

MINUTES
Citizens' General Obligation Bond Oversight Committee
July 27, 2006
Room 416, City Hall
San Francisco, CA 94102

1) Call to Order and Roll Call.

Chair Jue called the meeting to order at 9:35 a.m.
Mr. Hunter and Ms. Singer excused. All other members present.

2) Discussion and Possible Action to Approve Minutes of the regular meeting of April 27, 2006.

The minutes of the April 27, 2006 meeting were unanimously approved.

3) Presentation from the 1992 Seismic Safety Loan Program and possible action by the Committee in response to such presentation.

Mr. Wayne Lawrence presented the Committee with an update of the 1992 Seismic Safety Loan Program. Mr. Lawrence provided the committee with a brief history of the program, production to date, status of funds and next steps.

Ms. Jue questioned what happens with the reserve for bond payment if no additional bonds are issued. Mr. Martin stated that the ballot measure indicates that the loan repayments must be reserved for bond repayment until there are no bonds outstanding. He noted that the City Attorney has said that the Board of Supervisors could take action to rescind the authorization when the bond program is over and free up the funds for any public use per the ballot measure.

There was brief discussion regarding current demand for loan funds, loan terms, code requirement and enforcement and delinquent loans. Mr. Lawrence indicated that to date there are no loan defaults. He stated there are approximately 300 structures that have incomplete retrofit work. However, several of those have an on-going project in an effort to complete the work.

Public Comment

Unidentified male expressed his thoughts on this agenda item.

4) Presentation from the Recreation and Park Department on the 2000 Neighborhood Recreation and Parks Bond program and action by the Committee in response to such presentation.

Ms. Rhoda Parhams of the Recreation and Park Department returned to provided the Committee with a status report of the projects in the 2000 Neighborhood Park Bond Program, and also addressed the areas of concern raised at the April 27, 2006 Citizens General Obligation Bond Oversight Committee meeting. She noted that the financial information provided is as of March

2006 not June 2006. Specifically, the concerns which needed to be addressed were: the reconciliation of numbers throughout the report; clarification of terminology used in the report; consistent labeling of items throughout the report; provide original or baseline budgets for projects in close-out; provide greater level of detail in distinguishing general obligation bond funded projects; and breakout reserve fund from the program management budget.

The committee discussed the changes made. Mr. Yockey had questions regarding scope of work and reserves. Mr. Agunbiade, general manager of the Recreation and Park Department, indicated that projects are phased according to funds (public and private). The scope is subject to change depending on available funding. He noted that projects are built in a way that sections are finished and no project is left incomplete. The committee briefly discussed staffing levels and funding sources for staff salaries, specifically as related to tracking general obligation bond funded projects.

Ms. Parhams provided the Committee with the Department's draft response to the Budget Analyst report as per Committee request at the July 2006 meeting. Mr. Agunbiade indicated that a final response has not yet been provided to the Board of Supervisors, but that he is in ongoing conversation with the Board. Brief discussion regarding the Department's draft response ensued. Mr. Agunbaide will provide the Committee with a report upon completion.

Ms. Jue briefly reviewed the Gantt chart and asked the Department to provide clarification on specific projects. Ms. Jue asked how the reserve figure was determined to which Mr. Agunbiade stated that there is a 10 percent contingency determined at the time the project is bid.

Mr. Morten made several requests, including that the Department provide the Committee with the Board of Supervisors report when available and that the Controller certify that the issues raised in the budget analyst report have been appropriately dealt with.

Public Comment

Mr. Arthur Chang expressed his views on issues related to this agenda item.

Mr. Emeric Kalman expressed his views on issues related to this agenda item.

5) Status report and presentation from the Controller's City Services Audits Division and possible action by the Committee in response to such presentation.

Ms. Peg Stevenson reported on the highlights of work by the City Services Audits (CSA) Division since the last meeting and provided an overview of the work performed this year. She distributed a list of audits issued during the past year and snapshot of the CSA website homepage. She indicated that some of the performance audits, which will be completed shortly, include DTIS, Department of the Environment, Office of Citizen Complaints, and Mental Health Care providers. Ms. Stevenson indicated that she is working on the CSA FY06-07 Work Plan, and that it should be completed by the end of August. She noted that once completed, she will provide a copy to the Committee.

There was also brief discussion regarding performance measures and CSA's role in reviewing and tracking of departmental performance measures during the audit process.

Public Comment

Mr. Emeric Kalman expressed his views on issues related to this agenda item.

6) Discussion of future agenda items.

Ms. Jue noted that as per earlier discussion, future agenda items relating to the CSA and Whistleblower reports will be expanded to allow for a broader discussion of the Committee's role as the Citizen's Audit Review Board.

7) General Public Comment.

Mr. Emeric Kalman expressed his opinions on a variety of issues.

8) Adjournment.

Meeting adjourned at 12:20 pm

Documents Provided:

- *April 27, 2006 Draft Minutes*

Seismic Safety Program

- *Seismic Safety Handout Loan Program PowerPoint presentation handout*

Recreation and Park Department

- *Recreation and Park Department PowerPoint presentation handout*
- *Revised 2000 Neighborhood Parks Improvement Bond Annual Report (April 2006)*
- *Response to Section 18 – Budget Analyst Report*

Controller's Office

- *CSA Reports Issued for FY 05-06*
- *CSA – Web Snapshot of Audits Conducted*

Additional Handouts

- *CGOBOC 2006 Work Plan*
- *CCSF General Obligation Bonds Project Summary – June 2006*
- *California Academy of Sciences Quarterly Report – June 2006*