



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: Jane Kim, Aaron Peskin, London Breed

Clerk: Erica Major (415) 554-4441

Wednesday, April 5, 2017

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 4 - Jane Kim, Aaron Peskin, London Breed, and Malia Cohen

The Government Audit and Oversight Committee met in regular session on Monday, April 5, 2017, with Chair Jane Kim presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Kim called the meeting to order at 10:03 a.m. On the call of the roll, Chair Kim, Vice Chair Peskin, and Member Breed were noted present. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

170215 [Yerba Buena Community Benefit District - Annual Report to the City - FY2015-2016]

Sponsor: Kim

Resolution receiving and approving the annual report for the Yerba Buena Community Benefit District for FY2015-2016, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

02/28/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

03/06/17; REFERRED TO DEPARTMENT. Referred to the Office of the Controller and the Office of Economic and Workforce Development for informational purposes.

Heard in Committee. Speakers: Chris Corgas (Office of Economic and Workforce Development); Reuel Daniels (Yerba Buena Community Benefit District); presented information and answered questions raised throughout the discussion.

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

Ayes: 3 - Kim, Peskin, Breed

160878 [Hearing - Governance of Structure, Oversight of Assets, and City Funding Processes - Fine Arts Museums of San Francisco]**Sponsor: Peskin**

Hearing on the governance structure, oversight of assets, and city funding processes of the Fine Arts Museums of San Francisco (FAMSF) and its Board of Trustees; and requesting the Director of FAMSF and the Office of the Controller to report.

07/26/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

08/01/16; REFERRED TO DEPARTMENT. Referred to the Fine Arts Museum, Office of the Controller, and the San Francisco Fine Arts Museum Board of Trustees for informational purposes and requesting the various agencies to report.

09/01/16; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Richard Benefield and Charlie Castillo (Fine Arts Museum of San Francisco); Megan Bourne (San Francisco Board of Trustees); Debra Newman (Budget and Legislative Analyst's Office); presented information and answered questions raised throughout the discussion.

10/26/16; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Max Hollein, Director (Fine Arts Museums of San Francisco); Kate Chalk (Office of the Controller); presented information and answered questions raised throughout the discussion.

Heard in Committee. Speakers: None.

Vice Chair Peskin moved that this Hearing be CONTINUED to the April 28, 2017, Government Audit and Oversight Committee special meeting. The motion carried by the following vote:

Ayes: 3 - Kim, Peskin, Breed

170168 [Hearing - San Francisco Municipal Transportation Agency's Extended Delay in Using the 2014 Proposition A Transportation Bond Funds]**Sponsors: Breed; Peskin**

Hearing for the San Francisco Municipal Transportation Agency (SFMTA) to explain why, after 27 months, it has only spent 2% of the Transportation Infrastructure bonds approved by voters in 2014's Proposition A, and to detail what the relevant departments are doing to implement critical transportation projects in a more timely manner; and requesting the SFMTA, the Controller's Office, Public Works, and the San Francisco Public Utilities Commission to report.

02/07/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

02/13/17; REFERRED TO DEPARTMENT. Referred to the Municipal Transportation Agency, Office of the Controller, Public Works, and Public Utilities Commission for informational purposes and requesting the various agencies to report.

Heard in Committee. Speakers: Ed Reiskin, Executive Director (San Francisco Municipal Transportation Agency); Eric Sandler and Kathy How (Public Utilities Commission); John Thomas (Public Works); Heather Green (Capital Planning Program); Ben Rosenfield, City Controller (Office of the Controller); Anna Laforte (San Francisco County Transportation Authority); presented information and answered questions raised throughout the discussion. Diana Anderson; Eileen Boken; Brian Larkin, Chair, and Brenda Kwee McNulty (Citizens' General Obligation Bond Oversight Committee); spoke on various concerns relating to the hearing matter.

Vice Chair Peskin moved that this Hearing be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 3 - Kim, Peskin, Breed

President Breed appointed Supervisor Malia Cohen, in place of herself, to the Government Audit and Oversight Committee meeting of April 5, 2017, for File No. 170135.

Member Breed was noted not present at 11:52 a.m. and for the remainder of the meeting.

Member Cohen was noted present at 11:52 a.m.

Supervisor Breed Excused from Attendance

Vice Chair Peskin moved that Supervisor Breed be excused from the remainder of the Government Audit and Oversight Committee meeting of April 5, 2017. The motion carried by the following vote:

Ayes: 3 - Kim, Peskin, Cohen

Excused: 1 - Breed

170135 [Hearing - San Francisco Public Utilities Commission Sewer System Improvement Program]

Sponsor: Cohen

Hearing on the San Francisco Public Utilities Commission (SFPUC) Sewer System Improvement Program, including projects taking place at the Southeast Treatment Plant; and requesting the SFPUC to report.

01/31/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

02/06/17; REFERRED TO DEPARTMENT. Referred to the Public Utilities Commission for informational purposes and requesting the department to report.

03/02/17; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: None.

Heard in Committee. Speaker: Karen Kubick (Public Utilities Commission); presented information and answered questions raised throughout the discussion.

Member Cohen moved that this Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 3 - Kim, Peskin, Cohen

Excused: 1 - Breed

LITIGATION

Speakers: 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 lawsuits and claims in which proposed settlements are being considered by the Committee. 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.

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

The Committee elected to hold the Litigation items in open session; therefore, no motion was made to convene in closed session or disclose closed session deliberations.

170228 [Settlement of Lawsuit - CF Contracting, Inc. - Up to \$120,000]

Ordinance authorizing settlement of the lawsuit filed by CF Contracting, Inc. ("CFC") against the City and County of San Francisco for \$110,000, plus \$10,000 if CFC reaches substantial completion of the Mountain Lake Park Playground Renovation with Public Works by February 14, 2017; the lawsuit was filed on March 22, 2016, in the Superior Court of California, County of San Francisco, Case No. CGC-16-551060; entitled CF Contracting, Inc. v. City and County of San Francisco; the lawsuit involves CFC's allegation that the City wrongfully denied bid relief and rejected one of the subcontractors CFC listed in its bid; other material terms of the settlement are 1) the City will release claims for delay and extend the Contract's completion dates, 2) the City will retain certain rights to assess liquidated damages if CFC does not achieve substantial completion by February 28, 2017, and 3) CFC will release the City from claims, with limited exceptions. (City Attorney)

03/03/17; RECEIVED FROM DEPARTMENT.

03/14/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kim, Peskin, Breed

170233 [Settlement of Unlitigated Claim - Mei Har Chin - \$44,500]

Resolution approving the settlement of the unlitigated claim filed by Mei Har Chin against the City and County of San Francisco for \$44,500; the claim was filed on September 23, 2016; the claim involves a personal injury on a City street. (City Attorney)

03/03/17; RECEIVED FROM DEPARTMENT.

03/14/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kim, Peskin, Breed

170234 [Settlement of Unlitigated Claim - Marriott International Administrative Services, Inc. - \$383,346.02]

Resolution approving the settlement of the unlitigated claim filed by Marriott International Administrative Services, Inc. against the City and County of San Francisco for \$383,346.02; the claim was filed on April 19, 2016; the claim involves a refund of payroll expense taxes. (City Attorney)

03/03/17; RECEIVED FROM DEPARTMENT.

03/14/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kim, Peskin, Breed

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 12:13 p.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.