

MINUTES
Citizens' General Obligation Bond Oversight Committee
August 26, 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 following Committee members were present: Abraham Simmons (Chair), Sanford Garfinkel, Richard Morten, Robert Muscat, Michelle Sexton and Thea Selby. The following members were excused: Rebecca Rhine and Egon Terplan.

2) Approval of the Minutes of the meeting of July 8th, 2010.

The minutes were approved. There was no public comment.

3) Approval by Committee of the creation of Audit Review Standing Subcommittee

During the July 8, 2010 special meeting of the Citizens' General Obligation Bond Oversight Committee (CGOBOC), the Committee members who attended the meeting agreed – by unanimous vote – to form a Standing Subcommittee for Audit Review.

Mr. Simmons reviewed the statement regarding the Subcommittee in the meeting packet. The Committee approved the statement, which will be posted on the Controller's web site in the CGOBOC area.

There was public comment from Drs. Rivera and Kerr regarding the Laguna Honda Hospital Volunteer Gift Fund and the request for a full and independent audit, for restoration of safeguards that protected the Gift Fund, and the repayment of monies used for other purposes. Dr. Kerr also expressed his opinions regarding the way the Whistleblower Complaints are managed and offered recommendations for improvement.

4) Presentation from the Recreation and Parks Department regarding the 2000 Neighborhood Recreation and Parks Bond and the 2008 Clean and Safe Bond.

Phil Ginsburg, General Manager of the Recreation and Parks Department, provided an overview of some of the accomplishments of the past year and goals for the current year for the 2000 Neighborhood Recreation and Parks Bond. Mr. Ginsburg said there have been a number of organizational changes across the department's divisions. The Capital and Planning Units of the Department were merged. The goal of the changes was to improve the organizational effectiveness, budget considerations and the desire to work more congruently with other stakeholder departments.

Mr. Ginsburg introduced Dawn Kamalanathan, the Planning Director, who assumed leadership of the merged department earlier this year. The Land Use review and process was clarified for the Committee. There are a number of historical sites and buildings in

the program. The priorities for each program have been updated and clarified.

Ms. Kamalanathan provided an update on the 2008 Clean and Safe Neighborhoods Parks Bond. The Port will report on their part of the bond later this year. Phase I schedules were reviewed. The schedules were delayed last year as roles among the various departments and outside agencies were clarified. New baseline schedules were developed that were shared with CGOBOC in 2009. The budgets and status summaries for each program was reviewed. There have been some delays but the legal mandate has been good and the issues were addressed in such a way as to benefit the project.

Phase II projects have begun. Roles and responsibilities have been clarified with the various departments involved. The decision has been made to pursue blended design teams for two of the projects because the intensity of the design process, especially around Mission Dolores, will require a level of responsiveness and resources that – if the City provided by itself – would mean pulling staff away from the other bond projects. The other projects would be negatively impacted. The remaining Phase II projects will be 100% design and construction management by the Department of Public Works. Staging issues are being worked through individually. The rest of the projects are on-schedule.

There was no public comment.

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

Peg Stevenson (CSA Performance Director) and Tonia Lediju (CSA Audit Director) introduced themselves to the Committee and provided information about their respective professional backgrounds. The following information was presented: a summary of CSA requirements, mandates and clients and CSA services.

San Francisco's FY 2010-11 City budget is \$6.35 billion dollars. CSA's budget is 2 tenths of 1% of the annual budget, by fund. The FY 2010-11 budget is \$11.5 million. As of August 25th, 2010 CSA has 47 staff members: 24 auditors, 18 performance/analytical staff and 5 operations staff. There are additional positions to be filled. The budget was reviewed by department allocation.

Highlights from FY 2009-2010 include:

- 49 audit reports issued including financial, investigative and performance audits, plus required concession, franchise and treasury audits;
- Government Performance Barometer launched;
- Streets, Park, Sidewalks data reported at 6 months;
- Health Department – mental health and primary care “integration” and substance abuse projects underway;
- Police Department – organizational analysis, payroll and evidence audits, technical assistance;
- Office Depot audit awarded Association of Local Government Association top recognition.

The major audits planned for FY 2010 – 2011 include:

- MTA Sustainable Streets Division operations review
- American Recovery and reinvestment Act (ARRA) audits
- Redevelopment Agency Audits: Western A2 Addition and Bayview Hunters Point
- Citywide Cash Transactions Audit
- Care Not Cash Audit
- Payroll Audits: Human Services Agency and the Fire Department
- Capital Recovery Projects: San General Hospital Rebuild, PUC Water System Improvement Program, Clean and Safe Neighborhood Parks Bond and the Branch Library Improvement Program

The major projects planned for FY 2010 – 2011 include:

- Primary Care and Mental Health Integration (DPH)
- Substance Abuse Program Evaluation (DPH)
- Five Year Financial Plan (Prop A) analysis and report
- Citywide performance measures data quality and reporting improvements
- Hospitals – Laguna Honda transition, San Francisco General Hospital planning
- Park inspections and reporting
- Street, sidewalk and cleanliness conditions data analysis
- Citywide Contracting Process Improvements
- Citywide Nonprofit Monitoring and Accountability
- Public Safety analysis and problem solving
- Transit Effectiveness Project implementation and environmental analysis

There was a general discussion about the FY 2011 CSA Workplan that was included in the packet.

The meeting adjourned at 11:30 p.m.