

**MINUTES**  
**Citizens' General Obligation Bond Oversight Committee**  
**January 28, 2010**  
**Hearing Room 416 - City Hall**  
**San Francisco, CA 94102**

**1) Call to Order, Roll Call**

Ms. Maura Lane, Committee Assistant, called the meeting to order at 9:35 a.m. at which time there was a quorum. The full committee was present.

**2) Election of Officers**

The Committee unanimously elected Abraham Simmons as the new Chair. Kristin Chu was elected as Vice-Chair.

**3) Approval of the Minutes of the meeting of December 3rd, 2009.**

The approval of the minutes was continued to the next meeting on April 29<sup>th</sup>, 2010 because the Committee members did not have the opportunity to review and provide feedback prior to the meeting.

There was no public comment.

**4) Presentation from the Department of Public Works regarding the Branch Library Improvement Project and possible action by the Committee in response to such presentation.**

Lena Chen, Project Manager, provided an overview of the Branch Library Improvement Project in regard to the Memorandum of Understanding (MOU) between the Department of Public Works and the Branch Library Improvement Project (BLIP) and expressed her opinion that it has been an effective tool to strengthen the management of the BLIP program. Prior to the signing of the MOU on June 2, 2008, the BLIP experienced unclear roles and responsibilities, delays and budget increases. Since the MOU was signed, DPW and the Library are working more effectively by having clear roles and responsibilities, increased fiscal oversight, better budget and schedule reports and improved decision-making processes.

There were various questions from the Committee regarding change orders, delays in some of the scheduled construction, construction/management review, and impacts to the projects going forward. There was also a reminder from the Committee in regard to standard reports and presentations, including Gantt Charts with the budget. Ben Rosenfield, Controller, referred the Committee to the project spreadsheet that is included in the Committee packets for discussion and review at each Committee meeting. Original and revised budgets are included on the spreadsheet. He also clarified questions about the cash flow chart and the City's requirements about funds available when encumbering contracts. There is a difference in the cash flow charts in the encumbrance schedules.

Edgar Lopez, of the Department of Public Works, and Jill Bourne, Deputy City Librarian, confirmed that since the MOU was signed, DPW and the Library have signed 27 Revision Authorization Forms to document changes in the budget and schedule. As a

result, there are no surprises and changes are communicated early. Mr. Lopez provided examples of how the clear roles and responsibilities facilitate timely decisions. The Library manages the stakeholder and community involvement in the design process, takes a proactive approach in order of FF & E, and provides fiscal oversight and approves changes in a timely manner. The Department of Public Works manages the performance of design consultants and DPW staff to ensure that projects meet program, budget and schedule. DPW ensures that Library management is informed of the status of each project and emerging issues that may impact the budget or schedule. It also provides periodic and as-needed informational reports.

In addition, the Library and DPW staffs meet weekly to ensure project coordination through design, bid and award, construction and completion. The Library and DPW executive management staffs meet on a monthly basis to discuss the progress of the BLIP.

In response to questions from the Committee about the funding for staffing, Mr. Lopez said that none of the positions are funded from the General Fund. Funding is provided by leftover money from the 2000 bond, grant money and the 2008 bond. There have been savings on a number of projects that have come in, partly as a result of the current economic climate. There is also a 6% contingency built into each program. Other project and program contingencies were reviewed. Controls – internal and audit - to manage the bond monies were discussed to make sure everything is consistent with federal and state law.

There was also discussion about revised schedules, scope and cost overruns. The Committee was reminded that there are sometimes outside impacts on the schedule that are not caused by the Library Commission or the Department of Public Works. Mr. Roux, of the City Attorney's Office, also reminded the Committee that one of its primary responsibilities is to review efficiency in the interest of the voters, especially in the area of cost overruns. There are always competing authorities within a jurisdiction.

Mr. Rosenfield also clarified the difference between general obligation bonds and lease revenue bond, as well as the respective the debt services. Both have been authorized by the voters.

There was public comment on this item from Sue Caulter, member of the Library Advisory Committee. Ms. Caulter expressed her concerns about "scope creep" on the project. She also provided information about the desire of the Historic Preservation Commission to preserve the special qualities of the libraries within the renovations.

5) Discussion/Possible Action:

***Discussion of the 2009 CGOBOC Annual Report and possible action by the Committee in response to such discussion.***

The Committee discussed various changes to the Annual Report. The report will be completed by Hunter Stern and distributed to the Board of Supervisors and Committee by February 2010. The final report will be in the next packet.

There was no public comment on this item.

6) Discussion/Possible Action

***Discussion of CGOBOC 2010 Work Plan and possible action by the Committee in response to such discussion.***

The Committee discussed the draft 2010 Work Plan. Suggestions were made to include the Public Safety Earthquake Memorandum of Understanding on the July agenda. Some of the Committee members also reiterated the desire that all executive summaries include an original and current budget, forecast completion dates and Gantt charts.

There was no public comment on this item.

7) Discussion Item:

***Status Report from the City Services Auditors and discussion of Audits with possible action by the Committee in response to such discussion.***

Tonia Lediju, CSA Audit Director, responded to questions from the Committee regarding the summary of audits in the written report. Of particular interest to the Committee are audits to do with the Recreation and Park Department, General Hospital (interim audits in the design phase and bench marking), Citywide Performance Measures and Public Health Service Delivery.

There was no public comment on this item.

8) Discussion/Possible Action

***Presentation from City Services Auditors regarding the Office Depot Contract Management and possible action by the Committee in response to such presentation.***

This agenda item was continued to the meeting scheduled for April 22<sup>nd</sup>, 2010.

9) Discussion Item:

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

Michael Levitt, a member of the public, had questions about the Seismic Safety Loan Program. Anthony Ababon, of the Office of Public Finance, responded to Mr. Levitt's questions.

The meeting adjourned at 11:55 a.m.