

**MINUTES**  
**Citizens' General Obligation Bond Oversight Committee**  
**November 20, 2014 Hearing Room 400 - 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 Seville, Rebecca Rhine, Robert Carlson, Corey Marshall, and Brian Larkin. Michael Garcia was absent.

**2) Approval, with possible modification, of the minutes of the September 25, 2014 meeting.**

The minutes were approved. Mr. Marshall 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).

**3) Presentation from the Department of Public Works in regard to improving reporting on Capital Projects.**

The presentation to the Committee was made by Edgar Lopez, Director of Project Management, and Julia Dawson (Deputy Director – Finance and Administration) at the Department of Public Works. The purpose of the presentation was to talk about lessons learned from the department's various GO bond projects, the close-out process for general obligation bond projects, reporting and open data and the sharing of knowledge.

Mr. Lopez provided the context for the presentation by describing how San Francisco's capital planning has evolved. In 2002, CGOBOC was established. In 2005, the City created a comprehensive, rolling 10-year Capital Plan. The purpose of the Capital Plan was three-fold:

- To create a framework for long-term strategic decision-making
- Set priorities to meet the City's competing demands
- Provide funding for pre-development costs to assess and define project scope

In 2005, the City formed the Capital Planning Committee as a companion to the Capital Plan. The Committee is made up of elected and appointed City officials to review and approve the Capital Plan, budget and issuances of long-term debt.

In 2012, CGOBOC started a liaison program to provide its members with a deeper understanding of the scope and complexity of capital projects.

There have been many lessons learned over the years. These include:

- The need for fund project development prior to defining a bond program

- Develop Memoranda of Understanding among City agencies to set clear roles, responsibilities and performance expectations
- Identify areas for improvement through performance audits
- Organize project delivery through a portfolio-based approach that uses the specialized skills of staff and consultants
- Meet with client city departments to discuss best practices and lessons learned from on-going projects; apply corrective actions to improve project delivery.

In response to questions about how CGOBOC can standardize final project reviews across all bond and capital projects to validate conformance with bond objectives, Mr. Lopez presented the following close-out process for consideration:

- Define general obligation bond scope as a stand-alone project or as a programmatic initiative involving multiple projects
- Set clear and measurable bond accountability objectives prior to presenting the bond to voters
- Establish an accountability performance process to track progress at quarterly updates to CGOBOC
- Validate final performance at bond close-out
- Prepare final reporting for the oversight committee

Julia Dawson talked about ways CGOBOC can improve and standardize project reporting.

- Confirm the oversight committee's expectations for reporting: define other project reporting metrics beyond scope, schedule and budget
- Public Works recommends:
  - A commonly organized executive summary of programmatic and financial information for each bond
  - Two reporting formats: one for bonds that support single large building projects and the other for bond programs that contain multiple scopes of work
  - A separate section that clearly describes how spending meets the bond accountability benchmarks
  - Reformat reports to the oversight committee and departmental commissions so they provide relevant information and are easy to understand.
- Reporting and Open Data: at this time, Public Works does not have an integrated system that supports detailed project management and reporting. Information is processed as follows:
  - Enterprise Project Management tracks high-level scope, schedule and budget data for all projects
  - Other systems process financial transactions, such as change orders and payments, for certain projects
  - Contract Manager/ General Contractor contract information is held by outside contractors and compiled by project managers and staff
- Public Works is evaluating the following system improvements:
  - Enhance the Enterprise Project Management system or integrate it with a

new system designed to support internal project and construction management process

- Develop a new reporting platform so that information from CM/GC contractors can be cataloged, stored and compiled for reporting.
- Public Works and the SFMTA are working on a pilot project that will allow the public to view the progress of Vision Zero pedestrian safety improvements online.
- Lessons learned from this work can be applied to bond-funded projects.
- The pilot reporting effort will:
  - Define common data fields for reporting
  - Create visual graphical representations, such as dashboards, to display project metrics
  - Use maps to show areas with the greatest need and the projects that will be implemented in these areas.

There has been an on-going conversation within the Committee regarding additional ways to orient new CGOBOC members so there is a consistent level of understanding across various bond programs. Several options were discussed:

- Continue to use the CGOBOC liaison program; hold individual meetings with project managers and visit job sites during construction and design
- Create an on-boarding program for new CGOBOC members to get them up to speed quickly on their work and obligations
- Develop and maintain a library of reference materials to provide context for CGOBOC members on the history of bonds.

The observation was made that all three options are already in place.

There was no public comment.

**4) Presentation from several departments regarding the Earthquake Safety and Emergency Response Bond Program 2010.**

The project update was provided by Charles Higuera, Samuel Chu, Gabriella Judd-Cirelli, David Myers and Marissa Fernandez.

Overall, each component of the project is performing favorably in terms of budget, schedule and scope. The Public Safety Building is within scope and all activities are occurring in alignment with the most current construction schedule. All trades have been bought out and the total project cost is trending under budget.

Neighborhood Fire Stations: The scope and schedule were reviewed. The seismic part of the schedule for Station 16 may be delayed because of the need to engage the community. The schedule for Station 35 will be created once the initial scoping is complete and approved. The budget remains within scope.

Auxiliary Water Supply System: The scope remains unchanged. The schedule is unchanged with a clarification of the cisterns. Completion of 16 cisterns will take place

by the summer of 2015, rather than 2016. Some of the pipes and tunnels may be implemented sooner, with the overall goal of completion by 2018. This part of the project remains within budget.

#### Financial Status

ESER 2010 Bond Program: The budget is \$412.3 million dollars with an authorized appropriation of \$332 million dollars (the sum of four bond sale proceeds). As of October 8<sup>th</sup>, the combined encumbrance and expenditure represent 93% of the appropriation and 75% of the budget.

Fire Facility Bond Funds: The budget is \$8.310 million dollars as approved in the FY 12/13 AAO 164-12. The combined encumbrance and expenditures represent 12% of the appropriation and of the budget.

Public Safety Building and Fire Station 4 FF & E: San Francisco Public Works has received \$5.721 million dollars from the City's general fund to manage and procure the furniture, fixtures and equipment (FF & E) for the Public Safety Building and Station #4, as the FF & E is not a bond eligible expense. The combined encumbrance and expenditures represent 57% of the appropriation and of the budget.

There was no public comment.

#### **5) Presentation from the 2011 Road Repaving and Street Safety Bond Program**

The 2011 Road Repaving and Street Safety Bond is comprised of street resurfacing, curb ramps, sidewalks, streetscape, and the transit signal priority.

John Thomas, Project Manager, reviewed the status of each component.

The road resurfacing is 50% complete with 624 of the 1275 blocks paved.

The curb ramps project is 74% complete, with the final completion estimated for summer 2015.

Updated information about the Sidewalk Inspection and Repair Program (SIRP) was not available at the time of this meeting.

ASAP (the Accelerated Sidewalk Abatement Program) inspected and closed 115 public locations in the 3<sup>rd</sup> quarter of FY2013-14. Thirty-one Notices to Repair were issued to private property owners.

Streetscape is on schedule.

Updated information about the Transit Signal Priority (TSP) was not available at the time of this report.

Mr. Thomas identified the following program issues:

- Coordination with utilities
- PUC – possible restriction related to bulb outs and sidewalk widening – will result

in increased costs

- MTA – overhead lines costs related to bus substitution and de-energization. Higher than expected costs.
- Neighborhood concerns – Parking /balancing goals set out in the better street plan, bicycle plan, etc.

A second bond sale – in the amount of \$140.6 million dollars – happened earlier this year. A third bond sale is pending. Expenditures to date were reviewed. The project is on schedule.

There was no public comment.

**6) Opportunity for Committee members to comment or take action on any matters within the Committee's jurisdiction.**

The FY2014-15 CGOBOC Work Initiative items – Close-Out Protocols and the Transportation Bond, were deferred to the January 2015 meeting.

There was no public comment.

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

There was no public comment.

The meeting was adjourned at 11:35 a.m.