

MINUTES
Citizens' General Obligation Bond Oversight Committee
October 3, 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. The following Committee members were present: Jerry Dratler, Terry Micheau, Corey Marshall, Robert Muscat, Minnie Ingersoll, John Madden and Rebecca Rhine. Jonathan Alloy was absent.

2) Approval, with possible modification, of the minutes of the July 25, 2013 meeting.

The minutes were approved.
There was no public comment.

(*NOTE: Full recordings of Committee meetings are located at the Controller's web site under CGOBOC: [Meeting Recordings](#) and/or by request from the Controller's Office).

3) Presentation from the Community Engagement Benchmarking Project.

An overview of the [Community Engagement Benchmarking Project](#) was provided by Malka Kopell, Program Manager for Community Engagement and Health Care Policy and Planning at the Center for Collaborative Planning, and Nicholas Dewar, of the Public Policy Collaboration.

The purpose of the project was twofold: 1) to help CGOBOC understand how community engagement affects San Francisco's general obligation bond program, and 2) recommend how San Francisco can build on current best practices to improve the community engagement process. Other purposes were to de-mystify what community engagement does/does not do to keeping projects on time, on scope and on budget. Opinions were expressed that this can be a red herring in that it is not the community engagement process that causes problems with the project. At the same time, there are ways it can be done that maximize the benefit and minimize the potential pitfalls.

The Committee asked for clarification of some of the information that was in the report. The questions, and responses, focused on the consistency of the process, infrastructure (Denver and Portland), and advisory committees, how other cities compare to San Francisco and community-based organizations that exist without the support of the local government. Portland has provided financial support to community-based groups. The process used in San Francisco was discussed. Questions about the best times to include community engagement were asked as it pertained to whether to introduce the process before or after the bond is passed.

Next steps: recommendations from CGOBOC for presentation and discussion.

There was public comment from Dawn Kamalanathan, Director of Capital and Planning Division, Mindy Limesky, Director of Communications (from Recreation and Park/Department of Public Works) regarding the process used by their respective departments, their lessons learned and why the process was successful. The Committee was thanked for the focus on community engagement as a critical issue for the delivery of capital programs. In the Recreation & Park Capital Program, there are 120 active projects on the plan for the year. Some of the projects have more fiscal and time impact than others because of the level of complexity. Other projects are under \$5 million dollars; most are under \$1 million dollars.

The ways to scale community engagement need to be considered that are appropriate to the project. This did not come through in the report and needs to be talked about further. The report also did not fully discuss the fractured nature of San Francisco's regulatory environment. San Jose and Portland both have strong centralized leadership around how the regulatory processes should report the development and delivery of projects from an outreach perspective as well as on the implementation. Ms. Limesky spoke about dedicated staff, training and consultants. All of the programs that are part of bond programs are public. There isn't a distinction about which department the program is associated with – all are public. It is important to have staff within the departments that know how to build relationships and how to work with/talk to the public. This is important even once the bond is over. If resources could be provided within the bond once the project is over – the staff could continue and develop new relationships.

4) Presentation from the Project Compliance and Approval Process Benchmarking Consultants

A summary of the Project Compliance and Approval Process Benchmarking Project was provided by Janet Smith and David Early of BAE Urban Economics.

The purpose of the project was threefold: 1) to “Map” the compliance and approval process for bond-funded public projects in San Francisco; 2) benchmark San Francisco project delivery against similar cities; and 3) recommend refinements to expeditiously deliver projects.

There was public comment from Dawn Kamalanathan, Director of the Capital and Planning Division of the Recreation and Parks Department, Peg Stevenson and Patrick Monette-Shaw. Mr. Monette – Shaw's comments were in regard to the use of funds to manage cost overruns and scope changes.

5) Presentation from the Recreation and Parks Department: 2000 Neighborhood Park Bond Program, 2008 Clean and Safe Bond Program and the 2012 Clean and Safe Neighborhood Parks Bond Program.

2000 Neighborhood Parks

Dawn Kamalanathan, Director of the Capital and Planning Division of the Recreation and Parks Department, provided updates on all three projects.

The Minnie Love Ward playfield is the last active project. There is a balance of \$5,654,950.00 remaining which is now available for allocation to new projects. The remaining \$3,272,117 must be de-appropriated from the completed projects and reappropriated to a Master Project with a Supplemental Appropriation Ordinance. There is a government code that allows the Board of Supervisors to declare a bond program complete. When this occurs, if there is outstanding debt, remaining balances can be applied to reduce debt service. If the debt service is paid off, the surplus is applied to the General Fund. In the case of the 2000 Park Bond, it would be very difficult to come to the determination that the program was complete because the voter-adopted program was so broad in it's' scope. Specific projects were not approved in the bond ordinance. Very few parameters were provided as to how the bond funds could be spent. The 2000 Parks Bond is different from the San Francisco Hospital General Fund which has a very specific proposal. If this particular project comes in under budget, the Board could declare it complete and a surplus available to be applied to debt service.

There was public comment from Patrick Monette-Shaw. His comments did not pertain to the 2000 Neighborhood Parks presentation. Mr. Monette-Shaw said he found the clarification provided by Mr. Rosenfield, in regard to the SFGH Bond, and potentially with the LHH Bond, there are no additional funds that can be used to pay down debt on the bonds. If the LHH mediation fails and heads to court can any of the \$70 million dollars be recovered? He asked if the money could be better used to pay down the debt.

It was noted that there is one restriction on the 2000 Neighborhood Park Bond. It cannot be used for Golden Gate Park.

6) 2008 Clean and Safe Park Bond

Ms. Kamalanathan provided a status of the citywide programs. Thirteen of the restrooms are open. Five more will be opened next year. COF awards have been completed; 50% has been spent and encumbered. Forestry – 61% spent and encumbered. Four new trails are complete. The Minnie Lovie Playfield is in construction. Beach Chalet is in design.

Of special note was the Supplemental Appropriation Ordinance Schedule. Of the \$6.8 million in the Contingency Fund, \$3 million is from Palega savings and \$3.8 million is interest earnings. The Ordinance goes before the Rec & Park Commission in October 2013, to Capital Planning in November 2013, the Board of Supervisors in December 2013. The funds will be available for use in January 2014. With this, the Contingency Balance will be \$10.1 million dollars. There is a requirement to maintain the contingency until the last Neighborhood Park Project is in construction.

Information about the projects at the Port of San Francisco was provided by David Beaupre and Steven Reel. There was also discussion about the status of maintenance funds. There are limits to spending more money on capital. At this time, there isn't any

money to maintain the projects that are underway. There questions about how the current projects are still viable in 20 years without maintenance funds.

There was public comment from Patrick Monette-Shaw regarding how to raise money for maintenance.

7) 2012 Clean and Safe Neighborhood Park Bond

Ms. Kamalanathan reviewed current activities. The first six projects have started the community process on schedule. The RFP for Construction Management includes third party estimates and constructability reviews schedule refinement. The RFP for Balboa Pool includes a requirement for specialized architectural and engineering services to design a modern aquatic facility.

The Conceptual Plan for Mountain Lake Park has been approved. Approval for South Park is pending. Citywide Programs and Parks strategy is in development. This includes an assessment of the budget and schedule risk. Preliminary work has started on the two most complex sites – Margaret Hayward and Willie Wong. Collaborative outreach has started with the Department of Emergency Management for the Margaret Hayward site and with City Planning for the Willie Wong site walk. A partnership with Trust for Public Land and the SF Parks Alliance is in development. Lessons from the 2008 Park Bond are being incorporated into this bond.

The Committee discussed deferred maintenance costs and project-by-project operational projections. In response to questions about where the public could get more information, it was noted that the Recreation & Parks web site has all of the presentations made before CGOBOC. There is also a monthly capital report that provides updates on all projects. The same report is produced for the Park Commission. In addition, there are numerous public meetings. There are also monthly reports to the Parks & Recreation Open Speech Advisory Committee which includes the same monthly capital report.

The public comment from Patrick Monette-Shaw included a suggestion to use spare cash to hire another consultant to examine privatizing all the partnerships. This will eliminate the concerns about operational costs. There might be some extra revenue in there, too, to pay for some of the operational costs.

8) Presentation from the City Services Auditors

City Services Auditor (CSA) is divided into two divisions: Audits and Performance. The Charter Mandate was reviewed. FY13-14 funding and staffing resources accomplishments, major projects and on-going programs were reviewed.

The CGOBOC liaisons provided their perspectives about the work within the division. There was discussion about interactions with other departments, the city-wide Wellness Program, prioritizing projects and the under-spending as it pertains to the staffing levels.

There was public comment from Derek Kerr, M.D. "The City Services Auditor surveys hundreds of citizens annually, and CGOBOC commissioned a "Community Engagement

Benchmark Report". But one community has zero engagement with the Agency that addresses its concerns - the 2,810 employees and citizens who filed complaints with your Whistleblower Program since 2004. The number is closer to 3,000, but since we haven't seen any "Quarterly Whistleblower Report" in 9 months, data from quarters 3 and 4 are still missing. This community of about 3,000 has never been surveyed about the Whistleblower Program's customer service. It took a Civil Grand Jury to expose its deficiencies, and how complainants are left "Whistling in the Dark". If there's nothing to hide, why not survey whistleblowers directly? Amazingly, Controller Rosenfield stated that he wouldn't know what to do with the feedback. Please hire a consultant to develop a Whistleblower Satisfaction Survey - and a way to use client feedback".

Patrick Monette-Shaw suggested that CSA to move the Pedestrian Safety Study along quickly because of the number of times he has almost been killed by bicycles, buses, cell phone users, etc. on more than one occasion. The CSA investigations of the Whistleblower Program – on page 8 of the 2012 Annual Report – Whistleblower Complaint, Paragraph 2 needs to be reviewed. At issue is the sentence that reads “quarterly notices are included in employee paychecks”. As a City employee, Mr. Monette-Shaw said this has never happened in the 14 years he’s worked for the City. He said the notices are not included. He also expressed his disappointment that the Mayor and Board of Supervisors are following in the game of salary savings with CSA savings to fatten up the General Fund. He talked about the role of CSA audits role in improving City operations and the reasons salary savings should not come at the cost of providing information that helps the City.

10) Public Comment on any matter within the Committee’s jurisdiction

Derek Kerr, M.D. made two points. The first was about ways to survey Whistleblowers by adding a link to the survey Whistleblowers get to access the progress of their complaints. The second way is to survey the 40% of the complainants who give their names and contact information. Although it is a small subsection, it is better that what is currently available which is nothing. Thank you.

Patrick Monette-Shaw wanted to know why Item 9 was taken out of order. It was explained that the two items were switched in order to give members of the public the opportunity to give their comments without having to sit through the other agenda items.

Mr. Monette-Shaw talked about John Thomas appearance at the Laguna Honda Hospital Lawsuit meeting. The construction company is currently in mediation. He said Mr. Thomas did not sound confident that mediation is going to work. Mr. Monette-Shaw expressed his interest in Item 9B – the formal process for post bond review because the lawsuit needs to be pursued aggressively.

9) Opportunity for the Committee members to comment to take action on any matters within the Committee’s jurisdiction.

The Committee discussed Item 9C (Draft CGOBOC Annual Report) because of the immediacy of the deadline. A motion was made and approved by the Committee to

delegate authority to the Chair to make the necessary changes to the cover letter and report to include some of the information presented in the meeting today and more information about one of the benchmarking executive summaries in the report itself.

Mr. Monette-Shaw (Public Comment) to edit the annual report to reflect the fact that the sentence on page 8 about Whistleblower Satisfaction Surveys be deleted because it is not true.

The Committee voted and approved the delegation to the Chair to complete the report and submit it to the Board of Supervisors and the Mayor's Office.

The Committee items not covered in this meeting will be moved to the November 21, 2013 meeting agenda.

The meeting was adjourned at 11:58 a.m.