



DATE: November 21, 2022

TO: Mayor and Members of the City Council

VIA: Stefan Chatwin, City Manager

FROM: Louis Sun, Public Works Director

SUBJECT: REVIEW AND ACCEPT THE INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE'S ANNUAL REPORT FOR FY 2021-2022 TO THE CITY COUNCIL REGARDING THE EXPENDITURES OF BOND PROCEEDS ASSOCIATED WITH THE LEVEE PROTECTION PLANNING AND IMPROVEMENTS PROJECT (CIP 327-657)

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### RECOMMENDATION

It is recommended that the City Council review and accept by minute order the Independent Citizens' Bond Oversight Committee's (Committee) Annual Report for FY 2021-2022 to the City Council regarding the expenditures of bond proceeds associated with the Levee Protection Planning and Improvements Project (CIP 327-657) from July 1, 2021 through September 30, 2022.

### EXECUTIVE SUMMARY

The Committee met on October 27, 2022 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 City 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. At the November 15, 2021 Council Meeting, the Committee presented the 2020-2021 Fiscal Year Annual Report expenditures from September 2015 through June 30, 2021.

## ANALYSIS

On October 27, 2022, 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 second Annual Report of the Committee, this report addresses expenditures from July 1, 2021 through September 30, 2022. The Annual Report was reviewed and approved unanimously by the members of the Committee. As indicated in the Annual Report, the Committee determined that the City expended bond 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 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 2018-15
- Attachment 2 - Independent Citizens' Bond Oversight Committee's Annual Report for FY 2021-2022