



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: John Carroll (415) 554-4445

Wednesday, September 6, 2017

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Jane Kim, Aaron Peskin, and London Breed

The Government Audit and Oversight Committee met in special session on September 6, 2017, with Chair Jane Kim presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Kim called the meeting to order at 10:08 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

Chair Kim requested Files Nos. 170601 and 170604 be heard together.

170601 [Tourism Improvement District - Annual Reports to the City - FYs 2009-2016]

Sponsor: Mayor

Resolution receiving and approving annual reports for the Tourism Improvement District for FYs 2009-2016, 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.

05/16/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

05/24/17; 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: Lisa Pagan (Office of Economic and Workforce Development); Lynn Farzaroli; 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

170604 [Moscone Expansion District - Annual Report to the City - FYs 2014-2015 and 2015-2016]

Sponsor: Mayor

Resolution receiving and approving annual reports for the Moscone Expansion District for FYs 2014-2015 and 2015-2016, 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.

05/16/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

05/24/17; 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: Lisa Pagan (Office of Economic and Workforce Development); Lynn Farzaroli; 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

Chair Kim requested Files Nos. 170660 and 170661 be heard together.

Supervisor Breed was noted absent at 11:35 a.m.

170660 [Hearing - Civil Grand Jury Report - Accelerating SF Government Performance - Taking Accountability and Transparency to the Next Level]

Hearing on the recently-published 2016-2017 Civil Grand Jury report, entitled "Accelerating SF Government Performance - Taking Accountability and Transparency to the Next Level." (Clerk of the Board)

06/05/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/28/17; RESPONSE RECEIVED. The Office of the Controller submitted a response to the Civil Grand Jury Report.

08/03/17; RESPONSE RECEIVED. The Office of the Mayor submitted a response to the Civil Grand Jury Report.

Heard in Committee. Speakers: Kathy Lowry and Lawrence Groo (2016-2017 Civil Grand Jury); Melissa Whitehouse (Office of the Mayor); Peg Stevenson and Natasha Mihal (Office of the Controller); presented information and answered questions raised throughout the discussion. Richard Knee (Californians Aware); spoke on various concerns relating to the hearing matter.

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

Ayes: 2 - Kim, Peskin

Absent: 1 - Breed

170661 [Board Response - Civil Grand Jury Report - Accelerating SF Government Performance - Taking Accountability and Transparency to the Next Level]

Resolution responding to the Presiding Judge of the Superior Court on the findings and recommendations contained in the 2016-2017 Civil Grand Jury Report, entitled "Accelerating SF Government Performance - Taking Accountability and Transparency to the Next Level;" and urging the Mayor to cause the implementation of accepted findings and recommendations through his/her department heads and through the development of the annual budget. (Clerk of the Board)

06/05/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/28/17; RESPONSE RECEIVED. The Office of the Controller submitted a response to the Civil Grand Jury Report.

08/03/17; RESPONSE RECEIVED. The Office of the Mayor submitted a response to the Civil Grand Jury Report.

Heard in Committee. Speakers: Kathy Lowry and Lawrence Groo (2016-2017 Civil Grand Jury); Melissa Whitehouse (Office of the Mayor); Peg Stevenson and Natasha Mihal (Office of the Controller); presented information and answered questions raised throughout the discussion. Richard Knee (Californians Aware); spoke on various concerns relating to the hearing matter.

Chair Kim moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, by adding Board of Supervisors' responses to Finding Nos. F1, F2, F3, F4, F6, and F8; and Recommendation Nos. R1, R2.1, R2.2, R3.1, R4.1, R6, and R8. The motion carried by the following vote:

Ayes: 2 - Kim, Peskin

Absent: 1 - Breed

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

Ayes: 2 - Kim, Peskin

Absent: 1 - Breed

Member Breed was noted present at 12:52 p.m.

170305 [Urging the Retirement Board to Renew Its Commitment to Divest from Fossil Fuel Companies]

Sponsors: Peskin; Fewer and Ronen

Resolution urging the Retirement Board of the Employees' Retirement System to renew its commitment to divest from publicly-traded fossil fuel companies, pursuant to its commitments to do so since October 2013, and to provide an update on public and private equity fossil fuel holdings.

03/21/17; REFERRED FOR ADOPTION WITHOUT COMMITTEE REFERENCE AGENDA AT THE NEXT BOARD MEETING.

04/04/17; REFERRED to Government Audit and Oversight Committee. Supervisor Ronen requested to be added as a co-sponsor.

04/06/17; REFERRED TO DEPARTMENT. Referred to the San Francisco Employees' Retirement System for informational purposes.

05/16/17; RESPONSE RECEIVED. Received a letter of response from the San Francisco Employees' Retirement Board for the file.

05/17/17; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: None.

Heard in Committee. Speakers: Victor Makras (Retirement Board); Jay Huish, Director (Retirement System); presented information and answered questions raised throughout the discussion. Jed Holtzman (350 Bay Area); Curtis Wu (San Francisco Defund DAPL Coalition); Mirka Morales; Eddie Ahn; Jennifer Green (San Francisco Defund DAPL Coalition); Norm Zans; Male Speaker; spoke in support of the hearing matter.

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

Ayes: 3 - Kim, Peskin, Breed

LITIGATION

Chair Kim requested Files Nos. 170727, 170752, 170754, 170796, and 170818 be heard together.

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.

Persons in attendance: Jon Givner (Office of the City Attorney); Phil Ginsburg, General Manager, and Kin Jee (Recreation and Park Department); Sheriff Vicki Hennessy (Sheriff's Department); Vitus Leung (General Services Agency); and John Carroll (Office of the Clerk of the Board).

Chair Kim moved to convene in closed session. The motion carried by the following vote:

Ayes: 3 - Kim, Peskin, Breed

170727 [Settlement of Lawsuit - Alfred Fred Pittman - \$30,000]

Ordinance authorizing settlement of the lawsuit filed by Alfred Fred Pittman against the City and County of San Francisco for \$30,000; the lawsuit was filed on June 20, 2013, in United States District Court, Case No. 13-CV-02095; entitled Alfred Fred Pittman v. City and County of San Francisco; the lawsuit involves alleged civil rights violations. (City Attorney)

06/09/17; RECEIVED FROM DEPARTMENT.

06/20/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/17/17; CONTINUED TO CALL OF THE CHAIR.

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

Ayes: 3 - Kim, Peskin, Breed

170752 [Settlement of Lawsuit - Zhen Qiang Zhang - \$75,000]

Ordinance authorizing settlement of the lawsuit filed by Zhen Qiang Zhang against the City and County of San Francisco for \$75,000; the lawsuit was filed on November 13, 2014, in San Francisco Superior Court, Case No. CGC-14-542708; entitled Zhen Qiang Zhang v. City and County of San Francisco, et al.; the lawsuit involves an employment dispute. (City Attorney)

06/16/17; RECEIVED FROM DEPARTMENT.

06/27/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/17/17; CONTINUED TO CALL OF THE CHAIR.

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

Ayes: 3 - Kim, Peskin, Breed

170754 [Settlement of Lawsuit - Stuart Kohler - \$75,000]

Ordinance authorizing settlement of the lawsuit filed by Stuart Kohler against the City and County of San Francisco for \$75,000; the lawsuit was filed on November 8, 2016, in United States District Court, Case No. 16-CV-6502; entitled Stuart Kohler v. City and County of San Francisco et al.; the lawsuit involves alleged civil rights violations. (City Attorney)

06/16/17; RECEIVED FROM DEPARTMENT.

06/27/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/17/17; CONTINUED TO CALL OF THE CHAIR.

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

Ayes: 3 - Kim, Peskin, Breed

170796 [Settlement of Lawsuit - Bernard Sandoval - \$120,000]

Ordinance authorizing settlement of the lawsuit filed by Bernard Sandoval against the City and County of San Francisco for \$120,000; the lawsuit was filed on June 25, 2015, in San Francisco Superior Court, Case No. CGC-15-546562; entitled Bernard Sandoval v. City and County of San Francisco; the lawsuit involves an employment dispute. (City Attorney)

06/26/17; RECEIVED FROM DEPARTMENT.

07/11/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/17/17; CONTINUED TO CALL OF THE CHAIR.

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

Ayes: 3 - Kim, Peskin, Breed

170818 [Settlement of Unlitigated Claim - DiamondRock Hospitality, L.P. - \$245,000]

Resolution approving the settlement of the unlitigated claim filed by DiamondRock Hospitality, L.P., against the City and County of San Francisco for \$245,000; the claim involves an alleged overpayment of real property transfer tax paid in connection with the November 14, 2012, purchase of the Hotel Rex, located at 562 Sutter Street. (City Attorney)

07/10/17; RECEIVED FROM DEPARTMENT.

07/18/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Kim, Peskin, Breed

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations listed above.

Vice Chair Peskin moved not to disclose closed session deliberations. The motion carried 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 1:33 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.