

MINUTES
Citizens' General Obligation Bond Oversight Committee
January 22, 2004
Room 416, City Hall
San Francisco, CA 94102

1. Call to Order and Roll Call

Chair Jue called the meeting to order at 9:30 AM. Roll Call was taken and it was noted that there was a quorum.

Mr. Cunnie and Mr. Micheau were absent.

2. Discussion and Possible Action to Approve Minutes

The minutes of the November 20, 2003 meeting were adopted without objection or public comment.

3. Presentation of the San Francisco Unified School District Regarding its General Obligation Bond Funded Projects.

Ms. Jue made the announcement that the School District had requested a postponement of their presentation to the Committee because January 22 (Chinese New Year) is a non-working day for the District employees.

There was no public comment.

4. Presentation of Laguna Honda Hospital Regarding its General Obligation Bond Funded Projects Plan, and Possible Action by the Committee in Response to Such Presentation

Mr. Larry Funk, Executive Administrator of Laguna Honda Hospital, and Mr. Michael Lane, Program Manager, delivered the presentation. They responded in detail to questions from the Committee members regarding the project plan. Mr. Lane said that the project is within the budget so far.

Mr. Hentz and Ms. Singer inquired about the transfer of \$25 million in tobacco settlement revenues to pay operating costs of the Department of Public Health. Staff and Mr. Lane advised that the tobacco revenues were transferred pursuant to an ordinance adopted by the Board of Supervisors. Staff further advised that the Board ordinance provides that in the event that the City does not receive tobacco settlement revenues in amounts sufficient to make the full \$100 million equity contribution described in Proposition A, the City will appropriate money from the General Fund to make up such shortfall.

In response to Mr. Hentz's inquiry about change orders, Mr. Lane said that the project has solid design and nothing significant will change. Mr. Lane described the efforts being made to avoid change orders in general and project management's emphasis on completing tasks early in the time frame to avoid late changes and their associated costs in particular.

Ms. Singer asked about the bid process and how the management proposes to keep sole-source contracting to an absolute minimum. Mr. Lane responded that all construction contracts in place have been competitively bid. The project employs a "Construction Manager at Risk" approach for general contracts. Mr. Lane explained that a general contractor at risk is precluded from doing any construction work, and all subcontract work is being competitively bid.

Mr. Lane added that the project has been identified as a Department of Environment pilot project for a "Green Building" for its water system and other design efficiencies.

Ms. Singer asked that in the future the department present its information in a more easily accessible format, citing in particular the tracking of schedule and expenditure information. Chair Jue suggested that Committee staff provide samples of the Committee's preferred format. Mr. Lane said that he should be able to provide the information in the format requested.

There was no public comment.

5. Discussion and Possible Action Regarding Agenda Items for Next Meetings

There was a discussion regarding the School District. Mr. Wunderman reported that in his conversation with the School District Superintendent Arlene Ackerman, she stated that she was not aware of the second postponement request from her staff, though, she was aware of the first request of postponement. Ms. Ackerman assured Mr. Wunderman that she would follow up on this matter.

Ms. Jue said that she had declined the School District's offer to send someone to the meeting to find out when its next presentation would be scheduled, with the understanding that staff would contact School District representatives with that information.

Ms. Singer asked that emphasis be placed on the request to the San Francisco School District Superintendent to present their information in the format the Committee has requested. She suggested that staff send them a sample of the Library's presentation format. She also asked that the School District provide the Committee with their presentation materials at least a week to ten days in advance.

The Committee agreed upon the following agenda items for the April 22, 2004 meeting:

1. Presentation of the San Francisco Unified School District
2. Update Committee bylaws to include added responsibilities due to Proposition C
3. Controller's update on Prop. C duties
4. Controller's report on "best practices" studies and audits (how the Controller's office does audits and best practices benchmarking studies)
5. Discussion on Proposition E – Statements of Incompatible Activities.

Mr. Yockey indicated his interest in receiving feedback from the Controller's office regarding its efforts to develop a standardized reporting format, as discussed in the Committee's annual report for 2003.

Ms. Singer suggested that staff contact departments who have small amount of money left in their projects, e.g., Asian Art Museum Project and the City Hall Improvement project. The Committee agreed that letters should be sent to look for a closure of these accounts through the Controller.

Mr. Wunderman asked if the members could have a copy of the debt-capacity report. Ms. Ribble said that she would provide the report.

There was no public comment on these discussions.

Suggested agenda items for the July 22, 2004 meeting:

1. An overview of the Academy of Sciences and Steinhart Aquarium Bonds
2. Seismic Safety Loan Program.

Deputy City Attorney Michael Martin informed Committee members that Form 700 – Statement of Economic Interest are going to be mailed to them. They are due in to be filed by April 1, 2004. Mr. Martin also advised that he would provide information regarding the annual Sunshine Ordinance training once it has been scheduled.

There was no public comment.

5. General Public Comment

None

9 Adjournment

There being no further business, the meeting adjourned at 11:20AM.