



City and County of San Francisco
Meeting Minutes
Government Audit and Oversight Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Members: Dean Preston, Catherine Stefani, Connie Chan

Clerk: Alisa Somera
(415) 554-7711 ~ alisa.somera@sfgov.org

Thursday, November 16, 2023

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Dean Preston, Catherine Stefani, and Connie Chan

The Government Audit and Oversight Committee met in regular session on Thursday, November 16, 2023, with Chair Dean Preston presiding. Chair Preston called the meeting to order at 10:06 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Preston, Vice Chair Stefani, and Member Chan were noted present. A quorum of the Committee was present.

COMMUNICATIONS

Stephanie Cabrera, Assistant Clerk, instructed members of the public that public comment is taken on each item on the agenda.

Alternatively, written comments may be submitted through email (alisa.somera@sfgov.org) or the U.S. Postal Service at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

231095 [Amending the Budget and Legislative Analyst Services Audit Plan - Management of Street Cleaning by Public Works and Interdepartmental Agreements - FY2023-2024]

Sponsor: Preston

Motion directing the Budget and Legislative Analyst to conduct two additional performance audits in Fiscal Year (FY) 2023-2024 on the management of street cleaning by Public Works and of interdepartmental agreements citywide.

10/17/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

10/24/23; REFERRED TO DEPARTMENT. Referred to the Office of the Budget and Legislative Analyst (BLA) and the Department of Public works for informational purposes and requesting the BLA to report.

Heard in Committee. Speaker(s): Dan Goncher (Office of the Budget and Legislative Analyst); presented information and answered questions raised throughout the discussion.

Chair Preston moved that this Motion be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Preston, Stefani, Chan

220886 [Urging Removal of Third Party Dispatch from the Taxi Upfront Fare Pilot]**Sponsors: Chan; Ronen**

Resolution urging the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors to remove Third Party Dispatch from its Taxi Upfront Fare Pilot Program.

07/26/22; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/29/22; REFERRED TO DEPARTMENT. Referred to Municipal Transportation Agency, Planning Department, Mayor's Office of Disability, Department of Environment, and Commission on the Environment for informational purposes.

09/29/22; AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Kate Toran (San Francisco Metropolitan Transportation Agency); Phil Cranna (San Francisco Metropolitan Transportation Agency); presented information and answered questions raised throughout the discussion. Hansu Kim; Mark Krueger; Evelyn Engle; Mustafa Utar; George; Speaker; Mustafa; Teamsters; Dr. Teresa Palmer; David; Ted Fulborn; Barry Toronto; Ben Valis; Teresa Flandric; Erick Brooks; Lucci; Evelyn Pearson-Golden; Nadine Maines; Alaina Engle; Lori Leiberman; Dennis Moscovian; Matt Sutter; Anastasia Manonopolus; Brent Thompson; spoke on various concerns relating to the hearing matter.

09/29/22; CONTINUED TO CALL OF THE CHAIR AS AMENDED.

04/05/23; REMAIN ACTIVE. Supervisor Chan requested this matter remain active for an additional six months until October 5, 2023.

10/19/23; CONTINUED. Heard in Committee. Speaker(s): None.

Heard in Committee. Speaker(s): Barry Taranto; Mustafa; Izzy Aala, Chief Executive Officer (Flywheel Technologies); Robert; Mohammed; Evelyn Ingle; Mark Krueger (Taxi Workers' Alliance); spoke on various concerns relating to the hearing matter.

Member Chan moved that this Resolution be **AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE**, on Page 1, Line 1, to read 'Urging Program Metrics For the Taxi Upfront Fare Pilot'; on Page 1, Lines 3-6, to read 'Resolution urging the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors to track additional data and develop additional program metrics for its Taxi Upfront Fare Pilot program and continue to submit a quarterly report to the Board of Supervisors to ensure improved outcomes and benefits for taxi drivers.'; on Page 1, Line 10, by adding '(pilot)'; on Page 1, Line 12, by replacing 'SFMTA Board' with "MTAB"; on Page 1, Lines 15-16, by adding 'WHEREAS, On September 19, 2023, the MTAB extended the Taxi Upfront Fare Pilot program term through to June 30, 2025; and'; on Page 2, Lines 11-12, to read '8A.115 of the San Francisco Charter, and over 90 percent of the taxi fleet operates low emission vehicles'; on Page 2, Line 13, by striking 'and further give TNCs permission to deviate from publicly regulated and transparent meter fares for taxis booked through third-party applications.' and adding 'WHEREAS, The third-party dispatch system allows TNC customers to access'; on Page 2, Line 15, by replacing 'SFMTA's' with 'The MTAB's'; on Page 2, Lines 18 - 19, by striking 'WHEREAS, SFMTA's Taxi Upfront Fare Pilot Program relinquishes SFMTA's charter mandated authority to regulate taxi meter fares for all cab rides booked through third-party dispatch systems to TNCs, in particular to Uber and as a result could create a monopoly; and WHEREAS, This pilot program abdicates SFMTA's exclusive authority over taxi-related fares for rides originating with third party entities; and' and adding 'WHEREAS, Continuing a failed pilot program could lead to a monopoly in the taxi industry; and'; on Page 2, Lines 21-23, by striking 'with Uber's average rate being approximately 80 to 85 percent of taxi meter rates'; on Page 3, Line 2, by striking 'not publicly available information' and adding 'reported to the SFMTA as a weighted monthly average, and'; on Page 3, Line 6, by replacing 'apps' with 'applications'; on Page 3, Lines 7-8, by striking ' There is no provision in the third-party program for the protection of riders who rely on paratransit taxi service, making it more difficult for individuals with disabilities to utilize this service; and' and adding 'The SFMTA is tracking paratransit taxi service to understand the impact, if any, of third-party pilot trips on paratransit taxi customers; and'; on Page 3, Lines 9-12 to read 'WHEREAS, The San Francisco Taxi Workers Alliance (TWA), with over 500 registered taxi driving members, was not consulted in development of the third-party dispatch aspect of the pilot program and, in conjunction with other stakeholder organizations, urged the MTAB to vote in opposition to the Taxi Upfront Fare program; and'; on Page 3, Lines 21-24, to read 'RESOLVED, That the Board of Supervisors of the City and County of San Francisco urges the MTAB to develop additional metrics to assess the impacts, if any, of allowing third-party dispatch trips in order to determine whether third-party trips are supplementing or replacing street hail, dispatch, or e-taxi trips; and be it'; on Page 4, Lines 1-10, by adding 'FURTHER RESOLVED, That the MTAB is strongly urged to continue collecting data quarterly on the total amount charged to third-party passengers, including fares and any other related charges, and the total amount paid to taxi drivers for third-party trips and continue to submit quarterly reports to the Board of Supervisors; and be it FURTHER RESOLVED, That the Board of Supervisors of the City and County of San Francisco urges the MTAB to support this pilot extension until June 30, 2025, on the condition that the quarterly report shows at least a 10 percent or greater increase in revenue for taxi drivers who participate in the third-party trips, and more transparency in passenger fares versus driver incomes and the SFMTA staff continues regular engagement with stakeholders for feedback;' and making clarifying and conforming changes. The motion carried by the following vote:

Ayes: 3 - Preston, Stefani, Chan

Resolution urging the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors to track additional data and develop additional program metrics for its Taxi Upfront Fare Pilot program and continue to submit a quarterly report to the Board of Supervisors to ensure improved outcomes and benefits for taxi drivers.

Member Chan moved that this Resolution be **CONTINUED TO CALL OF THE CHAIR AS AMENDED**. The motion carried by the following vote:

Ayes: 3 - Preston, Stefani, Chan

LITIGATION

Chair Preston requested File Nos. 231046, 231105, 231106, 231107, 231108, 231047, 231048, 231049, 231050, 231051, 231052, 231053, 231055, and 231110 be called together.

Heard in Committee. Speaker(s): None.

Conference with City Attorney

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

Motion that the Government Audit and Oversight Committee of the Board of Supervisors convene in closed session with the City Attorney for the purpose of conferring with, or receiving advice from, the City Attorney regarding the following existing litigation and anticipated litigation. Administrative Code Section 67.10(d) permit this closed session.

Discussion in open session concerning these matters would likely and unavoidably prejudice the position of the City in the pending lawsuits and claims listed below.

The Chair elected not to convene in Closed Session.

231046 [Settlement of Lawsuit - Yvonne Detert, et al. - \$137,785.78, Plus Statutory Interest]

Ordinance authorizing settlement of the lawsuit filed by Yvonne Detert, et al. against the City and County of San Francisco, et al. for \$137,785.78, plus statutory interest; the lawsuit was filed on September 21, 2018, in San Francisco Superior Court, Case No. CGC-18-570011; entitled Yvonne Detert, et al. v. City and County of San Francisco, et al.; the lawsuit involves a claim of refund of penalties related to hotel taxes and fees for tax periods October 1, 2013, through and including December 31, 2013. (City Attorney)

10/11/23; RECEIVED FROM DEPARTMENT.

10/24/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Chair Preston moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Preston, Stefani, Chan

231105 [Settlement of Lawsuit - International Business Machines Corporation - \$1,361,454.60]

Ordinance authorizing settlement of the lawsuit filed by International Business Machines Corporation against the City and County of San Francisco for \$1,361,454.60; the lawsuit was filed on February 25, 2022, in San Francisco Superior Court, Case No. CGC-22-598342; entitled International Business Machines Corporation v. City and County of San Francisco; the lawsuit involves a claim for refund of payroll expense and gross receipts taxes, and related penalties and interest, for the tax year ended December 31, 2018; other material terms of the settlement are that International Business Machines Corporation and its related entities shall take certain filing positions with respect to their gross receipts, homelessness gross receipts, and overpaid executive gross receipts taxes, as applicable, for tax year 2019 and subsequent tax years, and the City will not impose penalties arising from those filing positions for tax years 2019 through 2022. (City Attorney)

10/20/23; RECEIVED FROM DEPARTMENT.

10/31/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Chair Preston moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Preston, Stefani, Chan

231106 [Settlement of Lawsuit - Mohammad Habib - \$455,000]

Ordinance authorizing settlement of the lawsuit filed by Mohammad Habib against the City and County of San Francisco for \$455,000; the lawsuit was filed on August 29, 2018, in San Francisco Superior Court, Case No. CGC-18-569287; entitled Mohammad Habib v. City and County of San Francisco; the lawsuit involves an employment dispute. (City Attorney)

10/20/23; RECEIVED FROM DEPARTMENT.

10/31/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Chair Preston moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Preston, Stefani, Chan

231107 [Settlement of Lawsuit - Frederick Schiff et al. - \$380,000]

Ordinance authorizing settlement of the lawsuit filed by Frederick Schiff et al. against the City and County of San Francisco et al. for \$380,000; the lawsuit was filed on June 11, 2019, in the United States District Court for the Northern District of California, Case No. 4:19-cv-03260-YGR; entitled Frederick Schiff et al v. City and County of San Francisco et al.; the lawsuit involves an employment dispute. (City Attorney)

10/23/23; RECEIVED FROM DEPARTMENT.

10/31/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Chair Preston moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Preston, Stefani, Chan

231108 [Settlement of Lawsuit - Madison Cullinane - \$40,000]

Ordinance authorizing settlement of the lawsuit filed by Madison Cullinane against the City and County of San Francisco for \$40,000; the lawsuit was filed on January 27, 2022, in San Francisco Superior Court, Case No. CGC-22-597860; entitled Madison Cullinane v. City and County of San Francisco, et al.; the lawsuit involves alleged personal injury from a motor vehicle accident. (City Attorney)

10/23/23; RECEIVED FROM DEPARTMENT.

10/31/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Chair Preston moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Preston, Stefani, Chan

231047 [Settlement of Unlitigated Claim - Tim Wong - \$50,000]

Resolution approving the settlement of the unlitigated claim filed by Tim Wong against the City and County of San Francisco for \$50,000; the claim was filed on April 27, 2023; the claim involves property damage arising from flooding alleged to be caused by a water main rupture. (City Attorney)

10/11/23; RECEIVED FROM DEPARTMENT.

10/24/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Preston, Stefani, Chan

231048 [Settlement of Unlitigated Claim - 99 Ocean Ave., LLC - \$36,000]

Resolution approving the settlement of the unlitigated claim filed by 99 Ocean Ave., LLC against the City and County of San Francisco for \$36,000; the claim was filed on June 16, 2023; the claim involves property damage arising from flooding alleged to be caused by a water main rupture. (City Attorney)

10/11/23; RECEIVED FROM DEPARTMENT.

10/24/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Preston, Stefani, Chan

231049 [Settlement of Unlitigated Claim - Joseph Hohenrieder - \$35,000]

Resolution approving the settlement of the unlitigated claim filed by Joseph Hohenrieder against the City and County of San Francisco for \$35,000; the claim was filed on November 28, 2022; the claim involves property damage arising from flooding alleged to be caused by a water main rupture. (City Attorney)

10/11/23; RECEIVED FROM DEPARTMENT.

10/24/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Preston, Stefani, Chan

231050 [Settlement of Unlitigated Claim - Trung Lam - \$39,000]

Resolution approving the settlement of the unlitigated claim filed by Trung Lam against the City and County of San Francisco for \$39,000; the claim was filed on April 26, 2023; the claim involves property damage arising from flooding alleged to be caused by a water main rupture. (City Attorney) 10/12/23; RECEIVED FROM DEPARTMENT.

10/24/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Preston, Stefani, Chan

231051 [Settlement of Unlitigated Claim - Gil Orozco - \$65,000]

Resolution approving the settlement of the unlitigated claim filed by Gil Orozco against the City and County of San Francisco for \$65,000; the claim was filed on December 8, 2022; the claim involves property damage arising from flooding alleged to be caused by a water main rupture. (City Attorney) 10/12/23; RECEIVED FROM DEPARTMENT.

10/24/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Preston, Stefani, Chan

231052 [Settlement of Unlitigated Claim - Rigoberto Herrera - \$46,867]

Resolution approving the settlement of the unlitigated claim filed by Rigoberto Herrera against the City and County of San Francisco for \$46,867; the claim was filed on February 24, 2023; the claim involves property damage arising from flooding alleged to be caused by a water main rupture. (City Attorney)

10/12/23; RECEIVED FROM DEPARTMENT.

10/24/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Preston, Stefani, Chan

231053 [Settlement of Unlitigated Claim - Dolores Street Community Services - \$37,197.48]

Resolution approving the settlement of the unlitigated claim filed by Dolores Street Community Services against the City and County of San Francisco for \$37,197.48; the claim was filed on April 20, 2023; the claim involves property damage arising from flooding alleged to be caused by a water main rupture. (City Attorney)

10/12/23; RECEIVED FROM DEPARTMENT.

10/24/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Preston, Stefani, Chan

231055 [Settlement of Unlitigated Claim - Linden Research, Inc. - \$162,466]

Resolution approving the settlement of the unlitigated claim filed by Linden Research, Inc. against the City and County of San Francisco for \$162,466; the claim was filed on June 6, 2023; the claim involves a refund of gross receipts taxes and business registration fees. (City Attorney)

10/12/23; RECEIVED FROM DEPARTMENT.

10/24/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Preston, Stefani, Chan

231110 [Settlement of Unlitigated Claim - Sentinel Insurance Company, Ltd. - \$100,000]

Resolution approving the settlement of the unlitigated claim filed by Sentinel Insurance Company, Ltd. against the City and County of San Francisco for \$100,000; the claim was filed on March 23, 2023; the claim involves property damage arising from flooding alleged to be caused by a water main rupture. (City Attorney)

10/23/23; RECEIVED FROM DEPARTMENT.

10/31/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Preston, Stefani, Chan

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 10:48 a.m.

N.B. The Minutes of this meeting set forth all actions taken by the Government Audit and Oversight Committee on the matters stated, but not necessarily in the chronological sequence in which the matters were taken up.