

MINUTES

REGULAR MEETING

MEASURE W CITIZENS' OVERSIGHT COMMITTEE CITY OF SOUTH SAN FRANCISCO



Wednesday, October 2, 2024
6:30 p.m.

IN-PERSON MEETING

CALL TO ORDER

Chair called the meeting to order at 6:32 p.m.

ROLL CALL

Chair De Guzman, present
Vice Chair Zemke, present
Committee member Del Rosario, absent
Committee member Brosnan, present
Committee member - Vacant

AGENDA REVIEW

No changes.

WELCOME AND INTRODUCTIONS

Director of Finance Karen Chang provided a brief overview of the agenda for the evening. Director of Finance, Karen Chang, advised that Jaime Rey has been reassigned to Park and Rec Commissions effective at the end of August 2024. Director of Finance, Karen Chang also advised that City Attorney would join the meeting via-zoom for the time being due to traffic. Additionally, we have a consultant providing a presentation via-zoom.

Chair De Guzman asked if there would be a replacement for Jaime Rey? Director of Finance, Chang advised that City Clerk will recruit for the vacant position.

IN PERSON PUBLIC COMMENT:

In person public comment, Mina Richardson on Item #2 on the agenda. Ms. Richardson asked the Committee if she may speak after the presentation to ask presenter a couple of questions. Chair De Guzman agreed.

MATTERS FOR CONSIDERATION

1. Motion to approve the Minutes from the meeting on August 7, 2024.

Motion – Vice Chair Zemke: To approve the minutes from August 7, 2024, Committee Member Brosnan Second – by roll call vote: AYES Chair De Guzman, Vice Chair Zemke, Committee Member Del Rosario, Committee Member Brosnan; and NAYS: Non; ABSENT: ABSTAIN: Motion passes unanimously.

2. Presentation on Measure W Sales Tax (Thomas Adams, Avenu Insights & Analytics)

Thomas Adams, of Avenu Insights & Analytics provide presentation on Measure W Sales Tax.

Thomas Adams, of Avenu Insights & Analytics concluded presentation and asked if there were any questions.

Vice Chair Zemke asked if there were risks moving forward as far as downturns that may drastically effect business to business tax?

Thomas Adams provided response.

Chair de Guzman made a comment and advised that San Francisco Mayor may welcome some biotech companies however, he was not sure how true that was.

Thomas Adams provided response to comment.

Director of Finance, Karen Chang advised that this was just a snapshot of 2nd Quarter. Typically, at year end there will be additional revenue shown.

Thomas Adams provided additional explanation of sales tax forecast.

Chair De Guzman asked what were the actual numbers and the forecasted numbers?

Thomas Adams provided response.

Chair De Guzman asked what were the actual numbers that came in?

Director of Finance, Karen Chang provided response.

Chair De Guzman asked for clarification of actual vs forecast in presentation.

Director of Finance, Karen Chang provided explanation.

Thomas Adams provided additional explanation from his chart in presentation.

Vice Chair Zemke thanked Thomas for presentation.

Director of Finance, Karen Chang asked Thomas to stay on for a bit as there is a public comment in reference to Item #2 as the Chair was ok with it.

Public Comment: Mina Richardson asked if Thomas had the capacity to perform an independent audit on the Measure W funds and has an independent audit been performed?

Thomas Adams, advised that he has not performed an independent audit and provided additional explanation. The service provided to the City is both data and analytics. The data is obtained from the State. They provide a misallocation audit to ensure that taxpayer money to the correct jurisdiction. All other audits are performed by the state itself.

Public Comment: Mina Richardson asked for an explanation on automotive sales tax.

Thomas Adams provided response.

Public Comment: Mina Richardson advised she had one more question.

Assistant City Attorney, Schuyler Scwartz advised that the point of procedure to the Committee. The Committee would only hear comments and there should be no back-and-forth dialog.

Public Comment: Mina Richardson advised that prior to her arrival, she asked the Committee if she may ask questions after the presentation and the Chair approved.

Assistant City Attorney, Schulyer Scwartz that public comment was permitted however, there will be no response.

Public Comment: Mina Richardson asked if the Committee was aware that the voters passed the Measure W tax and the projection was \$7M and is \$10M over the projection. Mina Richardson asked if Thomas Adams was able to provide an idea of how much time it will take to pay the debt.

Chair De Guzman advised Mina Richardson that she was only permitted to ask questions and that was part of her comment.

Director of Finance, Karen Chang asked if the Committee had any additional questions for the consultant.

Director of Finance, Karen Chang thanked Thomas Adams for his helpful presentation and advised there were no additional comments.

3. Informational Report on Measure W fund balance and expenditures for FY 2024-25 (Karen Chang, Director of Finance)

Director of Finance, Karen Chang provided an informational Report on Measure W fund balance and expenditures FY 2024-25.

Chair De Guzman asked if the \$34M has already spent.

Director of Finance, Karen Chang confirmed.

Chair De Guzman asked if there were no additional bonds proceeds for this project.

Director of Finance, Karen Chang advised that was issued pre-bond. Measure W cash was used to fund design or other items.

Chair De Guzman asked if the \$3M were already used or was that the remaining amount.

Director of Finance, Karen Chang advised that it was already spent as the Police Station was

already completed.

Chair De Guzman asked if the \$35M was already spent.

Director of Finance, Karen Chang advised that there was a small amount of funds left in the budget for LPR and is being wrapped up. LPR's budget was \$101M and we will not spend more than what was budgeted.

Chair De Guzman asked if there were funds left from the \$25M, however the City will not spend more than \$101M for LPR.

Director of Finance, Karen Chang confirmed and advised that there were \$25M and other funds plus the bond proceeds, \$76M so the total line item is \$101M.

Chair De Guzman asked if there were any funds left for street paving programs.

Director of Finance, Karen Chang advised that the City budgeted \$24M, and that there are still some funds left as the street paving is not completed. Once all projects are completed, she can provide an actual number for each line item.

Chair De Guzman asked if from the \$24M, there was money left to spend.

Director of Finance, Karen Chang confirmed.

Chair De Guzman asked if there were funds for solar?

Director of Finance, Karen Chang advised that there were \$4M funds set aside however not from Measure W. These funds have not been used.

City Manager, Sharon Ranals commented that there was solar at the LPR and the Police Station that is part of the Civic Campus project that has not been completed.

Chair De Guzman asked for confirmation if the \$49M for Aquatics Center.

Director of Finance, Karen Chang confirmed.

Chair De Guzman asked about the new park/playground.

City Manager, Sharon Ranals advised that project has not started yet. That is at Orange Park with all ability accessible playground. This project will start once the aquatics center has been completed. This is the same for the bridges.

Committee Member Del Rosario asked if there were eight different bonds issued.

Director of Finance, Karen Chang advised that they issued three tranches of bonds. The City used all three tranches of bonds to fund these different projects.

Committee Member Del Rosario asked if the bond numbers were adjusted at all or do the bonds

stay the same.

Director of Finance, Karen Chang clarified that the numbers did not adjust or change.

Committee Member Del Rosario asked if the City could move funds around for other projects if there is money left.

Director of Finance, Karen Chang responded that the City could use money for other projects if necessary.

City Manager, Sharon Ranals informed the Committee that the new projects that have not gone out to bid and the cost may vary. The projects that have gone out to bid and awarded have a firm cost. City Manager, Sharon Ranals advised that the playground and bridges have not gone out to bid.

Vice Chair, Zemke thanked Director of Finance, Karen Chang for putting together the table.

Director of Finance, Karen Chang continued with her presentation.

Chair De Guzman asked for clarification if the debt service total was \$291M

Director of Finance, Karen Chang confirmed that the outstanding debt service was \$291M and the total debt service accumulated for all three (3) bonds, originally was about \$325M. Director of Finance, Chang reminded the Committee that at the issuance of the bonds, the interest rates were favorable.

Director of Finance, Karen Chang continued with her presentation.

Chair De Guzman asked how much was the debt service for the \$15.8M?

Director of Finance, Karen Chang advised that it was about \$13M-\$14M each year.

Chair De Guzman asked if the City will be obtaining a cushion of \$1M to \$2M each year?

Director of Finance, Karen Chang advised that the City is hoping that is the case.

City Manager, Sharon Ranals provided an explanation of how the debt service is being paid off.

Director of Finance, Karen Chang advised the committee that some of the interest rates were at 2%- 3%.

City Manager, Sharon Ranals commented that the interest rate is at 2% and provided additional details of how the interest rate has saved the City money.

Chair De Guzman was thankful to both Sharon and Karen for providing an explanation.

Director of Finance, Karen Chang concluded presentation.

Public Comment: Mina Richardson asked if she could make another comment.

Assistant City Attorney, Schulyer Sewartz advised Ms. Richardson there is public comment, however under the Roberts rules of law, which is what the committee follows, and the Brown Act, it's a one way conversation.

ADJOURNMENT

Being no further business, Chair De Guzman adjourned the meeting at 7:34 p.m.

Submitted by:

Approved by:

Patty Gomez
Secretary

Edmund De Guzman
Chair

Approved by the Measure W Citizens' Oversight Committee: / /