house DPW Personnel	<u>\$35,000</u>
Subtotal	\$181,245
Contingency (5.4 percent of \$181,245)**	<u>9,755</u>
TOTAL	\$191,000

* Includes installation of conduits for telecommunication, TV and telephone services from service boxes to building and required excavation work in sidewalk, repair and replacement of damaged underground rainwater drains in rear vehicle parking area, minor additions in electrical work, and other unforeseeable work.

**According to Mr. Wong, the \$9,755 contingency represents the difference between the total amount of \$191,000 that remains in the reserve account for this project and the project's additional construction cost of \$181,245.

Comment:

According to Mr. Wong, the original contingency of \$229,484 provided in previously appropriated funds for the Fire Station No. 31 Seismic Improvement Project was depleted due to the following unanticipated factors: (1) deeper foundations were required due to soil problems encountered during excavation, (2) extra reinforcing was needed for mechanical enclosures and chases located behind plaster walls, (3) additional structural work was necessary to repair dry-rot and strengthen inadequately braced roof trusses concealed in the existing attic, (4) more abatement work was required for asbestos containing materials subsequently found during construction, and (5) additional design and construction management was required.

Recommendation: Release the reserved funds in the amount of \$191,000

Item 1c - File 101-93-104.1

Department: Department of Electricity and Telecommunications (DET).

Item: Hearing requesting release of reserved funds for the Department of Electricity and Telecommunications, in the amount of \$40,000, for the City-Wide Radio System Project.

Amount: \$40,000

Source of Funds: Surplus monies rescinded from various completed Capital Improvement Projects and reserved for development of the 800 MHz Citywide Radio System.

Description: In April of 1994, the Board of Supervisors approved a supplemental appropriation (File 101-93-104) in the amount of \$246,050 to cover start-up costs for the DET's development of the City-Wide Radio System Project, an integrated radio communications system to be used by several City departments, including the Police Department, the Fire Department, the Department of Parking and Traffic and the Department of Public Health. Part of the funding (\$40,000) was requested to pay for professional consulting services. The Board of Supervisors placed \$40,000 of the \$246,050 on reserve, pending the selection of a contractor, the MBE/WBE status of the contractor and the contract cost details.

At the time of the 1994 supplemental appropriation, the DET planned to enter into a sole source contract with Motorola Communications and Electronics, Inc. (Motorola) for provision of the 800 MHz Citywide Radio Communication System. DET planned to develop general specifications for each phase of work in-house, and have Motorola convert the specifications into a scope of work. In order to ensure some independent analysis of the completeness of the scope of work, technical design requirements, equipment specifications, etc., the DET proposed to hire a consulting engineering firm to review the DET specifications and Motorola Statements of Work and Services, at an estimated cost of \$40,000. Because the DET had not yet selected a consulting engineering firm, the Budget Committee placed this \$40,000 on reserve.

However, the sole source contract for provision of the 800 MHz Citywide Communications System was successfully challenged in Federal Court, and the DET will now conduct a competitive bid. In order to issue a Request for Proposals (RFP) for provision of the system, it is necessary to develop full, detailed specifications for the project. Instead of hiring a

consulting engineer to review DET specifications and the Motorola Statement of Work and Services, the DET has retained a consulting engineer to prepare the specifications for inclusion in the RFP, to assist the DET in reviewing the bids, and to perform project management functions during implementation of the System. The DET now requests that the \$40,000 reserved for advisory consulting engineering services be released to help pay for the much larger contract for development of specifications, review of bids and project management, that is currently required.

The DET reports that, through the Purchasing Department's Request for Proposal (RFP) process, the DET has selected the firm of Fluor Daniel Inc., an engineering firm to perform these services for the City-Wide Radio System Project (\$2,409,000), as well as providing other, unrelated engineering services for the 911 Project (\$2,027,357), at a total estimated cost of \$4,436,357. Fluor Daniel, Inc. is not an MBE or WBE firm. The DET reports that Fluor Daniel Inc. was selected on the basis of their expertise; they were also the lowest bidder. The DET advises that two other firms, neither of which are MBE or WBE firms, responded to the Department's RFP, as follows:

<u>Firm</u>	<u>Amount Bid</u>
RAM Communication Consulting, Inc.	\$4,983,046
Warner Group	\$4,983,157

Mr. Mike Ward of the Purchasing Department, who managed the RFP process, reports that the contract for engineering services will be performed in seven phases. Mr. Ward advises that Fluor Daniel Inc. has been awarded a contract in the amount of \$2,487,625 for Phase I of the project (\$2,409,000), which is the portion related to the 800 MHz Citywide Radio System, and a portion of Phase II (\$78,625), which pertains to the 911 Project. According to Mr. Ward, contracts covering the remaining \$1,948,732 in anticipated contract expenses related to the 911 Project will be developed at a later date.

Mr. Ward states that the \$2,487,625 contract amount is based on a flat rate for the services to be provided over a three-year, five-month (or 41 month) period. Mr. Ward advises that Fluor Daniel's hourly rates range from \$60 to \$175 per hour. Mr. Ward states that Fluor Daniel Inc. will subcontract on an as-needed basis with the following five firms: F. W. Associates Inc. (an MBE firm), Clayton

Environmental, Frank Thatcher Associates, Inc., The Jefferson Company (an MBE firm), and Linestream (a WBE firm). According to Mr. Ward, The Jefferson Company will be allocated \$106,968 or 4.3 percent of the total contract amount of \$2,487,625, F. W. Associates will be allocated \$273,639 or 11 percent of the contract and Linestream will be allocated \$129,357 or 5.2 percent of the contract, for a total MBE/WBE participation of 20.5 percent or \$509,964.

Mr. Dan McFarland of the DET advises that, in addition to this request of \$40,000, the DET has \$1,000,000 budgeted in its proposed FY 1995-96 budget for the 800 MHz portion of the Fluor Daniel contract. Mr. McFarland states that the DET is requesting the proposed release of reserve because staff anticipate that additional tasks not included in the contract scope of work will arise during the specification design process. Mr. McFarland advises that he wishes to use the \$40,000 to cover such unanticipated expenses as they arise, without unnecessarily delaying the completion of each work phase.

Comments:

1. According to Mr. McFarland, the \$1,369,000 balance of the contract amount related to the 800 MHz Citywide Radio System (\$2,409,000 less \$1,040,000) will be budgeted in the DET's FY 1996-97 and FY 1997-98 budgets. Mr. McFarland advises that the DET hopes to have bid-ready specifications for the 800 MHz Citywide Radio Project by June 1, 1996.
2. The Attachment provided by the DET describes, in more detail, the work to be performed by Fluor Daniel, Inc. for Phase I. As noted above, the \$40,000 requested for release of reserve is only a small portion of the total cost of \$2,409,000 for development of specifications, review of bids and project management of the 800 MHz Citywide Radio System Project.
3. The original purpose for which the subject \$40,000 requested release of reserve was designated -- review of specifications for the 800 MHz Citywide Radio Project -- is closely related to the purpose for which the DET now wishes to use the funds: development of such specifications. Furthermore, it is clear that the DET will ultimately spend significantly more than the \$1,000,000 included in the Department's FY 1995-96 budget plus the \$40,000 included in this request (\$1,040,000) on the contract with Fluor Daniel Inc. For these reasons, the Budget Analyst concludes that the request for release of reserve is a reasonable request.

Recommendation: Approve the \$40,000 release of reserve.

ATTACHMENT

Cost Calculation Form 2

COST CALCULATION FOR PHASE NO. 1, OF SERVICES TO BE PROVIDED.

Summary of Services to be Provided:	
SPECIFICATIONS DEVELOPMENT	
(1)	Conduct project alignment and define scope of work
(2)	Conduct needs analysis interviews (20) with radio system users
(3)	Define functional requirements
(4)	Evaluate system requirements and prepare preliminary design
(5)	Review and define applicable standards
(6)	Review and define existing systems
(7)	Provide value engineering services to ensure that functional requirements are satisfied at a reasonable cost
(8)	Develop performance and technical specifications
(9)	Support the DET in review and approval of specifications (one review cycle)
(10)	Provide support to the DET in specifications issues for pre-bid conference
BID, NEGOTIATIONS, APPROVAL & AWARD SUPPORT (Procurement/Bid process based on one cycle each for the 800MHz Trunked System and the MDT Radio System)	
(11)	Provide support to the DET in evaluating bidders' responses
(12)	Develop and issue award recommendation for DET evaluation
(13)	Provide contract negotiations support to the DET during the contract award process (support based upon a 3 month duration)
(14)	Provide approval and award support to the DET (support based upon a 2 month duration)
SYSTEM IMPLEMENTATION	
(15)	Review and finalize vendor design issues for system implementation
(16)	Oversee system installation to ensure compliance with applicable documentation, standards, codes, and regulations (oversight based upon a 9 month duration)
(17)	Obtain and evaluate site specific data to develop final as-built analyses
POST IMPLEMENTATION & REVIEW	
(18)	Review vendor as-built documentation
(19)	Prepare system documentation
(20)	Prepare final project close-out report (one review cycle)
SUPPORT SERVICES	
(21)	Provide engineering support services. Participate in monthly progress reviews, engineering meetings with CCSF and prime contractor analysis and provide engineering analysis and input to support monthly project status reporting
(22)	Provide project management support services (project manager, cost and scheduling, estimating) to support monthly project status reporting
Total Lump Cost of Services: \$ 2,409,000	Estimated Time of Completion: 3 years, 5 months
Contractor: Fluor Daniel, Inc.	
Signature:	
Name and Title: Alec Bentley, Project Manager	
Address: 3333 Michelson Drive, Irvine, CA, 92730	
Telephone No. 714-975-6329	Fax 714-975-3857

Item 1d - File 101-93-105.2

Department: Public Library
Department of Public Works (DPW)

Item: Release of reserved funds, in the amount of \$584,250 for the renovation of the Mission Branch Library.

Amount: \$584,250

Source of Funds: 1988 Public Library Improvement Bond Interest

Description: As the result of the 1988 Public Library Improvement Bond measure, approved by the voters in 1988, the Mission Branch Library is slated to undergo the following renovations: seismic upgrading, handicapped accessibility, additional public space, and additional space for the Mission Branch Library's collections.

Requested Release of Reserve

In April of 1994, the Board of Supervisors approved a request for a supplemental appropriation from the 1988 Public Library Improvement Bond interest funds, which included an amount of \$1,208,551 for the renovation of the Mission Branch Library (File 101-93-105). The Board of Supervisors placed the entire amount of \$1,208,551 on reserve, pending the selection of a contractor, the contractor cost details, and the MBE/WBE status of the contractor. In September of 1994, the Board of Supervisors approved a release of \$150,000 of the reserved amount of \$1,208,551 to replace the heating system in the Mission Branch Library, leaving a balance of \$1,058,551 on reserve. Although the reserved amount of \$1,058,551 was originally reserved for the construction services of an outside contractor, DPW is now requesting that the proposed \$584,250 release of reserve, which is included in the \$1,058,551 currently reserved, be used for (1) the completion of in-house design work by DPW and outside peer review of the project cost estimates (\$289,250), and (2) in-house construction management services by DPW (\$295,000). Mr. Victor Talatala of DPW advises that, as of May, 1994, the scope of the construction work for the Mission Branch Library Renovation Project increased based on peer reviews, and therefore there has been a corresponding increase in the need for design and construction management services to be provided by DPW prior to the start of construction. (See discussion of Project Budget and Financing, below.)

The proposed funds would be used as follows:

Design Phase

DPW-Design Phase Project Management (Project Manager approx. 595.2 hrs @ \$84 per hr)	\$50,000
DPW-Construction Documents	180,550
Department of Building Inspection- Permits and Approvals	36,000
Two Peer Reviews (See Comment No.3)	<u>22,700</u>
Subtotal	\$289,250

In-House Construction Management Services

DPW- Testing and Inspection	85,000
DPW- Construction Management (Construction Manager for approx. 417 hrs @ \$96 per hour, Construction Inspector for 1,875 hrs. @ \$80 per hr)	190,000
DPW- Post-Construction Services (Project Manager for approx. 59.5 hrs @ \$84 per hr Architect 130 hrs. @ \$77 per hour, Construction Manager 52 hours @ \$96 per hour)	<u>20,000</u>
Subtotal	295,000
TOTAL	\$584,250

Total Project Budget and Financing

The original budget for completion of the Mission Branch Library renovations, including design and construction, was \$2,360,880. The Project has received funding from the following sources: (1) an amount of \$355,750 from the original allocation of the 1988 Public Library Improvement Bond funds (See Comment No. 4); (2) \$100,000 of 1990 Earthquake Safety Improvement Bond funds; (3) \$696,579 for construction, from a Federal grant; and (4) \$1,208,551 from an April, 1994 supplemental appropriation (File 101-93-105) of the 1988 Public Library Improvement Bond interest funds, which was placed on reserve and is the subject of this \$584,250 request for release of reserve.

Although DPW originally estimated that the entire project could be completed for an amount of approximately \$2,360,880, a peer review of DPW's overall cost estimates, which was completed in May of 1994 (after the supplemental appropriation) by Turner Construction, and a second peer review of the value engineering (a review of the structural design of the project) in March of 1995, also by Turner Construction, concluded that the actual cost for the

BOARD OF SUPERVISORS
BUDGET ANALYST

completion of the project would be approximately \$3,304,536, or \$943,656 more than DPW's current allocation for the project. These additional funds, in the amount of \$943,656, will be required to implement all of the code-required seismic and disabled access renovations, and the corresponding interior remodeling identified as missing from the original plans through the two peer reviews.

Mr. Frank McPartland of DPW advises that DPW is confident that the current projection of \$3,304,536, which includes the subject requested release of \$584,250 on reserve, is comprehensive and includes all renovation costs, including \$2,310,454 for construction to be performed by a contractor, and \$994,082 for DPW design and construction management services. Nonetheless, Mr. McPartland advises that because DPW has not yet selected a contractor for the construction contract, the bid amount for the construction contract may be slightly higher or lower than DPW's construction cost estimate of \$2,310,454.

Mr. Talatala advises that DPW will submit legislation at a future date for a second supplemental appropriation, in the amount of \$943,656, in order to complete the Mission Branch Library renovation. Mr. Talatala advises that, although the original \$5 million in 1988 Public Library Improvement Bond funds allocated for the Public Library branches has been completely expended, this amount is available from the interest earnings of the 1988 Public Library Improvement Bond.

In summary, the full budget estimate, including (1) design and construction management services (\$994,082), and (2) construction contract and construction contingency costs (\$2,310,454) now totals \$3,304,536. The funding sources for the entire Mission Branch Library renovation project are as follows:

Original Allocation from 1988 Public Library Improvement Bond funds	\$355,750
Supplemental Appropriation from 1988 Public Library Improvement Bond interest funds*	1,208,551
Federal Grant	696,579
1990 Earthquake Safety Bond funds (previously allocated)	100,000
Anticipated Supplemental Appropriation Request from 1988 Public Library Improvement Bond interest funds	<u>943,656</u>
Total	\$3,304,536

* Of the amount of \$1,208,551 which was reserved by the Board of Supervisors, \$1,058,551 is still on reserve. The release of \$584,250 of the total amount of \$1,058,551 is the subject of this request.

Comments:

1. The Attachment provided by DPW shows the total proposed project cost of \$994,082 for DPW's design and construction management services, which includes \$409,832 of DPW's design and construction management services, which have been previously allocated from the 1988 Public Library Improvement Bond funds, and \$584,250 which is the subject of this request.

2. The Budget Analyst notes that DPW does not anticipate beginning construction for the Mission Branch Library renovation project until the Summer of 1996. Mr. Talatala advises that DPW will not need funding for DPW construction management services until such time as the construction begins. Therefore, the amount of \$295,000 for construction management services should remain on reserve pending the presentation of a full construction budget by DPW.

3. Mr. Talatala advises that Turner Construction entered into a Master Agreement with DPW in 1992, through a formal Request for Proposal (RFP) process, in order to provide consultation services (peer reviews) for DPW projects. Turner Construction is not an MBE/WBE firm. Turner Construction submitted a proposal to DPW for two peer reviews, for an amount of \$50,000. Mr. Talatala advises that Turner Construction has completed the two peer reviews, as of March of 1995 for an amount of \$50,000. However, Mr. Talatala advises that Turner Construction has only been reimbursed for \$27,300. The balance of \$22,700 is included in the proposed request for release of reserved funds.

Recommendations:

1. Continue to reserve \$295,000 for in-house construction management services pending submission of a full construction budget by DPW.

2. Approve the release of \$289,250 for the design phase, which is itemized in the above budget.

MISSION BRANCH LIBRARY
 1988 LIBRARY IMPROVEMENTS BOND ISSUE
 DESIGN AND CONSTRUCTION MANAGEMENT SERVICES BUDGET BREAKDOWN

CONSTRUCTION COSTS \$2,310,454

DESIGN AND CONSTRUCTION MANAGEMENT SERVICES \$394,082

TOTAL PROJECT COSTS \$3,204,536

DPW SERVICES	AVER. \$/HR.	TOTAL HOURS	PROGRAMMING AND PLANNING	PROJECT MANAGEMENT	DESIGN DEVELOPMENT	CONSTRUCTION DOCUMENTS	PERMITS/PEER REVIEW	CONSTRUCTION	POST CONSTRUCTION	TOTAL COST
PROJECT MANAGER	\$84.00	762	\$2,000	\$55,982					\$5,600	\$63,982
ARCHITECT	\$77.00	594	\$5,000		\$10,000	\$20,000			\$10,000	\$45,000
ARCHITECT ASSOCIATE	\$68.00	828	\$10,000		\$23,000	\$30,000				\$83,000
ARCHITECT ASSISTANT	\$50.00	1,600	\$20,000		\$30,000	\$30,000				\$80,000
CLERICAL	\$42.00	167			\$2,000	\$5,000				\$7,000
ENGINEERING SUPERVISOR	\$94.00	570	\$8,600		\$20,000	\$25,000				\$53,600
PROJECT ENGINEER (SAME)	\$80.00	3,640	\$41,200		\$100,000	\$150,000		\$56,600		\$281,200
CONSTRUCTION MANAGER	\$96.00	642						\$5,600	\$5,600	\$11,200
CONSTRUCTION INSPECTOR	\$80.00	1,921						\$153,700		\$153,700
SUB-TOTAL DPW			\$86,800	\$55,982	\$185,000	\$250,000	\$0	\$210,300	\$20,000	\$819,082

NON-DPW SERVICES

PERMIT/PLAN CHECKER (DEPARTMENT OF BUILDING INSPECTION)							\$40,000			\$40,000
PEER REVIEWER (CURRENT AS NEEDED ON CONTRACT)							\$30,000			\$30,000
TESTING AND INSPECTION (CURRENT AS NEEDED T & I CONTRACT)							\$85,000			\$85,000
SUB-TOTAL NON-DPW							\$155,000			\$155,000

TOTAL SERVICES BUDGET

	\$86,800	\$55,982	\$185,000	\$250,000	\$30,000	\$295,300	\$20,000	\$994,082
FUNDS RELEASED TO DATE	\$86,800	\$6,982	\$185,000	\$79,450	\$31,300	\$20,300	\$0	\$409,832
FUNDS TO BE RELEASED	\$0	\$50,000	\$0	\$180,550	\$68,700	\$275,000	\$20,000	\$584,250

Item 1e - File 101-94-89.1

Department: Public Works
Recreation and Park

Item: Release of reserved funds in the amount of \$141,000 for improvements to Candlestick Park for the 1999 Super Bowl.

Amount: \$141,000

Source of Funds: Special Recreation and Park Revenue Funds
Rent Credit from San Francisco 49ers

Description: On May 5, 1995 the Board of Supervisors approved a \$325,000 supplemental appropriation to support design work on Candlestick Park capital improvements related to the 1999 Super Bowl game to be held at Candlestick Park (Super Bowl XXXIII). A total of \$141,000 of that supplemental appropriation was reserved pending submission of a detailed scope of work. The Department of Public Works (DPW) is now requesting release of the \$141,000 reserve, in order to pay for design work to develop an electrical emergency backup system for Candlestick Park.

Background on Super Bowl Bid and Related Capital Improvements

In September of 1994 the Mayor's Office, the Recreation and Park Department (RPD), the San Francisco Convention and Visitors Bureau and the 49ers (collectively known as the Superbowl Task Force) submitted a bid to the National Football League (NFL) to host the 1999 Super Bowl. In November of 1994, the NFL selected San Francisco (Candlestick Park) as the site for the 1999 Superbowl.

The Board of Supervisors approved Resolution No. 756-94 on August 29, 1994, which endorsed the efforts of the Super Bowl Task Force and encouraged the Task Force to submit a bid to the NFL on behalf of the City and County of San Francisco to host Superbowl XXXIII.

The Board of Supervisors resolution endorsing the bid refers to a nine year, \$30 million renovation project at Candlestick Park which had already been undertaken by the RPD. The resolution does not address future capital improvements to Candlestick Park. However, the cover letter from Mr. Edward DeBartolo, owner and Chairman of the Board of the San Francisco 49ers, to the Commissioner of the NFL, states that, "The City of San Francisco has committed itself to a

stadium improvement program of \$26,000,000 which will begin immediately upon receiving approval from the membership." Within the text of the bid, this commitment is reiterated.

Although the bid to the NFL states a commitment to \$26 million in capital improvements, the bid itself did not include a full list of the proposed improvements. However, the \$26 million was derived from a list prepared by the RPD and the DPW, with input from the Mayor's Office. The list, which was previously provided to the Board of Supervisors in File 193-95-1, includes electrical emergency systems modifications.

The Budget Committee held a hearing on April 12, 1995 (File 193-95-1) at which Mr. Jim Lazarus, who is coordinating the project for the Mayor's Office, stated that the City is not legally required to carry out these improvements, but the NFL has the right to withdraw its Super Bowl offer if such capital improvements are not completed by the start of the 1998 football season. Mr. Lazarus outlined a variety of possible funding sources for the capital improvements that were under consideration by the Mayor, including sale of the stadium name, advertising revenue from Super Bowl product sponsorships, and a potential bond issue, in addition to annual contributions by the RPD from rental fees paid by the 49ers and the Giants, and the Stadium Operator Admission Tax. Mr. Lazarus also provided an estimate of up to \$4.2 million in additional tax revenues to the City that might be generated from hosting the Super Bowl game.

Supplemental Appropriation for Super Bowl Capital Improvements

As noted above, the Board of Supervisors approved a \$325,000 supplemental appropriation in May of 1995 to enable the DPW to initiate design work for various capital improvements associated with Super Bowl XXXIII, to be played in Candlestick Park in 1999. This supplemental appropriation was funded through an advance by the 49ers of 1995 parking lot rental fees that would otherwise have been due the City during the 1995 football season. At that time, the Board of Supervisors appropriated \$184,000 for plumbing repair design, disabled access design and a study of alternatives for expansion of press box space. The remaining \$141,000 was at that time slated for preparation of initial press box site work designs, following selection of an alternative for expansion of press box space. The \$141,000 was placed on reserve pending submission of a detailed scope of work to the Budget Committee.

Requested Release of Reserve

Mr. Don Alameida, the DPW architect who is project manager for the Candlestick Park capital improvements, states that, although a press box expansion alternative has been selected, the DPW does not propose to commence work on press box site work designs until funding sources have been identified to cover the estimated \$19 million cost of constructing the new press box. Instead, Mr. Alameida advises that the DPW proposes to use the \$141,000 (a) to obtain bid-ready designs for the emergency electrical system (\$96,000), (b) to support DPW project management (\$20,000), and (c) to provide a contingency fund for additional professional services (\$25,000), all of which are related to the Candlestick Park improvements needed for Super Bowl XXXIII, as well as being necessary even if the City were not to host the Super Bowl.

Comment: The RPD and the DPW have requested that this item be continued to the call of the Chair, in order to provide staff with sufficient time to conduct further review and detailing of the project scope, to ensure that it will adequately meet future Stadium needs.

Recommendation: Continue this item to the call of the Chair, as requested by the RPD and the DPW.

Item 1f - File 28-95-10

Department: Public Utilities Commission

Item: Resolution authorizing expenditure of San Francisco Water Department funds for emergency repairs at City chlorination facilities.

Amount: \$150,000

Source of Funds: San Francisco Water Department

Description: The Public Utilities Commission (PUC) advises that the Water Department's 10 chlorination facilities located throughout the City, containing a total of 24 tanks, are at great risk to the public should there be an earthquake. Mr. Everett Hintze of the PUC advises that the State has previously inspected the tanks and found the tanks are not seismically adequate. According to Mr. Hintze, in the event of an earthquake, the tanks could topple over or become separated from the piping system which would put the health and safety of the public in danger.

The California Department of Health Services (DOHS) advised the Water Department to install seismic restraints on the tanks. The Water Department had previously planned to install the restraints using in-house staff. However, after a substantial investigation, it was determined that the tanks would have to be replaced as they are not structurally adequate to accommodate the restraints (nearing the end of their service life), and as such the work could not be performed in-house. It was also determined by the Department that the work would not have been able to commence prior to February of 1996 under the Department's normal contracting procedures, which would mean that the work would not be completed prior to the next scheduled inspection by the DOHS.

Therefore, in accordance with provisions of Section 6.30.2 of the Administrative Code, the PUC declared an emergency on June 13, 1995 and initiated an expedited contracting procedure in order to retain a contractor to repair the chlorination facilities. Mr. Hintze advises that the PUC has sent letters soliciting bids from approximately 100 firms, based on a list of firms provided by the Human Rights Commission. As of the writing of this report, the PUC has not, as yet, selected a contractor.

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The PUC is now requesting authorization to expend \$150,000 for the necessary emergency repairs. The PUC advises that the emergency repairs are scheduled to begin approximately August 1, 1995 and should be completed on or about November 30, 1995.

Comment: The PUC reports that the funds to repair the 10 chlorination facilities and the applicable 24 tanks are available from previously appropriated Water Department capital improvement project funds.

Recommendation: Approve the proposed resolution.

Item 2 - File 101-95-4

Departments: Police Department
Sheriff's Department

Item: Ordinance appropriating \$1,267,862 from the General Fund Reserve for overtime, fringe benefits, materials and supplies, other non-personal services and services of other departments for costs associated with the UN 50 Celebration incurred by the Sheriff and the Police Departments in Fiscal Year 1995-96, providing for action previously taken.

Amount: \$1,267,862

Source of Funds: 1995-96 General Fund Reserve Funds (An amount of \$1,267,862 has been carried forward from FY 1994-95, and does not impact the FY 1995-96 General Fund Reserve of \$10 million).

Budget: An Amendment of the Whole will be introduced that reflects an increase of \$312,439 in the amount of the proposed supplemental appropriation ordinance from \$955,423 to \$1,267,862, and that provides for action previously taken. The increase in the proposed supplemental appropriation ordinance reflects Police Department actual costs incurred, and revised Sheriff's Department expenditure projections. This report reflects the \$1,267,862 requested in the Amendment of the Whole.

Police Department

Overtime	\$917,726
Fringe Benefits	8,900
Contractual Services	47,178
Materials and Supplies	35,686
DPW Work Order	<u>5,800</u>

Subtotal Police Department **\$1,015,290**

Sheriff's Department

Overtime (including premium pay)	\$215,427
Fringe Benefits	2,163
Materials and Supplies	<u>34,982</u>

Subtotal Sheriff's Department **252,572**

TOTAL REQUESTED
SUPPLEMENTAL FUNDS **\$1,267,862**

Description:

San Francisco was the host City for the 50th Anniversary of the United Nations which was held throughout the City, including the Civic Center area. The proposed supplemental appropriation request would pay for the costs incurred by the Police Department and the Sheriff's Department during the period June 23, 1995 through June 28, 1995 for the increased law enforcement activity associated with the UN 50 Celebration. Specifically, the proposed supplemental funds would be used to fund the following:

- Overtime personnel assigned to various UN 50 Celebration key events, including the "We the People" celebration, the Royal Philharmonic concert, the Marilyn Horne concert, the Opera de Lyon, and the UN Plaza ceremonies and luncheon;
- Bomb Squad;
- Diplomatic Protection;
- Traffic Enforcement;
- Trailer Security;
- Various field support activities including standby for mass arrests, crowd control, transportation of arrestees;
- Increase in Jail staff as required by the circumstances;
- Station transfers.

According to the Controller, there has been no formal commitment regarding Federal reimbursement of the expenses incurred by the City. Mr. John Kaye of the Police Department reports that negotiations are currently being held between the Police Department and the U. S. State Department to determine the amount of Federal reimbursement. Therefore, the proposed supplemental funds would be used to pay for all expenses incurred by the Police and Sheriff Departments associated with the UN 50 Celebration event, prior to the receipt of any Federal funds.

Comments:

Police Department Expenditures

1. The Attachment to this report provided by the Police Department details a summary of those events and activities in which Police Department overtime was used. This list of

events was developed prior to the UN event. Based on the Controller's report detailing actual overtime costs incurred, the Police Department is now requesting the following funds for overtime and related fringe benefits:

Overtime (approximately 22,943 hours at average hourly rate of \$40, including premium pay)	\$917,726
Related Fringe Benefits	<u>8,900</u>
Total Police Department Overtime and Fringe Benefit costs	\$926,626

2. The Police Department reports that the following materials, supplies and equipment totaling \$35,686 had to be purchased to provide adequate security for the UN 50 event.

50 night binoculars	\$2,029
50 gas masks	16,275
18 helmets	6,742
Bomb X-Ray supplies	1,454
EOD Detonation Supplies	4,512
Food	<u>5,674</u>
Total Materials, Supplies and Equipment	\$35,686

The Department has already purchased these items in order to ensure that adequate security was available, including providing supplies for potential bombing incidents, at the time that the UN 50 Celebration events occurred.

The Board of Supervisors previously approved a resolution (File 172-95-19) which authorized the Chief of Police to execute a hold harmless agreement for the loan from the U.S. Defense Department of radios and communications-related equipment to be used specifically for the UN 50 Celebration. The equipment on loan included 800 portable radios, 50 undercover microphone sets, and 15 hand held metal detectors.

Although the Police Department also requested that applicable Federal agencies lend other equipment to the Department, including additional metal detectors, such Federal agencies did not agree to loan any additional equipment. Therefore, those items had to be purchased or rented by the Police Department, according to Mr. Kaye.

3. The Police Department has provided the following breakdown of actual costs incurred for contractual services:

Computer Rentals	\$6,203
Magnetometer Rental (walk-through metal detectors)	14,072
Portable Potties	16,951
Bomb Technician	2,200
Van Rental	5,000
Metal Detector (hand-held)	1,960
Tables and Rope Rentals	<u>792</u>
Total Contractual Services	\$47,178

As previously noted, the Police Department has already been loaned 15 hand held metal detectors from the U. S. Department of Defense. However, according to Mr. Kaye, the hand held metal detectors on loan from the Department of Defense were not sufficient because it would take too long to use the hand held metal detectors on all of the attendees at the various functions. Therefore, the Department also had to rent walk-through metal detectors (\$14,072), as well as to purchase additional hand-held devices (\$1,960).

4. Mr. Kaye reports that the \$5,800 requested for the DPW work order would be used to pay for the costs associated with the relocation and hook-up of a DPW trailer that was used as a command center.

Sheriff's Department Expenditures

5. Based upon the Controller's report detailing actual overtime costs, the following funds for overtime, fringe benefits and premium pay were incurred by the Sheriff's Department:

Field Support \$62,811

Emergency Services Unit (ESU) personnel were used as mobilized units to assist the Police Department in activities such as transportation from demonstration or event sites, standby for mass arrests, crowd control and transportation of arrestees.

The ESU personnel were required for three days because the UN 50 events occurred on these three days, and Sheriff's personnel had to be on standby for mass arrests and crowd control to ensure that the UN 50 ceremonies were not disrupted.

Jail Staff Increase \$23,282

The Sheriff's Department increased jail staff at County jail facilities to allow for increases in bookings and transportation, during two shifts for three days.

Station Transfers \$14,636

Additional overtime staff was also utilized to perform prisoner station transfers between District Police Stations. Five Deputies and one Senior Deputy were added for the period of 6/23/95 to 6/26/95.

County Jail #9 \$49,682

The Sheriff's Department activated the new County Jail #9 for the detention of persons engaged in civil disobedience. Approximately 278 persons were detained at this facility on June 26, 1995. Overtime personnel included 8 to 10 employees, for three shifts for three days.

Training/Crowd Control \$43,489

The Sheriff's Department provided training in crowd control for 240 Deputies to prepare for the UN 50 activities. Two training sessions were held on 6/2/95 and 6/10/95 for 240 Deputy Sheriffs.

Related Fringe Benefits \$2,119
Medicare and Unemployment, Social Security

Premium and Standby Pay 1,113
Additional Premium Pay and Standby Pay
required from 278 additional arrests made on
June 26, 1995.

**Total Sheriff's Department Overtime,
Premium Pay and Fringe Benefits** **\$197,132**

The proposed supplemental appropriation ordinance would appropriate a total of \$217,590 (\$215,427 for overtime and \$2,163 for fringe benefits) for Sheriff's Department overtime and fringe benefits. However, as noted above, actual costs incurred for overtime and fringe benefits are \$197,132. Therefore, the proposed supplemental appropriation ordinance should be amended to reduce the amount by \$20,458 to reflect actual overtime and fringe benefit costs.

6. The following funds are requested by the Sheriff's Department for materials, supplies and equipment:

Meals (Emergency Services Unit during Field Operations/44 personnel)	\$767
Meals (for 278 Inmates arrested during demonstration)	2,986

Equipment

21 Soft Body Armor Sets	7,542
60 Avon Gas Masks	17,903
6 Typewriters	<u>2,279</u>

**Total Sheriff's Department
Materials and Supplies**

\$31,477

The Sheriff's Department reports that the body armor and the gas masks were used during the training sessions, but were not required for the UN 50 celebration. Sgt. Ridgeway reports that the Department can use the equipment for future special events. Sgt. Ridgeway also reports that the typewriters were required for County Jail #9, as the computerized booking system is not yet operational.

The proposed supplemental appropriation ordinance would appropriate \$34,982 for materials and supplies. However, as noted above, actual costs incurred are \$31,477. Therefore, the proposed supplemental appropriation ordinance should be amended to reduce the amount appropriated for materials and supplies by \$3,505 (\$34,982 less \$31,477).

7. According to Ms. Theresa Lee of the Mayor's Office, the Police Department and the Sheriff's Department are the only departments requesting supplemental funds for the UN 50 Celebration at this time, and no other City Departments are anticipated to submit funding requests for the UN 50 Celebration.

- Recommendations:**
1. Amend the proposed supplemental appropriation ordinance by \$20,458 to reflect actual overtime, premium pay and fringe benefit costs incurred by the Sheriff's Department.
 2. Amend the proposed supplemental appropriation ordinance by \$3,505 to reflect actual materials and supplies costs incurred by the Sheriff's Department.
 3. Reduce the proposed supplemental appropriation by a total of \$23,963, from \$1,267,862 to \$1,243,899 as follows:
 - Reduce Overtime from \$215,427 to \$195,013, a reduction of \$20,414.
 - Reduce Mandatory Fringe Benefits from \$11,063 to \$11,019, a reduction of \$44.
 - Reduce Materials and Supplies from \$70,668 to \$67,163, a reduction of \$3,505.
 4. Approve the proposed supplemental appropriation ordinance as amended.

**UN 50 Events/Activities
that Required Overtime by the
Police Department**

1. We The Peoples - Saturday 6/24
2. The Royal Philharmonic 6/24
3. Marilyn Horne Concert 6/24
4. Reform and Renewal 6/25
5. Opera de Lyon 6/25
6. Interfaith Service 6/25
7. Nobel Peace Prize 6/25
8. Reception for UN Reps. 6/25
9. Royal Philharmonic 6/25
10. Staging Area 6/25 & 6/26
11. Magnetometer (Metal Detectors)
12. External Security
13. Monday UN Plaza & Luncheon 6/26
14. Closing Ceremony 6/26
15. Command Post 6/24-25+ security
16. Command Post Dispatch 6/24-25
17. Dispatchers/ per event 6/20-26 +41hrs.
18. MUNI
19. Housing Task Force
20. Bomb Squad (6/20-27)
21. Rapid Deployment Force
22. Trailer Security
23. Diplomat Protection
24. Traffic Enforcement
25. Property

Item 3 - File 172-95-27

Department: Real Estate

Item: Ordinance authorizing and approving sales of and grants of easements with respect to City-owned property (portions of Block 5268, Lot 7; Block 5269, Lots 2, 7 and 8; Block 5282, Lots 31 and 33; and Block 5284A, Lot 6) to the State of California Department of Transportation (Caltrans) in connection with the retrofit and maintenance of the Interstate 280 Freeway.

Location: Selby Street between Innes and Kirkwood Avenues

Description: The proposed ordinance pertains to sales of property and grants of easements by the City to Caltrans along a two block section of Selby Street that runs directly below Interstate 280, and bisects the San Francisco Produce Market, a wholesale produce market in the Bayview district. The Department of Real Estate (DRE) granted permission in 1992 for Caltrans to complete emergency seismic repairs to Interstate 280 in this area, including adding 8 new support columns, with the written understanding that Caltrans and the DRE would agree on a value for the temporary and permanent easements and sale of land for the new columns at a later date. The proposed ordinance would (a) approve the agreements that have been reached regarding compensation to the City and to the San Francisco Produce Market payable by Caltrans, and (b) give Caltrans the right to maintain the support columns and their foundations.

The proposed ordinance would approve three separate Agreements with Caltrans. Mr. Harry Quinn of the DRE states that the reason for three separate Agreements is that each Agreement pertains to a particular Caltrans expenditure authorization for a portion of the freeway repair project in the subject area.

The City leases the property along Selby Street to the San Francisco Market Corporation, a non-profit corporation established by the City in 1962 to build and manage the produce market. The Caltrans retrofit work reduced the availability of parking in the Produce Market parking lot and disrupted on- and off-loading of produce over the 2.5 year construction period. The Agreements that would be approved in the proposed Ordinance would require Caltrans to compensate the San Francisco Market Corporation, through payment for temporary easements. The settlement includes interest payments from the date the DRE granted Right of

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Entry (which varies) to the settlement date of March 31, 1995.

In addition to temporary easements, the Agreements would convey to Caltrans the property for the 8 new support columns for Interstate 280, and grant permanent easements to repair and maintain the freeway structure. The City and its tenant, the San Francisco Market Corporation, would still be able to use the surface area above the permanent easements for parking and loading. Revenues from the property sales and permanent easements would be deposited to the DRE Land Surplus Fund, which can be used for future City property acquisitions.

Payments to be made by Caltrans under the Agreements are as follows:

	Caltrans Payments to S.F. Market <u>Corp.</u>	Caltrans Payments <u>to City</u>
<u>Temporary Easements</u>		
Compensation to S.F. Market Corp. for loss of parking and disruption during construction.	\$125,669	-
<u>Permanent Easements</u>		
For permanent right to maintain column foundations.	-	\$7,515
<u>Consideration for Property Sales*</u>		
For location of 8 new support columns	-	<u>2,889</u>
Total	\$125,669	\$10,404

*The property sales consist of the land on which portions of the 8 new support columns are located.

Comments:

1. Mr. Quinn states that the \$2,889 fee for sale of the property on which the columns are placed is based on a fair market land value of approximately \$30.10 per square foot, for a total of 96 square feet, which was established through an appraisal obtained by Caltrans and approved as fair market value by the DRE. Mr. Quinn advises that the \$7,515 charge for the permanent easements is approximately 10 percent of the estimated \$75,000 property value, because the City would not lose the use of the property. He further

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BUDGET ANALYST

advises that the payment to the San Francisco Market Corporation totalling \$125,669, is based on a range from \$0.15 to \$0.21 per square foot per month, depending upon the extent of lost parking and loading potential during the construction period. Mr. Quinn states that this compensation is based on comparable Caltrans and DRE parking lot lease rates.

2. The three Agreements each state that Caltrans is purchasing and obtaining easements of property on an "as is with all faults" basis, which means that the Agreements release the City from any demands or legal claims on the part of Caltrans related to the condition of the property.

3. As part of the Agreements, the San Francisco Market Corporation will execute a Quitclaim Deed, acknowledging that they are being fully compensated and releasing their interest in the property rights conveyed to Caltrans.

4. Mr. Quinn states that the San Francisco Market Corporation plans to use the \$125,669 payment from Caltrans to make roof repairs and other infrastructure improvements to the San Francisco Produce Market complex. Board of Supervisors approval is not required for such tenant improvements.

5. In summary, the proposed ordinance would approve three Agreements that authorize sale of property and grants of easements to Caltrans in the area of the San Francisco Produce Market, along a two block section of Selby Street that runs directly below Interstate 280. The property sales (totaling \$2,889) and easements (totaling \$7,515) relate to seismic repairs to Interstate 280 completed by Caltrans between 1992 and 1994. The property on which portions of 8 new support columns for Interstate 280 are located would be sold to Caltrans, while the easements would give Caltrans the permanent right to maintain the column foundations.

In addition, under the proposed Agreements, Caltrans would compensate the San Francisco Produce Market (a non-profit corporation established by the City which leases the property along Selby Street from the City) with a payment of \$125,669 for the loss of parking and disruption that occurred during construction of the repairs to Interstate 280. Mr. Quinn advises that both the payments to the City and to the San Francisco Produce Market represent fair market value for the property sales and easements.

Recommendation: Approve the proposed ordinance.

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BUDGET ANALYST

Item 4 - File 200-95-2

Item: Hearing to consider the cost to the City of the installation (utility connection costs) of public toilets when the manufacturer is limited to \$20,000 per toilet for installation.

Description: In July of 1994, the Board of Supervisors approved a final, amended Agreement between the City and J.C. Decaux United Street Furniture (J.C. Decaux) to provide for the placement of public toilets on public property in San Francisco in exchange for granting to J.C. Decaux the right to place public service kiosks on public property and sell advertising on those kiosks (File 115-93-8.1).

Under the Agreement between the City and J.C. Decaux, J.C. Decaux is responsible for the entire cost of installing, maintaining and removing the toilets and kiosks. There is no cost to the City for such installation, maintenance or removal of the toilets and kiosks, according to Mr. Vitaly Troyan of the Department of Public Works.

Under the Agreement between the City and J.C. Decaux, J.C. Decaux is obligated to pay a maximum of \$20,000 per toilet for the cost to connect each toilet to water, sewer, electrical, and telephone utilities (Section 2.05-C of the Agreement). In the event that the costs of these connections exceed \$20,000 for a single toilet, J.C. Decaux has the right to request that the City designate an alternative location for the toilet. According to Mr. Troyan, this request is J.C. Decaux's only recourse if the cost of utility connections for a toilet exceeds \$20,000, and in no case is the City required to share the costs of such utility connection, or any other costs to install or maintain the toilets or kiosks. If the new site designated by the City would also incur utility connection costs exceeding \$20,000, J.C. Decaux may request another site, until a site is found which would not result in utility connection costs exceeding \$20,000. J.C. Decaux is not required to install a toilet at a site where utility connection costs would exceed \$20,000.

Other major provisions of the Agreement between the City and J.C. Decaux are as follows:

- There will be a two year trial period during which J.C. Decaux will install and operate 20 toilets and 90 kiosks. At the end of the two year trial period, the City would have the option either to; (a) have the toilets removed and have the kiosks removed three years thereafter (five years from the start of the contract), or, (b) to negotiate a new agreement with J.C. Decaux at the end of five years for purposes of the City being paid a portion of the advertising revenues from the kiosks beginning in the sixth year, if the toilets are removed. If the Board of Supervisors authorizes the toilet program to continue after the two-year trial period, a total of 27 toilets and 121 kiosks would be installed, and, at the City's option, an additional 23

toilets and 104 kiosks could be installed for a maximum of 50 toilets and 225 kiosks.

- J.C. Decaux must pay the City an initial fee of \$25,000 for the first 27 toilets annually and \$500 per toilet for each toilet beyond 27, adjusted each year by the rate of inflation, for the City's costs to administer the program.
- J.C. Decaux must pay the City a one-time fee of \$350 per toilet and kiosk to defray the cost of holding public hearings and determining specific locations for the toilets and kiosks.
- J.C. Decaux must pay the City 2% of the net revenues earned from the sale of advertising on the kiosks if such revenues exceed \$18,000 per kiosk annually for the first seven years of the program, and 5% of net revenues if such revenues exceed \$18,000 per kiosk beginning in the eighth year of the program, or, if the net revenues exceed \$25,000 per kiosk, 7% of net revenues beginning in the eighth year of the program.
- One of the three sides of the kiosks must be devoted to newsstands, City maps, public art, announcements, or other public service material.
- J.C. Decaux must make an annual payment of \$3,000 to the Art Commission for reproduction of art materials during the two year trial period. If the City decides to proceed with the additional 7 toilets (27 in total) and 31 kiosks (121 in total) after the two year trial period, this payment by J.C. Decaux to the Art Commission increases to \$17,200 annually. The materials reproduced with these funds, such as City maps, public art, or public service material, will be placed on the public service side of the kiosks.
- J.C. Decaux must post a \$2 million bond to guarantee the installation of the first 27 toilets within 5 years of the Agreement's beginning, and post an additional \$350,000 letter of credit to guarantee compliance with the Agreement during years 6 through 20.
- The public toilets require a 25¢ user fee to enter and use the facility. J.C. Decaux will also provide tokens for the use of homeless and/or disabled persons who do not have 25¢, with such tokens to be distributed by non-profit organizations and at nearby newsstands. J.C. Decaux is required to keep an estimated 10,000 tokens in circulation at all times, replacing tokens as necessary.

Comments: 1. According to Mr. Troyan, as of July 14, 1995, only one of the toilets had been installed, at Market and Powell Streets. Site permits have been approved for all 20 of the initial group of 20 toilets and for 84 out of the initial group of 90 kiosks. Construction of these toilets and

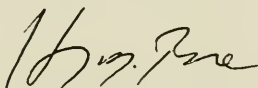
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kiosks is expected to begin in early August, 1995, with the installation to be completed by late October, 1995. The two-year trial period detailed in the Agreement will begin when all permits are issued, and conclude two years later, in approximately August of 1997.

2. Mr. Troyan reports that the DPW has expended a total of \$67,279.62 through June 30, 1995 to administer the toilet program, and has received payments and reimbursements totaling \$63,500 from J.C. Decaux. Mr. Troyan notes that the annual fee (\$25,000 for the first 27 toilets, adjusted each year for inflation) which J.C. Decaux must pay to reimburse the City for its costs to administer the program will not cover all of the DPW's costs to administer the program in the first year of the Agreement, however, Mr. Troyan anticipates that the annual fee will exceed the DPW's costs to administer the program beginning in year two or three of the Agreement, as the DPW staff time required to administer the program will substantially decrease after the toilets are installed and operating.

3. Mr. Troyan reports that the cost of installing the toilet at Market and Powell Streets was entirely borne by J.C. Decaux.

4. As previously noted, under the Agreement between the City and J.C. Decaux, J.C. Decaux is responsible for 100 percent of all costs to install the toilets and kiosks specified in the Agreement.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

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CITY AND COUNTY OF SAN FRANCISCO

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WEDNESDAY, JULY 19, 1995 - 1:30 P.M.

ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:45 P.M.

1. File 212-95-2. [Mortgage Credit Certificates] Resolution authorizing an application to the California Debt Limit Allocation Committee to permit the issuance of Mortgage Credit Certificates. (Mayor's Office of Housing)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Joe LaTorre, Mayor's Office of Housing. IN SUPPORT: None.
OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

TIME MEETING ADJOURNED: 1:50 P.M.

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

July 14, 1995

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TO: *///* Budget Committee

FROM: *////* Budget Analyst *Recommendation*

SUBJECT: July 19, 1995 *** Special Budget Committee Meeting

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Item 1 - File 212-95-2

Department: Mayor's Office of Housing (MOH)

Item: Resolution authorizing an application to the California Debt Limit Allocation Committee to permit the issuance of Mortgage Credit Certification.

Description: The Mortgage Credit Certificate (MCC) Program is designed to assist first-time homebuyers in purchasing a single-family residence in San Francisco. The Program is directed towards households which would not be able to purchase housing without assistance, such as a Mortgage Credit Certificate. Specifically, the MCC Program provides assistance to first-time homebuyers by allowing an eligible purchaser to take an annual credit against Federal income taxes of up to 20 percent of the annual interest payments on a single family residence. A homebuyer who is awarded an MCC and who is eligible for a tax credit on the interest expense paid on the mortgage, would still be able to deduct, for Federal income tax purposes, the remaining amount of the annual mortgage interest payments not claimed as a credit against the taxes. By reducing the Federal income tax burden, the individual is left with more disposable income with which to cover mortgage payments.

On September 22, 1993, the Board of Supervisors approved a resolution authorizing the MOH to submit an application to the California Debt limit Allocation Committee (CDLAC). In October, 1993, the CDLAC approved the application previously submitted by the City which provided authorization for the MOH to issue \$11,600,000 of either Mortgage Credit Certificates or Mortgage Revenue Bonds. The City elected to issue Mortgage Credit Certificates. Mr. Joe LaTorre of the MOH advises that by electing to issue Mortgage Credit Certificates, the amount of the allocation from the CDLAC was increased from \$11,600,000 to \$14,500,000 based on the allotment calculation used by the CDLAC. On January 23, 1995, the Board of Supervisors approved a resolution authorizing the MOH to submit a second application to CDLAC in the amount of \$10,000,000. In May, 1995, the CDLAC approved the City's second application which provided authorization for the MOH to issue an additional \$10,000,000 of either Mortgage Credit Certificates or Mortgage Revenue Bonds. The City again elected to issue Mortgage Credit Certificates which will, according to Mr. LaTorre, increase the amount of the allocation from CDLAC from \$10,000,000 to \$12,000,000.

The proposed resolution would authorize the MOH to submit a third application to the CDLAC for an allocation of Mortgage Credit Certificates in the amount of \$12,582,000. As was the case with the prior two resolutions authorizing the MOH's submission of applications to the CDLAC, the proposed resolution, in compliance with CDLAC regulations, would also authorize (1) that one percent of the amount of the requested allocation be held on deposit in connection with the submission of the application to the CDLAC, and (2) the Director of the MOH to certify to CDLAC that such funds are available. Based on one percent of the requested allocation of \$12,582,000, the amount to be held on deposit for the subject application is \$125,820. The deposit of \$125,820 shall consist of a restriction of cash in the City's Home Mortgage Assistance Trust Surplus Fund, established pursuant to the Home Mortgage Assistance Trust Agreement of 1982. The Surplus Fund is a Fund that was created within the Home Mortgage Assistance Trust Fund and consists of cash accumulated from loan repayments by individuals participating under the City's 1982 First Time Homebuyers Bond Program.

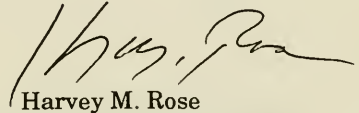
According to Mr. LaTorre, the above-noted deposit is required by CDLAC to ensure that the issuance requirements applicable to Mortgage Credit Certificates are met by the local agency, including the requirement that the first

Mortgage Credit Certificate be issued within 120 days of receipt of the allocation of Mortgage Certificates from the State.

Since January, 1994, the MOH has administered the Mortgage Credit Certificate Program, assisting approximately 100 low to moderate income households in purchasing homes in San Francisco. According to Mr. LaTorre, the MOH has reserved developer Mortgage Credit Certificate allocations for an additional 80 low and moderate income housing units to be constructed by the end of 1995.

Comment: Mr. LaTorre advises that approval of the proposed resolution by the Board of Supervisors must be received by the State no later than July 31, 1995.

Recommendation: Approve the proposed resolution .



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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7/26/95

MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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WEDNESDAY, JULY 26, 1995 - 1:00 P.M.

ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:10 P.M.

GENERAL ITEM

1. File 28-95-11. [Emergency Repair, Seawall Lot 337] Resolution approving a declaration of emergency for contracted assistance to eliminate the fire hazard at 250 Terry Francois Boulevard, West Bay Resources in the amount of \$7,000. (Port)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

FISCAL ITEMS

2. File 101-95-4. [Appropriation, Police and Sheriff] Ordinance appropriating \$1,243,899 from the General Fund Reserve for overtime, fringe benefits, materials and supplies, other non-personal services and services of other departments for costs associated with the UN 50 Celebration in the Sheriff and the Police Departments and other public safety activities performed by the Sheriff Department in late June 1995 for fiscal year 1995-96." Providing for ratification of action previously taken.

(Consideration Continued from 7/19/95)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller; Maryanne Soza, Chief Deputy, Sheriff's Department; Lt. Ryan, Police Department; Harvey Rose, Budget Analyst; Stephanine Carlisle, Office of the Chief Administrative Officer. IN SUPPORT: None. OPPOSED: None.

ACTION: QUESTION DIVIDED ON THE COSTS OF POLICE AND SHERIFF FOR UN 50 CELEBRATION AND OTHER PUBLIC SAFETY ACTIVITIES PERFORMED BY THE SHERIFF IN LATE JUNE 1995. SEE FILES BELOW.

File 101-95-4. [Appropriation, Police and Sheriff] Ordinance appropriating \$1,218,888 from the General Fund Reserve for overtime, fringe benefits, materials and supplies, other non-personal services and services of other departments for costs associated with the UN 50 Celebration in the Sheriff and the Police Departments for fiscal year 1995-96. Providing for ratification of action previously taken.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

File 101-95-4.1. [Appropriations, Sheriff Department] Ordinance appropriating \$25,011 from the General Fund Reserve for overtime and materials and supplies for costs associated with other public safety activities performed by the Sheriff Department in late June 1995, for fiscal year 1995-96. Providing for ratification of action previously taken.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

3. File 170-95-9. [General Obligation Bonds] DRAFT motion awarding bonds and fixing definitive interest rate for General Obligation Bonds (Public Safety Improvement Projects, 1990), Series 1995A; and General Obligation Bonds (Golden Gate Park Improvements, 1992), Series 1995B. (Chief Administrative Officer)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Stephanine Carlisle, Office of the Chief Administrative Officer. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. SUBSTITUTE MOTION PREPARED IN AND REPORTED OUT OF COMMITTEE. RECOMMENDED. NEW TITLE: "Awarding bonds and fixing definitive interest rates for \$18,480,000 General Obligation Bonds (Public Safety Improvement Project, 1990), Series 1995A; and \$26,000,000 General Obligation Bonds (Golden Gate Park Improvements, 1992), Series 1995B."

VOTE: 3-0.

4. File 30-95-11. [Patient Day Rates, Fiscal Year 1995-96] Resolution fixing patient day rates for services furnished by City and County health care institutions and rescinding Resolution No. 664-94. (Department of Public Health)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Monique Zumda, Department of Public Health. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. On Page 1, line 9, after "indicated" insert "retroactively". AMENDED TITLE: "Fixing patient day rates for services furnished by City and County health care institutions and authorizing retroactively the effective date of July 1, 1995, and rescinding Resolution No. 664-94."

VOTE: 3-0.

5. File 101-95-5. [Appropriation, Dept. Public Works] Ordinance appropriating and certifying \$49,101, Department of Public Works, for a capital improvement project (Candlestick Park Overhead Lane Traffic Signal Project) to cover ten (10) percent overage as per Charter Section 7.203; providing for ratification of action previously taken, for fiscal year 1995-96. (Controller) RO #95003

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

6. File 101-95-6. [Appropriation, Dept. Public Works] Ordinance appropriating and certifying \$6,100, Department of Public Works, for a capital improvement project (Capital Avenue sewer repair) to cover ten (10) percent overage as per Charter Section 7.203; providing for ratification of action previously taken, for fiscal year 1995-96. (Controller) RO #95004

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

7. File 251-95-1. [Bayshore Hester Assessment District] Resolution declaring the City and County's intent to form, and determining the boundaries for, a Special Assessment District designated "Bayshore Hester Assessment District No. 95-1" and approving the acquisition of improvements relating thereto; accepting the petitions of landowners relating to such Assessment District; directing the preparation of a Preliminary Engineer's Report; providing for the issuance of bonds and matters related thereto; and authorizing other official actions in connection therewith. (Supervisor Shelley)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Maggie Lynch, Administrative Aide to the President of the Board, Supervisor Kevin Shelley; Harvey Rose, Budget Analyst; Ed Harrington, Controller; Stephanie Carlisle, Office of the Chief Administrative Officer; Ted Lakey, Deputy City Attorney. IN SUPPORT: Kirk Miller, representing developer; Mark Kern, Suto and Co. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

TIME MEETING ADJOURNED: 2:05 P.M.

CITY AND COUNTY



OF SAN FRANCISCO

11
BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

July 24, 1995

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195
TO: /// Budget Committee
FROM: /// Budget Analyst *Recommendation*
SUBJECT: July 26, 1995 Budget Committee Meeting

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Item 1 - File 28-95-11

Department: Port of San Francisco

Item: Resolution approving a declaration of emergency for contracted assistance to eliminate the fire hazard at Seawall Lot 337, 250 Terry Francois Boulevard.

Amount: \$7,000

Source of Funds: Port Operating Fund

Description: The Port reports that on June 5, 1995, a major fire broke out on the Port Seawall Lot 337, which is located between Third Street, Terry Francois Boulevard, and Mission Rock Street. The fire was at a paper recycling facility operated by West Bay Resources. The San Francisco Fire Department (SFFD) responded to the emergency and extinguished the major part of the fire. Many bundles of paper continued to smolder, constituting a fire hazard. SFFD informed Port officials that the smoldering paper bundles had to be broken apart and watered down to eliminate the remaining fire hazard. This work required construction equipment and temporary lighting that neither SFFD nor the Port own.

In accordance with Section 6.30 of the Administrative Code, which permits departments to forego the normal competitive

Memo to Budget Committee
July 26, 1995

bidding procedures, the Port initiated an expedited contracting procedure in order to lease the necessary equipment. The Port contracted with the John Jenkins Company, an equipment supply company. The John Jenkins Company, a locally owned minority (MBE) firm, supplied construction equipment and temporary lighting for \$7,000. The work was completed the morning of June 6, 1995.

Comments: The Port Commission Resolution No. 95-54 of June 27, 1995, ratified the emergency actions taken by the President of the Commission to initiate the emergency work.

Recommendation: Approve the proposed resolution.

Item 2 - File 101-95-4

Note: This item was continued at the Budget Committee meeting of July 19, 1995.

Departments: Police Department
Sheriff's Department

Item: Ordinance appropriating \$1,243,899 from the General Fund Reserve for overtime, fringe benefits, materials and supplies, other non-personal services and services of other departments for costs in connection with (a) the UN 50 Celebration incurred by the Sheriff and the Police Departments and (b) other public safety activities performed by the Sheriff's Department in late June, 1995, providing for action previously taken.

The Budget Analyst recommended reductions of \$20,458 for Sheriff's Department Overtime, and \$3,505 for Sheriff's Department Materials and Supplies, for a total reduction of \$23,963. These reductions were implemented by the Budget Committee at its meeting of July 19, 1995 and have been incorporated into the proposed legislation, thereby reducing the supplemental appropriation ordinance from \$1,267,862 to \$1,243,899. Additionally, the proposed ordinance has been amended to reflect that other public safety activities performed by the Sheriff's Department, which related to the civil disobedience arrests occurring on June 26, 1995, were expenditures incurred separate and apart from the UN 50 Celebration.

Amount: \$1,243,899

Source of Funds: 1995-96 General Fund Reserve Funds (An amount of \$1,243,899 has been carried forward from FY 1994-95, and does not impact the FY 1995-96 General Fund Reserve of \$10 million).

Budget:	<u>Police Department</u>	
	Overtime	\$917,726
	Fringe Benefits	8,900
	Contractual Services	47,178
	Materials and Supplies	35,686
	DPW Work Order	<u>5,800</u>
	Subtotal Police Department	\$1,015,290

<u>Sheriff's Department</u>	
Overtime (including premium pay)	\$195,013
Fringe Benefits	2,119
Materials and Supplies	<u>31,477</u>
Subtotal Sheriff's Department	<u>228,609</u>
TOTAL REQUESTED	
SUPPLEMENTAL FUNDS	\$1,243,899

Description:

San Francisco was the host City for the 50th Anniversary of the United Nations which was held throughout the City, including the Civic Center area. The proposed supplemental appropriation request would pay for the costs incurred by the Police Department and the Sheriff's Department during the period June 23, 1995 through June 28, 1995 for the increased law enforcement activity associated with the UN 50 Celebration. Specifically, the proposed supplemental funds would be used to fund the following:

- Overtime personnel assigned to various UN 50 Celebration key events, including the "We the People" celebration, the Royal Philharmonic concert, the Marilyn Horne concert, the Opera de Lyon, and the UN Plaza ceremonies and luncheon;
- Bomb Squad;
- Diplomatic Protection;
- Traffic Enforcement;
- Trailer Security;
- Various field support activities including standby for mass arrests, crowd control, transportation of arrestees;
- Increase in Jail staff as required by the circumstances;
- Station transfers.

Comments: **Police Department Expenditures**

1. The Attachment to this report provided by the Police Department details a summary of those events and activities in which Police Department overtime was used. This list of events was developed prior to the UN event. Based on the Controller's report detailing actual overtime costs incurred, the Police Department is now requesting the following funds for overtime and related fringe benefits:

Overtime (approximately 22,943 hours at average hourly rate of \$40, including premium pay)	\$917,726
Related Fringe Benefits	<u>8,900</u>
Total Police Department Overtime and Fringe Benefit costs	\$926,626

2. The Police Department reports that the following materials, supplies and equipment totaling \$35,686 had to be purchased to provide adequate security for the UN 50 event.

50 night binoculars	\$2,029
50 gas masks	16,275
18 helmets	6,742
Bomb X-Ray supplies	1,454
EOD Detonation Supplies	4,512
Food	<u>5,674</u>
Total Materials, Supplies and Equipment	\$35,686

The Department has already purchased these items in order to ensure that adequate security was available, including providing supplies for potential bombing incidents, at the time that the UN 50 Celebration events occurred.

The Board of Supervisors previously approved a resolution (File 172-95-19) which authorized the Chief of Police to execute a hold harmless agreement for the loan from the U.S. Defense Department of radios and communications-related equipment to be used specifically for the UN 50 Celebration. The equipment on loan included 800 portable radios, 50 undercover microphone sets, and 15 hand held metal detectors.

Although the Police Department also requested that applicable Federal agencies lend other equipment to the Department, including additional metal detectors, such Federal agencies did not agree to loan any additional equipment. Therefore, those items had to be purchased or rented by the Police Department, according to Mr. Kaye.

The \$5,674 budgeted for meals provided to the Police Department were provided to Officers who worked for six or more hours at a fixed post. The Police Department reports that although these meals are not required under an MOU, it was more efficient and economical to bring meals to the officers, rather than letting them leave their posts and finding backup officers for the fixed posts.

The \$5,000 budgeted for van rentals in contractual services was used to rent ten vans to carry overtime Police Officers to various fixed posts (12 to 15 officers per vehicle). The Police Department reports that after review, existing vehicles were not sufficient to carry overtime personnel to all the various UN 50 Celebration sites.

3. The Police Department has provided the following breakdown of actual costs incurred for contractual services:

Computer Rentals	\$6,203
Magnetometer Rental (walk-through metal detectors)	14,072
Portable Potties	16,951
Bomb Technician	2,200
Van Rental	5,000
Metal Detector (hand-held)	1,960
Tables and Rope Rentals	<u>792</u>
Total Contractual Services	\$47,178

As previously noted, the Police Department has already been loaned 15 hand held metal detectors from the U. S. Department of Defense. However, according to Mr. Kaye, the hand held metal detectors on loan from the Department of Defense were not sufficient because it would take too long to use the hand held metal detectors on all of the attendees at the various functions. Therefore, the Department also had to rent walk-through metal detectors (\$14,072), as well as to purchase additional hand-held devices (\$1,960).

4. Mr. Kaye reports that the \$5,800 requested for the DPW work order would be used to pay for the costs associated with the relocation and hook-up of a DPW trailer that was used as a command center.

Sheriff's Department Expenditures

5. Based upon the Controller's report detailing actual overtime costs, the following funds for overtime, fringe benefits and premium pay were incurred by the Sheriff's Department:

Field Support \$62,811

Emergency Services Unit (ESU) personnel were used as mobilized units to assist the Police Department in activities such as transportation from demonstration or event sites, standby for mass arrests, crowd control and transportation of arrestees.

The ESU personnel were required for three days because the UN 50 events occurred on these three days, and Sheriff's personnel had to be on standby for mass arrests and crowd control to ensure that the UN 50 ceremonies were not disrupted.

Jail Staff Increase \$23,282

The Sheriff's Department increased jail staff at County jail facilities to allow for increases in bookings and transportation, during two shifts for three days.

Station Transfers \$14,636

Additional overtime staff was also utilized to perform prisoner station transfers between District Police Stations. Five Deputies and one Senior Deputy were added for the period of 6/23/95 to 6/26/95.

County Jail #9 \$49,682

The Sheriff's Department activated the new County Jail #9 for the detention of persons engaged in civil disobedience. Approximately 278 persons were detained at this facility on June 26, 1995 (\$20,193). Overtime personnel also included 8 to 10 employees, for three shifts for three days (\$29,489). The Sheriff's Department reports that the civil disobedience arrests that occurred on the evening of June 26, 1995 were related to the protest on the Pennsylvania man's death sentence. These costs are not considered to be part of the expenses incurred for the UN 50 Celebration.

Training/Crowd Control \$43,489

The Sheriff's Department provided training in crowd control for 240 Deputies to prepare for the UN 50 activities. Two training sessions were held on 6/2/95 and 6/10/95 for 240 Deputy Sheriffs.

Related Fringe Benefits \$2,119
Medicare and Unemployment, Social Security

Premium and Standby Pay 1,113
Additional Premium Pay and Standby Pay
required from 278 additional arrests made on
June 26, 1995.

**Total Sheriff's Department Overtime,
Premium Pay and Fringe Benefits \$197,132***

* As previously noted, the Budget Committee has incorporated the Budget Analyst's recommendation to reduce the amount budgeted for Overtime, Premium Pay and Fringe Benefits by \$20,458 from \$217,590 to \$197,132 to reflect the actual costs incurred by the Sheriff's Department.

6. The following funds are requested by the Sheriff's Department for materials, supplies and equipment:

Meals (Emergency Services Unit during
Field Operations/44 personnel) \$767

Meals (for 278 persons arrested during
demonstration) 2,986

Equipment
21 Soft Body Armor Sets 7,542
60 Avon Gas Masks 17,903
6 Typewriters 2,279

**Total Sheriff's Department
Materials and Supplies \$31,477***

* As previously noted, the Budget Committee has incorporated the Budget Analyst's recommendation to reduce the amount budgeted for Materials and Supplies by \$3,505 from \$34,982 to \$31,477 to reflect the actual costs incurred by the Sheriff's Department.

The Sheriff's Department reports that the body armor and the gas masks were used during the training sessions, but were not required specifically for the UN 50 celebration. Sgt. Ridgeway reports that the Department can use the equipment for future special events. Sgt. Ridgeway also reports that the typewriters were required for County Jail #9, as the computerized booking system is not yet operational.

7. According to Ms. Theresa Lee of the Mayor's Office, the Police Department and the Sheriff's Department are the only departments requesting supplemental funds for the UN 50 Celebration at this time, and no other City Departments are anticipated to submit funding requests for the UN 50 Celebration.

8. Although the UN 50 events were over by Monday afternoon, June 26, the Sheriff's Department was staffed with additional overtime personnel until Tuesday morning, June 27, in the event that mass arrests had to occur. However, the Police Department was fully staffed only until 3 pm, on Monday June 26, 1995, with the exception of Police Officers that were guarding certain hotels until 6 am Tuesday, June 27, 1995.

9. According to the Controller, there has been no formal commitment regarding Federal reimbursement of the expenses incurred by the City. Mr. John Kaye of the Police Department reports that negotiations are currently being held between the Police Department and the U. S. State Department to determine the amount of Federal reimbursement. Therefore, the proposed supplemental funds would be used to pay for all expenses incurred by the Police and Sheriff Departments associated with the UN 50 Celebration event, prior to the receipt of any Federal funds.

The Police Department reports that although some overtime was incurred for 278 mass arrests that occurred on the evening of June 26, 1995, the Police Department's overtime costs incurred are not included in the proposed supplemental appropriation ordinance, but rather were funded through the Department's existing overtime budget. As previously noted, the Sheriff's Department incurred overtime and related costs in connection with the Civil Disobedience arrests. However, these costs, which total \$25,011, are not related to the UN 50 Celebration and, therefore, the Police Department is not requesting Federal reimbursement of this \$25,011.

According to the Sheriff's Department, the costs included in this request of \$1,243,899 which specifically pertain to the 278 mass arrests are as follows:

Overtime	\$20,193
Related Fringe Benefits	612
Premium and Standby Pay	1,113
Meals for Sheriff's Deputies	107
Meals for Arrestees	<u>2,986</u>

**Total Sheriff's Department Costs for Other
Public Safety Activities (Non-UN 50 Celebration
expenses) \$25,011**

10. As requested by the Budget Committee, the proposed legislation is to be divided to indicate that the \$25,011 requested by the Sheriff's Department, for non-UN 50 Celebration activities, would be used for other public safety related costs (for the 278 mass arrests) and not for the UN 50 Celebration.

Recommendation: Approve the proposed ordinance.

**UN 50 Events/Activities
that Required Overtime by the
Police Department**

1. We The Peoples - Saturday 6/24
2. The Royal Philharmonic 6/24
3. Marilyn Horne Concert 6/24
4. Reform and Renewal 6/25
5. Opera de Lyon 6/25
6. Interfaith Service 6/25
7. Nobel Peace Prize 6/25
8. Reception for UN Reps. 6/25
9. Royal Philharmonic 6/25
10. Staging Area 6/25 & 6/26
11. Magnetometer (Metal Detectors)
12. External Security
13. Monday UN Plaza & Luncheon 6/26
14. Closing Ceremony 6/26
15. Command Post 6/24-25+ security
16. Command Post Dispatch 6/24-25
17. Dispatchers/ per event 6/20-26 +41hrs.
18. MUNI
19. Housing Task Force
20. Bomb Squad (6/20-27)
21. Rapid Deployment Force
22. Trailer Security
23. Diplomat Protection
24. Traffic Enforcement
25. Property

Item 3 - File 170-95-9

Department: Chief Administrative Officer

Item: Motion awarding bonds and fixing definitive interest rates for a total of \$44,480,000 in General Obligation Bonds, including \$18,480,000 in General Obligation bonds (Public Safety Improvement Projects 1990, Series 1995A), and \$26,000,000 in General Obligation Bonds (Golden Gate Park Improvements 1992, Series 1995B).

Description: The Board of Supervisors previously approved a resolution (File 170-95-5) authorizing the public sale of a total of \$44,480,000 in General Obligation Bonds consisting of the above-noted Series 1995A (Public Safety Improvement Projects, 1990), and Series 1995B (Golden Gate Park Improvements, 1992). That resolution also authorized the Budget Committee to award the bonds to the bidder whose bid represents the lowest true interest cost to the City. Accordingly, the proposed subject motion would award the bonds to the firm that bids the lowest true interest cost to the City for purposes of underwriting these City bonds.

Projects to be funded under the Public Safety Improvement Bonds, Series 1995A, include asbestos removal, seismic safety improvements, and disabled access improvements to the War Memorial Opera House. Projects to be funded under the Golden Gate Park Improvement Bonds, Series 1995B, include construction and installation of a new irrigation system for certain areas of Golden Gate Park, improvements to lakes in the Park, and disabled access improvements in the Park.

Comment: Ms. Stephanie Carlisle of the CAO's Office advises that the bids for the bonds are scheduled to be opened at 9:00 am on Wednesday, July 26, and that it is essential to get the Budget Committee's approval of the lowest bidder on that day. Ms. Carlisle reports that the Chief Administrative Officer will submit an Amendment of the Whole prior to the Budget Committee's scheduled meeting at 1:00 pm Wednesday, July 26, which will list the winning bidder, the other bidders, the interest rate that each bidder has offered to the City, and the MBE/WBE status of each bidder.

Item 4 - File 30-95-11

1. This item is a resolution to fix patient day rates for services furnished by City and County health care institutions.
2. The proposed resolution would fix patient day rates for Fiscal Year 1995-96 for services provided by the Department of Public Health (DPH) and would rescind Resolution No. 664-94 (File 30-94-18) which established the prior rate schedule for Fiscal Year 1994-95. The proposed rates apply only to private payors (patients who pay their own medical bills) and third party payors (private insurance companies). Medi-Cal, Medicare and other State and Federal subventions are excluded from this rate structure.
3. The attachment provides the current and proposed patient day rates for services provided by San Francisco General Hospital (SFGH), Laguna Honda Hospital (LHH), Community Health Services (CHS), and the Department of Mental Health, Substance Abuse and Forensics (DMSF). The DPH reports that the revised fee structure is based on a variety of factors, including 1) generally prevailing rates charged by medical facilities in the Bay Area for similar inpatient and outpatient services, 2) reimbursement analysis and 3) the Consumer Price Index.

Comments

1. The DPH receives approximately 6 percent of its total revenues from private individuals or third party payors. The DPH's proposed Fiscal Year 1995-96 budget includes approximately \$42.7 million in patient revenues and third party payors. The \$42.7 million included in the DPH Fiscal Year 1995-96 budget for private payors and third party payors is based on approval of the proposed increases in patient day rates for Fiscal Year 1995-96.
2. The schedule of rates for laboratory services and certain other hospital services are not shown in the proposed resolution because SFGH and LHH have hundreds of prices for various lab and special services. The rates for these services are charged from a special price list and may change during the fiscal year based on cost accounting studies at the hospitals.
3. As noted in the Attachment, the DPH advises that there is no increase in rates for Emergency Clinic and General Clinic services at SFGH because per unit costs for these services have not increased.
4. Also as noted in the Attachment, DMSF rates for Mental Health Services and Medication Support have decreased by 40 percent and 14.29 percent respectively. Ms. Tangerine Brigham of the DPH advises that because the State and Federal governments changed the definition of Mental Health Services and Medication Support, some of the support costs associated with the provision of these services are now billed separately under another claiming mechanism.
5. As further noted in the Attachment, CHS services for New and Established Patient Exams have increased between a range of 13.64 and 63.79

percent. According to Ms. Brigham the increase in rates will bring exam fees in line with usual and customary reimbursements for such services.

6. The proposed legislation fixes patient day rates for SFGH, LHH, CHS, and DMSF effective July 1, 1995. As such, the proposed legislation should be amended to authorize the DPH to retroactively fix the proposed patient day rates.

7. As previously noted, the estimated revenues in the Fiscal Year 1995-96 budget for patient revenues and third party payors are based on approval of the proposed increases in patient day rates which are the subject of this resolution.

Recommendation

Amend the proposed resolution to authorize the DPH to fix the proposed patient day rates for fiscal year 1995-96 retroactively, and approve the proposed resolution as amended.

	<u>Unit</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Change</u>
SAN FRANCISCO				
<u>GENERAL HOSPITAL</u>				
Medical Surgical	Day	\$ 925	\$ 962	4.00
Intensive Care	Day	2,188	2,275	3.98
Coronary Care	Day	2,081	2,165	4.04
Chest-Pulmonary	Day	2,117	2,202	4.02
Stepdown Units	Day	1,427	1,484	3.99
Pediatrics	Day	925	962	4.00
Obstetrics	Day	925	962	4.00
Nursery				
Well Baby	Day	562	584	3.91
Observation	Day	925	962	4.00
Semi-Intensive Care	Day	1,270	1,321	4.02
Intensive Care	Day	1,834	1,908	4.03
Labor/Delivery	Day	925	962	4.00
	Hour	53	55	3.77
Psychiatric Inpatient	Day	960	998	3.96
Psychiatric Forensic Inpatient	Day	960	998	3.96
AIDS Unit - 5-A	Day	925	962	4.00
Security Unit - 7D	Day	925	962	4.00
 <u>Surgical Services</u>				
Minor Surgery Pre-Op				
Holding Room	Room	119	124	4.20
Minor Surgery I				
(Come and Go)	1/4 Hour	170	177	4.12
	1/2 Hour	338	352	4.14
	3/4 Hour	508	529	4.13
	1 Hour	677	704	3.98
	Add'l 1/4 Hour	170	177	4.11
Minor Surgery II	1 Hour	734	763	3.95
	Add'l 1/4 Hour	366	381	4.09

	<u>Unit</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Change</u>
Major Surgery Pre-Op				
Holding Room	Room	\$ 119	\$ 124	4.20
Major Surgery I	1 Hour	1,094	1,138	4.02
	Add'l 1/2 Hour	382	397	3.92
Major Surgery II	1 Hour	1,235	1,284	3.97
	Add'l 1/2 Hour	394	410	4.06
Major Surgery III	1 Hour	1,375	1,430	4.00
	Add'l 1/2 Hour	508	529	4.13
Extraordinary Surgery	1 Hour	1,552	1,614	3.99
	Add'l 1/2 Hour	564	587	4.07
Surgery 2 Teams	Procedure	2,150	2,236	4.00
	Add'l 1/2 Hour	723	751	3.87
Surgery 3 Teams	Procedure	2,789	2,900	3.98
	Add'l 1/2 Hour	938	976	4.05
Recovery Room	1 Hour	423	440	4.02
	2nd Add'l 1 Hour	101	105	3.96
	3rd Add'l 1 Hour	63	66	4.76
Anesthesia	1/2 Hour	336	349	3.87
	Add'l Minute	11	11	None
Argon Laser Treatment	Procedure	1,109	1,154	4.06
Therapeutic Abortion	Procedure	190	190	None
 <u>Emergency Clinic</u>				
Level 1	Room	70	70	None
Level 2	Room	95	95	None
Level 3	Room	120	120	None
Level 4	Room	222	222	None
Level 5	Room	507	507	None
Level 6	Room	1,204	1,204	None
Non-Critical Observation	0-2 Hours	70	70	None
	2-4 Hours	203	203	None
	4-6 Hours	349	349	None
Critical Observation	0-2 Hours	203	203	None
	2-4 Hours	406	406	None

	<u>Unit</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Change</u>
	4-6 Hours	\$ 602	602	None
Resuscitation		1,204	1,204	None

General Clinic

Initial Patient Visit

Brief Examination	Visit	67	67	None
Initial Intermediate	Visit	113	113	None
Initial Comprehensive	Visit	235	235	None

Established Patient

Brief Examination	Visit	44	44	None
Intermediate	Visit	67	67	None
Comprehensive	Visit	158	158	None
Use of Examination Room	Room	32	32	None

Ambulance Billing

Advance Life Support	Response	551	568	3.09
Basic Life Call	Response	306	315	2.94
Per Mile	Mile	12	12	None
Night Call	Call	65	68	3.03
Oxygen	Unit	55	57	3.64
Non-Transport	Unit	72	74	2.78

LAGUNA HONDA HOSPITAL

Regular Hospital Rates

Acute	Day	850	875	2.94
Rehabilitation	Day	850	875	2.94
Skilled Nursing Facility	Day	250	250	None

All-Inclusive Rates

Acute	Per Diem	1,075	1,100	2.33
Rehabilitation	Per Diem	1,075	1,100	2.33
Skilled Nursing Facility	Per Diem	270	290	7.41

	<u>Unit</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Change</u>
<u>DEPARTMENT OF MENTAL HEALTH, SUBSTANCE ABUSE AND FORENSICS (DMSF)</u>				
<u>Community Mental Health Services (CMHS)</u>				
24-Hour Service				
Hospital Inpatient	24 Hours	\$ 850	\$ 850	None
Crisis Residential	24 Hours	250	250	None
Residential	24 Hours	125	125	None
Day Services				
Rehabilitative	Full Day	110	110	None
Intensive	Full Day	190	190	None
Intensive (children)	Half Day	200	200	None
Crisis Socialization	4 Hours	350	350	None
Outpatient Services				
Case Management	Hour	90	100	11.11
Mental Health Services	Hour	250	150	(40.00)
Medication Support	Half Hour	140	120	(14.29)
Crisis Intervention	Hour	375	375	None
<u>Community Substance Abuse Services (CSAS)</u>				
Residential - Detoxification	24 Hours	70	70	None
Residential Care	24 Hours	80	81	1.25
Recovery Home	24 Hours	70	70	None
Therapeutic Community	24 Hours	70	70	None
Outpatient				
(Includes Detox)	Per Contract	108	108	None
Methadone Treatment	Hour	26	26	None
Naltrexone Treatment	Per Contract	N/A	45	
Prevention/Intervention	Hour	25	25	None
Day Care - Habilitative	Per Contract	108	108	None

	<u>Unit</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Change</u>
<u>COMMUNITY HEALTH SERVICES (CHS)</u>				
New Patient				
Comprehensive Exam	Visit	\$ 134	\$ 175	30.60
Extended Exam	Visit	80	125	56.25
Interim Exam	Visit	58	95	63.79
Limited Exam	Visit	45	65	44.44
Established Patient				
Comprehensive Exam	Visit	99	125	26.26
Extended Exam	Visit	66	75	13.64
Intermediate Exam	Visit	39	50	28.21
Limited Exam	Visit	27	35	29.63

Item 5 - File 101-95-5

Department: Department of Public Works (DPW)

Item: Ordinance appropriating and certifying \$49,101 for capital improvement projects to cover a 10 percent overage as per Charter Section 7.203, providing for ratification of action previously taken, Department of Public Works.

Amount: \$49,101

Source of Funds: Sales Tax funds

Description: Charter Section 7.203 requires that an expenditure in excess of ten percent of an original contract amount be authorized by the Board of Supervisors. The DPW was originally authorized \$604,989 in Sales Tax funds for improved traffic flow in the Candlestick Park area. The capital project installed an overhead main traffic control signal to provide for more evenly distributed traffic patterns on the streets leading to various parking lots in the Candlestick Park area. A contract was awarded to King C. Electrical Inc., a City-certified MBE/WBE firm. The \$604,989 included a ten percent construction contingency (\$549,990 original contract amount, plus \$54,999 in contingency).

According to Mr. Chu-Shum Peng of the Department of Public Works (DPW), during the construction phase of the project, it was determined that there were insufficient power sources available from the closest PG&E service connection site, and therefore, the DPW had to install additional lengths of service conduits and wiring to link to a further PG&E service connection site. As a result, Mr. Peng reports that additional lengths of service conduit and wiring had to be obtained and installed by the contractor. In addition, unexpected vandalism resulted in the need to purchase heavy duty pull-box covers, which are used to cover electrical connections at the street level.

The overage in the original contract is derived as follows:

Original Contract Amount	\$549,990	
Plus: Contractor costs associated with installing additional wiring and conduits	87,600	
Plus: Equipment (Pull-Box covers, conduits)	<u>16,500</u>	
Total Actual Contract Expenditures		\$654,090
Original Construction Contract plus Contingency (10%)	\$549,990 <u>54,999</u>	
Total Amount Previously Appropriated		<u>604,989</u>
Requested Amount of Supplemental Appropriation		\$49,101

As noted above, the actual expenditures of \$654,090 exceed the original construction contract amount (excluding contingencies) of \$549,990 by \$104,100, or approximately 19 percent, which is in excess of ten percent of the original contract amount.

Recommendation: Approve the proposed ordinance.

Item 6 - File 101-95-6

Department: Department of Public Work (DPW)

Item: Ordinance appropriating and certifying \$6,100 for a capital improvement project to cover coverage above ten percent of the contracted amount, pursuant to provisions of Charter Section 7.203, and providing for ratification of action previously taken.

Amount: \$6,100

Source of Funds: Sewer Services Revenue Fund

Description: The DPW advises that the proposed supplemental appropriation in the amount of \$6,100 would be used to fund the completion of a sewer maintenance project, the Capitol Avenue Sewer Repair Project, under Capitol Avenue from Minerva Street to Montana Street. According to Mr. Norman Chan of the DPW, the DPW originally estimated that the contract services for this project would cost \$6,800 (excluding the contract contingency of \$680). Mr. Chan advises that the DPW now estimates that this project will cost \$13,580, an increase of \$6,780 or 99.7 percent more than the original estimate of \$6,800. Mr. Chan reports that, through the DPW's Request for Bid process, the DPW received two bids and selected Pacific Pipeline to perform the above-noted sewer repair work. Pacific Pipeline is not a MBE or a WBE firm.

Section 7.203 of the Charter requires the authorization of the Board of Supervisors if the amount of a contract is increased by more than ten percent of the original contract amount.

The Capitol Avenue Sewer Repair Project consists of testing and chemical sealing of 75 joints in the existing sewer line, and the removal of side sewers and root intrusions.

The budgetary details of the contract coverage above ten percent of the original contract amount for the Capitol Avenue Sewer Repair Project are as follows:

Additional testing and sealing for 44 joints in the sewer line	\$3,991
Additional unanticipated site and equipment repairs required due to site conditions	<u>2,789</u>
Subtotal	\$6,780
Less Contingency Funds Available	<u>680</u>
Balance Needed for Contract Coverage	\$6,100

BOARD OF SUPERVISORS
BUDGET ANALYST

Comment: Attached is a memo from Mr. Chan, which explains what caused a 99.7 percent increase in the cost of this project.

Recommendation: Approve the proposed resolution.

City and County of San Francisco

Department of Public Works
Bureau of Engineering

MEMORANDUM

To: Sandy Brown-Richardson
Budget Analyst Office

Date: July 20, 1995

From: Norman Chan
Project Manager
BOE, DPW

Subject: Spec. No. 7523E - Capitol Avenue Sewer Repair
Explanation of Cost Exceeding 10% of the Contracted Amount

The project cost for Spec. No. 7523E, "Capitol Avenue Sewer Repair," exceeded the original bid of \$6,800 by \$6,780 because of the following factors:

- The estimated number of joints to be tested for this project was 103 based on 3-foot long pipe sections. However, 2.5-foot long pipe sections were discovered in the field, thus increasing the number of joints to 119.
- Instead of 75 joints to be sealed and retested, 119 joints were required to be chemically sealed and retested.
- Differing site conditions:
 - (i) Voids were created by leaking joints, so more chemical grout had to be pumped to fill the voids around the pipe joints.
 - (ii) Protruding concrete and offset joints caused the machines to become stuck. Additional cost was added to extricate the equipment
- Compensation was given to the Contractor for retagging the line and repairing their equipment.

If you have any further questions on this project, please call me at 554-8355.

cc: Don Munakata
P.T. Law
Ramsis Attia
Henry Anderson

Mauricio Trigueros
Christine Tang
Foon Chow

30 Van Ness Ave., 8th Floor, San Francisco, CA 94102-6020
Chief of Engineering (415) 558-4000/Fax (415) 558-4519
Project Managers (415) 558-4000/Fax (415) 558-4519
GES Division Manager (415) 558-4000/Fax (415) 558-4053
Structural Division (415) 558-4000/Fax (415) 558-4053
Electrical Division (415) 558-4000/Fax (415) 558-4053
Mechanical Division (415) 558-4000/Fax (415) 558-4053

1680 Mission Street, 2nd Floor, San Francisco, CA 94103
Landscape Engineering (415) 554-8303/Fax (415) 554-8308
Hydraulic Engineering (415) 554-8329/Fax (415) 554-8308
1680 Mission Street, 3rd Floor, San Francisco, CA 94103
Civil Engineering Division Mgr. (415) 554-8282/Fax (415) 554-8243
Streets & Highways (415) 554-8244/Fax (415) 554-8243
Project Development (415) 554-8270/Fax (415) 554-8243

780 Phelps Street, San Francisco, CA 94124
Environmental Engineering (415) 648-8882/Fax (415) 282-5280
Maintenance Engineering (415) 648-8882/Fax (415) 282-5280
1680 Mission Street, 2nd Floor, San Francisco, CA 94103
1993 Sewer Remed., R & R Sewer Program
Norman W. Chan (415) 554-8355/Fax (415) 554-8308

Item 7 - File 251-95-1

Item: Resolution declaring the City and County's intent to form, and determine the boundaries for, a special assessment district designated "Bayshore Hester Assessment District No. 95-1" and approving the acquisition of improvements relating thereto; accepting the petitions of landowners relating to such assessment district; directing the preparation of a preliminary engineer's report; providing for the issuance of bonds and matters related thereto; and authorizing other official actions in connection therewith.

Description: The proposed resolution states that the Board of Supervisors has determined that public benefits are derived from an adequate supply of single-family housing within the City and it is in the public's interest for the Board of Supervisors to assist in the development of such housing.

Orrick, Herrington and Sutcliffe, Bond Counsel for the City, advises that Bayshore Hester Associates has requested the formation of Bayshore Hester Assessment District No. 95-1 (Assessment District) for the purpose of financing certain improvements related to the development of 48 single-family housing units, located at Hester Avenue and Bayshore Blvd. Pursuant to Section 185, Article VI of the City's Public Works Code and the State Municipal Improvement Act of 1913, the City is authorized to form special assessment districts to implement public works projects and improvements. Improvements in connection with the proposed single-family housing development would involve the construction of a new public right-of-way for 48 single-family houses, which would consist of the following: (1) excavation, (2) construction of retaining walls, (3) back filling of soil, off-hauling of excess soil, (4) construction of roads, curbs, gutters, sidewalks, (5) construction of a joint utilities trench for electricity, gas, telephone and cable television, (6) construction of a water line, and a sewer line, (7) the installation of lights and fire hydrants and (8) the relocation of street signs.

The proposed resolution would (1) declare the City's intent to form the proposed Assessment District and to approve the implementation of the above-noted improvements, (2) accept the petitions, signed by the sole property owner, who has agreed to the formation of the proposed Assessment District and the waiver of certain rights, (3) direct the preparation of a preliminary engineer's report, which would include, in part, (a) an analysis of the cost of the proposed improvements, (b) a proposal for the amounts to be assessed against property owners to pay for the proposed improvements, based on a

formula that is related to the direct benefits to be derived by the property owners from the proposed Assessment District, and (c) a proposal for an additional annual charge to be assessed against the property owners to pay for all administrative costs incurred by the City, including the collection of any bonds issued, in connection with the establishment of the proposed Assessment District, and (4) provide for the issuance of Limited Obligation Improvement Bonds.

Limited Obligation Improvement Bonds

Bayshore Hestor Associates has requested that the City issue Limited Obligation Improvement Bonds to finance the improvements and the establishment of the proposed Assessment District. Orrick, Herrington and Sutcliffe advises that the purpose of these bonds would be to provide monies for the costs of the proposed improvements and for the costs of issuing the bonds, including the reimbursement of any and all costs incurred by the City. The estimated amount of the bonds is \$1,300,000, which would be repaid from the assessments levied against and paid by the property owners within the Assessment District. According to Mr. Jesse Smith of the City Attorney's Office, the issuance of such bonds is standard practice for financing an assessment district of this type.

Orrick, Herrington and Sutcliffe advises that the City will have no financial obligation in connection with the issuance of the proposed bonds other than to pay bondholders principal and interest on the bonds from the assessments levied against the property owners. Mr. Smith reports that the City would not be liable for the bonded indebtedness created by the issuance of the proposed bonds. According to Mr. Smith, the sole recourse for creditors would be against the real property within the proposed Assessment District.

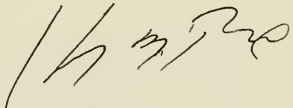
Additional legislation will be submitted, at a future date, to the Board of Supervisors requesting authorization for the issuance of the proposed bonds.

Comments:

1. Separate legislation which will authorize (1) approval of the requested preliminary engineer's report and to call for a public meeting and public hearing on the proposed Assessment District and planned improvements, and (2) confirmation of the proposed Assessment District and planned improvements, is also scheduled to be submitted to the Board of Supervisors at a future date.

2. As noted above, the City is to be reimbursed entirely from the proposed bond funds for any expenditures incurred in connection with the administering and issuance of these proposed bonds. As such, no additional costs should accrue to the City.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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8/2/95

MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT

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WEDNESDAY, AUGUST 2, 1995 - 1:00 P.M.

ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:05 P.M.

FISCAL ITEMS

1. File 255-95-001. [Tax and Revenue Anticipation Notes] Resolution approving and authorizing the borrowing of funds for fiscal year 1995-1996 and the issuance and sale of City and County of San Francisco 1995-1996 tax and revenue anticipation notes therefor; approving official notice of sale of such notes and authorizing the distribution thereof; approving notice of intention to sell such notes and authorizing the publication thereof; authorizing the public sale of such notes; approving trust agreement, letter of credit, agreement and official statement relating to such notes; authorizing the delegation of the appointment of certain parties in connection with the issuance of such notes; and authorizing other special actions in connection therewith. (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller; Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

2. File 101-95-7. [Appropriation, Dept. Public Works] Ordinance appropriating \$36,480,000, Department of Public Works, of 1990 Earthquake Safety Bond Proceeds and interest earnings and transferring \$8,491,539 from Capital Improvement Projects at the Veterans Building and City Hall to Capital Improvement Project for seismic upgrading of the War Memorial Opera House, for fiscal year 1995-96. (Controller) RO #95006

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Amend to place a reserve on \$34,831,269 pending submission of budget details and the MBE/WBE status of the contractors to the Board of Supervisors. AMENDED TITLE: "Ordinance appropriating \$36,480,000, Department of Public Works, of 1990 Earthquake Safety Bond Proceeds and interest earnings and transferring \$8,491,539 from Capital Improvement Projects at the Veterans Building and City Hall to Capital Improvement Project for seismic upgrading of the War Memorial Opera House, for fiscal year 1995-96. Placing a reserve on \$34,831,269."

VOTE: 3-0.

3. File 101-95-008. [Appropriations, Department of Parking & Traffic] Ordinance appropriating \$200,000, Department of Parking and Traffic, of Parking Revenue Funds to Capital Improvement Project for soil remediation at St. Mary's Square Garage, for fiscal year 1995-96. RO #95016. (Department of Parking and Traffic)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO THE SEPTEMBER 13, 1995, MEETING.

VOTE: 3-0.

4. File 101-95-009. [Appropriation, Hetch Hetchy] Ordinance appropriating \$650,000, Hetch Hetchy, of Hetch Hetchy Operating Funds to Capital Improvement Project to allow Hetch Hetchy to repair the Priest Reservoir Diversion Channel for fiscal year 1995-96. RO #95017. (Public Utilities Commission)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Reduce the appropriation by \$2,985. Add a Section 2 to provide for ratification of action previously taken. AMENDED TITLE: "Ordinance appropriating \$597,015, Hetch Hetchy, of Hetch Hetchy Operating Funds to Capital Improvement Project to allow Hetch Hetchy to repair the Priest Reservoir Diversion Channel for fiscal year 1995-96. Providing for ratification of action previously taken."

VOTE: 3-0.

5. File 101-95-010. [Appropriations, Department of Social Services] Ordinance appropriating \$55,000, Department of Social Services, of Federal Revenue to contractual services for the Independent Living Skills Program for fiscal year 1995-96. RO #95020. (Department of Social Services)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Amend title to reflect correct amount of appropriation of \$55,431. AMENDED TITLE: "Ordinance appropriating \$55,431, Department of Social Services, of Federal Revenue to contractual services for the Independent Living Skills Program for fiscal year 1995-96."

VOTE: 3-0.

6. File 101-95-011. [Appropriations, Mayor's Office] Ordinance appropriating \$38,171, Mayor's Office of Community Development, of Dispute Resolution Program Funds, to continue contracts for dispute resolution services in 1995-96; providing for ratification of action previously taken. RO #95018. (Mayor's Office of Community Development)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Reduce the appropriation by \$4,649. AMENDED TITLE: "Ordinance appropriating \$33,522, Mayor's Office of Community Development, of Dispute Resolution Program Funds, to continue contracts for dispute resolution services in 1995-96; providing for ratification of action previously taken."

VOTE: 3-0.

7. File 101-95-012. [Appropriations, Recreation and Park Dept.] Ordinance appropriating \$1,211,014 from the General Fund Reserve for salaries, mandatory fringe benefits, materials and supplies, equipment and the creation of seventy-eight (78) positions for the Recreation and Park Department for the fiscal year 1995-96. (Supervisors Hsieh, Kaufman, Bierman) RO #95022 (COMPANION TO THE FOLLOWING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Amend to designate all positions as "L" rather than "N." (Supervisors Hsieh, Kaufman and Bierman requested to be shown as sponsors.)

VOTE: 3-0.

8. File 102-95-5. [Annual Salary Ordinance, Recreation and Park Department] Ordinance amending the Annual Salary Ordinance for fiscal year 1995-96, Recreation and Park Department, reflecting the addition of seventy-eight (78) positions. (Supervisors Hsieh, Kaufman, Bierman) (COMPANION TO THE PRECEDING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Amend to designate all positions as "L" rather than "N." (Supervisors Hsieh, Kaufman and Bierman requested to be shown as sponsors.)

VOTE: 3-0.

9. File 101-95-13. [Appropriations, Recreation and Park Department]
Ordinance appropriating \$502,223 from the General Fund Reserve for salaries – miscellaneous, mandatory fringe benefits, materials and supplies, equipment purchase/lease, services of other department and the creation of eight (8) positions for the Recreation and Park Department for fiscal year 1995-96. (Supervisors Hsieh, Kaufman, Bierman) RO #95021 (COMPANION TO THE FOLLOWING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED.
Amend to designate all positions as "L" rather than "N."
(Supervisors Hsieh, Kaufman and Bierman requested to be shown as sponsors.)

VOTE: 3-0.

10. File 102-95-4. [Annual Salary Ordinance, Recreation and Park Department]
Ordinance amending the Annual Salary Ordinance for fiscal year 1995-96, Recreation and Park Department , reflecting the addition of eight (8) positions. (Supervisors Hsieh, Kaufman, Bierman) (COMPANION TO THE PRECEDING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED.
Amend to designate all positions as "L" rather than "N."
(Supervisors Hsieh, Kaufman and Bierman requested to be shown as sponsors.)

VOTE: 3-0.

11. File 101-95-14. [Appropriations, Treasurer/Tax Collector] Ordinance appropriating \$372,000 from the General Fund Reserve, Treasurer/Tax Collector for services of other department (City Attorney) for costs of the revisions in the San Francisco Tax Code and the creation of four (4) positions in the City Attorney's office for fiscal year 1995-96. (Supervisors Hsieh, Kaufman, Bierman) RO # 95019 (COMPANION TO THE FOLLOWING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Richard Sullivan, Tax Collector. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Add a Section 3 placing a reserve on \$186,000 pending receipt of the preliminary report to the Board of Supervisors. AMENDED TITLE: "Ordinance appropriating \$372,000 from the General Fund Reserve, Treasurer/Tax Collector for services of other department (City Attorney) for costs of the revisions in the San Francisco Tax Code and the creation of four (4) positions in the City Attorney's office for fiscal year 1995-96. Placing a reserve on \$186,000." (Supervisors Hsieh, Kaufman and Bierman requested to be shown as sponsors.)

VOTE: 3-0.

12. File 102-95-3. [Annual Salary Ordinance, City Attorney] Ordinance amending the Annual Salary Ordinance for fiscal year 1995-96, City Attorney, reflecting the addition of four (4) positions. (Supervisors Hsieh, Kaufman, Bierman) (COMPANION TO THE PRECEDING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Richard Sullivan, Tax Collector. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED. (Supervisors Hsieh, Kaufman and Bierman requested to be shown as sponsors.)

VOTE: 3-0.

13. File 65-95-6. [Lease, Golden Gate Park Stables, Inc.] Ordinance approving a fifteen (15) year lease between the City and County of San Francisco and Golden Gate Park Stables, Inc., which provides for the operation of horse stables in Golden Gate Park. (Recreation and Park Department) (COMPANION TO THE FOLLOWING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Phil Arnold, Assistant General Manager, Recreation and Park Department; Richard Sullivan, Tax Collector. IN SUPPORT: Bob McCarthy; Jeff Norris; Helen Norris; Joe Gignan; Polly Dignan. OPPOSED: Carol Hamby.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

14. File 193-95-6. [Expansion of Structures, Golden Gate Park Stables] Resolution authorizing erection, enlargement, and expansion of structures within the demised premises of the stables in Golden Gate Park. (Recreation and Park Department) (COMPANION TO THE PRECEDING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Phil Arnold, Assistant General Manager, Recreation and Park Department; Richard Sullivan, Tax Collector. IN SUPPORT: Bob McCarthy; Jeff Norris; Helen Norris; Joe Gignan; Polly Dignan. OPPOSED: Carol Hamby.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

FEE

15. File 117-95-1. [Fire Department Fees] Ordinance amending Part II, Chapter IV, Municipal Code (Fire Code), by amending Sections 3.104, 4.204, 4.207 and 4.208 thereof, to increase the fees for reinspection of violations, service fees, high-rise inspection fees, fees for review of plans submitted with building permit applications and for inspection of building construction. (Fire Commission)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Deputy Chief Richard Condon, Fire Marshall; Captain Tom Harvey, Fire Department. IN SUPPORT: None. OPPOSED: Lorella Harris. NO POSITION TAKEN: Ed Lawson, Union Square Association.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

GENERAL ITEMS

16. File 082-95-001. [Vacation of Public Sewer/Utilities Easement] Resolution declaring intention of the Board of Supervisors to vacate a sewer and public utilities easement located within Block 735, Lot 26 in exchange for a new utility easement; setting a hearing date for all persons interested in the proposed vacation. (Supervisor Bierman) (COMPANION TO THE FOLLOWING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst; Alisha Wilson. IN SUPPORT: Tom Jones, Asian Neighborhood Design. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Set the date of September 11, 1995, at 3:00 p.m. for the public hearing.

VOTE: 3-0.

17. File 082-95-001.01. [Vacation, Sewer and Utilities Easement] Ordinance ordering the vacation of a sewer and public utilities easement located within Block 735, Lot 26 (1096 Eddy Street). (Supervisor Bierman) (COMPANION TO THE PRECEDING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst; Alisha Wilson. IN SUPPORT: Tom Jones, Asian Neighborhood Design. OPPOSED: None.

ACTION: HEARING HELD. TO BOARD "WITHOUT RECOMMENDATION".

VOTE: 3-0.

18. File 251-95-002. [Bayshore Hester Assessment District] Resolution approving a Preliminary Engineer's Report for a Special Assessment District designated "Bayshore Hester Assessment District No. 95-1"; calling a public meeting and public hearing thereon; directing the Clerk of the Board to provide notice thereof; and authorizing other official action in connection therewith. (Supervisor Shelley)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Mindy Linetzky, Legislative Aide representing Supervisor Kevin Shelley, Board President; Victor Castillo, Deputy City Attorney, Laura Wagner-Lockwood, Office of the Chief Administrative Officer; Ted Lakey, Deputy City Attorney. IN SUPPORT: Kirk Miller, representing developer. OPPOSED: None.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE PRESENTED IN COMMITTEE BY CITY ATTORNEY BEARING SAME TITLE. ADOPTED. AMENDMENT OF THE WHOLE RECOMMENDED. Amendment sets the date of the public meeting for September 11, 1995, at 3:00 p.m. and the date of the public hearing for September 25, 1995, at 3:00 p.m.

VOTE: 3-0.

HEARING

19. File 200-95-2. [Cost of Installation of Public Toilets] Hearing to consider the cost to the City of the installation of public toilets when the manufacturer is limited to \$20,000 per toilet for installation. (Supervisors Kaufman, Bierman)

(Consideration Continued from 7/19/95)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ted Lakey, Deputy City Attorney; Vitaly Troyan, Department of Public Works; Ed Seeto, Department of Public Works. IN SUPPORT: Donna Halmont, Council on Homelessness; Dominique Davis; Kenneth Jones; Faith Sonline; Morton Pefani; August Lund, Independent Housing Project. OPPOSED: David Reese, Merrill Drugs; Sela Hosely; Ed Lawson, Union Square Association; Steven Lagross, Blondie's; Dana Kobland; Yvonne Yeger, Northset Property Management.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

TIME MEETING ADJOURNED: 4:48 P.M.

CITY AND COUNTY



BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

July 28, 1995

TO: Budget Committee

FROM: Budget Analyst *Recommendation*

SUBJECT: August 2, 1995 Budget Committee Meeting

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AUG 2 1995

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Item 1 - File 255-95-1

Departments: Chief Administrative Officer (CAO)
Controller

Item: Resolution approving and authorizing the borrowing of funds for FY 1995-96 and the issuance and sale of City and County of San Francisco 1995-96 Tax and Revenue Anticipation Notes (TRANS); approving official notice of sale of such notes and authorizing the distribution of said notes; approving notice of intention to sell such notes and authorizing the publication of said notes; approving the trust agreement, the letter of credit, and the letter of credit agreement and official statement relating to such notes; authorizing the delegation of the appointment of certain parties in connection with the issuance of such notes; and authorizing other special actions in connection therewith.

Amount: Not to exceed \$200 million

Description: The City's revenues, such as property tax revenues, are not received at a uniform level throughout the year, but rather are received at the times when the different sources of revenues become due and payable to the City. In contrast, the City's expenditures, such as payroll expenditures, tend to be more uniform throughout the year.

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Tax and Revenue Anticipation Notes (TRANs) are short-term (not longer than 15 months) tax exempt securities which are authorized pursuant to the California Government Code and which may be used to "smooth" the City's cash flow. The proceeds from the sale of these notes would be used to pay the City's expenses, when such expenses become due, in anticipation of the City's receipt of taxes, income, revenues, cash receipts, and other monies which will be paid at a later date to the City's General Fund.

The CAO's Office reports that, the City has issued and repaid \$325 million in TRANs for FY 1993-94 and \$175 million in TRANs for FY 1994-95. These notes were issued without insurance and or credit enhancement. Such insurance or credit enhancement, which would guarantee repayment of the notes, is issued by bond insurance companies and banks. However, according to the CAO's Office, Orange County's inability to repay its FY 1994-95 TRANs has caused many investors to be more cautious about TRANs issued in the State of California. The CAO's Office advises that it has therefore arranged for bidders to have the option of competitively bidding on the TRANs, with or without a Letter of Credit. Such Letter of Credit would guarantee the repayment of the notes. The CAO states that should a bidder opt to include the Letter of Credit, it would add the Letter of Credit Rate (estimated at 0.1 percent) to their interest rate bid amount. The CAO advises that the TRANs will be sold to the bidder which bids the lowest interest rate.

The Controller reports that the proceeds from the sale of the TRANs notes would be invested, until such time as the proceeds were needed, to meet the City's expenditure requirements. The Controller estimates that additional General Fund net interest income would be realized in FY 1995-96 by investing the proceeds of the TRANs, during those time periods when the TRANs proceeds would not be fully needed to pay the City's bills. These additional revenues to the City would result from investing \$100 million in proceeds from the sale of TRANs at an estimated interest rate of 5.6 percent, which would be 1.6 percent higher than the interest rate of 4.0 percent which the Controller estimates the City will pay out on the TRANs in order to borrow the funds.

The proposed resolution would authorize and approve the issuance and sale of TRANs for FY 1995-96 in an amount not to exceed \$200 million. According to the proposed legislation, the notes will be issued on or before November 1, 1995. The

Controller reports that \$100 million in TRANs is planned to be issued.

The proposed resolution would also approve the City's Official Statement relating to the proposed TRANs; authorize the distribution of an official notice inviting bids in connection with the notes; authorize the public sale of the notes; and authorize other official actions necessary in connection with the issuance and sale of the TRANs.

According to the Controller, the TRANs are expected to be sold on or about September 6, 1995 and issued September 20, 1995. The proposed resolution provides that the interest rate which the City would pay on the TRANs could not exceed 6 percent. Although the current estimated interest rate to be paid by the City is 4 percent, the actual interest rate to be paid by the City will be determined after bids for the notes have been received, with the notes being issued to the bidder offering the lowest interest cost to the City. The TRANs would reach maturity on or before September 19, 1996, at which time they would be required to be repaid in full.

Comments:

1. In accordance with the Charter, the City currently is required to maintain a Cash Reserve Fund for use in alleviating cash flow shortages throughout any fiscal year. The City annually allocates funds to the Cash Reserve Fund equal to 10 percent of the current and prior property tax levy. Ms. Teresa Chow of the Controller's Office reports that the Cash Reserve Fund is currently \$62,300,000.
2. The amount of TRANs which can be sold is based on the City's maximum cumulative deficit of expenditures over revenues which is projected to occur within the first six months after the notes are issued, plus the City's historically and customarily maintained reasonable working capital reserve.
3. Ms. Chow reports that the General Fund generally experiences a "maximum deficit" of expenditures over revenues in November of each fiscal year, before the first installment of the property tax revenues (due December 10 of each year) has been received. The amount of TRANs which will be issued is based on the Controller's projections of the maximum deficit which is anticipated to occur in November, 1995, plus the City's maintained reasonable working capital reserve as described above. Ms. Chow reports that the City would be eligible to issue TRANs of approximately \$100 million in FY 1995-96, based on cash flow projections for the FY 1995-96 and the Federal tax regulations.

4. While the proposed legislation would authorize an issuance of not to exceed \$200 million in TRANS, Mr. Harrington reports that the TRANS would only be issued in an amount which he deems to be prudent, based in part on consultations with legal and financial consultants. Mr. Harrington also states that independent bond-rating agencies, which evaluate the City's financial status, recognize that the use of TRANS is an intelligent way for the City to manage its cash flow needs.

5. As previously noted, the proposed resolution provides that the interest rate to be paid by the City on the proposed TRANS could not exceed six percent. Ms. Chow reports that the actual interest cost to the City is expected to be approximately 4 percent. The Budget Analyst notes that, at an interest rate of 4 percent on a principal amount of \$100 million the City's total interest costs over one year would be approximately \$4 million. Since the FY 1995-96 TRANS will be issued in September, 1995 the Controller estimates that the City will incur approximately nine months of interest in FY 1995-96, or about \$3.1 million. While the City would incur interest costs for the issuance of the TRANS, the Controller reports that the proceeds from the sale of the notes will be invested at an interest rate which is expected to be higher than the interest rate which the City will pay to finance the notes.

Mr. Harrington reports that the City Treasurer expects to realize a 5.6 percent rate of return on the proceeds from the sale of the proposed TRANS. This estimated 5.6 percent rate of return would be approximately 1.6 percentage points higher than the projected 4 percent interest rate which the Controller estimates the City will pay to finance the TRANS. Mr. Harrington therefore estimates that, if the City issues \$100 million in TRANS, the City could realize gross interest revenues, through investing the proceeds, for nine months, of \$4.4 million, incur interest expenses of \$3.1 million, thereby resulting in net additional General Fund interest revenues of approximately \$1.3 million in FY 1995-96.

6. The Budget Analyst concurs in the Controller's estimate of the potential net additional interest revenues to the City of approximately \$1.3 million in FY 1995-96, assuming that \$100 million in TRANS are sold and subsequently invested at an interest rate which is 1.6 percent higher than the City's interest costs to finance the sale of the notes.

The Budget Analyst notes that the City Treasurer maintains records of the average daily cash balance of the City's

Memo to Budget Committee
August 2, 1995

REVISED

Controller reports that \$100 million in TRANs is planned to be issued.

The proposed resolution would also approve the City's Official Statement relating to the proposed TRANs; authorize the distribution of an official notice inviting bids in connection with the notes; authorize the public sale of the notes; and authorize other official actions necessary in connection with the issuance and sale of the TRANs.

According to the Controller, the TRANs are expected to be sold on or about September 6, 1995 and issued September 20, 1995. The proposed resolution provides that the interest rate which the City would pay on the TRANs could not exceed 6 percent. Although the current estimated interest rate to be paid by the City is 4 percent, the actual interest rate to be paid by the City will be determined after bids for the notes have been received, with the notes being issued to the bidder offering the lowest interest cost to the City. The TRANs would reach maturity on or before September 19, 1996, at which time they would be required to be repaid in full.

Comments:

1. In accordance with the Charter, the City currently is required to maintain a Cash Reserve Fund for use in alleviating cash flow shortages throughout any fiscal year. The City annually allocates funds to the Cash Reserve Fund equal to 10 percent of the current or prior property tax levy. Ms. Teresa Chow of the Controller's Office reports that the Cash Reserve Fund is currently \$62,303,000.
2. The amount of TRANs which can be sold is based on the City's maximum cumulative deficit of expenditures over revenues which is projected to occur within the first six months after the notes are issued, plus the City's historically and customarily maintained reasonable working capital reserve.
3. Ms. Chow reports that the General Fund generally experiences a "maximum deficit" of expenditures over revenues in November of each fiscal year, before the first installment of the property tax revenues (due December 10 of each year) has been received. The amount of TRANs which will be issued is based on the Controller's projections of the maximum deficit which is anticipated to occur in November, 1995, plus the City's maintained reasonable working capital reserve as described above. Ms. Chow reports that the City would be eligible to issue TRANs of approximately \$100 million in FY 1995-96, based on cash flow projections for the FY 1995-96 and the Federal tax regulations.

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BUDGET ANALYST

4. While the proposed legislation would authorize an issuance of not to exceed \$200 million in TRANs, Mr. Harrington reports that the TRANs would only be issued in an amount which he deems to be prudent, based in part on consultations with legal and financial consultants. Mr. Harrington also states that independent bond-rating agencies, which evaluate the City's financial status, recognize that the use of TRANs is an intelligent way for the City to manage its cash flow needs.

5. As previously noted, the proposed resolution provides that the interest rate to be paid by the City on the proposed TRANs could not exceed six percent. Ms. Chow reports that the actual interest cost to the City is expected to be approximately 4 percent. The Budget Analyst notes that, at an interest rate of 4 percent on a principal amount of \$100 million the City's total interest costs over one year would be approximately \$4 million. Since the FY 1995-96 TRANs will be issued in September, 1995 the Controller estimates that the City will incur approximately nine months of interest in FY 1995-96, or about \$3.1 million. While the City would incur interest costs for the issuance of the TRANs, the Controller reports that the proceeds from the sale of the notes will be invested at an interest rate which is expected to be higher than the interest rate which the City will pay to finance the notes.

Mr. Harrington reports that the City Treasurer expects to realize a 5.6 percent rate of return on the proceeds from the sale of the proposed TRANs. This estimated 5.6 percent rate of return would be approximately 1.6 percentage points higher than the projected 4 percent interest rate which the Controller estimates the City will pay to finance the TRANs. Mr. Harrington therefore estimates that, if the City issues \$100 million in TRANs, the City could realize gross interest revenues, through investing the proceeds, for nine months, of \$4.4 million, incur interest expenses of \$3.1 million, thereby resulting in net additional General Fund interest revenues of approximately \$1.3 million in FY 1995-96.

6. The Budget Analyst concurs in the Controller's estimate of the potential net additional interest revenues to the City of approximately \$1.3 million in FY 1995-96, assuming that \$100 million in TRANs are sold and subsequently invested at an interest rate which is 1.6 percent higher than the City's interest costs to finance the sale of the notes.

The Budget Analyst notes that the City Treasurer maintains records of the average daily cash balance of the City's

General Fund as well as other City Funds. Interest income from pooled investments is then allocated to each Fund based on these average daily cash balances. Cumulative deficits in the General Fund reduce the average daily cash balance of the General Fund on which pooled interest earnings are allocated. Based on the use of both General Fund and other City fund monies (pooled fund monies), the proceeds of the TRANs are available for investment for the entire year. As a result, net additional interest revenues earned on the proceeds of the TRANs for the entire year would result in an increase in General Fund revenue.

7. Proceeds from the sale of the TRANs would be required to be deposited into a special fund within the General Fund (the Tax and Revenue Anticipation Note Fund, or "Note Fund"), which would be established by the proposed resolution. Interest earned on the investment of the proceeds of the TRANs would also be deposited to the Note Fund.

The proposed resolution provides that amounts in the Note Fund could be withdrawn and expended by the City for any purpose for which the City is authorized to expend funds from the General Fund. However, funds could be expended from the Note Fund only after other unrestricted General Fund monies had been exhausted or were otherwise not available to meet the City's expenditure requirements.

8. Repayment of the principal and interest on the proposed TRANs would be made from "taxes, income, revenue, cash receipts and other monies" which accrue to the General Fund as unrestricted revenues in 1995-96, and which are "lawfully available for the payment of current expenses and other obligations of the City."

9. The proposed resolution would also establish a Tax and Revenue Anticipation Note Repayment Fund, into which General Fund revenues would be deposited as security for the TRANs. The proposed resolution includes the City's "pledge" that it will deposit General Fund revenues into the Repayment Fund as security for repayment of the TRANs. The resolution requires that 50 percent of the amount to be repaid must be deposited with an outside trustee on February 29, 1996, and the remaining 50 percent plus interest due must be deposited with the trustee on May 31, 1996. The trustee, which would be a bank, has not, as yet been selected by the CAO's Office.

Interest earned by the Repayment Fund would be deposited to the Repayment Fund, although interest accruing to the

Repayment Fund is available for budgetary purposes. On the maturity date of the TRANS, the Repayment Fund would be used to redeem the notes. Any excess funds in the Repayment Fund at that time would be transferred to the General Fund.

10. The proposed resolution provides that the holders of TRANS would not have an option to redeem the notes prior to the maturity of the notes. Therefore, the City would not be required to repay the notes prior to the maturity date.

11. In summary, the proposed sale of Tax and Revenue Anticipation Notes is a technique authorized under State law to provide a temporary source of revenues to alleviate cash flow shortages, pending the receipt of City and County revenues from a variety of sources. For FY 1995-96, it is estimated that the issuance of \$100 million in Tax and Revenue Anticipation Notes would result in the City realizing net additional interest income of \$1.3 million, based on an estimated interest rate earned of 5.6 percent and an estimated interest rate paid of 4 percent.

Recommendation: Approve the proposed resolution.

Item 2 - File 101-95-7

Department: Department of Public Works

Item: Ordinance appropriating \$36,480,000 of 1990 Earthquake Safety Bond Proceeds and interest earnings and reappropriating \$8,491,539 from unspent funds in Capital Improvement Projects at the Veterans Building and City Hall, for a total of \$44,971,539, to Capital Improvement Projects related to seismic upgrading of the War Memorial Opera House, and construction management in the Civic Center area.

Amount: \$44,971,539

Source of Funds: Funds for this appropriation are available from Earthquake Safety Bond Funds issued for the Opera House Project (\$18,480,000), and from Earthquake Safety Bond interest earnings (\$18,000,000). Additional Earthquake Safety Bond funds are available for reappropriation from the City Hall Project (\$5,591,448), because replacement funds have been received from the Federal Emergency Management Agency (FEMA) for City Hall, and from the Veterans Building Project (\$2,900,000), as the CAO has determined that the Earthquake Safety Bond program does not have sufficient funds to start and finish the upgrade of the Veteran's Building, and the CAO anticipates proposing a future bond issue for this purpose.

Description: The War Memorial Opera House is scheduled to close on January 1, 1996 for an 18-month retrofit period. The retrofit will include complete seismic upgrading, asbestos removal, disabled access improvements, and other improvements. The proposed ordinance would appropriate \$42,371,539 for this project, and for a portion of the relocation costs of the San Francisco Opera and San Francisco Ballet, and for relocation of War Memorial furnishings and equipment from the building. The appropriation also includes \$2,600,000 to fund construction management services provided by a private contractor for the entire Civic Center area. The budget for these items is shown below. Items marked with an asterisk are recommended for reserve (See Comment No. 1).

Memo to Budget Committee
August 2, 1995 Budget Committee Meeting

Budget:

War Memorial Opera House

Construction contract

Construction cost	\$28,430,000
Contingency (approximately 20% of contract amount)	5,886,000
Hazardous materials abatement	<u>345,127</u>
Sub-Total	

\$34,661,127*

Construction Management

Department of Public Works

5212 Const. Manager (250 hours @\$100/hr.)	25,000
A919 Contract Administrator (187.5 hours @\$80/hr)	15,000
5210 Res. Const. Manager (4,498 hours @\$90/hr)	404,820
5208 Field Engineer (3,806 hours @\$75/hr)	<u>285,450</u>

Sub-total

730,270

Turner Construction Company/Business Development Inc. (BDI)

Equipment, telephone, other reimbursable exp.	151,681
On-site staff 250 months @ blended rate \$3,950/mo.	987,600
Project staff 310 hours @ blended rate \$70/hr.	21,725
Labor costs inflation @ 4% annually	59,256
Employee Benefits	458,095
Corporate Overhead and Profit	868,389
Administrative costs and Markup	<u>263,254</u>

Sub-total

2,810,000

Other Items

Inspection, testing, and permits	170,142*
Opera and Ballet relocation (See Attachment 1)	1,370,350
War Memorial relocation and storage	129,650
Acceleration Contingency (See Comment No. 4)	<u>2,500,000</u>
Sub-total	

4,170,142

Total War Memorial

\$42,371,539

Earthquake Safety Program Management and Control

Turner Construction Company

Project Manager, 41 months @\$7,950/month	325,950
Secretary, 41 months @\$3,000/month	123,000
Controller, 41 months @\$4,800/month	196,800
Scheduling Engineer 41 months @\$5,600/month	229,600
Administrative cost and overhead	1,014,650
On-call Management Services	220,000
Equipment, telephone, other reimbursable expenses	240,000
Profit and markup	<u>250,000</u>

Total Program Management and Control

2,600,000

TOTAL

\$44,971,539

*The Budget Analyst recommends that funds for these items be placed on reserve.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. The Department of Public Works has not yet chosen contractors for those items marked above with an asterisk, including the construction contract (bids will be opened August 16), and inspection and testing services. The Budget Analyst recommends that funds for these two items, in the amount of \$34,661,127 for construction, and \$170,142 for inspection and testing services, for a total of \$34,831,269, be reserved until budget details and the MBE/WBE status of the contractors have been submitted to the Board of Supervisors.

2. In 1991, the Department of Public Works conducted a competitive bidding process in order to select a construction management firm for the Earthquake Safety Bond Program in the Civic Center area, which represents a total estimated cost of over \$300 million. Turner Construction Company was the winning bidder in this process, and has been providing construction management services on a project by project basis since 1991. Turner Construction Company provides these services with 25 percent joint venture participation by Business Development Incorporated (BDI), which is a City-certified MBE firm. According to Mr. Bob Badgley of the DPW, overall construction management services are now required in addition to the project by project services because of the large number of construction projects which are underway in the Civic Center area, and because of projects which are increasingly dependent on each other, such as the Civic Auditorium, which must be completed in order for the Opera House Project to go forward. Mr. Badgley reports that the services to be provided by Turner under this portion of the contract will include development and updating of Master Schedules, providing options and estimates on cost-effectively purchasing materials for all Civic Center projects as a group, and estimating and tracking change orders on all projects.

3. According to Ms. Tara Lamont, Project Manager for the Opera House, because the City's seismic upgrade of the Opera House will displace the Opera and the Ballet, the DPW is proposing that the City pay specific, temporary expenses which will be incurred in moving the Opera and Ballet to an alternate site. Attachment 1, provided by the DPW, details the estimated expenses included in the amount of \$1,370,350 provided for relocation of the Opera and Ballet during the construction period. Ms. Lamont reports that the DPW is negotiating a Memorandum of Understanding, which will be submitted to the Board of Supervisors for approval, between the City and the Opera and Ballet detailing the relocation costs and providing for a monthly report to the DPW of expenses as agreed under this MOU. The Budget

BOARD OF SUPERVISORS
BUDGET ANALYST

Analyst considers approval of this item, in the amount of \$1,370,350, to be a policy matter for the Board of Supervisors. In addition, an amount of \$129,650 is provided in the project budget for relocating and storing furnishings and equipment belonging to the War Memorial.

4. The CAO submitted an update report regarding Civic Center construction to the Mayor and Board of Supervisors dated March 7, 1995, in which the CAO noted that "acceleration costs" in the amount of \$2,500,000 were being included in the Opera House budget in order to insure that the project can be finished within a period of 18 months. According to the CAO, this timeline is necessary in order to allow the Opera to miss only one season and the Ballet to miss only two seasons in the Opera House. These funds will allow "double shifting," or two full eight hour shifts daily paid at straight time rates, of construction work as necessary to complete the project. The Opera, Ballet, and War Memorial are also providing an amount of \$500,000 to pay for acceleration.

- Recommendation:**
1. Amend the proposed ordinance to reserve an amount of \$34,831,269, pending submission of budget details, and the MBE/WBE status of the contractors, to the Board of Supervisors.
 2. Approval of the amount of \$1,370,350 for relocation of the Opera and Ballet is a policy matter for the Board of Supervisors.
 3. Approve the proposed ordinance, as amended.

SF OPERA AND BALLET

ESTIMATE OF RELOCATION COSTS

To: Tara Lamont

From: John Priest

Re: Relocation costs

Date: March 2, 1995

In consultation with the Ballet, I have come up with a total not-to-exceed cost for the round trip relocation of the Opera and Ballet during the eighteen month closure of the Opera House of \$1,370,350. This figure includes the following reimbursable expenses:

Office rental (net of War Memorial allowance)	\$673,585
Rehearsal space rental	77,550
Storage rental	234,215
Moving costs (to movers)	100,000
Moving costs (to stage hands)	50,000
Tenant improvements	35,000
Computer relocation	50,000
Telecom costs	90,000
Utilities	35,000
Contingency	<u>25,000</u>

Total: \$1,370,350

It should be emphasized that most of these figures are necessarily estimates rather than hard quotes and as such contain what we consider to be a prudent level of insurance. It is almost certain, for instance, that the costs for rehearsal space will decline as a result of negotiations with the War Memorial. Telephone and computer costs may also go down, while stage hands' costs may run over our allowance. Needless to say, since we will be invoicing you only for our out of pocket expenses, any savings will be passed on to the City and, assuming the eighteen month schedule is maintained, in no event will the total be exceeded.

Please let me know if you need any further back up for these figures.

cc: M. Abramson, J. Basler, A. Jacobus, G. McCoy, M. Savage

Item 3 - File 101-95-8

- Department:** Department of Parking and Traffic (DPT)
- Item:** Supplemental appropriation ordinance appropriating \$200,000 in Parking Revenue Funds to a capital improvement project for soil remediation at St. Mary's Square Garage.
- Amount:** \$200,000
- Source of Funds:** Parking Revenue Fund (previously known as the Off-Street Parking Fund)
- Description:** The Board of Supervisors previously approved a supplemental appropriation ordinance in the amount of \$245,000 to pay for the removal of eight underground storage tanks at the St. Mary's Square Garage (File 101-93-98). These eight tanks were removed in March of 1994. However, the Department of Parking and Traffic (DPT) reported at that time that soil contamination had resulted from the leakage of some of these tanks and that soil remediation work would have to be performed at the site in order to remove the contamination. As such, the Board of Supervisors approved a second supplemental appropriation ordinance in the amount of \$120,000 to pay for a consultant to prepare a work plan and bid specifications for the remediation (i. e., clean up of toxic wastes) work (File 101-94-60). The proposed supplemental appropriation ordinance would appropriate \$200,000 in Parking Revenue Funds to begin implementation of the remediation plan.
- Comment:** Mr. Kevin Hagerty, Director of Off-Street Parking reports that the DPT is requesting that this item be continued to the Budget Committee meeting on September 13, 1995, in order to (1) allow this item to be considered in closed session by the Budget Committee, and (2) provide additional time for the Department of Public Works and the City Attorney's Office to provide budget details for the proposed supplemental appropriation request. Mr. Hagerty advises that this item needs to be heard in closed session because the owner of the property located adjacent to the St. Mary's Square Garage, the Shorenstein Company, has filed a lawsuit against the City for damages which it claims resulted from the leakage of the above-noted underground storage tanks. The City Attorney's Office is currently processing this litigation.
- Recommendation:** Continue the proposed ordinance to the Budget Committee meeting on September 13, 1995, as requested by the DPT.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 4 - File 101-95-9

Department: Hetch Hetchy
Public Utilities Commission (PUC)

Item: Supplemental appropriation of \$650,000 of Hetch Hetchy Operating Funds for a Capital Improvement Project to allow Hetch Hetchy to repair the Priest Reservoir Diversion Channel for FY 1995-96.

Amount: \$650,000

Source of Funds: Hetch Hetchy Unappropriated Fund Balance

Description: In June of 1995, the Public Utilities Commission (PUC) declared an emergency in accordance with Section 6.30 of the San Francisco Administrative Code for repair of storm damage at the Priest Reservoir Diversion Channel. The Priest Reservoir Diversion Channel was built in 1993 to divert overflow from Rattlesnake Creek from entering the Priest Reservoir, which provides temporary storage for all water that enters the San Francisco water supply system. During heavy rains in March of 1995, erosion occurred, sections of the diversion pipeline were damaged, and the reservoir was contaminated.

In order to prevent further contamination of Priest Reservoir, which effects all water destined for San Francisco, the PUC proposes to complete all repairs to the Diversion Channel that are need as a result of the rain damage in March of 1995 prior to the onset of the winter rainy season. The PUC has requested a waiver of normal contracting procedures in accordance with Section 6.30 of the Administrative Code due to the existence of an emergency. Project Manager Mr. Ralph Herrera states that the PUC Utilities Engineering Bureau (UEB) plans to complete design work by August 4, obtain construction bids by August 25, award a construction contract by September 4, and complete the repair work by November 4, 1995.

Mr. Herrera states that the breakdown of the total project budget of \$650,000 is as follows:

Utilities Engineering Bureau (UEB)	
Engineering and Inspection Services	\$230,000
Construction Contract	325,000
Hetch Hetchy Services	15,000
Environmental Consultants	30,000
Construction Contingency	<u>50,000</u>
Total	\$650,000

Comments:

1. Attachment 1 to this report provides the construction cost estimate prepared by UEB staff. Under normal circumstances, the Budget Analyst would recommend reserving the \$325,000 construction contract amount pending selection of a contractor and provision of information regarding the contractor's MBE/WBE status. However, as noted above, the PUC has requested a waiver of normal contracting procedures in accordance with Section 6.30 of the Administrative Code, in order to facilitate completion of the repair work to the Priest Reservoir Diversion Channel prior to the start of the winter rainy season. Because contamination of the Priest Reservoir effects all water destined for San Francisco, the Budget Analyst does not recommend reserving the construction contract amount from the proposed supplemental appropriation.

2. Mr. Herrera reports that the UEB has notified MBE and WBE contractors whose names appear on a list provided by the Human Rights Commission (HRC) that a contract for repair of the Priest Reservoir Diversion Channel is expected to be bid in mid-August.

3. Attachment 2 to this report, prepared by Mr. Herrera, provides the cost details of the UEB Engineering and Inspection Services. These details indicate that the actual cost estimate for UEB Engineering and Inspection Services totals \$227,665, rather than \$230,000, as stated in the project budget. Therefore, the proposed supplemental appropriation should be reduced by \$2,335 (\$230,000 less \$227,665).

4. Mr. Herrera advises that the PUC selected EIP Associates, an environmental consulting firm, to evaluate the site and the repair methods to identify any environmental issues that might effect the project and to monitor the project during the construction period to ensure environmental regulatory compliance. Mr. Herrera reports that, based on a prior RFP process, the UEB has an as-needed contract with EIP Associates, which is not an MBE or WBE firm, to handle all UEB environmental work on a fee for service basis.

The firm commenced work on June 21, 1995 and is expected to provide a total of approximately 322 hours of environmental consulting services at a cost of \$50 to \$125 per hour (depending upon the type of staff involved), for a total cost not to exceed \$29,350, rather than the \$30,000 that was included in the project budget. Therefore, the proposed supplemental appropriation should be further reduced by \$650 (\$30,000 less \$29,350).

5. Mr. Herrera states that Hetch Hetchy in-house staff will remove a piece of equipment that is no longer functional, and remove sediment in the pipeline deposited by the storm, at an estimated cost of \$15,000 for 240 hours of labor at \$62.50 per hour.

6. The budgeted contingency amount of \$50,000 represents approximately 8 percent of the total project budget of \$650,000. The contingency will remain at approximately 8 percent of the reduced total project budget of \$597,015 (excluding the \$50,000 contingency amount) if the supplemental appropriation is amended as recommended.

7. Mr. Herrera advises that the UEB started design and engineering work for the project immediately after the storm, in March of 1995. In addition, as noted above, the UEB authorized EIP Associates to commence environmental consulting work on June 21, 1995. Therefore the proposed legislation should be amended to provide for retroactive approval of the subject supplemental appropriation.

- Recommendations:**
1. Amend the proposed supplemental appropriation to reduce the total funds by \$2,985, from \$650,000 to \$597,015, based on actual cost estimates provided by the UEB.
 2. Amend the proposed legislation to include retroactive approval in accordance with Comment No. 7.
 3. Approve the proposed ordinance as amended.

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 1	
To	EVE STERNBERG	From	R HERRERA
Co.		Co.	PK / UEB
Dept.		Phone #	554 0718
Fax #	252-0461	Fax #	

June 2

To : R. Herrera

From : E. Tom ^{8/11}

Subject : Proj. H 873.4 - Priest Reservoir Rpr & Improvements

The following is our preliminary cost estimates with trade breakdown for HRC use.

Mobil. & Demobil.	\$ 25,000
General Labor / Site Work	\$ 65,000
Misc. Metals	\$ 25,000
Corrugated Metal Pipe	\$ 10,000
Rebars	\$ 23,000
Concrete	\$ 70,000
Drilled Piers	\$ 5,000
Hauling	\$ 12,000
Allowance for Extra Work	\$ 25,000

TOTAL = \$ 260,000 -

DEBRIS SCREEN	50,000 -
ACCESS ROAD	15,000 -
	<hr/>
	\$ 325,000

CC: D. Chan
E. Leonardo

ATTACHMENT 2
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO



WATER DEPARTMENT
HETCH HETCHY
WATER AND POWER

MARION E. OTSEA
PRESIDENT

FRANK M. JORDAN, MAYOR

YASIN SALMA
VICE PRESIDENT

ANSON B. MORAN, GENERAL MANAGER

MORTON MILLER
E. DENNIS NORMANDY
ROBERT K. WERBE

UTILITIES ENGINEERING BUREAU
RICHARD E. BRANDT, MANAGER

MEMORANDUM

To: Eve Sternberg
Budget Analyst

From: Ralph Herrera *R. Herrera*
PUC/UEB

Date: July 26, 1995

Subject: Emergency Contract HH-850E
Priest Reservoir Diversion Channel

The following is the estimated cost breakdown for UEB Project Management, Engineering and Construction Management services for the subject project:

<u>Position (Class)</u>		<u>Daily Rate</u>	<u>Total Days</u>	<u>Cost</u>
Project Mgr.	5504	580	40	23,200
Civil Chief	5210	625	15	9,375
Project Engr.	5208	540	45	24,300
Engineers	5206	445	170	75,650
Draftsperson	5202	360	55	19,800
Construction Mgr.	5210	625	22	13,750
Resident Engr.	5208	540	6	3,240
Inspector	6318	500	90	45,000
Survey Chief	5314	475	15	7,125
Surveyor	5312	415	15	<u>6,225</u>
			TOTAL	\$227,665

The estimated cost of \$15,000 for Hetch Hetchy personnel is for the removal of a steel trash rack and cleanout of storm sediment in an existing pipeline. The cost was estimated to require 30 mandays at \$500.00 per day.

Item 5 - File 101-95-10

Department: Department of Social Services (DSS)

Item: Ordinance appropriating Federal revenue to contractual services for the Independent Living Skills Program at the Department of Social Services for Fiscal Year 1995-96.

Amount: \$55,431

Source of Funds: Federal Independent Living Program Fund from the Health and Human Services Agency of the Federal Government

Description: The Independent Living Skills Program (ILSP) provides training and other support services to foster care youths (aged 16 to 18), including life-skills training, vocational assessment, academic tutoring, computer training, and SAT workshops. The proposed supplemental funds would be used for ancillary support for the participating foster children, and to purchase equipment related to an educational resource library.

The ILSP is currently operated through a contract with The Family School, a non-profit agency. This contract, based upon a competitive Request for Proposal (RFP) process, was awarded for the term February, 1995 through June 30, 1996. The contractor, Family School, would use the proposed supplemental funds for the following items:

Library materials on colleges, and financial aid and vocational/educational assessment tools, and SAT Registration	\$5,730
Clothing for 30 individuals who begin college (\$700 per each youth)	21,000
Clothing for 10 individuals that will begin working (\$700 per each youth)	7,000
Book purchases for youth graduating from the ILSP	7,501
Conference Fees (10 youths sent to the State-wide California Youth Conference)	3,000
1-Computer and 1-printer (purchase of equipment by Contractor for life-skills program)	4,100

Computer Services (database design, development and maintenance)	3,100
Bilingual Software (software to make computer more accessible to bilingual youth)	1,000
Video Cameras/Tapes (to be used to practice job interviews, and to tape ILSP events)	1,000
Audio Visual Materials (educational films on sexually-transmitted diseases, self-esteem and job skills)	<u>2,000</u>
Total Proposed Supplemental Funds	\$55,431

Comments:

1. The DSS reports that because the State Department of Social Services had not yet informed the DSS regarding the availability of additional Federal funds, the proposed Federal funds were not included in the DSS's FY 1995-96 budget. Therefore, this request is to obtain appropriation approval of the Federal funds.

2. As noted in the above budget, a total of \$28,000 would be used to purchase clothing for ILSP participants. (\$21,000 for college clothing and \$7,000 for work clothing). According to Ms. Julie Murray Brenman of the DSS, because youths reaching the age of 18 are no longer eligible for assistance from their foster family, many youths are forced to live on their own and do not have sufficient funds to purchase clothing. Ms. Murray Brenman reports that the contractor, Family School, determines who will receive the clothing allowance based upon those youths that have been accepted into colleges (30 individuals) and that have been hired for employment (10 individuals).

Recommendation: Approve the proposed resolution.

Item 6 -File 101-95-11

Department: Mayor's Office of Community Development

Item: Supplemental appropriation ordinance of \$38,171 to continue contracts for dispute resolution services in FY 1995-96; providing for ratification of action previously taken.

Amount: \$38,171

Source of Funds: Dispute Resolution Program Fund

Description: The Dispute Resolution Program Fund was established by the Board of Supervisors (Ordinance No. 494-86) in December, 1986 for the purpose of providing alternative means for the resolution of disputes. It is part of a Statewide effort to provide a less costly alternative to litigation through arbitration and mediation. The Program has been funded by a set-aside of \$3.00 in court filing fees paid to the San Francisco Superior Court.

The proposed supplemental appropriation of funds would be expended for the continuation of the following three professional services contracts:

Community Board Program, Inc.	\$19,574
California Community Dispute Services	16,692
California Lawyers for the Arts	<u>1,905</u>
Total	\$38,171

Under the proposed ordinance, these dispute resolution services would continue to be provided for a two-month period, from July 1 through August 31, 1995.

The proposed ordinance provides for ratification of action previously taken because the contractors have incurred costs while continuing to provide their dispute resolution services since July 1, 1995.

Comments: 1. According to Ms. Barbara Kolesar of the Mayor's Office of Community Development, the proposed supplemental appropriation ordinance would provide services for a period of only two months because the Mayor's Office is currently exploring the possibility with the Controller's Office to extend the three dispute resolution contractors' agreements for a period of two years.

2. The Mayor's Office reports that, as of July 28, 1995, there is a \$211,478 unreserved fund balance in the Dispute Resolution Program Fund.

3. The Mayor's Office reports that the cost per case and the number of cases to be handled by each of the three contractors are as follows:

<u>Contractor</u>	<u>Number of Cases</u>	<u>Cost per Case</u>	<u>Total Cost</u>
Community Board Program, Inc.	192	\$89.84	\$17,250
Calif. Comm. Dispute Services	180	81.14	14,606
California Lawyers for the Arts	<u>34</u>	49.00	<u>1,666</u>
Total	406		\$33,522

4. Based on the above actual cost per case and the number of cases to be handled by each of the contractors, the proposed supplemental appropriation should be reduced by a total of \$4,649, as reflected below:

<u>Contractor</u>	<u>Supplemental Request</u>	<u>Actual Amount</u>	<u>Difference</u>
Community Board Program, Inc.	\$19,574	\$17,250	\$2,324
Calif. Comm. Dispute Services	16,692	14,606	2,086
California Lawyers for the Arts	<u>1,905</u>	<u>1,666</u>	<u>239</u>
Total	\$38,171	\$33,522	\$4,649

5. Based on the proposed revised two month supplemental appropriation request of \$33,522 for these three contractors, the total annualized amount that would be required is \$201,132. In addition, in FY 1994-95, the Mayor's Office of Community Development received ten percent of the total contractors' program costs to cover the costs of administration. Based on an annualized total program cost of \$201,132, ten percent for the Mayor's Office of Community Development represents approximately \$20,113, or a total projected expenditure of \$221,245 for the City's Dispute Resolution Program.

Recommendation: Reduce the proposed supplemental appropriation request by \$4,649 as shown in Comment 4 above.

Approve the proposed ordinance, as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Items 7, 8, 9 and 10 - Files 101-95-12, 102-95-3, 101-95-13 and 102-95-4

Department: Recreation and Park Department (RPD)

Items: **Item 7, File 101-95-12** is a supplemental appropriation ordinance appropriating \$1,211,014 from two General Fund reserves established in the FY 1995-96 budget for salaries, mandatory fringe benefits, materials and supplies and equipment to provide enhancements for park maintenance, recreational programming, golf course maintenance and related support services.

Item 8, File 102-95-3 is an ordinance amending the 1995-96 Annual Salary Ordinance to reflect the addition of 78 positions.

Item 9, File 101-95-13 is a supplemental appropriation ordinance appropriating \$502,223 from a General Fund reserve established in the FY 1995-96 budget for salaries, mandatory fringe benefits, equipment and services of other departments to provide improvements to building maintenance at recreation centers.

Item 10, File 102-95-4 is an ordinance amending the 1995-96 Annual Salary Ordinance to reflect the addition of eight positions.

Amount:	File 101-95-12	\$1,211,014
	File 101-95-13	<u>502,223</u>
	Total	\$1,713,237

Source of Funds:	Reserve established by the Board of Supervisors in the FY 1995-96 budget for the Recreation and Park Department	\$1,502,223
	Displacement Reserve of \$1.8 million established in the FY 1995-96 budget through an agreement between the City and SEIU Local 790	<u>211,014</u>
	Total	\$1,713,237

Description: During the FY 1995-96 Budget Review process, the Board of Supervisors set aside a reserve in the amount of \$1,502,223 for increased Recreation and Park services as a result of savings identified during the budget hearings.

In addition, according to the Mayor's Office, under an agreement between Service Employees International Union (SEIU), Local 790, and the Mayor's Office, the Mayor's Office agreed to allocate an additional \$211,014 to the Recreation

and Park Department's (RPD) 1995-96 budget to expand hours for temporary employees and to convert temporary employees to permanent employees in the Recreation Division. This agreement was approved by the Board of Supervisors (File 93-95-49).

The RPD submitted two supplemental appropriation requests totaling \$1,752,223, of which \$1,713,237 was approved by the Mayor's Office (Files 101-95-12 and 101-95-13). This \$1,713,237 request would be expended as follows: (a) \$233,580 to form a six-person crew to perform athletic field renovation; (b) \$130,145 to form two custodial crews to provide weekend cleaning of the City's restrooms and playgrounds and to perform deferred custodial maintenance at the City's recreational facilities; (c) \$181,761 to restore full-year operation at the King and Coffman swimming pools and to increase hours at other City pools; (d) \$434,306 to increase program hours at 32 recreation centers and to expand program hours during school vacation periods, for day camps and for Latchkey programs; (e) \$170,000 to purchase equipment and expand facilities maintenance for the Golf Program; (f) \$61,222 for new administrative positions to provide support services; and (g) \$502,223 to implement a maintenance program for the City's recreation facilities.

The proposed supplemental appropriation ordinances include funding for 27 new positions and 59 positions to be converted from temporary to permanent status. The 27 new positions would be funded for the period from approximately November 6, 1995 through June 30, 1996 (17 pay periods), based on the RPD's estimated time needed to recruit and hire the new employees. The 59 positions to be converted from temporary to permanent status would receive permanent status starting on approximately November 6, 1995.

The proposed budget for these two supplemental appropriation requests, totaling \$1,713,237 is shown below.

FILE 101-95-12

Athletic Field Renovation (\$233,580)

This request of \$233,580 would allow for the formation of an athletic field renovation crew. Six new positions would be added, consisting of three Gardeners and one General Laborer to renovate athletic fields, one Operating Engineer to operate bulldozers and other large machinery and one Truck Driver to operate large mowers. The RPD advises that there is currently no regular athletic field renovation program. The RPD anticipates that this crew could renovate 15 athletic

fields on an annual basis, which represents 25 percent of the RPD's 60 athletic fields. In addition, the requested funds would provide for the purchase of related equipment and materials and supplies. A breakdown of this request is as follows:

Personnel	No. of	Biweekly	No. of Pay	Amount
<u>Position</u>	<u>Positions</u>	<u>Salary</u>	<u>Periods</u>	<u>of this Request</u>
3417 Gardener	3	\$1,243	17	\$63,393
7514 General Laborer	1	1,203	17	20,451
7328 Operating Engineer	1	2,166	17	36,822
7355 Truck Driver	1	1,890	17	<u>32,130</u>
Subtotal - Salaries	6			\$152,796
Fringe Benefits (20%)				<u>30,559</u>
Total - Personnel				\$183,355

Equipment	
One one-ton crew cab for Gardeners and General Laborer	20,225

Materials and Supplies	
Includes sod, seed, fertilizer, dirt, tools and other items	<u>30,000</u>

Total Request - Athletic Field Renovation \$233,580

Custodial Maintenance (\$130,145)

This request of \$130,145 would allow for the formation of two mobile custodial crews to maintain restrooms and playgrounds on weekends and to perform deferred custodial maintenance at recreational facilities during the week. Specifically, this request would provide for the addition of four new custodial positions and for the purchase of related equipment and materials and supplies. The RPD advises that this request would allow the RPD to clean an additional 20 to 24 restrooms and playgrounds on weekends and to complete deferred custodial maintenance at approximately six recreational facilities per week. A breakdown of this request is as follows:

Personnel	No. of	Biweekly	No. of Pay	Amount
<u>Position</u>	<u>Positions</u>	<u>Salary</u>	<u>Periods</u>	<u>of this Request</u>
2708 Custodian	4	\$1,003	17	\$68,204
Fringe Benefits (20%)				<u>13,641</u>
Total - Personnel				\$81,845

Equipment	
Two vans for each of the two mobile custodial crews (2 vans x \$19,150 per van)	38,300

Materials and Supplies	
Custodial supplies	<u>10,000</u>

Total Request - Mobile Custodial Crews

\$130,145

Aquatics Program (\$181,761)

This request of \$181,761 would allow for the addition of seven new Lifeguard positions and the conversion of five existing temporary Pool Cashier positions to permanent status in the Recreation Division. The RPD advises that this would permit both King Pool, which is currently open only during the summer, and Coffman Pool, which is currently closed during the summer months, to operate on a year-round basis. In addition, the RPD advises that the City's seven other pools, at which hours have been reduced in recent years due to budgetary constraints, could expand their hours. As of the writing of this report, the RPD had not yet determined the number of additional hours per week that the City's swimming pools could operate. A breakdown of this request is as follows:

<u>Position</u>	<u>No. of Positions</u>	<u>Biweekly Salary</u>	<u>No. of Pay Periods</u>	<u>Amount of this Request</u>
3208 Lifeguard	7	\$882	17	\$104,958
3204 Pool Cashier	5	547*	17	46,509
Subtotal - Salaries	12			\$151,467
Fringe Benefits (20%)				30,294
Total - Aquatics Program				\$181,761

* This amount represents the additional amount needed to fund this position on a full-time basis. The biweekly salary for a Pool Cashier is actually \$1,220. The \$673 difference between the \$1,220 and the \$547 shown here would be funded from temporary salaries.

Recreation Programs (\$434,306)

This request of \$434,306 would allow for the conversion of 54 part-time, temporary Recreation Director positions to full-time, permanent status in the Recreation Division. The Recreation Directors are responsible for supervising programs and activities at the RPD's 65 recreational facilities. The RPD advises that the increased hours for Recreation Directors would allow the expansion of program hours at 32 of the RPD's 65 recreational facilities, at which hours have been reduced in recent years due to budgetary constraints. In addition, this request would allow for an increase in the Recreation Division's budget for temporary salaries by \$236,587. The RPD reports that this would allow the RPD to provide approximately 14,000 hours of additional services, including (a) additional programs during school vacation periods; (b) the expansion of the summer day camp program; and (c) the expansion of the Latchkey program,

which is an after-school day care program for children ages eight through 12. A breakdown of this request is as follows:

<u>Position</u>	<u>No. of Positions</u>	<u>Biweekly Salary</u>	<u>No. of Pay Periods</u>	<u>Amount of this Request</u>
3284 Recreation Director	54	\$179*	17	\$164,766
Fringe Benefits (20%)				<u>32,953</u>
Total - Permanent Salaries				\$197,719
Temporary Salaries				
14,000 hours @ approximately \$14.07 per hour				\$197,000
Fringe Benefits related to Temporary Salaries (20%)				<u>39,587</u>
Total - Temporary Salaries				\$236,587
Total - Recreation Programs				\$434,306

* This amount represents the additional amount needed to fund this position on a full-time basis. The biweekly salary for a Recreation Director is actually \$1,152. The \$973 difference between the \$1,152 and the \$179 shown here would be funded from temporary salaries.

Golf Course Equipment and Maintenance (\$170,000)

This request of \$170,000 would permit the RPD to purchase equipment and to enhance facilities maintenance for the Golf Program. A breakdown of this request is as follows:

Equipment

Two new fairway mowers needed to enhance golf course grooming (2 mowers x \$60,000 per mower) \$120,000

Facilities Maintenance

Needed to improve cart paths and rebuild tees 50,000

Total- Golf Course Maintenance \$170,000

Support Services (\$61,222)

This request of \$61,222 would allow the addition of two new positions and the purchase of related materials and supplies. The RPD advises that the new Senior Account Clerk position would be used to support the Department's payroll, accounting and purchasing sections, which would experience an increased workload if this supplemental appropriation request were approved. The RPD advises that the Management Information Systems (MIS) Technician position would be used to (a) automate the RPD's permits and reservations system; (b) convert the softball reservation system to a new software format; and (c) improve the new golf course reservation system. A breakdown of this request is as follows:

Personnel				Amount
<u>Position</u>	<u>No. of Positions</u>	<u>Biweekly Salary</u>	<u>No. of Pay Periods</u>	<u>of this Request</u>
1632 Senior Account Clerk	1	\$1,191	17	\$20,247
1818 MIS Specialist II	1	1,565	17	26,605
Subtotal - Salaries	2			\$46,852
Fringe Benefits (20%)				9,370
Total - Personnel				\$56,222

Materials and Supplies

Printing materials needed to reproduce additional Recreation Program information for public	5,000
Total - Support Services	\$61,222

Total Supplemental Appropriation Request
 (File 101-95-12)

\$1,211,014

FILE 101-95-13

Building Maintenance Program (\$502,223)

This request of \$502,223 would allow the addition of eight new positions and the purchase of related equipment and materials and supplies needed in order to develop a regular maintenance program for the RPD's 65 recreation centers and clubhouses. The RPD advises that there is currently no preventative or regular maintenance program for these facilities, but that maintenance work is primarily limited to responses to emergencies. In addition, the requested funds would be used for two work orders with the Department of Public Works (DPW) to perform paving and glazing work and to perform hazardous materials abatement at 11 RPD facilities. A breakdown of this request is as follows:

Personnel				Amount
<u>Position</u>	<u>No. of Positions</u>	<u>Biweekly Salary</u>	<u>No. of Pay Periods</u>	<u>of this Request</u>
7344 Carpenter	2	\$2,014	17	\$68,476
7347 Plumber	2	2,319	17	78,846
7346 Painter	2	1,827	17	62,118
7395 Iron Worker	1	1,927	17	32,759
7311 Cement Mason	1	1,765	17	30,005
Subtotal - Salaries	8			\$272,204
Fringe Benefits (20%)				54,441
Total - Personnel				\$326,645

Materials and Supplies

Includes lumber, paint, tools, plumbing materials, cement, fencing materials and other items	29,128
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BOARD OF SUPERVISORS
BUDGET ANALYST

Equipment

Three one-ton vans for the new Carpenter positions, the new Plumber positions and the new Painter positions (\$19,150 per van x 3 vans) \$57,450

Services of Other Departments (DPW)

Work order with DPW to perform paving and glazing work \$20,000
 Work order with DPW to perform hazardous materials abatement at 11 facilities 69,000
 Total - Work Orders 89,000

Total - Supplemental Appropriation Request
 (File 101-95-13) \$502,223

Total of Two Supplemental Appropriation Requests **\$1,713,237**

The proposed ordinance (Files 102-95-3) would amend the 1995-96 Annual Salary Ordinance to reflect the addition of 78 permanent positions, including 19 new positions and 59 positions to be converted from temporary to permanent status, as follows:

<u>Position</u>	<u>No. of Positions</u>	<u>Biweekly Salary</u>	<u>Maximum Annual Salary</u>
1632 Senior Account Clerk	1	\$1,203/\$1,457	\$38,028
1818 MIS Specialist II	1	1,596/1,936	50,530
2708 Custodian	4	1,013/1,226	31,999
3204 Pool Cashier	5	1,008/1,220	31,842
3208 Lifeguard	7	891/1,078	28,136
3284 Recreation Director	54	1,152/1,394	36,383
3417 Gardener	3	1,243/1,506	39,307
7328 Operating Engineer	1	1,543/2,166	56,533
7355 Truck Driver	1	1,484/1,890	49,329
7514 General Laborer	<u>1</u>	1,203/1,457	38,028
Total	78		

The proposed ordinance (File 102-95-4) would amend the 1995-96 Annual Salary Ordinance to reflect the addition of eight new permanent positions, as follows:

<u>Position</u>	<u>No. of Positions</u>	<u>Biweekly Salary</u>	<u>Maximum Annual Salary</u>
7344 Carpenter	2	\$1,658/\$2,014	\$52,565
7347 Plumber	2	1,909/2,319	60,526
7346 Painter	2	1,506/1,827	47,685
7395 Iron Worker	1	1,558/1,890	49,329
7311 Cement Mason	<u>1</u>	1,457/1,765	46,067
Total	8		

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. The proposed 27 new positions and the 59 positions to be converted from temporary to permanent status would be designated as "N" positions ("new" positions) in the 1995-96 Annual Salary Ordinance. However, although an on-going source of funding for the proposed enhancement in Recreation and Park services is currently being sought by the RPD, such a funding source has not yet been established. Thus, the Budget Analyst recommends that the proposed ordinances (Files 102-95-3 and 102-95-4) should be amended to designate these 86 positions as "L" positions ("limited tenure" positions) rather than "N" positions, pending the establishment of an on-going funding source beginning in FY 1996-97.

2. These two supplemental appropriation requests contain \$1,027,547 in funding for salaries and fringe benefits for the proposed 27 new positions and the 59 positions to be converted from temporary to permanent status. However, funding for these 86 positions is being requested only for the period from approximately November 6, 1995 through June 30, 1996 (approximately eight months). The salary and fringe benefit cost of the 27 new positions on an annual basis would be an estimated \$1.3 million, and the additional salary and fringe benefit cost of the 59 positions to be converted to permanent status would be an estimated \$450,000 on an annual basis, for a total additional annual cost of \$1,750,000 for these 86 positions.

Recommendations:

1. Amend the proposed ordinance (File 102-95-3) to designate all 78 positions as "L" positions rather than "N" positions, in accordance with Comment No. 1.

2. Amend the proposed ordinance (File 102-95-4) to designate all eight positions as "L" positions rather than "N" positions, in accordance with Comment No. 1.

3. Of the 86 proposed positions, the Budget Analyst recommends approval of the 59 positions which would be converted from temporary to permanent status. However, the Budget Analyst did not have sufficient time to thoroughly analyze the requests for the remaining 27 new positions, or for materials and supplies, equipment and services of other departments. As such, the Budget Analyst is not prepared at this time to make a recommendation regarding these other requests.

Memo to Budget Committee
 August 2, 1995 Budget Committee Meeting

Items 11 and 12 -Files 101-95-14 and 102-95-14

Departments: Treasurer--Tax Collector
 City Attorney

Item: Supplemental appropriation of \$372,000 from the General Fund Reserve for City Attorney services for the costs of the revisions to the San Francisco Tax Code and creating four new positions for Fiscal Year 1995-96.

Ordinance amending the Annual Salary Ordinance for FY 1995-96 reflecting the addition of four new positions.

Amount: \$372,000

Source of Funds: A General Fund reserve established by the Board of Supervisors in the FY 1995-96 Budget.

Description: The proposed supplemental ordinance would appropriate \$372,000 from a General Fund reserve established by the Board of Supervisors for additional City Attorney services for the Tax Collector's Office. The additional City Attorney services would be used to identify substantial revisions to Part III of the City's Municipal Code pertaining to taxes and fees and related City Codes that would be affected by such revisions.

The proposed changes to the FY 1995-96 Annual Salary Ordinance would include the addition of the following four positions:

Classification and Title	Number of Positions	Maximum Annual Salary	Total Max. Salary
8176L Trial Attorney	2	\$69,061	\$138,122
8180L Principal Attorney	1	99,598	99,598
1458L Legal Secretary I	<u>1</u>	45,179	<u>45,179</u>
Total	4		\$282,899

The proposed budget, according to the Tax Collector's Office is as follows:

	Number of Hours	Estimated Cost
<u>Uniform Due Date</u>	800	\$81,278
Revise more than 200 Code Sections to establish uniform due dates for many fees.		

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	<u>Number of Hours</u>	<u>Estimated Cost</u>
<u>Business/Payroll Taxes</u>	2,000	\$211,116
Modernize Business and Payroll Tax Ordinances to reflect the structure of today's local economy and avoid revenue losses.		
<u>Common Administrative Provisions</u>	240	24,869
Eliminate separate administrative provisions (e.g., relating to determinations, appeals, penalties, interest, enforcement, etc.) in Articles 7, 9, 10, 10A, 11, 12-A and 12-B of Part III and replace with a new article providing common administrative provisions. The purpose is to eliminate inconsistencies between articles and thereby avoid confusion in the Tax Collector's collection process.		
<u>Utility Users Tax</u>	160	20,003
Revise the Utility Users Tax to bring it up to date with the current structure of the utility industry and to avoid revenue losses resulting from outdated language.		
<u>Stadium Operator Admissions Tax</u>	160	15,256
Revise article to eliminate inconsistencies and avoid confusion.		
<u>Hotel Tax</u>	200	19,695
Revise article to eliminate inconsistencies and avoid confusion.		
Total	3,560	\$372,217

The total costs above reflect an average hourly rate of \$104.56.

Comments:

1. In April of 1995, the Budget Analyst completed a management audit of the Tax Collector's Office. As part of this audit, the Budget Analyst recommended various legislative changes that are needed to standardize tax due dates and consolidate procedures for the Tax Collector's Office. Many of these changes recommended by the Budget Analyst are incorporated in the proposed scope of work.

According to Ms. Julia Friedlander of the City Attorney's Office, Part III of the City's Municipal Code has been amended on a piecemeal basis over many years, and the proposed effort would enable a comprehensive review and evaluation of inconsistent provisions, outdated language and confusing regulations.

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2. According to Ms. Friedlander, the estimates of the number of hours to provide the above tasks was based on the professional judgment of the City Attorney's staff. According to Ms. Marty Moore of the City Attorney's Office, the estimated number of hours were multiplied by the City Attorney rates that would be assigned to the proposed project, including fringe benefits, administrative and support staff and other office expenses in these rates. Ms. Moore reports that existing City Attorney and Legal Secretary staff are anticipated to perform the work, as described above, for the Tax Collector's Office. Ms. Moore reports that the four new positions are proposed to be hired, at the same classification levels as the existing staff that will provide the proposed Tax Collector services, to back-fill these existing positions and, if necessary, to provide other City Attorney services.

3. Ms. Moore notes that based on the actual number of hours calculated, the proposed supplemental appropriation actually reflects the addition of slightly more than two FTE City Attorney positions (although the proposed Salary Ordinance includes three City Attorney positions) and slightly more than one FTE Legal Secretary position (although the proposed Salary Ordinance includes one Legal Secretary position). According to Ms. Moore, the Tax Collector would only be billed for the actual hours worked on the proposed project at the actual billing rate for the particular employee.

4. All of the proposed four new positions are "L" or limited tenure positions. Depending on the guidance received from the Tax Collector and the Board of Supervisors, Ms. Friedlander reports that the proposed project is anticipated to be completed during FY 1995-96. After the completion of the project, the four new positions would be eliminated.

5. Ms. Moore reports that the proposed budget, as submitted by the City Attorney to the Tax Collector's Office, contained an additional \$25,000 for private consulting services. These consultant services included two consultants for \$20,000 to assist in the Business/Payroll Taxes section and another \$5,000 for a consultant to assist in the Utility Users Tax section. Therefore, the City Attorney's Office reports that the proposed work would cost an estimated \$397,000, including the \$25,000 costs for consulting services, instead of \$372,000. Ms. Gail Hemenway of the Tax Collector's Office reports that, if \$25,000 of additional funds are required to provide the

necessary consulting services, the Tax Collector could provide such funds through its existing FY 1995-96 budget allocation.

6. The Budget Analyst questions the need to provide a total of 3,560 hours of City Attorney Office time at a cost of \$372,000, to complete this review of Part III of the City's Municipal Code. The Budget Analyst notes that in March, 1995, the Board of Supervisors appropriated \$99,976 of General Fund monies to provide extensive legal assistance to fully revise the City's Charter. This legal assistance was based on an estimate of 812 hours of City Attorney time and some expenses for materials, printing and postage. The proposed request is three to four times greater than this previous request to revise the City's entire Charter.

7. Given the proposed scope of work, the Budget Analyst also questions the need to use two Trial Attorneys and one Principal Attorney rather than less expensive paralegal staff to conduct much of this work. This would be particularly relevant in the Uniform Due Date section, (with which the Budget Analyst is most familiar) which will involve numerous hours of research and similar changes to more than 200 Code Sections. The current maximum annual salary for a paralegal is \$48,128, in contrast to the lowest City Attorney position proposed in this supplemental appropriation which pays an annual maximum salary of \$69,061, or a difference of \$20,933 in salary alone. In response, Ms. Friedlander of the City Attorney's Office reports that she believes that more experienced City Attorneys are required for the proposed work. The Budget Analyst disagrees.

8. Mr. Richard Sullivan of the Tax Collector's Office reports that he anticipates that the requirements for compatible due dates and simplified and consolidated procedures would be completed first, to facilitate the immediate collection of additional revenues for the City. In fact, legislation to place the City's Rent Board fees on a consolidated property tax bill is currently pending before the Housing and Land Use Committee. According to Ms. Friedlander, the City Attorney anticipates providing a preliminary report to the Tax Collector and the Board of Supervisors in January, 1996. Based on input and guidance provided by the Tax Collector and the Board of Supervisors, the City Attorney would then be able to pursue additional policy changes and revisions to the City's Municipal Code.

9. Given the questions raised by the Budget Analyst regarding the ability to use less expensive paralegals for portions of this project, and the cost of this request as compared to the costs for City Attorney services to revise the City's Charter, together with the potential major business tax and City revenue policy implications that may result from the proposed work (e.g., the City Attorney reports that due to recent major changes in the telecommunications industry, there may be more appropriate alternatives and increased opportunities for Utility Users Tax revenues for the City), the Budget Analyst recommends reserving \$186,000, or approximately one-half of the proposed \$372,000 appropriation. The immediate allocation of the remaining \$186,000 should be sufficient to complete the City Attorney's preliminary report by January, 1996. The Board of Supervisors would be presented with a preliminary report by the City Attorney in January, 1996 that should be the basis for more precisely determining the additional needed scope of work and the required City Attorney hours and costs to complete such work.

- Recommendations:** Reserve \$186,000 of the proposed \$372,000 supplemental appropriation, pending receipt of the preliminary report to the Board of Supervisors (File 101-95-14).
- Approve the proposed supplemental appropriation ordinance, as amended (File 101-95-14).
- Approve the proposed amendment to the Annual Salary Ordinance (File 102-95-14).

Items 13 and 14 - Files 65-95-6 and 193-95-6

Department: Recreation and Park Department (RPD)

Items: **Item 13, File 65-95-6** is an ordinance approving a 15-year lease between the City and County of San Francisco, acting through and by the Recreation and Park Commission, and Golden Gate Park Stables, Inc., which provides for the operation of the horse stables in Golden Gate Park.

Item 14, File 193-95-6 is a resolution authorizing the erection, enlargement and expansion of structures on the premises of the Golden Gate Park Stables.

Location: Golden Gate Park Stables, adjacent to Golden Gate Park Stadium (Polo Fields), located in Golden Gate Park

Purpose of Lease: Operation of public horse stables, which include 75 horse stalls and related service structures

Lessor: Recreation and Park Commission

Lessee: Golden Gate Park Stables, Inc.

No. of Sq. Ft.: 83,448 square feet

Monthly and Annual Rental Revenue: Because the lessee (Golden Gate Park Stables, Inc.) would be performing various capital improvements at the stables at its sole expense, the proposed lease provides for an initial two-year rent-free period for the lessee (See under "**Description**" below). Beginning in the third year of the proposed lease, Golden Gate Park Stables, Inc. would pay the Recreation and Park Department (RPD) a minimum annual rental or a percentage of gross receipts, as specified below, whichever is greater:

(a) Minimum Annual Guarantee
\$2,000 per month or \$24,000 per year
(\$0.024 per square foot per month)

OR

(b) 3% of all gross receipts below \$700,000; plus
8% of all gross receipts \$700,000 and above

Amount Paid Under Existing Lease: The rent paid by the current lessee, Golden Gate Park Stables, Inc., is the higher amount of the minimum annual guarantee or seven percent of gross receipts, as specified below:

- (a) Minimum Annual Guarantee
\$400 per month or \$4,800 per year
(\$0.005 per square foot per month)

OR

- (b) 7% of gross receipts

**Utilities and Janitor
Provided by Lessor:** No

Term of Lease: The Golden Gate Park Stables have been operated on a month-to-month basis by Golden Gate Park Stables, Inc. since the expiration of the prior lease with Golden Gate Park Stables, Inc. in December of 1991 (see under "**Description**" below). The proposed new lease would have a term of 15 years, commencing on approximately September 15, 1995 and expiring on September 15, 2010.

Right of Renewal: There would be one option to renew for a five-year period. The renewal option would be subject to a higher negotiated percentage and minimum annual rent, which would reflect prevailing market rates. Such rental rates would not be subject to approval by the Board of Supervisors. However, the annual rent could not be less than seven percent of all gross receipts or \$50,000 annually, whichever is greater.

Description: Section 7.401-1 of the Charter authorizes the Board of Supervisors to review and approve by ordinance a lease entered into by a department, board or commission for a period of time in excess of ten years or having anticipated revenue to the City of \$1 million or more.

The Golden Gate Park Stables were operated under a lease agreement between Golden Gate Park Stables, Inc. and the RPD from April of 1990 through December of 1991 (21 months). That lease, which was previously approved by the Board of Supervisors, contained a provision allowing the RPD to extend the lease upon its expiration on a month-to-month basis for an indefinite period of time, as shown in Attachment 1. As such, since January of 1992, Golden Gate Park Stables, Inc. has operated the Golden Gate Park Stables on a month-to-month basis.

The proposed ordinance (File 65-95-6) would approve a new lease for the operation of the Golden Gate Park Stables. Through a Request for Proposal (RFP) process, the RPD awarded a new lease agreement for the operation of Golden Gate Park Stables to Golden Gate Park Stables, Inc. (See Comment No. 3). This lease provides for

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equestrian instruction, guided trail rides, the boarding of privately-owned horses and other activities (such as the option to offer carriage rides to the public) by Golden Gate Park Stables, Inc. Specific provisions of the proposed lease are as follows:

- Public programs such as trail rides and riding lessons would take precedence over the boarding of privately owned horses. At least 25 horses would have to be made available by the lessee for rental and instruction. Of the remaining 50 horse stalls, up to 25 stalls could be used to board privately-owned horses and up to two stalls could be used for horses owned by Golden Gate Park Stables, Inc. The number of stalls to be used by horses for carriage rides would be at the discretion of the lessee, subject to approval of the Recreation and Park Commission.
- Under this proposed lease, Golden Gate Park Stables, Inc. would be required to continue operation of the stables at the existing rates for lessons and trail rides. The proposed lease agreement provides that the RPD may consider fee increase proposals on an annual basis after the substantial completion of capital improvements by the lessee. A cumulative rate increase of 20 percent would be permitted over the 15-year term of the lease, not including annual Consumer Price Index (CPI) adjustments. Any rate increases would not require approval by the Board of Supervisors. A schedule of the existing rates is shown in Attachment 2.
- The lessee would also have the option to engage in the sale of horse care supplies, tack, saddles, hats, boots, items of equestrian clothing, food and beverages. The prices for such items would be determined by the lessee. In addition, the lessee would also have the option of offering carriage rides in Golden Gate Park to the public. The revenues generated by the sale of such items and of carriage rides would be included in the calculation of gross receipts, of which, as previously noted, the RPD would receive three percent of the amount under \$700,000 plus eight percent of the amount above \$700,000.
- The rates for boarding, riding lessons, trail rides and carriage rides would be subject to approval by the Recreation and Park Commission.

- The lessee would be required to maintain a list of boarders and a waiting list.
- Horses for trail rides and riding lessons would be available to the public seven days per week on a year-round basis.
- Golden Gate Park Stables, Inc. would be required to provide security on a 24-hour basis. The proposed lease requires that a night manager be employed by Golden Gate Park Stables, Inc. to patrol the stables on a regular schedule between the hours of 9:00 p.m. and 8:00 a.m. This schedule would be determined by the lessee and would require approval by the Recreation and Park Commission. In addition, such rounds would have to be documented by an electronic verification system to be purchased and installed at the lessee's sole expense.
- Golden Gate Park Stables, Inc. would be responsible for proper disposal of animal waste, purchasing and installing laundry appliances, cleaning and supplying restrooms, maintaining and cleaning drainage systems, maintaining and repairing horse rings and arenas, and maintaining and repairing buildings and structures on the premises.
- The proposed lease requires that Golden Gate Park Stables, Inc., at its sole expense, perform various capital improvements at the stables in accordance with a specified schedule. Such improvements include performing upgrades in order to comply with the San Francisco Building Code, rebuilding the arenas, renovating the horse stalls, constructing an office and on-site residence and rebuilding the barns. The estimated cost of these improvements is approximately \$650,000. Attachment 3 contains a detailed listing of the capital improvements, the schedule on which these capital improvements are to be completed and the estimated costs of all capital improvements to be paid for 100 percent by Golden Gate Park Stables, Inc. In return, the RPD has agreed to a long-term lease and to a two-year rent-free period for the lessee. Failure by the lessee to meet the capital improvement schedule would be grounds for termination of the lease.

Section 3.552 of the San Francisco Charter requires that the erection, enlargement or expansion of buildings or structures in Golden Gate Park be approved by a two-thirds vote of the Board of Supervisors. The proposed

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resolution (File 193-95-6) would authorize the capital improvements described in the foregoing paragraph to be completed at the Golden Gate Park Stables.

Comments:

1. According to Mr. Phil Arnold of the RPD, the higher amount of the (a) minimum annual rent of \$24,000 or (b) three percent of gross receipts below \$700,000 plus eight percent of gross receipts of \$700,000 or more, is based on a review and analysis by the RPD of the stables' expected income, operating costs and capital improvement costs over the next 15 years. According to Mr. Arnold, the minimum rent was set at a level that would allow rates to the public for instruction and riding to be maintained at a reasonable level.

2. The RPD reports that the Department has received an average rent of \$37,000 per year over the past three years from Golden Gate Park Stables, Inc. The RPD estimates that the proposed lease would generate revenues to the City of between \$24,000 and \$37,000 per year beginning in the third year of the proposed lease agreement.

3. In response to an RFP issued in March of 1994 for the operation of the Golden Gate Park Stables, the RPD received two bids. This RFP was advertised in the San Francisco Examiner and the San Francisco Chronicle on three weekdays and two weekends during March, 1994, and a letter was mailed to 44 interested parties. Among other requirements, the RFP stipulated that the bidder (a) have a minimum of three years experience in operating a public stable; (b) submit a plan for completing specified capital improvements; and (c) pay a minimum annual rental of \$50,000 or ten percent of gross receipts, whichever was greater. However, both bids, one from Golden Gate Park Stables, Inc. and one from the San Francisco Equestrian Center (SFEC), were rejected by the RPD for failure to meet the financial requirements of the RFP.

The RPD issued a second RFP in October of 1994 which eased the financial requirements of the bidders by reducing (a) the minimum annual rent from \$50,000 to \$24,000 and (b) the percentage of gross receipts from ten percent of all gross receipts to three percent of gross receipts of less than \$700,000, plus eight percent of gross receipts of \$700,000 or more. In addition, the second RFP allowed the bidder to have a rent-free period of up to two years. The second RFP was not advertised in any newspapers but was issued to between 20 and 25 interested parties which had requested a copy of the original RFP.

Still, only two bids were submitted: one from the San Francisco Equestrian Center and one from Golden Gate Park Stables, Inc. Attachment 4, provided by the RPD, summarizes and compares both bids.

In ranking the two bids, the staff of the RPD awarded 100 points to the San Francisco Equestrian Center and 79 points to the Golden Gate Park Stables, Inc., out of a possible score of 100 points. As such, RPD staff initially recommended to the Finance Committee of the Recreation and Park Commission that the lease be awarded to the San Francisco Equestrian Center. However, at a meeting of the Finance Committee in November of 1994, a number of questions were raised about the qualifications and plans of operation submitted by both the San Francisco Equestrian Center and Golden Gate Park Stables, Inc., and the Committee requested that the RPD staff conduct a second review.

After reviewing further documentation provided by both bidders and after interviewing horse care professionals and operators of other public stables, RPD staff recommended to the Commission instead that the contract be awarded to Golden Gate Park Stables, Inc., even though San Francisco Equestrian Center had received a higher score in the initial ranking. According to Mr. Arnold, the recommendation to award the contract to Golden Gate Park Stables, Inc. rather than the San Francisco Equestrian Center was based on the RPD's determination that (a) Golden Gate Park Stables, Inc. was better qualified to manage a public stable; (b) the allegations against both bidders regarding poor horse care were unfounded; (c) the allegations against both bidders regarding financial responsibility were unfounded; and (d) issuing a third RFP would likely require the RPD to further ease the financial requirements of the bidders, thereby potentially shifting a portion of the cost of capital improvements to the City. In addition, in a memo dated June 9, 1995 addressed to the Recreation and Park Commission, Mr. Arnold states that "as a result of this re-evaluation, staff has concluded that SFEC has not provided the documentation required in the Request for Proposal to demonstrate that the management team of SFEC meets the minimum requirements for management of the stables in Golden Gate Park." As such, the Recreation and Park Commission approved a resolution in June of 1995 which recommended that the contract to operate Golden Gate Park Stables be awarded to Golden Gate Park Stables, Inc.

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Recommendation: As noted above, in ranking the two bids received, the staff of the RPD awarded 100 points to San Francisco Equestrian Center and 79 points to Golden Gate Park Stables, Inc. Although the RPD staff had initially recommended awarding the lease agreement to San Francisco Equestrian Center, the Finance Committee of the Recreation and Park Commission requested that the RPD staff further review the bids. After further review, RPD staff recommended to the Recreation and Park Commission that the lease agreement to operate Golden Gate Park Stables be awarded to Golden Gate Park Stables, Inc., rather than San Francisco Equestrian Center, even though Golden Gate Park Stables had received a lower score in the initial ranking by RPD staff. As previously noted, this reversal was partially based on a re-evaluation of the experience of the management team of San Francisco Equestrian Center, in which the RPD staff concluded that "SFEC has not provided the documentation required in the Request for Proposal to demonstrate that the management team of SFEC meets the minimum requirements for management of the stables in Golden Gate Park." As such, the Budget Analyst considers approval of the proposed ordinance (File 65-95-6) and the proposed resolution (File 193-95-6) to be policy matters for the Board of Supervisors.

United States mail, postage prepaid, and addressed to Lessee at 100 California Street, Suite 1240, San Francisco, California 94111. All notices required to be given to Lessor hereunder or by law shall be deemed given to Lessee by depositing same in the United States mail, postage prepaid, and addressed to the Recreation and Park Commission, McLaren Lodge, Golden Gate Park, Fell and Stanyan streets, San Francisco, California 94117.

49. AUTHORITY OF AGENTS OF LESSOR.

No agent or representative of the Lessor has any authority to vary the terms of this agreement, or to extend the rights and privileges, as herein set forth, or to make any statements or representations concerning this lease, or the rights and privileges herein set forth, except such as may be endorsed hereon in writing, and then only after approval by the Commission.

50. HOLDING OVER.

Any holding over of the term created, as subject to the option to renew contained in paragraph 54 of this Lease, shall be a tenancy from month to month only, at the rental set forth in Section 4 hereof, and otherwise be on the same terms and conditions herein specified.

51. ROADS AND PATHS EXCLUDED.

The demised premises as shown on the attached Exhibit "A" shall not be deemed to include exclusive use of any road or path passing through the areas marked.

51A. RESTRICTIONS ON USE OF ROADS AND PATHS.

Lessor agrees to maintain restriction on the use of any road or path passing through the areas marked on Exhibit "A" for the safe management of horses and all functions described in paragraph 2 of this Lease.

52. WAIVER.

The waiver by the City of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition for any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by the City shall not be deemed to be a waiver of any prior occurring breach by Lessee of any term, covenant or condition herein contained regardless of

GOLDEN GATE PARK STABLES LEASE Rates and Charges

Recreation and Park Commission Minutes
Thursday, December 16, 1993

GOLDEN GATE PARK STABLES

RES. NO. 16795

RESOLVED, That this Commission approves monthly board fees effective February 1, 1994 for Golden Gate Park Stables, as follows:

APPROVED

Monthly Board: daily ration of 1/3
bale bedding, one flake of
alfalfa & two flake oats.

\$325 effective
2/1/94

FURTHER RESOLVED, That this Commission approves other fee changes effective January 1, 1994 for Golden Gate Park Stables, as follows:

Lessons

1 Hr, Private
1 Hr, Semi-private (2 People)
1 Hr, Semi-private (3 People)
1 Hr, Group (4 + persons)
1 Hr, Group (6 Lesson Pkg -Pre Paid)

\$35
\$25
\$22
\$20 per person
\$18 per person
Operator to
keep 50% of per
lesson fee

No Show Fee:

\$25
\$300/week

JumpingSummer Camp

Ages 8-12 Includes approximately 20 hrs or riding per week

Trailrides: 1 Hr W/GuidePrivate

\$35

Group 2 - 10

\$20

Group of 4 + with advance reservation

\$18

Extra Feed (Boarder)

\$70

Extra Bedding (Boarder)

\$50

New Services

Infant's Pony Ride assisted, 10 min.

\$ 4

Discounts available for groups of 4+

Student Leasing

School horse 4 times per month

\$50

GOLDEN GATE PARK STABLES LEASE Timeline For Capital Improvements
 AS SUBMITTED BY OPERATOR, SUBJECT TO APPROVAL BY LESSOR

GOLDEN GATE PARK STABLES Inc.

	<u>Cost</u>
YEAR ONE:	
Lt1 Speedway Arena	\$40,000
Central Arena Rep/mt	40,000
Redwood Arena	15,000
Haybarn & East Ring	48,000
Arch/Engineering	7,000
Plans & Permits	5,000
Plan & Permit Review >	5,000
	<u>\$155,000</u>
YEAR TWO:	
Farrier Structure	\$4,000
Boarder Feed	9,000
Boarding Stables (28 remaining)	35,000
Arch/Engin.	2,000
	<u>\$50,000</u>
YEAR THREE AND FOUR:	
Office/ Caretaker	\$150,000
Porch & Deck	53,000
Tack & Instruction	45,000
Arch/Planning	16,000
	<u>\$264,000</u>
YEAR FIVE:	
School Barn	\$47,000
NE & NW Arenas	10,000
WPA Stall Exteriors	34,000
Arch/Engineering	7,000
	<u>\$98,000</u>
YEAR SIX:	
Grandstand Stalls	\$53,000
Parking Lots	10,000
Exterior Lighting	8,000
Demolition, etc.	7,000
Arch/Engin/Planning	5,000
	<u>\$83,000</u>
TOTAL	<u>\$650,000</u>

SCORE
SPEC

SCORE
BOPS, INC

CATEGORY

CATEGORY

1. PUBLIC PROGRAMS - 40 PIS
 Types of Instruction
 (English & western styles)
 Public Outreach
 (trail, pony, carriage)
 Balance
 (between school & boarding)
 Summer & Youth Programs
SUBTOTAL 40 PIS

1. PUBLIC PROGRAMS - 40 PIS
 Types of Instruction
 (English style)
 Public Outreach
 (trail, pony, carriage)
 Balance
 (between school & boarding)
 Summer & Youtr. Programs
SUBTOTAL 35 PIS

2. EXPERIENCE - 25 PIS
 Education/Certification
 One of six partners has BMS I-IV
 Hands on experience
 Total 13 yrs, 10 mo withir. team
SUBTOTAL 14 PIS

3. FINANCIAL CAPABILITY - 10 PIS
A. RESTRICTED ASSETS:
 Includes SFEK stock \$50,000
 Equip, tack & horses \$20,000
 Bank loan for truck \$20,000
 Incorporation fee \$ 915
 \$90,915

B. ASSETS AVAILABLE:
 Includes: Loan \$100,000
 Lease/Purchase 155,000
 Cash in bank 46,185
 Equity line \$10,000
 \$311,000

2. FINANCIAL CAPABILITY - 10 PIS
A. RESTRICTED ASSETS
 Includes: 35 horses \$80,000
 Tack 40@ \$200 \$ 8,000
 Trailer (4 horse, tack&feed \$ 7,500
 Tractor-Trailer (new) \$21,000
 Computer equipment \$ 5,000
 Furnishings & fixtures \$ 3,000
 \$135,000

B. ASSETS AVAILABLE:
 Includes: Cash in bank \$300,000
 SBA loan commitment

8.1. ASSETS AVAILABLE
 Includes: Loan \$100,000
 Lease/Purchase 155,000
 Cash in bank 46,185
 Equity line \$10,000
 \$311,000

B.2. RESERVE CAPITAL
 Includes: 2nd Mortg \$60,000
 Savings \$35,000
 Wells Fargo Crdt Ln \$31,000
 Profit Frm Med Prac \$225,000
 Personal Loan \$100,000
 Assets to Sell \$300,000
 \$526,000

B. ASSETS AVAILABLE:
 Includes: Cash in bank \$300,000
 SBA loan commitment

GOLDEN GATE PARK STABLES SCORE SHEET

EXHIBIT A

CATEGORY	SCORE GGS, INC	CATEGORY	POSSIBLE POINTS	SCORE SECC
3. FINANCIAL CAPABILITY CONT - 10 PTS		3. FINANCIAL CAPABILITY CONT - 10 PTS		
		B-3. LOAN POTENTIAL		
		Includes, SBA Loan	\$100,000 +	\$310,000
		Comm Developmt Loan	\$210,000	\$1,147,000
		AVAILABLE ASSETS		(\$100,000)
C. BOND OBLIGATION	\$435,000	C. BOND OBLIGATION		\$1,047,000
	(\$100,000)	0. AVAILABLE ASSETS REMAINING		10 PTS
	\$335,000	SUBTOTAL		
	7 PTS			
4. CAPITAL IMPROVEMENT PLAN - 10 PTS		4. CAPITAL IMPROVEMENT PLAN - 10 PTS		
		Feasibility of plans		
		Schedule & timeline		
		SUBTOTAL		10 PTS
	10 PTS			
5. PLAN OF OPERATION - 10 PTS		5. PLAN OF OPERATION - 10 PTS		
		Plan of operations offers existing		
		English programs. One night manager provided.		
		SUBTOTAL		10 PTS
	7 PTS			
6. PROPOSED RENTAL - 5 PTS		6. PROPOSED RENTAL - 5 PTS		
		Rental follows our minimum formula,		
		conservative hours and basic programs		
		offered.		
		SUBTOTAL		5 PTS
	8 PTS			
GRAND TOTAL:	79 PTS	GRAND TOTAL:		100 PTS

Item 15 - File 117-95-1

Department: Fire Department

Item: Ordinance amending the Fire Code by amending Sections 3.104, 4.204, 4.207 and 4.208, to increase the fees for reinspection of violations, service fees, high-rise inspection fees, fees for review of plans submitted with building permit applications and for inspection of building construction.

Description: Sections 3.104, 4.204, 4.207 and 4.208 of the Fire Code list the fees that the Fire Department is authorized to charge for various fire hazard inspection services. The proposed ordinance would increase the existing fees charged by the Fire Department for the fire hazard inspection services specified in Sections 3.104, 4.204, 4.207 and 4.208 of the Fire Code in order to recover a greater portion of the costs associated with providing these services. The proposed fee increases, which will become effective 30 days after approval by the Mayor, are described below.

Plan Review Fee

Section 4.208(a) of the Fire Code authorizes the Fire Department to charge a fee for reviewing the construction plans that accompany a building permit application for potential fire hazards. The existing fees are based on the dollar value of the construction work to be performed and would be modified by the proposed ordinance as follows:

<u>Value of Work</u>	<u>Existing Fee</u>	<u>Proposed Fee</u>	<u>% Increase</u>
\$0 - \$1,000	\$25.00	\$33.00	32%
\$1,000 -- \$5,000	\$25.00 plus \$7.50 per \$1,000 over \$1,000	\$33.00 plus \$10.00 per \$1,000 over \$1,000	32%
\$5,000 -- \$10,000	\$55.00 plus \$5.00 per \$1,000 over \$5,000	\$73.00 plus \$6.60 per \$1,000 over \$5,000	32.7%
\$10,000 -- \$50,000	\$80 plus \$2.50 per \$1,000 over \$10,000	\$106 plus \$3.325 per \$1,000 over \$10,000	33.5%

<u>Value of Work</u>	<u>Existing Fee</u>	<u>Proposed Fee</u>	<u>% Increase</u>
\$50,000 -- \$100,000	\$180 plus \$1.60 per \$1,000 over \$50,000	\$239 plus \$2.12 per \$1,000 over \$50,000	32.8%
\$100,000 -- \$500,000	\$260 plus \$.70 per \$1,000 over \$100,000	\$345 plus \$.925 per \$1,000 over \$100,000	32.7%
\$500,000 -- \$2,500,000	\$540 plus \$.38 per \$1,000 over \$500,000	\$715 plus \$.51 per \$1,000 over \$500,000	32.4%
\$2,500,000 -- \$5,000,000	\$1,300 plus \$.24 per \$1,000 over \$2,500,000	\$1,735 plus \$.314 per \$1,000 over \$2,500,000	33.5%
\$5,000,000 -- \$15,000,000	\$1,900 plus \$.15 per \$1,000 over \$5,000,000	\$2,520 plus \$.20 per \$1,000 over \$5,000,000	32.6%
\$15,000,000 -- \$30,000,000	\$3,400 plus \$.09 per \$1,000 over \$15,000,000	\$4,520 plus \$.12 per \$1,000 over \$15,000,000	32.9%
\$30,000,000 -- \$50,000,000	\$4,750 plus \$.0675 per \$1,000 over \$30,000,000	\$6,320 plus \$.09 per \$1,000 over \$30,000,000	33.1%
\$50,000,000 -- \$100,000,000	\$6,100 plus \$.05 per \$1,000 over \$50,000,000	\$8,120 plus \$.066 per \$1,000 over \$50,000,000	33.1%
\$100,000,000 and above	\$8,600 plus \$.03 per \$1,000 over \$100,000,000	\$11,420 plus \$.04 per \$1,000 over \$100,000,000	32.8%

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Field Inspection Fee

Section 4.208(b) of the Fire Code authorizes the Fire Department to charge a fee for conducting on site field inspections to certify that building construction and construction plans are in compliance with fire safety regulations. The existing fees associated with these inspections are based on the dollar value of the work being performed and would be modified by the proposed ordinance as follows:

<u>Value of Work</u>	<u>Existing Fee</u>	<u>Proposed Fee</u>	<u>% Increase</u>
\$0 - \$10,000	\$62.50	\$68.50	9.6%
\$10,000 - \$50,000	\$62.50	\$128.00	104.8%
\$50,000 - \$5000,000	\$125.00	\$187.50	50%
\$500,000 and above	\$187.50 plus \$62.50/hour of inspection time above 3 hours	\$281.25 plus \$68.50/hour of inspection time above 3 hours	50% and 9.6%

Reinspection of Violation Fee

Section 3.104(a) of the Fire Code authorizes the Fire Department to charge a fee for reinspecting property previously cited for violation of fire safety regulations. The existing fee charged for reinspecting this property would be modified by the proposed ordinance as follows:

<u>Existing Fee</u>	<u>Proposed Fee</u>	<u>% Increase</u>
\$60	\$68.50	14.2%

Service Inspection Fee

Section 4.204(b) of the Fire Code authorizes the Fire Department to charge a fee for responding to requests from persons or firms seeking a preliminary site inspection or survey of a premise for compliance with fire safety regulations. The existing fee for this inspection would be modified by the proposed ordinance as follows:

<u>Existing Fee</u>	<u>Proposed Fee</u>	<u>% Increase</u>
\$62.50	\$68.50	9.6%

High Rise Inspection Fee

Section 4.207 of the Fire Code authorizes a fee to be charged by the Fire Department for conducting inspections of high rise structures. The existing fee for this inspection would be modified by the proposed ordinance as follows:

<u>Existing Fee</u>	<u>Proposed Fee</u>	<u>% Increase</u>
\$4 per 1,000 sq. ft.	\$4.91 per 1,000 sq. ft.	22.8%

Comments:

1. According to Mr. Robert Fuller of the Fire Department, actual revenues in the amount of \$1,376,379 were generated by the above-noted existing fees in FY 1993-94. The Department estimates that the proposed ordinance would generate an additional \$435,203 in revenues annually from the proposed increased fees, for total estimated annual revenues of \$1,811,582. Based on an estimated effective implementation date of October 1, 1995, and based on prior inspection service levels, the above-noted fees would produce an estimated \$1.7 million in total revenues in FY 1995-96.

2. The estimated increase in revenues that are projected to result from increasing the above-noted fees were not included in the Fire Department's FY 1995-96 budget, as adopted by the Board of Supervisors, according to Mr. Fuller. Such additional revenue would accrue to the General Fund.

3. The proposed fee increases for High-Rise Inspection (Fire Code Sec. 4.207), Plan Review (Fire Code Sec. 4.208(a)), and Service Inspection (Fire Code Sec. 4.204(b)) will permit the Fire Department to recoup the costs incurred by providing these services, according to Mr. Fuller. However, the increase in fees charged for both Field Inspection (Fire Code Sec. 4.208(b)) and Reinspection of Violation (Fire Code Sec. 3.104(a)) will only cover a portion of the expenses incurred by the Fire Department for providing these services. The Fire Department plans to request a gradual phase-in of the necessary fee increases for these latter services over a three-year period, according to Captain Thomas Harvey of the Fire Department.

4. Mr. Fuller advises that the required fees for Field Inspection (Fire Code Sec. 4.208 (b)), Plan Review (Fire Code

Sec. 4.208(a)), and Service Inspection (Fire Code Sec. 4.204(b)) were last increased in 1991. The required fees for High-Rise Inspection (Fire Code Sec. 4.207) and Reinspection of Violation (Fire Code Sec. 3.104) were last increased in 1988.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 16 and 17 - File 82-95-1 and 82-95-1.1

Department: Real Estate Department
Department of Public Works (DPW)

Item: Item 16, File 82-95-1 - Resolution declaring intention of the Board of Supervisors to vacate a sewer and public utilities easement located within Block 735, Lot 26 (1096 Eddy Street) in exchange for a new utility easement; setting a hearing date for all persons interested in the proposed vacation.

Item 17, File 82-95-1.1 - Ordinance ordering the vacation of a sewer and public utilities easement located within Block 735, Lot 26 (1096 Eddy Street).

Description: The Real Estate Department reports that the owners of property located at 1096 Eddy Street have requested the vacation and exchange of an existing City public sewer and utilities easement for a new utility easement. According to Mr. John Panieri of the Real Estate Department, the owners of the 1096 Eddy Street property, Mr. Ralph Dayan, Mrs. Sarah Dayan and Skyline Realty, have entered into a contract to sell the property to Progress Foundation, a non-profit organization, and its affiliate Eddy Street Apartments, also a non-profit organization, which plans to develop 21 low income residential units for mentally disabled adults on the parcel of land. The Real Estate Department reports that the Progress Foundation and Eddy Street Apartments cannot proceed with the proposed low income housing development without the relocation of the City's easement because the current terms of the easement prohibit construction over the easement area. As such, the easement must be vacated prior to the property being sold to the Progress Foundation.

The proposed ordinance (File 82-95-1.1) would order the vacation of the City's public sewer and utilities easement located within Block 735 Lot No. 26 (1096 Eddy Street), in exchange for a new easement. The existing City-owned utility easement contains approximately 6,153 square feet, and the proposed new utilities easement contains approximately 2,869 square feet or 3,284 square feet less than the existing easement.

The Department of City Planning reports that the proposed vacation and exchange of the sewer and public utilities easement for a new utility easement is consistent with the City's Master Plan and the Eight Priority Policies of Planning Code Section 101.1.

Comments:

1. The proposed resolution (File 82-95-1) would schedule a hearing regarding the proposed vacation and exchange of easements. Therefore, if the Budget Committee wishes to approve the proposed resolution, the legislation should be amended to set the date and hour of the hearing.
2. If the finding by the Board of Supervisors at the public hearing is in favor of the proposed vacation and exchange of the easements, the proposed ordinance (File 82-95-1.1) which orders the vacation of the easement, would then be considered by the Board of Supervisors.
3. The Real Estate Department reports that the vacation of the City's public sewer and utilities easement in exchange for a new easement would be implemented at no cost to the City. Mr. Panieri advises that \$2,500 has been paid by the Dayan's, to the City, for DPW administrative costs associated with the easement exchange. Mr. Panieri also advises that although the proposed new easement is 3,284 square feet less than the City's existing easement, the decrease in square footage will have no negative impact on the City's usage of the easement.
4. The Real Estate Department reports that the following agencies have utility lines within the City's existing easement: PG&E, Pacific Bell, DPW, and the Department of Electricity. According to Mr. Panieri, the previously noted agencies have been notified of and confirm the vacation and exchange of the existing utilities easement.

Recommendations:

1. Amend the proposed resolution (File 82-95-1) to set the date and hour of the public hearing and approve as amended.
2. Refer the proposed ordinance (File 82-95-1.1) to the Board of Supervisors without recommendation.

Item 18 - File 251-95-2

Item: Resolution approving a Preliminary Engineer's Report for a special assessment district designated "Bayshore Hester Assessment District No. 95-1"; calling for a public meeting and hearing, and directing the Clerk of the Board to provide notice thereof; and authorizing other official action in connection therewith.

Description: The Board of Supervisors previously approved legislation, which, in part, (1) declared the City's intent to form the Bayshore Hester Assessment District No. 95-1 (Assessment District), at the request of Bayshore Hester Associates, for the purpose of financing certain improvements related to the development of 48 single-family housing units, located at Hester Avenue and Bayshore Blvd., (2) directed the preparation of a preliminary engineer's report in connection with this proposed Assessment District, and (3) provided for the issuance of Limited Obligation Improvement Bonds (File 251-95-1).

Pursuant to Section 185, Article VI of the City's Public Works Code and the State Municipal Improvement Act of 1913, the City is authorized to form special assessment districts to implement public works projects and improvements. Improvements in connection with the proposed single-family housing development would involve the construction of a new public right-of-way for 48 single-family houses, which would consist of the following: (1) excavation, (2) construction of retaining walls, (3) back filling of soil, off-hauling of excess soil, (4) construction of roads, curbs, gutters, sidewalks, (5) construction of a joint utilities trench for electricity, gas, telephone and cable television, (6) construction of a water line, and sewer line, (7) the installation of lights and fire hydrants and (8) the relocation of street signs.

The proposed resolution would (1) approve the Preliminary Engineer's Report for the proposed Assessment District, and (2) would set the time and date for a public meeting and hearing and direct the Clerk of the Board's Office to provide notice thereof.

The Preliminary Engineer's Report was prepared by Moran Engineering, a firm hired by Bayshore Hester Associates. The preliminary engineer's report states that the cost of the improvements which are planned under the proposed Assessment District are as follows:

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Construction	\$996,465
Permits and Fees	122,235
Incidental Costs	<u>424,500</u>
Total Costs	\$1,543,200
Less Developer's (Bayshore Hester Associates) Contribution	<u>(\$283,200)</u>
Balance to Assessment District	\$1,260,000

Attachment I, provided from the Preliminary Engineer's Report, details the estimated expenditures noted above. Included in the \$424,500 for Incidental Costs is an estimated \$10,000 for administrative costs incurred by the City up to the time that the bonds are issued. Such costs would include, but not necessarily be limited to (1) bond issuance, coordination, and oversight by the CAO and City Attorney's Office, (2) placement of assessments on the rolls and billing of property owners by the Tax Collector, and (3) verification of the cost estimates, included in the Preliminary Engineer's Report, for the improvements by the Department of Public Works.

The Developer's Contribution of \$283,200 is the difference between the estimated amount of the improvements, which is \$1,543,200, and the maximum amount of bonds that the developer estimates can be issued, which is \$1,260,000. The maximum amount of bonds which can be issued is based on the value of the subject property.

Bayshore Hester Associates has requested that the City issue Limited Obligation Improvement Bonds to finance the above-noted improvements and the establishment of the proposed Assessment District. The purpose of these bonds would be to provide the upfront monies for the costs of the proposed improvements and to pay for the costs of issuing the bonds, including the reimbursement of any and all costs incurred by the City. The estimated amount of the bonds is \$1,300,000, which would be repaid from the assessments levied against and paid by the property owners within the Assessment District.

The Preliminary Engineer's Report advises that the proposed Assessment District will be sub-divided into 20 lots. As previously noted, the actual number of housing units planned for the proposed housing development is 48. However, the Preliminary Engineer's Report reflects the number of lots, at 20. The 20 lots are included in the subdivision map that is currently on file with the City. According to Mr. Mark Curran, a consultant to Bayshore Hester Associates, a

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revised subdivision map, which reflects 48 lots, will be filed with the City at a later date. The Preliminary Engineer's Report proposes an assessment of \$31,500 each on 18 of the lots for a total of \$567,000 plus \$283,500 and \$409,500 respectively for lots 19 and 20, for total assessments of \$1,260,000 for 20 lots to pay for the proposed improvements in the Assessment District. Based on 48 lots, if the lots are subdivided equally, the total assessment against each property owner would be \$26,250 (\$1,260,000 divided by 48 lots). This assessment amount would be paid off by the property owners in monthly installments.

Additionally, the Preliminary Engineer's Report states that in the event there is not sufficient monies from interest earnings on the bond funds to reimburse the City fully for on-going administrative costs associated with the administering of the bond funds, the City will levy an annual assessment against each of the planned 48 lots within the Assessment District, to acquire full reimbursement. On-going administrative activities that would be performed by the City would include secondary market disclosure reports, required by Federal law, which contain information on any material event in connection with the bond funds which could jeopardize the repayment of the bonds (e. g., foreclosures on assessed property) and management of the bond funds. Mr. Curran estimates that the processing of the disclosure reports would cost the City a total of approximately \$3,000 annually and the management of the bond funds would cost the City approximately \$2,500 annually, for a total of approximately \$5,500. According to the Preliminary Engineer's Report, the maximum amount of such annual assessment for the entire Assessment District shall be equal to 4.28 percent of the annual installment levied against each assessed lot for the proposed improvements.

Comments:

1. Attachment II is a table, prepared by Mr. Curran, which outlines the total estimated monthly payments, including mortgage payments, property taxes and assessments that would be paid by property owners within the proposed Assessment District for a single family home costing \$250,000. Mr. Curran calculated the assessment amount based on 48 housing units within the proposed Assessment District.
2. Mr. Curran advises that the planned 48 housing units, which consist of three and four bedroom single-family houses, will range in price from approximately \$250,000 to approximately \$270,000.

3. Mr. Olson Lee of the Mayor's Office of Housing (MOH) advises that Bayshore Hester Associates agreed to pay the City the sum of \$135,000, to be deposited to the Citywide Affordable Housing Fund, in lieu of Bayshore Hester Associates designating three of the planned 48 housing units as "affordable" housing. Attachment III, is a memo from Mr. Olson which references the \$135,000 amount.

Comment: Since the proposed resolution would call for a public meeting and hearing, if the Board of Supervisors chooses to approve the proposed resolution, the proposed resolution should be amended to set the date, time and the place of the public meeting and hearing.

Recommendations: 1. As previously noted, the Preliminary Engineer's Report, and the subdivision map that is on file with the City, currently references 20 lots, instead of the 48 lots which are planned by Bayshore Hester Associates. Mr. Victor Castillo of the City Attorney's Office advises that the proposed legislation cannot be amended to change the information in the Preliminary Engineer's Report to reflect 48 lots instead of 20 lots. Mr. Castillo adds that Bayshore Hester Associates would not be required to submit any further legislation regarding the number of lots contained within the proposed Assessment District. As such, the Budget Analyst has no recommendation on this proposed legislation.

2. If the Board of Supervisors approves the proposed legislation, the legislation should be amended to set the date, time and place for the proposed public meeting and hearing.

EXHIBIT "B"

ENGINEER'S ESTIMATE OF COSTS
 BAYSHORE HESTER ASSESSMENT DISTRICT NO. 95-1.
 CITY AND COUNTY OF SAN FRANCISCO

	COST	
Grading and hauling	\$134,069	
Retaining Walls	\$358,864	
Road, curb, gutter, sidewalk	\$81,532	
Sewer	\$84,160	
Utilities Trench	\$67,000	
Water	\$135,680	
Street Lights	\$14,000	
Street Trees	\$31,160	
Sign Relocation	\$40,000	
Contingency	<u>\$50,000</u>	
Subtotal Construction		\$996,465
Permits and City Inspection	\$74,735	
Engineering Fees	<u>\$47,500</u>	
Subtotal Permits & Fees		122,235
Assessment appraisal, printing, etc.	\$12,000	
Trustee/Paying Agent	\$4,500	
Bond Discount	\$35,000	
Co-Bond Counsel	\$40,000	
City Administrative Costs	\$10,000	
Financial Advisor	\$10,000	
Reserve Fund	\$124,000	
Capitalized Interest	<u>\$189,000</u>	
Subtotal Incidental Costs		<u>424,500</u>
TOTAL COSTS		\$1,543,200
Less Developer's Contribution		<u>(\$283,200)</u>
Balance to Assessment District		\$1,260,000

	Hester Street Assessment Financing		Monthly Housing Cost Analysis								
Home Price	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Down Payment	50,000	50,000	50,000	50,000	50,000	50,000	50,000	25,000	25,000	25,000	25,000
Mortgage Amount	200,000	200,000	200,000	200,000	200,000	200,000	200,000	225,000	225,000	225,000	225,000
Mortgage Rate	5.00%	6.00%	7.00%	8.00%	8.50%	6.00%	7.00%	6.00%	7.00%	8.00%	8.00%
Mortgage Term (months)	360	360	360	360	360	360	360	360	360	360	360
Monthly Mortgage Payment	1,074	1,199	1,331	1,468	1,538	1,349	1,497	1,349	1,497	1,651	1,651
Customary Property Taxes	250	250	250	250	250	250	250	250	250	250	250
Forecast Assessment	190	190	190	190	190	190	190	190	190	190	190
Monthly Payment	\$1,514	\$1,639	\$1,771	\$1,908	\$1,978	\$1,789	\$1,937	\$1,789	\$1,937	\$2,091	\$2,091

Note: The variables in the above table are down payment (either 5% or 10%) and interest rate.

MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO



FRANK M. JORDAN
MAYOR

TED DIENSTFREY
DIRECTOR

MEMORANDUM

TO: Sandy Brown Richardson
Office of the Budget Analyst

FROM: Olson Lee *OL*

DATE: July 27, 1995

SUBJECT: Bayshore Hestor Project

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 2
To <i>Sandy</i>	From <i>Olson Lee</i>	
Co. <i>Richardson</i>	Co.	
Dept.	Phone #	
Fax #	Fax #	

The Mayor's Office of Housing reviewed the Bayshore Hestor project as part of its ongoing responsibilities with the Department of City Planning to administer the City's inclusionary housing program. In 1991, as indicated by Planning Commission Motion 13005, File 89.126ECS, the Project Sponsor received approval for 80 residential units of which 5 units were to be affordable to first time home buyers at 120% of median income. In 1994, the Project Sponsor applied for an amendment to the Conditions of Approval reducing the number of units from 80 to 48. The Project Sponsor also requested a proportionate reduction in the number of affordable units from 5 to 3. This proposal was reviewed on February 16, 1995, a copy of the memorandum to Gerald Green is included for your review.

The Mayor's Office of Housing and the Project Sponsor, as represent by Kirk Miller, discussed the implementation of the City Planning Department's Inclusionary Policy including the fact that the price established in the February 16, 1995 memo was a price ceiling rather than a floor. After further discussions, the Project Sponsor and the Mayor's Office of Housing proposed to the Department of City Planning that in-lieu of the 3 affordable units that the City accept a payment of \$135,000 in three installments for use in the development of affordable housing.

The in-lieu payment of \$50,000/unit is based upon the City's average cost of subsidizing the construction of new affordable housing. The figure of \$45,000 per inclusionary unit for this particular project was accepted in part because the inclusionary units at 120% of median income would serve a near market rate buyer. The funds received from the developer would likely be used to serve households earning less than 60% of median income.

cc: Ted Dienstfrey, MOH
Joe LaTorre, MOH

Item 19 - File 200-95-2

Note: This item was continued from the Budget Committee meeting of July 19, 1995.

Item: Hearing to consider the cost to the City of the installation (utility connection costs) of public toilets when the manufacturer is limited to \$20,000 per toilet for installation.

Description: In July of 1994, the Board of Supervisors approved a final, amended Agreement between the City and J.C. Decaux United Street Furniture (J.C. Decaux) to provide for the placement of public toilets on public property in San Francisco in exchange for granting to J.C. Decaux the right to place public service kiosks on public property and sell advertising on those kiosks (File 115-93-8.1).

Under the Agreement between the City and J.C. Decaux, J.C. Decaux is responsible for the entire cost of installing, maintaining and removing the toilets and kiosks. There is no cost to the City for such installation, maintenance or removal of the toilets and kiosks, according to Mr. Vitaly Troyan of the Department of Public Works.

Under the Agreement between the City and J.C. Decaux, J.C. Decaux is obligated to pay a maximum of \$20,000 per toilet for the cost to connect each toilet to water, sewer, electrical, and telephone utilities (Section 2.05-C of the Agreement). In the event that the costs of these connections exceed \$20,000 for a single toilet, J.C. Decaux has the right to request that the City designate an alternative location for the toilet. According to Mr. Troyan, this request is J.C. Decaux's only recourse if the cost of utility connections for a toilet exceeds \$20,000, and in no case is the City required to share the costs of such utility connection, or any other costs to install or maintain the toilets or kiosks. If the new site designated by the City would also incur utility connection costs exceeding \$20,000, J.C. Decaux may request another site, until a site is found which would not result in utility connection costs exceeding \$20,000. J.C. Decaux is not required to install a toilet at a site where utility connection costs would exceed \$20,000.

Other major provisions of the Agreement between the City and J.C. Decaux are as follows:

- There will be a two year trial period during which J.C. Decaux will install and operate 20 toilets and 90 kiosks. At the end of the two year trial period, the City would have the option either to; (a) have the toilets removed and have the kiosks removed three years thereafter (five years from the start of the contract), or, (b) to negotiate a new agreement with J.C. Decaux at the end of five years for purposes of the City being paid a portion of the advertising

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revenues from the kiosks beginning in the sixth year, if the toilets are removed. If the Board of Supervisors authorizes the toilet program to continue after the two-year trial period, a total of 27 toilets and 121 kiosks would be installed, and, at the City's option, an additional 23 toilets and 104 kiosks could be installed for a maximum of 50 toilets and 225 kiosks.

- J.C. Decaux must pay the City an initial fee of \$25,000 for the first 27 toilets annually and \$500 per toilet for each toilet beyond 27, adjusted each year by the rate of inflation, for the City's costs to administer the program.
- J.C. Decaux must pay the City a one-time fee of \$350 per toilet and kiosk to defray the cost of holding public hearings and determining specific locations for the toilets and kiosks.
- J.C. Decaux must pay the City 2% of the net revenues earned from the sale of advertising on the kiosks if such revenues exceed \$18,000 per kiosk annually for the first seven years of the program, and 5% of net revenues if such revenues exceed \$18,000 per kiosk beginning in the eighth year of the program, or, if the net revenues exceed \$25,000 per kiosk, 7% of net revenues beginning in the eighth year of the program.
- One of the three sides of the kiosks must be devoted to newsstands, City maps, public art, announcements, or other public service material.
- J.C. Decaux must make an annual payment of \$3,000 to the Art Commission for reproduction of art materials during the two year trial period. If the City decides to proceed with the additional 7 toilets (27 in total) and 31 kiosks (121 in total) after the two year trial period, this payment by J.C. Decaux to the Art Commission increases to \$17,200 annually. The materials reproduced with these funds, such as City maps, public art, or public service material, will be placed on the public service side of the kiosks.
- J.C. Decaux must post a \$2 million bond to guarantee the installation of the first 27 toilets within 5 years of the Agreement's beginning, and post an additional \$350,000 letter of credit to guarantee compliance with the Agreement during years 6 through 20.
- The public toilets require a 25¢ user fee to enter and use the facility. J.C. Decaux will also provide tokens for the use of homeless and/or disabled persons who do not have 25¢, with such tokens to be distributed by non-profit organizations and at nearby newsstands. J.C. Decaux is required to keep an estimated 10,000 tokens in circulation at all times, replacing tokens as necessary.

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- J.C. Decaux is required to pay City fees for excavation permits as needed for its toilets and kiosks at the standard rate of \$50 per excavation, plus 80¢ per total square foot of excavation. In addition, J.C. Decaux is required to pay City fees for sewer connection permits for the toilets at the standard rate of \$250 for a connection of 50 linear feet. Mr. Troyan reports that the DPW estimates that the total amount collected from J.C. Decaux for the excavation and sewer connection permits will be between \$15,000 and \$20,000.

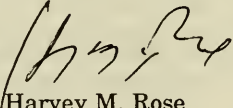
Comments:

1. According to Mr. Troyan, as of July 14, 1995, only one of the toilets had been installed, at Market and Powell Streets. Site permits have been approved for all 20 of the initial group of 20 toilets and for 84 out of the initial group of 90 kiosks. Construction of these toilets and kiosks is expected to begin in early August, 1995, with the installation to be completed by late October, 1995. The two-year trial period detailed in the Agreement will begin when all permits are issued, and conclude two years later, in approximately August of 1997.
2. Mr. Troyan reports that the DPW has expended a total of \$67,279.62 through June 30, 1995 to administer the toilet program, and has received payments and reimbursements totaling \$63,500 from J.C. Decaux. Mr. Troyan notes that the annual fee (\$25,000 for the first 27 toilets, adjusted each year for inflation) which J.C. Decaux must pay to reimburse the City for its costs to administer the program will not cover all of the DPW's costs to administer the program in the first year of the Agreement, however, Mr. Troyan anticipates that the annual fee will exceed the DPW's costs to administer the program beginning in year two or three of the Agreement, as the DPW staff time required to administer the program will substantially decrease after the toilets are installed and operating.
3. Mr. Troyan reports that the cost of installing the toilet at Market and Powell Streets was entirely borne by J.C. Decaux.
4. As previously noted, under the Agreement between the City and J.C. Decaux, J.C. Decaux is responsible for 100 percent of all costs to install the toilets and kiosks specified in the Agreement.
5. At its hearing on July 19, 1995, the Budget Committee requested that information be provided on provisions in the Agreement between the City and J.C. Decaux under which J. C Decaux agrees that it will not acquire a "Possessory Interest" in City property under this Agreement (Sections 2.01(B) and 3.01(B)), as shown in the Attachment. Ms. Julia Ten Eyck of the City Attorney's Office reports that the City Attorney is further researching this issue in response to the Budget Committee's request, and that a memo will

Memo to Budget Committee
August 2, 1995 Budget Committee Meeting

be submitted to the Board of Supervisors prior to the Budget Committee's August 2, 1995 meeting. "Possessory Interest Tax" is a property tax determined by the Assessor and is normally levied on the value of the "fair market rent" of public property during the period of a rental, and is assessed at a property tax rate of 1.163 percent. As of the writing of this report, the Offices of the Assessor and the Controller had developed a preliminary estimate showing that approximately \$51,000 annually would be due if the Assessor determines that Possessory Interest Tax is in fact due for the City property being used by J.C. Decaux during the period of the Agreement.

6. At its meeting of July 19, 1995, the Budget Committee requested further information on Planning Code amendments pertaining to advertising on the kiosks allowed under the Agreement between the City and J.C. Decaux. According to Mr. Gerald Green of the Planning Department, "General advertising" of the type to be placed on the advertising kiosks specified under the Agreement between the City and J.C. Decaux is prohibited under Article 6, Sections 6.06, 6.05 and 6.08 of the Planning Code. An amendment to Planning Code Section 6.03 "Exempted Signs" was modified to permit the J.C. Decaux advertising kiosks. Modifications of this type have been adopted in the past by the Planning Commission and the Board of Supervisors for specified uses, including the MUNI shelters program which includes advertising on bus shelters and on Gannett kiosks. Such a modification requires an amendment to the Planning Code, a certification of environmental review, and a finding that the modification is consistent with the City Master Plan. All of these items and findings were approved by the Planning Commission, and by the Board of Supervisors, through their respective public hearing processes, in December of 1993 and in March of 1994.



Harvey M. Rose

cc: Supervisor Hsieh	Supervisor Migden
Supervisor Kaufman	Supervisor Teng
Supervisor Bierman	Clerk of the Board
President Shelley	Chief Administrative Officer
Supervisor Alioto	Controller
Supervisor Ammiano	Teresa Serata
Supervisor Hallinan	Robert Oakes
Supervisor Kennedy	Ted Lakey
Supervisor Leal	

BOARD OF SUPERVISORS
BUDGET ANALYST

1.23. Initial Capital.

As of the Start Date, CONTRACTOR shall have shareholders' equity capital, calculated in accordance with generally accepted accounting principles, of at least One Million Five Hundred Thousand Dollars (\$1,500,000) and shall provide to CITY within forty-five (45) days after the Start Date a certificate to that effect audited by an independent certified public accountant.

1.24. Guaranty of Obligation.

CONTRACTOR shall, prior to the Effective Date, provide a guaranty of its obligation to install the Automatic Public Toilets in the Initial Phase, as provided hereunder from JCDecaux USA, which guaranty shall be substantially in the form attached hereto as Appendix E.

Part 2. Automatic Public Toilet Installation.

2.01. Installation of Automatic Public Toilets.

- A. CONTRACTOR shall install Automatic Public Toilets only for which (i) the design complies with the requirements of Section 2.08, Automatic Public Toilet Design, below, (ii) all required permits have been issued and all applicable fees have been paid by CONTRACTOR, and (iii) locations have been determined pursuant to Section 2.05, Locations and Sites of Automatic Public Toilets, below. CONTRACTOR shall be and shall keep fully informed of the CITY Charter, codes, ordinances and regulations and of all state, local and federal laws in any manner affecting the performance of this Agreement, including but not limited to local and state planning, public works, electrical, plumbing and other applicable codes, and shall at all times comply with said codes. Citation of specific code sections in this Agreement shall not exonerate CONTRACTOR from its obligation of compliance with all applicable local, state, federal laws and ordinances.
- B. CONTRACTOR agrees that it shall neither have nor acquire any possessory interest in any property on which an Automatic Public Toilet has been installed pursuant to this Agreement.

Part 3. Public Service Kiosk License.

3.01. Installation of Public Service Kiosks.

- A. CONTRACTOR shall have the right, subject to the terms and conditions of this Agreement, to install Public Service Kiosks only for which (i) the design complies with the requirements of Section 3.08, Public Service Kiosk Design, (ii) all required permits have been issued, and (iii) locations have been determined pursuant to Section 3.05, Location and Sites of Public Service Kiosks, and all applicable fees have been paid by the CONTRACTOR. CONTRACTOR shall be and shall keep fully informed of the CITY Charter, codes, ordinances and regulations and of all state, local and federal laws in any manner affecting the performance of this Agreement, including but not limited to local and state planning, public works, electrical, plumbing and other applicable codes, and shall at all times comply with said codes. Citation of specific code sections in this Agreement shall not exonerate CONTRACTOR from its obligation of compliance with all applicable local, state, federal laws and ordinances.
- B. CONTRACTOR agrees that it shall neither have nor acquire any possessory interest in any property on which a Public Service Kiosk has been installed pursuant to this Agreement.

3.02. Permit Approvals Required For Public Service Kiosks.

- A. CONTRACTOR must obtain all applicable permits before proceeding with installation of any Public Service Kiosk. Within ninety (90) days after the Director has issued the Notice to Proceed, CONTRACTOR shall submit to the Department of Public Works location drawings for one hundred twenty one (121) Public Service Kiosks in the Initial Phase, together with an encroachment fee of Three Hundred Fifty Dollars (\$350) for each Public Service Kiosk. The Department of Public Works shall review each location drawing, and inspect each location and site and hold public hearings, if required, on each proposed Public Service Kiosk location and site, and thereafter, unless the site is determined to be unsuitable for installation of a Public Service Kiosk, shall approve and issue encroachment and excavation permits for each proposed Public Service Kiosk site. CITY shall use its best efforts to assist CONTRACTOR to receive

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BOARD of SUPERVISORS



City Hall
San Francisco 94102
554-5184

16, 23, 30/95 & 9/6/95
Cancelled

NOTICE OF CANCELLED MEETINGS
BUDGET COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meetings of the Budget Committee for the following Wednesdays: August 9, 1995, August 16, 1995, August 23, 1995, August 30, 1995 and September 6, 1995, have been cancelled.

The next regular meeting of the Budget Committee will be held on Wednesday, September 13, 1995, at 1:00 p.m., in the Room 410, Veterans Building, 401 Van Ness Avenue.

John L. Taylor
John L. Taylor
Clerk of the Board

POSTED: AUGUST 1, 1995

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AUG 2 1995
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