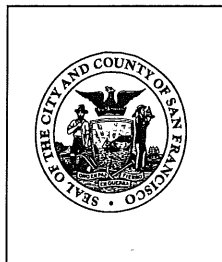


***BIC Meeting of
April 17, 2013***

Agenda Item #11



**BUILDING INSPECTION COMMISSION (BIC)
Department of Building Inspection (DBI)**

SPECIAL MEETING

Wednesday, February 7, 2013 at 9:00 a.m.

City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416

Aired Live on SFGTV Channel 78

DRAFT MINUTES

The regular meeting of the Building Inspection Commission was called to order at 9:07 a.m. by President McCarthy.

- 1. Call to Order and Roll Call – Roll call was taken and a quorum was certified.**

COMMISSION MEMBERS PRESENT:

- | | |
|--|-----------------------------------|
| Angus McCarthy, President | Warren Mar, Vice-President |
| Frank Lee, Commissioner | Kevin Clinch, Commissioner |
| James McCray, Jr. Commissioner | Myrna Melgar, Commissioner |
| Debra Walker, Commissioner, excused | |
| Sonya Harris, Secretary | |

D.B.I. REPRESENTATIVES:

- Tom Hui, **Acting Director**
- Edward Sweeney, **Acting Deputy Director, Permit Services**
- Pamela Levin, **Deputy Director, Administrative Services**
- William Strawn, **Communications Manager**
- Gayle Revels, **Acting Manager Finance Services**

CITY ATTORNEY REPRESENTATIVE

- John Malamut, **Deputy City Attorney**

- 2. Discussion and possible action on the proposed budget of the Department of Building Inspection for fiscal years 2013/2014 and 2014/2015.**

Deputy Director of Administrative Services, Pamela Levin, gave a presentation on the proposed budget of the Department of Building Inspection for fiscal years 2013/2014 and 2014/2015. Ms. Levin addressed the following points:

FY 2013-14 and FY 2014-15 Budget – Changes

- Expenditures**

○ Community Outreach	\$	(40,000)
○ Code Enforcement Outreach		40,000
○ Fringe Adjustments		(2,337)
○ Automobile Allowance – Inspectors		28,800
○ Parking Placards – Inspectors		<u>54,600</u>
	\$	81,063

- **Revenues**

○ MTA Work Order	\$	(66,937)
○ Planning Work Order		20,000
○ Transfer from Fund Balance		<u>128,000</u>
	\$	81,063

FY 2013-14 and FY 2014-15 Budget – Schedule

<u>Date</u>	<u>Activity</u>
January 16, 2013 (Regular)	BIC public hearing on proposed budget
February 7, 2013 9:00 a.m. (Special)	Follow-up BIC meeting for final approval
February 8, 2013 – February 20, 2013	Finance prepares the Mayor’s Budget submission and inputs the budget into the Budget System
February 20, 2013	Regular BIC Meeting (too late for budget changes to be included in the initial budget submission)
February 21, 2013	Final budget due to Controller and Mayor’s Office (Charter deadline)
June 3, 2013	Mayor’s Office submits the budget to the Board of Supervisors
June 2013	Budget and Finance Committee review of the Mayor’s Budget (date of DBI review TBD)
July 2013	Final Board Adoption of the FY 2013-14 and 2014-15 Budget (final date TBD)

Commissioner’s & Staff Question & Answer Discussion (Including Continuation of Ms. Levin’s Presentation):

- At the January 16th BIC meeting the proposed budget for the Department of Building Inspection was introduced, and it has to be submitted to the Mayor’s Office by February 21st.
- One change was to outreach work that was added at the end of the fiscal year by Supervisor Cohen who wants to expand the Code Enforcement Outreach Program (CEOP), so \$40K is being moved back to CEOP.
- Fringe adjustments and work orders will change back and forth as the Department goes through the budget process.

- Automobile allowance and parking placards for Inspectors: Staff has been talking to the BIC, Mayor's Office, and the Controller's Office to explain that DBI needs to keep its vehicles. There will be 20 to 25 new Inspectors who will need cars to go out into the field.
- DBI looking at business practices to see if they can create some car sharing. There are some under-utilized vehicles with the definition of using 3,000 miles or less. Requesting a waiver from the Healthy Air & Transportation Ordinance (HACTO), which requires departments to reduce their number of vehicles.
- DBI agreed to replace 10 vehicles this year and 10 next year
- Third and final possibility is to have Inspectors use their own cars, and they be reimbursed \$40 to \$100 a month. Parking placards would also have to be provided. Not a good idea for the Department due to greater liability and it does not help the City to reduce its emissions if Inspectors use their own cars.
- Mass transit is not a good option for Inspectors because they need to carry materials, supplies, books, etc. to Inspection sites.
- DBI has to submit a response to the Department of Environment and staff is requesting a waiver of the HACTO Ordinance in March.
- Commissioner Melgar asked what percentage of DBI's vehicle fleet is electric? Ms. Levin said none because there needs to be a place to plug them in for recharging, and currently there is only one charging station installed at 1660 Mission Street which is for public use. Would Department of Environment give DBI an allowance? DBI's vehicles are hybrids. Would Department of Environment give DBI a break if we add money in the budget to include electric cars? It is not only Department of Environment's decision. Commissioner Melgar said DBI should look into future budget of having electric cars and building plug-in stations.
- Regarding revenues, DBI is increasing the work order to the Planning Department. The difference between expenditures and revenues is covered by a transfer from the fund balance.
- Reviewed the Budget Schedule and mentioned that five Commissioner's votes are required to pass the budget. Ms. Levin will give the BIC an update on the status of the budget negotiations, including the possibility of cuts.
- Commissioner McCray asked if Ms. Levin could explain the fund balance and the decision making process of moving amounts of money in and out during the budgetary period? Ms. Levin said the fund balance is used for one-time type of activities such as building improvements and things that don't reoccur. Assumption of charges for service – Build budget based on what DBI is getting this year. Final balancing of expenditures and revenues means DBI reduced the use of its fund balance.
- Commissioner McCray posed the question: Money is being taken from where and being returned to where? Ms. Levin explained DBI keeps all that is produced and the Department does not give money to the General Fund, so it is money sitting in a bank account and DBI is going to use it for one-time services. In the past the City had problems by using the fund balance because they used it for salaries and fringes, instead of a one-time source. Money is being moved into DBI's operating budget. Does a certain amount stay as a reserve or is it just free-flow? DBI is working with the Controller's Office and plan to come back to the BIC with report on use of fund balance use for future years. Will the fund balance grow? Department does not really want it to grow too much because it could mean that services are being fully provided throughout the year. DBI needs a fund

balance available in the event of disasters such as earthquakes, tsunamis, etc. so Department could still operate.

- President McCarthy asked about conversion of Records Management and scanning. Monumental task and wants to make sure there is enough money to keep the project going. Ms. Levin said an RFP was done for 4 years for ongoing record scanning (boxes), and money is continuing to be put into the project. 13 mm Diazo card conversion is part of the contract as well, and contractor will do the scanning and DBI staff will do the indexing. Positions will need to be filled to start the process, and it is part of the hiring plan DBI has and staff is working with DHR on position-based testing. Ms. Levin feels that there is sufficient funding for the project.
- President McCarthy asked about building improvements and said only two floors have been improved, but more employees are coming in so he wants to make sure enough money is put aside for improvements and to add cubicle space. Ms. Levin said money has been put aside for staff and customer flow as part of business processes: Controller's Office came to DBI for office visit and said improvements need to be made, so \$1 - \$2M is being used for improvements and this will be taken from the fund balance.
- Acting Director Hui said 4 floors have not been remodeled in 17 years. He thanked Deputies Edward Sweeney, Dan Lowrey, and Pamela Levin for all of their help. He also thanked Acting Chief Tony Grieco and one of the architects on staff, Ron Tom, who drafted building plans. DBI will work with DPW on each floor, so they will know what the Department needs. 2nd floor will have a minor remodel and the 3rd floor will have a major remodel since new Inspectors and Clerks are coming in. 4th floor – Server room for Planning Department is moving out so more space will be available. Need to prioritize which floors need to be worked on first, and there is currently paper signage temporarily in the building but staff is working on it. The building will be improved in steps.
- President McCarthy asked if it will take approximately \$5M over the next few years? Mr. Hui said yes and the Department may have to ask for an increase in the next budget.
- Ms. Levin said if her staff has better information by June 1st then they can ask the Mayor's Office to make changes and use additional one-time money. Also, there is a possibility of requesting a supplemental but she does not really recommend it. There is a possibility of adding more money, but the budget analyst will ask for a more concrete plan.
- President McCarthy clarified that Ron Tom will be working on putting together the general plan, and Mr. Hui said yes along with DPW. President McCarthy said it is a good idea to have someone working on the plans who "lives and breathes there" and knows about the floor space and how it should be divided.

Secretary Harris called for public comment.

Ms. Suzanne Tucker stated that she was part of the 2012-2013 Civil Grand Jury and said that she had questions that covered a couple of areas: She understood that there was a Memorandum of Understanding (MOU) between the San Francisco Housing Authority and the Department of Building Inspection that covers advisory inspection services to the Housing Authority. In light of the Housing Authorities recent problems she asked for a sense of that memorandum, and some understanding about where in the budget those funds were and if they are being meaningfully used.

Deputy Director Edward Sweeney said there is a Memorandum of Understanding, but the first thing to understand is that the Housing Authority has their own Inspectors and DBI does very little

construction inspections, so most of DBI's interaction with the Housing Authority is done through Housing Inspection Services. When DBI gets complaints from tenants then DBI's Inspectors go out and write Notices of Violation (NOVs) and do follow up. Mr. Sweeney said he used to work for the Housing Authority and they have on-site managers if there are complaints then the protocol is tenants make complaints to the manager and then he gets the maintenance people to do the repairs. If the repairs do not occur then DBI could be brought in to help mitigate the situation. President McCarthy asked if NOVs were issued and Mr. Sweeney said yes they are. When he worked for the Housing Authority, Housing Inspector John Kerley was assigned to the Bayview and when there were problems NOVs were written and he took care of any problems that occurred.

Ms. Tucker asked how much money or dollars were involved? Mr. Sweeney said the MOU does not talk about money it talks about what action the Department needs to take and what authority DBI has along with the Housing Authority. The Housing Authority is federally funded, state chartered, and locally administered. Until they did the Hope SF a lot of the Housing Authorities' stock was mostly naval housing that was surplus after the war.

Vice-President Mar said how this might relate to DBI's budget is that the Housing NOVs are more advisory and DBI staff turns them over to the Housing Authority and expect them to fix it. DBI does not have the authority to collect anything, so staff is basically doing unreimbursed work when a Housing Inspector goes to the site and writes an NOV. Mr. Sweeney said this is the same relationship that DBI has with other City departments.

Ms. Levin said there is money in the budget for this program and the Memorandum of Agreement does not specify dollars, and the work that is done by Housing Inspectors is budgeted as such regardless of the work they do at an SRO, Housing Authority, etc.

Ms. Tucker stated that it would be interesting to know how often the Housing Inspectors have to go out, because as Commissioner Mar pointed out the Housing Inspectors could be called out a lot in light of the Housing Authorities' recent troubles. She said that it was difficult but she just was not sure of what DBI did and did not do or what money was involved. The second part of her question is this the year that the Department is going to install the wonderful, new Acela System which is going to provide greater transparency, consistency, as well as a lot of benefits to the Department, the users, and the public. However, change is tricky and it is a new system so her question is whether the Commission and the Department feel that adequate funds have been allocated for training and implementation.

Acting Director Hui said that DBI does not have the exact number of calls that have been referred from the Housing Authority, but he believes that there are 10 calls or less per month. It would take more time and effort to charge them money which is not reasonable. President McCarthy mentioned that he sits on the Litigation Committee and he did not recall any litigation against the Housing Authority.

Ms. Levin stated that when the Acela System was developed DBI budgeted sufficient funding for the computer system, training, additional programs, and interactive voice response. A technology fee has been established to do ongoing system maintenance and there was money set aside for one-time things that come up. The money for the technology fee cannot be used for anything else as it is in the Code and Ms. Levin is confident DBI is where we need to be.

3. *Commissioner Melgar made a motion, seconded by Commissioner Mar, to approve the budget of the Department of Building Inspection for fiscal years 2013/2014 and 2014/2015.*

Secretary Harris called for a roll call vote:

President McCarthy	YES	Vice-President Mar	YES
Commissioner Clinch	YES	Commissioner Lee	YES
Commissioner McCray	YES	Commissioner Melgar	YES

The motion carried unanimously.

RESOLUTION NO. BIC 005-13


4. Adjournment.

President McCarthy made a motion to adjourn, seconded by Commissioner Clinch. The motion carried unanimously.

The meeting was adjourned at 9:50 a.m.

RESOLUTION NO. BIC 006-13

Respectfully submitted,



Sonya Harris
Commission Secretary

SUMMARY OF REQUESTS BY COMMISSIONERS OR FOLLOW UP ITEMS	
DBI should look into future budget of having electric cars and building plug-in stations. – Melgar	Page 3
Update on status of budget negotiations, including the possibility of cuts. – Levin	Page 3
Future report on use of DBI's fund balance after meeting with Controller's Office. – Levin	Page 3-4