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Commissioner

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Commissioner

## HEALTH COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

**Gavin C. Newsom, Mayor**

**Department of Public Health**



**Mitchell H. Katz, M.D.**  
Director of Health

**Michele M. Seaton**  
Executive Secretary

TEL (415) 554-2666  
FAX (415) 554-2665

Web Site: <http://www.sfdph.org>

## MINUTES

### HEALTH COMMISSION FINANCE COMMITTEE

**Tuesday, August 5, 2008**

**2:00 p.m.**

**101 Grove Street, Room 302**

**San Francisco, CA 94102**

#### 1) CALL TO ORDER

Commissioner Tierney called the meeting to order at 2:05 p.m.

Present: Commissioner Steven Tierney, Ed.D., Chair  
Commissioner Edward A. Chow, M.D., Member  
Commissioner James M. Illig

Absent: Commissioner Sonia Melara, MSW, Member (excused)

Attendees: Margot Antonetty, Housing and Urban Health, Edwin Batonbacal, CBHS, Bob Cabaj, M.D., CBHS, Erik Dubon, HIV Prevention Services, Duane Einhorn, Community Programs, Barbara Garcia, Community Programs, Jacquie Hale, Contracts Office, Anne Kronenberg, Director, Office of Policy and Planning, Acting Health Director, Sue Marshall, CBHS, Michelle Ruggels, Community Programs, Marcellina Ogbu, Primary Care, Anne Okubo, DPH Finance, Gregg Sass, Chief Financial Officer, Jim Soos, Office of Policy and Planning and Jim Stillwell, CBHS.

Guests: Steve Fields, Human Services Network, Olga Borshevskia, Iris Finance, Jodie Tomlinson, President of Iris Center Board of Directors, Carlos Jimenez, Iris Center Board of Directors, Iris Center Board of Directors, Angela Green, Executive Director, IRIS Center.

2) **APPROVAL OF THE JUNE 3, 2008 FINANCE COMMITTEE MINUTES**

Action Taken: The Committee approved the minutes of the June 3, 2008 Finance Committee.

3) **CONTRACT UPDATE AND APPROVAL**

3a) Approval of July 2008 and August 2008 Health Commission Contracts Reports

Jacquie Hale, Contracts Manager, presented the July 2008 and August 2008 Contracts Reports.

Action Taken: The Committee approved the July 2008 and August 2008 Contracts Reports.

4) **CORRECTIVE ACTION PLAN POLICY**

Barbara Garcia, Director, Community Programs, described Community Program's Corrective Action Policy and Procedure. This process was developed to provide guidelines to Community Programs staff and managers regarding the identification and resolution of problems/issues affecting Community Programs contractors. Ms. Garcia said the areas with most problems have been in the area of leadership and governance, programmatic issues (not meeting contract obligations), board governance and financial status.

Commissioners' Comments

- Commissioner Tierney asked if the oversight committee is also looking at whether contractors are achieving outcome objectives. Ms. Garcia said that if program objectives are not being met at the program manager/program director level, this would be brought to the oversight committee. This process also informs future RFP development. Commissioner Tierney said as we develop best practices, the Department should consider training and capacity building for non profit organizations. Ms. Garcia said she sees this need particularly in the area of finance and governance.
- Commissioner Illig asked Ms. Garcia to give further consideration to tiered assessment, which was one of the recommendations from the Non-Profit Contracting Task Force. Commissioner Illig suggests that the Department send Corrective Action Plans with a cover letter to the Mayor and Board of Supervisors to make them aware of the issues and the corrective work that is happening.

Action Taken: The Committee endorsed the Corrective Action Plan Policy and Procedure and asked for a report at the December meeting.

5) **IRIS CENTER CORRECTIVE ACTION PLAN**

Bob Cabaj, Director of CBHS, presented the Corrective Action Plan for Iris Center. Dr. Cabaj has been impressed with the efforts of the Board, and this has been a very active process.

Angela Green, Iris Center Executive Director, described some of the changes the agency made to address issues. Ms. Tomlinson said the agency has turned things around and Ms. Green is an excellent executive director.

The committee commended the agency and staff for working so diligently on this issue.

6) **FY 2008-2009 BUDGET UPDATE**

Gregg Sass, Chief Financial Officer, presented an update on the FY 2008-2009 budget. Last week the Mayor signed the budget. The budget that was sent to the Mayor from the Board of Supervisors was \$4.8 million out of balance due to the Board not approving the outsourcing of security services. Rather than veto the budget, the Mayor allowed the deficit to be temporarily filled from general fund reserved by said he would work immediately to reduce budget expenditures. He may look to restorations to fill this deficit. The expectation is that there will be some communication from the Mayor's Office by the end of the week.

Committee Comments/Next Steps

- Commissioner Illig said the department, Health Commission and Mayor crafted a solution where services were protected and no jobs were lost, and he is very disappointed that the Board did not approve this initiative. That said, he is on record that the Mayor should his address the budget deficit through civil service cuts, and will be furious if it is addressed by cuts to non profits.

7) **HEALTH COMMISSION BUDGET PRINCIPLES**

Anne Kronenberg presented budget principles that Dr. Katz presented as a jumping off point for Commission discussion. Commissioner Tierney presented an idea generation exercise with draft budget principles to begin the discussion.

Commissioner Illig's biggest frustration is that the annual budget cuts focus on general fund, which is only one quarter of the department's budget. We need to look at the general fund as a proportion of the budget and look at what we are doing with the rest of the money. Union agreements that guarantee wage and benefit growth and the proportion of the problem caused by these agreements should equal the proportion of the solution. That proportion should come out of civil service. Commissioner Illig wants to use the recommendations from various Controller's reports to drive the principles, including focusing on primary care, in home support, alternatives to institutional care, IT and other recommendations. Commissioner Illig wants Dr. Katz to present the principles, underlying assumptions to principles, and the options that were considered and rejected. And cuts must come through the Commission, regardless of the Mayor's timeline.

Commissioner Chow said it seems that the Mayor and Board do not know what the Commission's vision for health care in San Francisco is. Healthy San Francisco is a good example an initiative the city was committed to, and therefore adequate funding followed. Nobody funds core public health services.

Next Steps/Follow Up

- Schedule a special Finance Committee meeting in which we invite key department staff, the Human Services Agency and others to have an open discussion on Dr. Katz's document and

Commissioner Tierney's thoughts and to think about public policy priorities moving forward.

Action Item: The Committee approved a motion to hold a special meeting.

8) **PRIMARY CARE BUDGET UPDATE**

This report was continued to a future Finance Committee meeting.

9) **FINANCE COMMITTEE MASTER CALENDAR**

The Committee discussed the master calendar for the remainder of the calendar year.

10) **EMERGING ISSUES**

None.

11) **PUBLIC COMMENT**

None.

12) **ADJOURNMENT**

The meeting was adjourned at 4:00 p.m.

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Michele M. Seaton  
Health Commission Executive Secretary