

MINUTES
Citizens' General Obligation Bond Oversight Committee
March 27, 2014 Hearing Room 416 - City Hall
San Francisco, CA 94102

1) Call to Order, Roll Call

The meeting was called to order at 9:03 a.m. The following Committee members were present: Jonathan Alloy, Jerry Dratler, Michael Garcia, Minneola Ingersoll, Terry Micheau, Corey Marshall, Michael Seville and Rebecca Rhine.

2) Approval, with possible modification, of the minutes of the January 23, 2014 meeting.

The minutes were approved with one correction. There was public comment by Derek Kerr, M.D.

“This alerts your Whistleblower Program (WBP) Liaisons to two troubling trends with the WBP. First is the steady decline in tips from 465 to 291 in five years. You drive whistleblowers away by **not** treating them like valued sources or potential allies in uprooting wrongdoing. They are afraid of you because you are afraid of them. Please sort this out with an honest Whistleblower Satisfaction Survey.

Second is the increase in “investigations” over the past 3 years. “Investigation” rates have zoomed from 45% to 86% - without hiring more investigators. Despite doubling investigation rates, the percent that sustain complaints has stagnated around 28%. Why? The WBP likely expanded its definition of “investigation” by lumping together preliminary assessments with formal investigations. This creates an illusion of working twice as hard – while delivering the same results. It’s better to distinguish between preliminary reviews and formal investigations – as the Ethics Commission does”.

Dr. Kerr also acknowledged the posting of CGOBOC meeting audio again on the Controller’s web site.

(*NOTE: Full recordings of Committee meetings are available by request from the Controller’s Office and on the CGOBOC web site. Meeting Materials are also posted on the web site).

3) Presentation from the 2000 Neighborhood Park Bond Program, 2008 Clean and Safe Park Bond Program and the 2012 Clean and Safe Neighborhood Parks Bond.

Dawn Kamalanathan, Director of Planning and Capital Projects for the Recreation and Parks Department, reviewed the status of the 2000 Neighborhood Park Bond Program, the 2008 Clean and Safe Park Bond Program and the 2012 Clean and Safe Neighborhood Parks Bond.

2000 Neighborhood Parks General Obligation Bond Summary

The amount of \$5, 654,950 was appropriated into the Master Project for reallocation by the Recreation and Park Commission.

Public commitments for the following existing projects will be fulfilled:

- Minnie Love Ward Playfield
- Beach Chalet Playfield
- 2008 Restrooms Program
- Coit Tower
- Lake Merced Boathouse

Ms. Kamalanathan said that final staff recommendations will be made at the April Recreation and Park Commission meeting. She also responded to Committee questions regarding the budget schedule on page 2 of the quarterly status report. There was also a request from a Committee member in regard to presenting the information on page 5 to CGOBOC for lessons learned.

2008 Clean and Safe Park Bond Program

Ms. Kamalanathan reported that 95% of the allocated funds have been spent and encumbered as of summer 2014. The Mission Dolores Park and Minnie Love Ward playfield are both in construction. Beach Chalet and Kimbell Playground will be in construction by summer. Ms. Kamalanathan also reviewed the project schedule status and the contingency funds. As of today's date, there are three sources of contingency funds: bond allocation, project savings and interest. The funds have been used for Fulton Playground, Helen Diller Playground, Mission Playground and Pool, Mission Dolores Park and the Sunset Playground. This leaves a balance of \$5.74M dollars.

Nate Cruz provided an update of the Port Projects. Five projects have been completed: Brannan Street Wharf, Pier 43 Bay Trail Link, Bayfront Park, Heron's Head Park, and Blue-Greenway Design Guidelines. There are three projects in construction: Blue-Greenway Signage and Site Furnishings, Tulare Park and Bayview Parkway. Crane Cove Park is in the design phase and will be constructed with 2012 bond funds. The financial schedules for the Port Projects were reviewed. \$6.6 million revenue bonds have been expended to date. The details of the pending \$1.1 million dollar supplemental were also discussed.

Mr. Alloy asked that more details about the Forestry Program be included in the next quarterly report.

2012 Clean and Safe Neighborhood Parks Bond

Dawn Kamalanathan reviewed the schedule. All projects are currently on budget. An accelerating bidding climate is expected for the near term projects. Glen Canyon Park, West Sunset Playground and Joe DiMaggio Playground are currently in the scoping phase. These three projects are also undergoing value engineering.

In order to meet potential challenges, Ms. Kamalanathan said a cost estimator will be hired to re-evaluate the budgets for the Phase 2 Projects and to inform/develop a strategy for the use of Contingency funds.

Nate Cruz reviewed the Port projects that are part of this bond. The Northeast Wharf Plaza is currently in construction with an estimated completion date of October 2014 instead of January 2015. Crane Cove is in the design phase. The cost of the design is part of the 2008 bonds. The cost of construction will come from the 2012 bonds. Ben Rosenfield, the Controller, clarified the reasons for the variance and the use of money from 2 bond programs for Crane Cove. Pier 70 Parks and Islais Creek improvements are in the planning stages.

Committee member Minneola Ingersoll is now the CGOBOC liaison to the Recreation and Parks Bonds Programs. Ms. Ingersoll said she had met with Ms. Kamalanathan and looks forward to working with Ms. Kamalanathan and her teams. She also said the group had been very responsive to her requests for information.

There was no public comment.

4) Presentation from the Capital Planning Program in regard to the 2014 Earthquake Safety and Emergency Response Bond

Brian Strong, Director of the Capital Planning Program, provided an overview of the proposed 2014 Earthquake Safety and Emergency Response Bond Program (ESER).

The ESER 2014 objectives are to make earthquake safety repairs and upgrades to neighborhood fire stations and police stations and to the City's aging emergency firefighting water system. The objectives also include relocating the motorcycle police, crime lab and the Medical Examiner from the seismically deficient Hall of Justice.

The ESER 2014 Bond Components are as follows:

• Neighborhood Fire Houses	\$85 million dollars
• Emergency Firefighting Water System	\$55 million dollars
• District Police Stations & Infrastructure	\$30 million dollars
• Motorcycle Police & Crime Lab	\$165 million Dollars
• Medical Examiner Facility	\$ 65 million dollars
Total \$	\$400 million dollars

Mr. Strong reviewed each of the components of the program and provided a comparison/contrast to what is in the existing and proposed 2014 ESER GO Bond Program per the San Francisco 10-Year Capital Plan for FY 2014-2023. The information identified in the Capital Plan is in compliance with GO Bond debt policy.

In response to questions from the Committee, Mr. Strong clarified why the jail is not part of ESER 2 and answered questions about the police station and neighborhood fire stations. The 2014 ESER Bond is expected to be on the June 2014 ballot.

Jonathan Alloy is the CGOBOC liaison to CGOBOC and provided an update based on his experience with the project.

There was no public comment.

5) Presentation from various departments regarding the 2010 Earthquake Safety and Emergency Response Bond Program (ESER).

Updates to the project were provided by Charles Higuera, ESER Project Manager, Samuel Choi, Gabriella Jude- Corelli and Dave Myerson. The CGOBOC liaison report was provided by Jonathan Alloy.

The break-out of the bond program is as follows:

- Neighborhood Fire Stations \$65.1 million dollars
- Auxiliary Water Supply System \$104.2 million dollars
- Public Safety Building \$243.0 million dollars

The total amount of the project is now \$412.3 million dollars and includes the new Mission Bay Fire Station.

Public Safety Building: There has been no deletion of the original scope. Included in the original scope are: Police Headquarters, Southern District Police Station (relocated from the Hall of Justice (HOJ), Fire Station 4 and the rehabilitation of the historic Firehouse.

The target date of building inauguration is November 2014. There are possible delays accruing from the interface with the Mission Rock Street improvement and utilities street work to be performed by PG & E. This is currently under review.

The total project budget is \$239 million dollars. Construction cost-to-date, including all approved change orders, is trending to complete within budget.

Neighborhood Fire Stations: The items captured under “scope” were reviewed as was the schedule and budget. The focused scope is scheduled to complete by September 2014. The comprehensive scope is scheduled to complete by December 2014. There are possible delays in the seismic schedule for Station 16 accruing from the neighbors’ opposition and continued postponement of Fireboat Station 35.

The total budget is \$72.3 million dollars. The budget breaks out as follows: the focused scope is \$12.2 million, Comprehensive is \$6.3 million, Seismic is \$40.6 million, other projects are \$1.1 million and soft costs (not included in other figures) are \$11.9 million.

AWSS: Mr. Myerson, PUC Project Manager, reviewed the scope, schedule and budget. At this time, everything is on schedule and within budget.

Mr. Higuera reviewed ESER 2010 Expenditures. The combined total budget of \$426,134,604 includes \$412.3 million dollars from ESER 2010; \$8.3 million from Fire Facility Bond Funds; and \$5.5 million from the General Fund for PSB FF & E procurement. The total appropriation is \$345,969,608. It is derived from four ESER bond sales and the funding from two other sources represents 81% of the budget. The encumbrance and expenditures through February 2014 are \$90,386,424 and \$193,518,666, respectively, which represents 82% of the appropriation and 67% of the budget. Of the \$193,518,666, \$192,526,771 are ESER 2010 related and \$991, 895 are Fire Facility funds.

There was no public comment.

6) Presentation from the 2011 Road Repaving and Street Safety Bond Program

John Thomas, Project Manager, provided an overview of the program which includes curb ramps, sidewalks, streetscape, and transit signal priority (TSP). Overall, the program is going well and expenditures are on target. Some of the program issues include:

- Coordination with utilities
- PUC – possible restriction, related to build-outs and sidewalk widening, will result in increased costs
- MTA – overhead lines costs related to bus substitution and de-enerization. There will be higher costs.
- Neighborhood concerns include parking and balancing goals set out in the better streets plan, bicycle plan, etc.

The Committee discussed the streetscape challenge, neighborhood concerns, project specifications and overall coordination with other entities.

There was no public comment.

7) Opportunity for Committee members to discuss/take action on any Committee matters.

The following agenda items were deferred to the May 2014 meeting due to time constraints: Benchmarking, CSA Liaisons, CSA Annual Report and the Whistleblower Survey.

Ms. Rhine welcomed Mike Seville to the Committee. She also acknowledged the many contributions of John Madden and Robert Muscat, who are no longer on the Committee. Mr. Seville will join Jonathan Alloy as an ESER Liaison

The meeting was adjourned at Noon.