

MINUTES
Citizens' General Obligation Bond Oversight Committee
April 25th, 2013
Hearing Room 316 - City Hall
San Francisco, CA 94102

1) Call to Order, Roll Call

The meeting was called to order at 9:30 a.m. Maura Lane, Committee Assistant, called the roll. The following Committee members were present: Jonathan Alloy, Jerry Dratler, Sanford Garfinkel, Minnie Ingersoll, John Madden, Robert Muscat and Rebecca Rhine. Corey Marshall was excused.

2) Election of Chair/Vice Chair

Rebecca Rhine was elected Chair. Jonathan Alloy is Vice Chair. There was no member of the public in attendance for public comment.

3) Approval, with possible modification, of the minutes of the January 24th, 2013 and January 31st, 2013 meetings.

The minutes were approved.

There was no public comment.

(*NOTE: Full recordings of Committee meetings are located at <http://www.sfcontroller.org/index.aspx?page=86> under "CGOBOC".)

3) 2008 Clean and Safe Bond Program

Dawn Kamalanathan, Planning and Capital Director of the San Francisco Recreation and Park Department reviewed the project status of the bond. There are 13 neighborhood parks. Of the 13, 6 have been completed, 5 are in construction, 1 is in design and 1 is in the planning stage. The program is almost complete. The original plan was to have a 5-6 year capital program with a transition period beginning in 2012.

Phase 1 of the Mission Dolores Park has been completed; the design of the rest of the project has been completed and completed the mitigated declaration. The mitigated declaration has been appealed to the Planning Commission, which will be held on May 2nd. The hope is that the appeal process will wrap up fairly shortly. Once concluded, the project can go out to bid and into construction. The construction will be phased in response to overwhelming community demands. This is basically a renovation project with ADA improvements and irrigation improvements so the overall look and feel will remain the same.

The citywide programs continue to make progress. There are 5 citywide programs: restrooms, COF, forestry, trails and playgrounds. The status of these programs is as follows: a) nine of the restrooms are open and four more will be open by spring; b) COF – program awards are complete; c) Forestry is 50% complete; d) there are four new trails; and, e) Minnie Lovie Ward playground is in design. The Beach Chalet project, which entails a substantive amount of funds of the overall city-wide program, continues to be in delay. That project is also on appeal to the Coastal Commission. The Environmental Review appeal has been completed on Beach Chalet, has gone through the process at the Board of Supervisors and the Permit Appeals Board process. The project is on appeal to the Coastal Commission. The expectation is that a hearing will be held in late spring or early summer. When the appeal is concluded, the project will go out to bid and move into construction. The process has been long and lessons have been learned through the Environmental Review challenges with the 2008 bond projects. The experience has helped to inform the way the 2012 bond schedules are constructed.

Ms. Kamalanathan reviewed the spending status. The bulk of the 2008 bond spending is tied up in the neighborhood park projects. Most of these projects and spending are complete. There are about \$6 million dollars in contingency planning savings. The bond originally allocated \$4.7 million in the contingency plan.

The schedule reflects that Lafayette Park has only lost one month in the overall schedule of the project. The work with City Planning and the Department of Building Inspection (DBI) to re-sequence the work was successful. The result was that the critical path to moving forward, with minimal interruptions to the service of the park to the public, was successful.

Nate Cruz, of the Port of San Francisco, reported that Port projects are continuing on schedule. Brannon Street Wharf will be completed in late June 2013 in time for the America's Cup. Tulare Park will be delayed in order to bid the construction constructions together and save money. Crane Cove Park is scheduled for completion in April 2015 and will receive some funding from the 2012 bond.

In response to a question from Mr. Madden regarding responsibility for the on-going maintaining the facility, Mr. Cruz said the on-going responsibility will remain with the Port. Mr. Madden wanted to know how the Port would maintain the facilities, given Recreation and Parks strained budget. The design of the facilities translates into ease of maintenance. At the same time, a problem is that earlier projects were designed without consideration of the maintenance challenges. Some of the maintenance problems are inherited from earlier projects. The overall goal is to reduce the maintenance burden. The overall renovations reduce the maintenance needed on a facility – by - facility basis. There was discussion about on-going funding stream to provide funds to the maintenance side of the shop. This is an on-going policy discussion for the department. Storage space for equipment is also a challenge. On-going maintenance issues were also explored.

There was no public comment.

4) **The 2012 Clean and Safe Neighborhood Parks Bond**

Dawn Kamalanathan presented the first report on this general obligation bond which was passed by voters November 2012. The structure of this bond closely mirrors the structure of the 2008 Clean and Safe Park Bond. It is a blend of neighborhood park sites and city-wide programs. There will be work with the public to prioritize the smaller projects that are spread across the city. The bulk of the bond dollars will be invested in the neighborhood park projects. The projects will range from small projects to very large projects, such as Margaret Hayward (a full site renovation) and the renovation of the three remaining municipal pools that are run by the Recreation and Parks Department.

In addition to city-wide programs, Golden Gate Park, Lake Merced and John McLaren Park all get some of the needed funding. The city-wide programs carry forward some of the programs that were started in 2008 but were delayed because of the community engagement process. Theoretically, the information for these programs should be refreshed and not started from the beginning.

The bond schedule that was proposed to voters was reviewed. The bond budget and first issuance were also reviewed. The first \$76 million dollar issuance will be funding both the design and construction of the projects labeled Phase I in the schedule. All, with the exception of the West Sunset Playground, will be designed through construction. Planning for the projects has already started. The projects are on track. The various departments – Planning and Public Works – have been contacted to establish MOUs around these projects. Community Outreach Meetings for the various projects should begin in late May 2013 – July 2013.

Based on lessons learned from the 2008 Bond, the sites that may be more complicated and might have environmental review risks have been put into the second phase of the bond implementation. The work is starting now in order to have time to let issues surface and resolved – hopefully with minimal impact to the design schedule.

Nate Cruz, of the Port, said some of the Port projects will be funded with about \$34.5 million dollars. The first issuance will be \$18.2 million and will be directed to the Northeast Wharf Plaza and Pier 27/29 project. The remainder will go for the design on future projects located on the Waterfront. There are 7 projects. The Waterfront Schedule was also reviewed.

There were questions from the Committee regarding leftover funds and the reallocation by the Commission. The project accounts are currently under review for close-out. The process for reallocating the funds was reviewed. There were questions about a letter from CGOBOC to the Recreation and Park Commission about funds reallocation as a result of \$3 million dollars in unspent funds from the 2008 bond. There was also a question about security protocols for all bond programs. Some of the security measures were discussed.

There was no public comment.

5) **The Earthquake Safety and Emergency Response Bond**

Charles Higuera, ESER Project Manager, Samuel Chui and David Myerson provided the Committee with an update on the project.

Public Safety Buildings

Current Major Construction Activities: the foundation work at the basement level and level one was completed in December 2012. The structural steel erection was started on January 2013 and is anticipated to be completed in April 2013.

Building and Inspection:

Of the 50 bid trade packages – 8 packages are in the RFP/award stage and a remainder of 3 RFQs will be issued by the end of April 2013. The Department of Building Inspection (DBI) is reviewing five permit addenda and a separate building permit for FS#30. A final addendum – for the required Arts Projects – will be submitted in May 2013.

Budget and Schedule

Construction cost (to date), including all approved change orders, is trending below budget. There is a projected sixty-six working days of schedule delay. The City team and the CM/GC are examining what efficiencies may be earned over the balance of the construction schedule to decrease the impact to the overall schedule.

Samuel Chui reviewed the Public Safety Building schedule. All is as it should be. Mr. Chui also reviewed the status of the various parts of the ESER 1 Bond NFS. The focused scope projects are all on schedule as is the comprehensive project at Station #36 at 109 Oak Street.

The Seismic Projects at Station #16 (2251 Greenwich), Station #5 (1301 Turk Street), Station #9 (2245 Jerrold Street) and New Station #35 are all proceeding on schedule.

Mr. Higuera reviewed the Neighborhood Fire Station Project Summary Schedule. Everything is proceeding as expected.

David Myerson, PUC Project Manager, updated the Committee on the AWSS Modernization part of the ESER Project. The AECOM/AGS Joint Venture is expanding elements of the final project report. The project report completion is expected by September 2013.

AWSS Core Facilities

The core facilities include the following: Ashbury Heights Tank, Jones Street Tank, Twin Peaks Reservoir, Pumping Station #1 and Pumping Station #2. The start of the bid/award phase of the two tanks and reservoir combined contract is expected by April 2013.

The design completion for Pumping Station #1 is expected by July 2013. Construction is deferred until additional funding is available and planning for November 2014.

The structural and architectural design completion for Pumping Station #2 is expected by May 2014. Engine replacement, ventilation and control design are to be performed with funds from City Distribution Division.

Cisterns

Mr. Myerson reported that Contract A construction for the new cisterns is expected to begin by July 2013. New Cisterns Contracts B – G are in design, with Contracts B and C construction bid advertisements expected by summer and fall, respectively. The locations of Cistern Contracts A, B and C were identified.

Pipelines and Tunnels

Planning and design are being organized for pipeline and tunnel improvements using ESER bonds. There are 9 candidate projects.

Mr. Myerson also reviewed AWSS schedule, which is proceeding according to plan.

Mr. Higuera reviewed the ESER 1 budget and financing schedule. Mr. Alloy is the liaison to the project. He expressed his opinion that the project is proceeding well.

There were questions and discussions from the Committee and representatives from the Fire and Police Departments regarding the funding for Fire Station 2 and security protocols for the various projects.

There was no public comment.

6) The 2011 Road Repaving and Street Safety Bond

John Thomas, Project Manager, reported on the outcome of the second bond sale for \$130.6 million dollars. He also provided an update on expenditures to date of which 29% have been expended. The percentage of expended and encumbered is 68% as of March 21st, 2013.

Streets Resurfacing - \$44.1 million dollars

The goal is to complete 370 blocks through the life of the project. At this time, 150 blocks have been completed. Mr. Thomas reviewed Year 2 of the project which should cost about \$78.5 million dollars.

Curb Ramps - \$8.8 million dollars

The “high priority” locations were selected by using the ADA Transition Plan. The focus is on requests from people with disabilities, access to public facilities and transit corridors.

As of April 1, 2013, progress has been made for curb ramps locations identified under the 2011 Street G.O. Bond:

- 524 curb ramps are constructed or are in construction
- 330 are in design

- 831 are in planning and will be evaluated for upcoming design and construction

There is also a request for \$4.9 million dollars from the next bond sale.

Sidewalk Inspection and Repair Program (SIRP) - \$5 million dollars

The goal for SIRP is to inspect 200 square blocks of the City's most heavily traveled corridors in FY 11-2 and FY 12-13. In FY11-12, 217 blocks were inspected. The program is also tasked with the repair of 25,000 sq. ft. of public sidewalks under contract.

In FY12-13:

- 133 blocks were inspected
- 1,933 Notices to Repair were issued to private property owners
- 256,626 square feet of sidewalk fronting 120 square blocks were repaired, of which 68,662 square feet front public properties.

Mr. Thomas reviewed SIRP's budget and the expenditures to date. The total budget for the 2-year project is \$3,312,700 dollars.

Accelerated Sidewalk Abatement Program (ASAP)

ASAP is a complaint driven inspection program, of damaged sidewalks around City maintained street trees, schools, city, state and federal buildings, and other public lands.

For FY2012-2013:

- 64 public locations were inspected
- 27,833 square feet of damaged sidewalks around 64 public locations were repaired
- Over 51 private properties were inspected
- 40 Outstanding "Notices to Repair" have been closed
- Sidewalks fronting 13 private property locations have been repaired

Selection and Prioritization: The following projects were approved by the Capital Planning Committee (CPC) in July 2012:

- Great Highway Streetscape (Balboa-Fulton)
- Taraval Streetscape Improvements (46th – 48th)
- Castro Streetscape and Pedestrian Safety Improvements (Market – 19th Streets)
- Bartlett Plaza
- Polk complete street (McAllister-Union Streets)
- Potrero Streetscape Improvements
- Follow the Paving Projects (various locations)

There is one year of funding for the projects above. MUNI will also provide an additional \$3 million dollars for the Castro Streetscape and Pedestrian Safety Improvements.

Transit Signal Priority (TSP)

Mr. Thomas reviewed the three parts of the TSP.

Transit Signal Priority Phase I (Construction)

- On schedule to complete Phase I in spring 2013
- Construction by City's Traffic Signal Shop is underway
- 57 of 110 traffic signals have been replaced

New Traffic Signals (Preliminary Design)

- Design work is 15% complete
- Completion expected in spring 2013 (coordinated with TSP)

Traffic signal infrastructure upgrades (Design and Construction)

- Design coordination with DPW underway
- Completion schedule will synchronize with DPW repaving schedule

There was discussion between the Committee and Mr. Thomas in regard to the application of \$4.9 million dollars in Road Repaving funds to Hope SF (community revitalization), SIRP and ASAP charts that reflect increased costs and decreased completion percentages and a request for cost per square miles figures.

There was no public comment

7) Committee Business

Mr. Alloy provided an update on the 1992 Seismic Safety Bond Program. The details of his meeting with representatives from the Mayor's Office of Housing were included in the meeting materials packet. The Committee decided not to take any action in regard to this bond.

The Committee agreed to discuss the FY2014 Work Plan, bond liaisons and other Committee business at the CGOBOC meeting scheduled for May 23rd.

Ms. Sesay, Director of Public Finance for the Controller's Office, said that on Tuesday, the City introduced issuance of up to \$239.2 million in general obligation bonds consisting of \$74.0 million in Clean and Safe Neighborhood Parks Bonds, \$31.9 million in Earthquake Safety Emergency Response Bond and \$133.3 million in Road Repair and Street Safety Bonds. This issuance will be the first, fourth and second series of bonds for the various bond programs approved in November 2012, June 2010 and November 2011, respectively.

In the future we will work more closely with project managers to make sure the presentations more accurately reflect upcoming bond sales.

There was no public comment

8) Public Comment on any matter within the Committee's jurisdiction

James Chaffee, member of the public, addressed issues about conflicts of interests by the City Librarian Luis Herrera. He cited Penal Code Sec. 70 (a) which clarifies the meaning of a misdemeanor for taking money to perform one's job. He also cited SF City Charter

§3.216 that prohibits the acceptance of gifts from entities that have an interest in City policies or do business with a City agency. Mr. Chaffee said the City Librarian Luis Herrera has received annual payments from the Friends of the Library for many years and has done so without any reporting. Examples from fiscal year 2009-10 were used to illustrate his concerns. In response to a public document request, the public library supplied a document entitled "Friends Grant Funding Requests". The document showed that the City Librarian's Fund was \$65,000.00 and was divided into a "City Librarian's Discretionary Fund - \$35,000.00" and an "External Relations Consultant - \$30,000.00". Mr. Chaffee said a further request revealed a document entitled "City Librarian's Management Fund 2009/10". This document showed expenditures for conference attendance, business expenses, office furnishings and staff appreciation.

Mr. Chaffee said, that at the same time, the City Librarian's Form 700 for that year simply states that under "Income – Gifts" he has "No reportable interests". Disclosures for the five-year period up to 2012 are the same. He also said that there had not been a disclosure of a gift to an agency on Form 801, which is required by CCR §18944. Per Mr. Chaffee, both the Ethics Commission and the Library deny having this information and it is not posted on the website as required.

There was no public comment.

The meeting was adjourned at 11:45 a.m.