

MINUTES
Citizens' General Obligation Bond Oversight Committee
September 25, 2014 Hearing Room 416 - City Hall
San Francisco, CA 94102

1) Call to Order, Roll Call

The meeting was called to order at 9:30 a.m. The following Committee members were present: Jerry Dratler, Michael Garcia, Michael Seville, Rebecca Rhine, Jonathan Alloy, Minneola Ingersoll and Brian Larkin. Robert Carlson and Corey Marshall were absent.

2) Approval, with possible modification, of the minutes of the August 28th, 2014 meeting.

The minutes were approved with amended remarks from Jerry Dratler to be included. Mr. Larkin abstained. There was no public comment.

(*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).

The Committee moved the Annual Report agenda item from #5 to the beginning of the meeting at the request of a Commissioner. There was discussion about the number of objectives the Committee has given itself, whether there is a need for more Committee meetings and how to communicate clear guidelines about the Committee's expectations in regard to what they want to know about the various bond programs. These items have been discussed many times over the past year in various forms.

Chair Rhine suggested the middle ground between adding meetings automatically and trying to cover it in one meeting about CGOBOC's work plan without including bond reports. The focus would be on what is wanted in each bond report so that it can be clearly communicated to the presenter without any surprises. The request was made for an outline of content for the work plan meeting.

The quality and depth of the draft Annual Report was acknowledged. The Committee approved the Annual Report which will include some of the changes discussed. There was no public comment.

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

Dawn Kamalanathan, Program Manager, and David Beaupre, Project Manager, provided a status report on the three Recreation and Parks Bonds.

Ms. Kamalanathan reported that \$5,654,950.00 dollars has been re- appropriated into the Master Project from the 2000 Neighborhood Parks General Obligation Bond. The RRD Commission approved allocation to fulfill commitments on the following on-going projects:

- Minnie Lovie Ward Playfield - open
- 2008 Restrooms Program on the Great Highway
- COIT Tower – restoration, open
- Boeddeker Park – partnership project
- Carl Larson Park – partnership project
- Randall Museum – partnership project
- Crocker Amazon – deferred maintenance
- Civic Center Garage – deferred maintenance

At this time, there is \$275,002.00 dollars remaining for future allocation. It will be used for Faye House.

Three principles emerged from the conversation with the RPD Commission:

- Using the surplus funds to make sure commitments on current projects can be met;
- Helping partnership organizations to bridge fundraising gaps for authorized bond projects; and,
- Deferred maintenance.

The 2008 Clean and Safe Parks Bond is now 94% spent and encumbered. This does not include Contingency and Beach Chalet. Mission Dolores Park is in construction as is Raymond Kimbell Playground. The last project will be the Beach Chalet. If there is an unclear result from the November ballot, there could be further litigation.

Mike Seville and Minnie Ingersoll provided the CGOBOC Liaison report.

Mr. Beaupre, Planner and Project Manager, reviewed the status of the Ports Projects for the 2008 Clean and Safe Parks Bond. The completed projects are: Brannan Street Wharf, Pier 43 Bay Trail Link, Bayfront Park, Heron's Head Park, Blue-Greenway Design Guidelines and the Cruise Terminal Plaza. The Blue-Greenway Signage and Site Furnishings and the Bayview Gateway are currently in construction. The Crane Cove Park (to be constructed with 2008 and 2013 Bond Funds), and Public Art are currently in the design phase.

The Port's portion of the 2012 SF Clean and Safe Neighborhood Parks Bond was reviewed. The Warm Water Cove, Agua Vista Park and Islais Creek improvements are in the planning phase. Crane Cove (design is part of the 2008 bonds, construction will be with 2008 and 2012 bonds) is in the design phase. Cruise Terminal (formerly Northeast Wharf Plaza) is complete.

Ms. Kamalanathan reviewed the budget and schedule status of the 2012 Bond. About half of the bond contingency fund is allocated to Phase 1 projects. There is an accelerating bidding climate.

Glen Canyon Park, West Sunset Playground and the Joe DiMaggio Playground are currently in the scoping design phase and undergoing value engineering. To meet the challenges that may be ahead, a cost estimator may be hired to re-evaluate the budgets for Phase 2 projects. A strategy will also be developed for the use of contingency funds for completion of projects that may be at risk at the beginning of the project planning. The strategy in use is the add/alternate approach which is often used in the partnership projects.

The idea of add/alternate is appealing to many people because it clarifies what can be expected. This is a standard approach on many bond programs, regardless of the type of bond (GO or General Fund cash funded). This approach is also used on non-construction contracting for professional services and other things. Edgar Lopez, Department of Public Works Project Director, will be at the November 2014 CGOBOC meeting. The request was made to have Edgar include this topic in his presentation i.e. how DPW handles costs in the current environment.

The project is on schedule with the exception of Balboa Park. The Balboa Park delay is caused by the need to hire an outside consultant.

There was a request from the Committee to include the Audit Committee Quarterly Report in the materials packet.

There was no public comment.

4) Presentation from the City Services Auditor Regarding CSA Reports and Audits

Peg Stevenson, the Director of CSA-Performance, provided an overview CSA's Charter Mandates and the CGOBOC/Citizen's Audit Review Board (CARB) Charter Mandates. The presentation included information about both CSA and CARB service standards and benchmarks. Tonia Lediju, Director of CSA – Audits, reviewed the Audit Programs in FY15. The Committee requested high level management reviews that would be provided on a rolling, rather than annual, basis. The reviews would include scope, progress and budget.

Jerry Dratler is the CGOBOC liaison to CSA. He provided his perspective on his meeting with CSA which focused on a clarification of responsibilities.

There were no public comments.

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

a. 2014 CGOBOC Work Initiatives

There will be a special meeting scheduled for purposes of Committee planning and liaison vacancies.

There was no public comment.

b. Benchmarking Report Memo to Department Heads

Minnie Ingersoll and Corey Marshall will review the two benchmarking reports that focus on community outreach and best practices. High level information about the reports is included in the Annual Report. Rebecca Rhine will review the information for the November 2014 CGOBOC meeting.

There was no public comment.

c. Close-Out Protocols

This item will be discussed at the Planning Meeting.

There was no public comment.

d. Letter from the Ethics Commission & Draft Annual Report

Mr. Garcia reviewed the content of the letter he received from the Ethics Commission. There was a request from Mr. Alloy for statistics to be included in the Whistleblower Quarterly Report.

There was public comment from Derek Kerr, M.D. "Thanks for extracting whistleblower retaliation data from the Ethics Commission. St. Croix writes that most retaliation complaints are inadmissible. But why have 100% of such complaints been dismissed? He mentions "evidence" that "allows an employer to rebut allegations of retaliation". But employers never admit retaliation. They always offer justification - or pretexts. That's why investigations are needed. But Ethics doesn't really investigate.

St. Croix writes; "I am unable to explain why other city departments have chosen not to impose disciplinary actions". For one thing, Ethics never sustains retaliation complaints. 27 retaliation claims went to Ethics in the past 2 years. None was investigated. 9 were referred to Civil Service Commission. The number resulting in discipline is "unknown" because Ethics doesn't track outcomes. Because Ethics denies all retaliation claims - and buries those it refers out, CGOBOC should recommend an audit of whistleblower retaliation complaints".

Mr. Garcia responded that it would be helpful to find a way to track complaints that are sent to other departments. There was discussion among Committee members in regard to whether the Committee has any authority to look at retaliation work from the Ethics Commission.

There was public comment from Derek Kerr, M.D. He thanked the Committee for its' efforts in this area.

6) Opportunity for the public to comment on any matters within the Committee's jurisdiction.

There was discussion about the memo from Deputy City Attorney Ken Roux in regard to his memo dated September 2014. The memo was in response to a request from the Committee to summarize CGOBOC's mandated responsibilities as both CGOBOC and the Citizen's Audit Review Board. The memo also addressed ways to fulfill its obligations when sitting as the Audit Review Board.

There was no public comment.

The meeting was adjourned at 11:15 a.m.