



DATE: November 15, 2021

TO: Mayor and Members of the City Council

VIA: Kevin Miller, Interim City Manager

FROM: Louis Sun, Public Works Director

SUBJECT: REVIEW AND ACCEPT THE INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE'S ANNUAL REPORT TO THE CITY COUNCIL REGARDING THE EXPENDITURES OF BOND PROCEEDS ASSOCIATED WITH THE LEVEE PROTECTION PLANNING AND IMPROVEMENTS PROJECT (CIP 327-657)

RECOMMENDATION

It is recommended that the City Council, by Minute Order, review and accept the Independent Citizens' Bond Oversight Committee's (Levee Bond Oversight Committee) Independent Report to the City Council regarding the expenditures of bond proceeds associated with the Levee Protection Planning and Improvements Project (CIP 327-657).

EXECUTIVE SUMMARY

The Independent Citizens' Bond Oversight Committee ("Committee") met on October 28, 2021 and determined the following:

1. For fixed contracts, the City has expended bond proceeds only for the purposes set forth in the ballot measure; and
2. For time and materials contracts, the Committee cannot determine whether or not the Tanner Pacific, Inc. or Schaaf & Wheeler contracts are in compliance with the requirements of Measure P.

BACKGROUND

On June 5, 2018, Foster City voters passed Measure P, authorizing the City to issue general obligation bonds in the amount of \$90,000,000 to fund improvements to the City's levee system. The Measure P Election was conducted under California Government Code Section 53411. The bond measure ballot language promised voters that the expenditure of bond funds would be subject to "citizens' oversight," as more fully articulated in Resolution No. 2018-15 (Attachment 1), which declared the public interest in and necessity of the levee improvements.

Beginning on October 28, 2020, the Committee has met quarterly to review and discuss information pertaining to the Levee project expenditures.

ANALYSIS

On October 28, 2021, the Committee held its quarterly meeting to review the City's expenditure of bond proceeds and to consider approval of the Annual Report to the City Council, which is one of the duties of the Committee described in section 3.3(a) of the Committee's Bylaws. As the first Annual Report of the Committee, this report addresses expenditures from September 2015 through June 30, 2021. The Annual Report was reviewed and approved by a majority of the members of the Committee. As indicated in the Annual Report, the Committee determined that the City expended bonds proceeds only for the purposes set forth in Measure P for fixed contracts. For time and materials contracts, at this time the Committee cannot determine whether or not the Tanner Pacific or Schaaf & Wheeler contracts are in compliance with the requirements of Measure P. The approved Annual Report is attached as Attachment 2 and will be placed on the City's website.

FISCAL IMPACT

There is no fiscal impact associated with the attached report.

CITY COUNCIL VISION, MISSION, AND VALUE/PRIORITY AREA

The Levee Improvements Project (funded by Measure P) is in alignment with the City Council's adopted Vision and Mission statements in that it seeks to create a sustainable environment through infrastructure improvements for current and future generations to come. This item is also directly related to the "Facilities and Infrastructure" Value/Priority Area. The key outcome is to make substantial progress toward an improved levee on time and budget to protect the community and critical infrastructure from storms and high tide. The Committee ensures the project is in compliance with the requirements of Measure P.

Attachments:

- Attachment 1 - Resolution No. 2018-15
- Attachment 2 - Independent Citizens' Bond Oversight Committee's Annual Report