

Meeting Minutes
Citizens' General Obligation Bond Oversight Committee
April 25, 2022

Committee Members

Andrea Marmo Crawford
Brian Larkin
Timothy Mathews
Siobhan McHugh
Bart Pantoja
Lauren Post
Judi Sanderlin

This meeting was held by WebEx pursuant to the Governor's Executive Orders and Mayoral Emergency Proclamations suspending and modifying requirements for in-person meetings. During the Coronavirus Disease (COVID-19) emergency, the Citizens' General Obligation Bond Oversight Committee will convene remotely until the Committee is legally authorized to meet in person.

Note: The Citizens' General Obligation Bond Oversight Committee meetings are live-streamed courtesy of SFGovTV. The agenda, video recording, audio recording, and caption notes are posted at https://sanfrancisco.granicus.com/ViewPublisher.php?view_id=191. Below is a high-level summary of the, April 25, 2022, meeting.

1) Call to Order/Roll Call.

The meeting was called to order by Rosanne Torre, Committee Secretary, at 9:37 am. The following Committee members were present: Member Andrea Marmo Crawford, Member Brian Larkin, Vice Chair Timothy Mathews, Member Lauren Post, and Member Judi Sanderlin. Chair Siobhan McHugh and Member Bart Pantoja were absent.

2) Opportunity for the public to comment on any matters within the Committee's jurisdiction that are not on the agenda.

There was no public comment.

3) Approval, with possible modification, of the Minutes of the February 28, 2022, meeting.

There was a motion by Vice Chair Mathews to approve the minutes of the meeting. Member Post seconded the motion. The motion was approved by: Member Andrea Marmo Crawford, Member Brian Larkin, Vice Chair Timothy Mathews, Member Lauren Post and Member Judi Sanderlin. Chair Siobhan McHugh and Member Pantoja were absent for the vote.

There was no public comment.

4) Discussion and Possible Action Regarding Adoption of AB 361 Resolution for Policy Bodies such as Citizens' General Obligation Bond Oversight Committee to meet during the COVID-19 Emergency via Teleconference.

Vice Chair Mathews made a motion to approve AB 361 Resolution and Member Crawford seconded. The motion was approved by: Member Andrea Marmo Crawford, Member Brian Larkin, Vice Chair Timothy Mathews, Member Lauren Post and Member Judi Sanderlin. Chair Siobhan McHugh and Member Bart Pantoja were absent for the vote.

There was no public comment.

5) Presentation from the Port regarding the 2018 Embarcadero Seawall Earthquake Safety Bond and possible action by the Committee in response to such presentation.

Carlos Colón, Waterfront Resilience Program Administrator, and Steven Reel, Deputy Program Manager for Engineering and Project Delivery presented. Mr. Colon noted that this is the second time presenting to the Committee on this Bond Program because the Bond sale was delayed due to a legal challenge in 2019. The first Bond sale was finalized in 2020. The second Bond sale is projected for later this year. He introduced the topics for the presentation which were updates on the 2018 Proposition A Seawall Bond and Annual Status Report, the Waterfront Resilience Program, Embarcadero Seawall Program, early projects, and USACE Flood Study

The Waterfront Resilience Program covers the entire 7.5 miles of Port jurisdiction from Pier 39 to Oracle Park. The Embarcadero Seawall Program covers 3.5 miles of the 7.5. Mr. Reel presented on the Embarcadero Multi-Hazard Risk Analysis (“MHRA”) findings showing significant risks and that there will likely be up to \$30 billion cost of damages and disruption from combined seismic and flood risk by 2100. The findings defined the flood hazards. He also mentioned the 2022 updated federal sea level rise scenarios. Mr. Colon presented on the multi-agency disaster response exercise held in summer 2021 which was based on the 1906 earthquake. It confirmed the importance of the Port’s berths, piers and wharves for moving people and supplies, the Port’s role in waterfront recovery, and the importance of the Embarcadero roadway to both.

Mr. Reel presented on Embarcadero early projects and associated goals. They have identified 23 early projects and he presented them with the next steps for those projects. Pre-design has started on 11 projects. He reviewed the schedule and proposed budget of those early projects. Since there are more projects than they have funding for, they will be seeking additional funding.

Mr. Colon presented on the U.S. Army Corps of Engineers San Francisco Waterfront Flood Resiliency Study.

He presented on the scope and budget of the Bond at \$425M, highlights, accomplishments, upcoming milestones, bond sales and appropriations, risks, issues or concerns on budget and scope, schedule and possible delays. He showed seawall appropriations, expenditures, encumbrances and balance.

Member Post asked several questions about the early projects and whether they are going to be temporary or permanent upgrades considering possible sea level rise or perhaps a massive earthquake in the next 10 years. She wanted to know whether they eventually would be modified or redone. Mr. Reel said many projects are improving existing assets in earthquake safety, but not necessarily extending remaining life, but with sea level rise there may be a time where a replacement is permanent. Some of the assets are historical and some have functional life left. He added, that some are improvements to the existing infrastructure that will get us through a period before a more substantial investment is required. He discussed near-term investments and projects and strategy for protecting the waterfront. Member Post also asked if the entire seawall project was a series of multiple little projects due to cost and having spread the cost and maintain operations on the waterfront. She also asked questions regarding the Army Corps of Engineers study. Mr. Reel responded. Member Larkin stressed the importance of this project and the need to keep it moving along.

Member Larkin ask questions regarding the funding process. Mr. Colon responded.

Vice Chair Mathews asked questions regarding who was doing the pre-design work – whether in house staff (Local 21 members) or consultants. Mr. Reel said pre-design work is consultant led but once into detailed design work they will have to look into it how they can accomplish it with a mix.

Member Crawford asked if there were other federal funds coming through from competitive grants or

discretionary funding through the state. Mr. Colon responded that they have applied for multiple grants and constantly looking for grants and other funding sources from the state and local government. Schuyler Poh talked in detail about the grants they have applied for. To see the presentation and report <https://cgoboc.sfgov.org/meetings.html?25Apr2022>

There was no public comment.

6) Liaison Reports 2011 Road Repaving and Street Safety Bond Program and 2014 Transportation and Road Improvement Bond Program.

Vice Chair Mathews said all projects for the 2011 Transportation Bond Program are substantially completed and in the process of closeout. They hope that by the next time there is a program update the GO Bond can be removed from the agenda.

Member Larkin reported on the 2014 Road Improvement Bond Program. Member Larkin and Vice Chair Mathews met with MTA staff last week and gave them questions based on their February 2022 report. The report went to December 31, 2021. MTA was able to respond to some of the questions but given it has only been a week since the meeting, they did not complete all of them. Member Larkin presented those questions MTA was able to complete. He will send the Rosanne Torre the rest as he receives them for forwarding to the committee.

There was no public comment.

7) Presentation from the Controller's City Performance Division regarding the Annual Report on all General Obligation Bonds and possible action by the Committee in response to such presentation and report.

Albert Lin, Controller's City Performance Analyst and Dan Kaplan, Controller's City Performance Analyst, presented. Mr. Lin reported on the Annual General Obligation Bond Program Report that was published on April 14, 2022. The data is for two years, July 2019 to June 30, 2021, because a year was skipped when most of the office was deployed due to COVID. It provides the scope, status, schedule, budget and citywide capital issues overview for the nine currently active GO Bonds. This year the commentary was focused on budget changes and schedule delays. There are an additional four GO Bond programs that are functionally complete and have less than 5% of the authorized amount remaining; most scoped projects are at administrative closeout. He presented a chart showing the overview of all active Bond programs. Mr. Lin introduced the new Watch List for delays to the Public Health and Safety and Transportation programs.

Dan Kaplan presented on the three Affordable Housing and the two Parks and Recreation GO Bonds. He presented the Watch List for Affordable Housing and Parks and Recreation showing the schedule status and delays since 2019. He outlined reasons contributing to the delays. Mr. Kaplan presented on citywide capital issues expressed by GO Bond program managers they interviewed and actionable opportunities that may be taken to ameliorate the issues in these areas: regulations, permitting, bond planning, deferred maintenance and capital administration.

Member Post gave high praise for the report. Member Post had questions about the timing of issuance of the report and asked questions regarding how to get all the recommendations and opportunities to become actionable items. Peg Stevenson responded.

Vice Chair Mathews also gave accolades to the staff who created the report.

Member Sanderlin also gave praise and asked for background on the issues and deficiencies. Mr. Kaplan responded.

Member Larkin highlighted an issue MTA staff expressed a few years ago. Mr. Lin mentioned they did talk to MTA staff. To see the report [Annual GO Bond Program Report FY19 21 FINAL](#) For the presentation [Annual GO Bond Program Presentation](#)

There was no public comment.

8) Opportunity for Committee members to comment or take action on any matters within the Committee's jurisdiction.

a. Audits Unit - Public Integrity Reviews

Amanda Sobrepena, Controller's City Services Audit Project Manager, reported out. Since your last meeting in February, CSA Audits issued our 9th Public Integrity report on the [San Francisco Department of the Environment's Relationship with Recology and Lack of Compliance with Ethics Rules \(issued April 8, 2022\)](#). This public integrity assessment was completed in coordination with the City Attorney's Office and included 6 main findings and 9 recommendations to improve ethical tone-at-the-top at the department, as well as overall compliance with ethics rules regarding gift receipt and donation solicitation. The Controller's Office continues to work on additional Public Integrity assessment, including a review of Recology's refuse rate financial information, assessment of the SFPUC's contracting and procurement, and an audit of the Recology Landfill Agreement. Mr. Lin walked us through the policy area groupings of Bond programs at a high-level. Health and safety, transportation,

b. Performance Unit - Public Perception Survey Project

Peg Stevenson, Controller's Director of City Services Performance, said they made good progress on the public perception survey project. Staff met last week with Member Pantoja. They have selected a contractor, the two locations, well underway with the survey design. They are really looking forward to what they will learn from people. They should have it in the field during May and have preliminary results in the summer or fall.

c. CSA Division – Updates and Workplan

Peg Stevenson reported out that they plan their work for the next fiscal year during April, May, June. Ms. Stevenson talked about what they look at in terms of anything that influences the operating environment of the city and think of what types of projects and audits they may propose to some of the client departments. They are underway with that. They will reach out to Member Sanderlin. She mentioned that Cost Recovery is still taking a lot of time and vacancies are still being filled.

Amanda Sobrepena reported that CSA Audits continues to juggle multiple key priorities this fiscal year FY21-22, including COVID-19 cost recovery, Public Integrity Assessments, administering the Whistleblower Program, and completing performance and mandated compliance audits and assessments. For next fiscal year FY22-23, CSA Audits continues to collaborate with City Performance in developing next year's work plan. In addition to continuing the key priorities mentioned above, we plan to develop audit programs based on the Public Integrity recommendations, as well as build upon some of our ongoing work on citywide risks and internal controls (e.g., procurement and contracting, construction contracts, bond expenditures, grants to nonprofits, payroll, eligibility verification, inventory management, etc.).

d. Public Finance – Upcoming Bond Issuances

Vishal Trivedi, Controller's Financial Analyst, reported that there was one minor update. There had been a GO Refunding on the schedule. They will report out on it at the next meeting. He also discussed about the forward schedule for new money issuances. In preparation of the GO Refunding Bonds update ratings were received from the three rating agencies. Due to the pandemic the city was on a negative outlook for one and a half to two years, and as of this most recent update the city is back at AAA, AAA, AA+ stable across the board. Due to the conservative approach the City took, the reserves they built up, the way the City leaders managed to steer the City through the pandemic and receipt of federal funds the negative outlook was removed.

e. CGOBOC - FY 2021-2022 Workplan and Meeting Dates

Peg Stevenson said a formal calendar will be put in the next meeting's packet.

There was no public comment.

Adjourn

Vice Chair Mathews made a motion to adjourn, and Member Larkin seconded. The meeting adjourned at 11:25 am.