

MINUTES
Citizens' General Obligation Bond Oversight Committee
April 22, 2010
Hearing Room 400 - City Hall
San Francisco, CA 94102

1) Call to Order, Roll Call

Ms. Maura Lane, Committee Assistant, called the meeting to order at 9:31 a.m. at which time there was a quorum. The following Committee members were present: Abraham Simmons (Chair), Sanford Garfinkel, Richard Morten, Robert Muscat, Michelle Sexton, Hunter Stern and Thea Selby. Kristin Chu (Vice Chair) and Egon Terplan were excused.

2) Approval of the Minutes of the meeting of December 3rd, 2009 and January 28th, 2010.

The minutes of both meetings were approved.
There was no public comment.

3) Presentation by the City Administrator's Office regarding the FY 2011-2020 Capital Plan as it pertains to the G.O Bond Debt Program.

Brian Strong, of the Capital Planning Program, reviewed the FY201-2020 Capital Plan. His review covered the reasons for the development of the City's first 10-year capital plan in 2005, the goals, and members of the Capital Plan Committee and the annual preparation of the 10-year plan. Mr. Strong also provided an overview of the vast array of city, county and regional services supported by the massive physical infrastructure.

A list of current challenges was reviewed. Challenges include a backlog of deferred seismic needs, a water system that is over 100 years old, street repaving, significant additional neighborhood park improvement needs, replacing the outmoded seismically deficient Hall of Justice and ADA improvements at facilities and in public rights – of – way.

The FY 2011-2020 Proposed Capital Plan was studied. The Plan was summarized by department type and General Fund Program. The amount of the Proposed Capital Plan is \$27 billion dollars. There was also discussion of several policy questions including: 1) How to fund annual renewals despite budget deficits and the issue of not meeting annual needs adding to backlogs; 2) How to maintain or improve the streets; 3) How to finance proposed enhancements; and, 4) Replacement of County jails 1 and 2 at the Hall of Justice and the Veterans Building seismic retrofit.

Other FY2011-2020 Initiatives include: 1) Strategic Management of City Facilities; 2) Interagency Planning; 3) A new appendix of major capital projects; and, 4) Public Outreach. Uniform construction signage was also discussed.

There was public comment from a man who identified himself as "anonymous", Patrick Monette-Shaw and Nancy Werfal.

4) Discussion/Possible Action:

Presentation from Laguna Honda Hospital regarding the 1999 General Obligation Bond, and possible action by the Committee, in response to such presentation

John Thomas, Program Manager, updated the Committee on the project schedule and progress. There was a discussion of the budget. Change orders fell into five categories: 1) Errors accounted for \$7,921,249.00; 2) Omissions accounted for \$10, 150,157.00; 3) Site Conditions for \$43,966,104. Of the total \$43, 966,104 costs attributed to site conditions, \$30,311,288 were related to extended overhead costs for the contracting team related to the delays to the schedule. 4) Client Requests accounted for \$9,106,542.00; and 5) Code Changes for \$438,287.00.

The Grand Opening is scheduled for June 21st. Some of the questions from the Committee included Gantt chart clarification, information about roof decks and general budget-related concerns as well as lessons learned that can be applied to the San Francisco General Hospital Rebuild Program.

There was public comment from Patrick Monette-Shaw about change order analysis.

5) Discussion/Possible Action

Presentation from the San Francisco General Hospital Rebuild Program regarding its General Obligation Bond Funded Projects and possible action by the Committee in response to such presentation.

Ron Alameida summarized the project to date. Site utility work being performed throughout the campus to ready the site for excavation and building construction continues to advance with near completion of City jurisdiction utilities in place. Approval of the OSPHD jurisdiction site utilities was granted on March 17, 2010. With receipt of the OSPHD Building Permit, the OSPHD site utilities will proceed.

The building structural frame and foundation plan review is complete with OSPHD's contract plan reviewer and in the final process for OSHPD Plan Approval. The timeline for construction documents was reviewed.

To date, the SFGH Rebuild Program cost forecast remains below overall budget limits. Mr. Alameida expressed his opinion that the aggressive schedule continues to present the largest challenge to the SFGH Program. The majority of all pre-construction milestones have been met.

A second bond sale was completed in March 2010. The bond proceeds were \$294,695,000.00. There has not been additional trade packages conducted since the January 2010 report.

The Committee requested updated Gantt Charts within the next thirty days.

There was no public comment on this item.

6) Discussion Item:

Overview of the City Services Audit Planning Process for FY 2010 – 2011.

Tonia Lediju, CSA Audit Director, responded to questions from the Committee regarding the summary of audits in the written report. There will be more discussion of the Audit Planning Process for FY 2010-11 at the July 2010 meeting.

There was no public comment on this item.

7) Discussion Item:

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

Nancy Werfal expressed her opinions and concerns regarding some of the activities of the Recreation and Park Department. A member of the public, who identified himself as "Anonymous", expressed his opinion about the Library Improvement Project. Peter Warfield talked about change orders and the resulting changes in some of the project budgets.

The meeting adjourned at 12:15 p.m.