PUBLIC UTILITIES
REVENUE BOND OVERSIGHT COMMITTEE
CITY AND COUNTY OF SAN FRANCISCO
MINUTES

Public Utilities Commission Building
525 Golden Gate Ave., 2nd Floor
Yosemite Conference Room
San Francisco, CA 94102

January 26, 2015 - 9:00 AM

Special Meeting

1. **Call to Order and Roll Call**

Seat 1	Holly Kaufman
Seat 2	Kevin Cheng, Chair (Holdover status)
Seat 3	Vacant
Seat 4	Marina Pelosi
Seat 5	Eric Sandler
Seat 6	Christina Tang
Seat 7	Joshua Low

The meeting was called to order at 9:15 a.m. On the call of the roll, all members were noted present. There was a quorum.

2. **Agenda Changes**

There were none.

3. **Public Comment:** Members of the public may address the Revenue Bond Oversight Committee (RBOC) on matters that are within the RBOC's jurisdiction but are not on today's agenda. *(No Action)*

Public Comment: *Heard in Committee. Speaker: None.*

4. **Approval of RBOC December 8, 2014, Minutes**

Member Cheng moved to amend the minutes by changing 'January 12, 2015' to 'February 9, 2015' on page 2, and requested the item be approved as amended.

Public Comment: *Heard in Committee. Speakers: None.*

Member Sandler, seconded by Member Pelosi, moved to APPROVE AS AMENDED the December 8, 2014, RBOC Minutes, by the following vote:

Ayes: 6 - Cheng, Kaufman, Low, Pelosi, Sandler, Tang

5. **Strategic Planning for RBOC 2015**

Member Cheng introduced strategic planning facilitator Carmen Clark, discussed her background and meeting purpose. New RBOC Member Joshua Low introduced himself and provided his background, and he was welcomed by the Committee. Each RBOC member provided a summary of their background and how they came to serve on the committee. Discussion then focused on the meeting purpose: reviewing the legislative history and mission of RBOC, discussing strategic issues/directions for the committee, and developing a preliminary work plan for CY2015.

Mark Blake, Deputy City Attorney, presented a legislative history and provided the context for establishment of the committee. Rich Morales, Debt Manager; Christina Anderson, Audit Manager; and Mike Brown (SFPUC); provided a summary of their backgrounds and responded to questions raised throughout the discussion.

Public Comment: *Heard in Committee. Speaker: Carmen Clark facilitated the strategic planning session, presented and documented information concerning the matter, and responded to questions raised throughout the discussion.*

The Committee recessed from 10:30 a.m. to 10:40 a.m., and again from 12:15 p.m. to 12:25 p.m., then continued discussion.

Member Tang was noted absent at 1:48 p.m. for the remainder of the meeting.

6. **Announcements, Comments, Questions, and Future Agenda Items**

During the strategic planning session, the Committee discussed the following future agenda items:

February 9, 2015

1. *discussion to address BAWSCA requests for information;*
2. *SFPUC staff update on the Sewer System Improvement Program (SSIP) to occur every other month, starting in February;*
3. *RW Block lessons learned report*
4. *staff presentation concerning other PUC and City audits.*
5. *RBOC vacancy*
6. *Committee staffing options*

March 9, 2015

1. *whistleblower benchmark item to be presented by Mark Blake (or Controller's Office);*
2. *SFPUC WSIP staff update on contingency and cost-cutting status, Calaveras Dam project (hereafter alternating presentations with SSIP every other month)*

April 13, 2015

1. *new audits initiated by RBOC*
2. *detail on other oversight committees (benchmark) and their respective duties and overlap (i.e., Venn diagram)*

May 11, 2015

1. *capital planning and capital financing processes presentation by staff*
2. *Power bonds update*

June 8, 2015

1. *interim annual report (covering period 10/2014 – 7/2015) determine contents (e.g., summary of strategic issues, sunset question, SSIP, committee mission accomplishment) and assign responsibilities for production (draft report due July 2015)*

July 13, 2015

1. *draft Annual Report due*

September 21, 2015

1. *public outreach and accountability to appointing agencies will be scheduled for September meeting.*

October 19, 2015

1. *Bond Finance 101*

Public Comment: *Heard in Committee. Speaker: Carmen Clark facilitated the strategic planning for future agenda items and documented information concerning the matter, and responded to questions raised throughout the discussion.*

7. **Adjournment**

There being no further business, the meeting adjourned at 2:45 p.m.

N.B. The Minutes of this meeting set forth all actions taken by the Public Utilities Revenue Bond Oversight Committee on the matters stated but not necessarily the chronological sequence in which the matters were taken up.

Approved as amended by the Revenue Bond Oversight Committee on February 9, 2015.

Agenda Item Information

Each item on the agenda may include: 1) Department or Agency cover letter and/or report; 2) Public correspondence; 3) Other explanatory documents. For more information concerning agendas, minutes, and meeting information, such as these documents, please contact RBOC Committee Clerk, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 – (415) 554-5184.

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525 Golden Gate Ave., 2nd Floor,
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December 8, 2014 - 9:00 AM

Regular Meeting

1. **Call to Order and Roll Call**

Seat 1	Holly Kaufman
Seat 2	Kevin Cheng, Chair (Holdover status)
Seat 3	Vacant
Seat 4	Marina Pelosi
Seat 5	Eric Sandler
Seat 6	Christina Tang
Seat 7	Chris Godwin

The meeting was called to order at 9:09 a.m. Member Pelosi was noted absent. There was a quorum. Member Pelosi was noted present at 9:12 a.m.

2. **Agenda Changes**

There were none.

3. **Public Comment:** Members of the public may address the Revenue Bond Oversight Committee Contracting Working Group on matters that are within the RBOC's jurisdiction but are not on today's agenda.

Public Comment: *Heard in Committee. Speaker: Robert Leshner; introduced himself to the RBOC and provided a brief summary of his interest in the subject area.*

4. **Draft Report of Contract CS-363, "Construction Management Services – RBOC Evaluation of Lessons Learned Water System Improvement Program."**

Member Cheng provided an overview of unforeseen complexities in the rewrite of the executive summary, and further informed the Committee of additional edits to the draft version (included herein) and solicited comments from Committee members.

Public Comment: *Heard in Committee. Speakers: None.*

By unanimous consent, the Committee moved to CONTINUE the item to the ~~January 12~~ February 9, 2015, RBOC meeting, by the following vote:
Ayes: 6 - Cheng, Godwin, Kaufman, Pelosi, Sandler, Tang

5. **San Francisco Public Utilities Commission (SFPUC) Staff Report: Sewer System Improvement Program (SSIP) Quarterly Highlights**

Derek Evans (Clerk of the Board of Supervisor's Office); informed the Committee of a scheduling change that occurred after the agenda had been published and that the item would be presented at the February 9, 2015, RBOC meeting.

Public Comment: *Heard in Committee. Speakers: None.*

6. **Strategic Planning for RBOC 2015**

Committee members continued discussion of an updated draft agenda (attached) for a facilitated strategic planning meeting to be held in January 2015, the RBOC sunset date, and the legislative history of the RBOC to be incorporated into a presentation by Mark Blake at the RBOC strategic planning meeting.

Member Kaufman presented results of her outreach and work toward securing a potential facilitator, and further tallied Committee members' preference for potential facilitators.

Member Cheng reminded the Committee that the decision is at the Chair's discretion and delegated the authority of selection to Member Kaufman.

Member Pelosi will be providing the Committee with an updated draft agenda.

Mike Brown (SFPUC); presented information concerning the matter and responded to questions raised throughout the discussion.

Public Comment: *Heard in Committee. Speaker: Robert Leshner; provided additional background of his interest in the subject area and expressed concern for the need for transparency with all Committee actions.*

7. **Approval of RBOC November 17, 2014, Minutes**

Derek Evans (Clerk of the Board of Supervisor's Office); informed the Committee of a technical amendment, which was included in the agenda packet, and requested the item be approved as amended.

Public Comment: *Heard in Committee. Speakers: None.*

Member Sandler, seconded by Member Pelosi, moved to APPROVE AS AMENDED the November 17, 2014, RBOC Minutes, by the following vote:
Ayes: 6 - Cheng, Godwin, Kaufman, Pelosi, Sandler, Tang

8. **Announcements, Comments, Questions, and Future Agenda Items**

Member Godwin suggested the Committee, for its requests for proposals, maintain a list of approved auditors and revisit the idea at a future meeting. Member Cheng provided an overview of staffing and managerial work, as well as the level of administrative and investigative budget, needed for the process and whether the Committee should consider hiring staff in the future.

Member Godwin informed the Committee that this would be his last meeting, as he will be transitioning into a new role as Senior Analyst at Seattle Public Utilities, and that the Budget and Legislative Analyst's Office would be assigning a new Committee member in January 2015. Committee members congratulated Member Godwin and expressed their gratitude for his service.

Public Comment: *Heard in Committee. Speaker: Robert Leshner; thanked Member Godwin for his hard work and service on behalf of the public.*

9. **Adjournment**

There being no further business, the meeting adjourned at 10:47 a.m.

N.B. The Minutes of this meeting set forth all actions taken by the Public Utilities Revenue Bond Oversight Committee on the matters stated but not necessarily the chronological sequence in which the matters were taken up.

Approved by the Revenue Bond Oversight Committee on January 26, 2015.

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Prop P

(1)

- Expenditure in accordance w/ authorizing bond resolution + appl. law
- (2) Proceeds spent on eligible project
- Appropriately expended for authorized capital ~~projects~~ improvements for uninterrupted water + power supply to City + PUC customers

Questions re: projects

Appropriatness

Efficiency – time/budget

May need consulting advice on changes

How does RBOC know they are accomplishing the mission?

Who evaluates committee?

[We self evaluate]

people who come before us, to comment

Public outreach – we need to do differently

(3)

Process for Review

Changes (?)

1) PUC Staff recommendati
   2yr. budget cycle 10yr capital plan
2) PUC Commission
   Capital Planning Comm.
3) BOS
4) RBCC

What changes would help better achieve Mission?

Ask at budget time - what are we going to be on time/on budget

Mission definition (A)

- Transform from simple watchdog to predictive + proactive role —
- What's needed to perform above

1) Funding decisions should be vetted prior to PUC + BOS action
   - What's process?
   - ~~Report to~~
   - Need to layout role w/ respect to other participants
2) Staff (?)
3) Redo review process

(5)

Key mission (oversight)

1) Independent validation of PUC staff + comm findings / recos - (On time / on budget) related to bond financing (resolutions)

2) Disseminate into to public (Who is our constituency?)

How to move to proactive role?

What we do want to validate?

(6)

Oversight ~~and~~ activity

- Critical inquiry
- Testing key assumptions
  - ~~asking~~
  - asking on predictable schedule – is everything bond funded included in the program
  - administrative overhead rate for bond program
  - whistle blower option –
  - timing of review/oversight before/after commission
  - ~~final~~

example of sewer program assumptions on schedule
know will take longer

Dissemination to Public on Mission accomplishment (7)

1) Annual RBOC Report
   - Has been more of status report - retrospective
   - Needs to be more looking ahead
   - Produced by chair alone to BOS, Mayor, PUC

2) ~~Presentation~~ Call hearings/ press release / conference
   - Improve ~~lack of~~ The report - professional assistance possibility education of how bond costs are rising percentage

2) Coordinate w/ PUC of bill Public Relations to increase ~~profile~~ info about what program is about

(8)

3) Coordinate w/ CAC in Their outreach

(9)

Annual Work Plan

b ~~July 1, 2015 - June~~
Calender 2015

1) Interim Annual Report
Oct 2014 - July 2015

- Catch up next year by amendment
- Request help ~~to~~ w/ production of report - not PUC Staffer
- Determine contents
  - Summarize ~~work~~ Strategic issues -
    sunset questio.
    SSIP
    whether Mission is being met
- Assignments for production

Work Plan

10

2) Answer sunset questions — July – draft report done

3) BAWSCA questions - need to schedule for Thu year - request brought to ~~Feb~~ mtg.

4) Public outreach and accountability to appointing bodies - Sept

5) staff Update on SSIP every other month – guidance to staff on format Feb

6) Agendize lessons learned from Block

7) Ask Karen to incorporate her response to

Derek will transmit info

Work Plan (cont.)

(11)

8) Schedule whistle blower item in March

9) Oversight of Calaveras Contingency + cost cutting include in March mtg w/ Dan's presentation

10) Presentation of PUC + City Auditor – Feb

11) Decide on new audits by RBOC by April

12) Diagram of other oversight committes in City - April

13) ~~Status of Mtr Issues~~ TBD – Capital planning process overview – May

CITY AND COUNTY OF SAN FRANCISCO

DENNIS J. HERRERA
City Attorney

OFFICE OF THE CITY ATTORNEY

MARK D. BLAKE
Deputy City Attorney

DIRECT DIAL: (415) 554-4738
E-MAIL: Mark.Blake@sfgov.org

TO : Public Utilities Revenue Bond Oversight Committee

FROM: Mark D. Blake, Deputy City Attorney

DATE: January 26, 2015

RE: Overview of the Purpose of the Public Utilities Revenue Bond Oversight Committee

This memorandum is a general overview of the purposes of the Public Utilities Revenue Bond Oversight Committee (RBOC).

Background

The RBOC was an initiative measure sponsored placed on the November 2002 ballot by then Supervisors Daly, Gonzalez, Hall, and Yee. The measure was ostensibly designed to provide additional controls over the expenditure of revenue bond proceeds. The RBOC is a good government measure to ensure *accountability* and *efficiency* with respect to capital expenditures. Proposition P was approved by 56% of the voters in November 2002.[1] The RBOC, as an advisory committee, reports publicly to the Mayor, the Public Utilities Commission ("PUC") and the Board of Supervisors regarding the PUC's expenditure of revenue bond proceeds on the repair, replacement, upgrading and expansion of the City's water collection, power generation, water distribution and wastewater treatment facilities. Admin Code section 5A.34. Under the provisions of Proposition P, the RBOC was originally set to sunset July 1, 2013. On December 4, 2012, the Board voted to extended the life of the RBOC to January 1, 2016.[2]

Purpose

The purpose of the Committee, among other things, is to provide oversight to ensure that:

(1) The proceeds from revenue bonds authorized by the Board and/or the voters of the City are expended in accordance with the authorizing bond resolution and applicable law;

(2) Bond proceeds are expended solely for uses, purposes and projects authorized in the bond resolution; and

(3) Revenue bond funds are appropriately expended for authorized capital improvements so that an uninterrupted supply of water and power continues to flow to the City and to the PUC's customers.

[1] Proposition P was incorporated into the San Francisco Administrative Code as Chapter 5, Article V, Sections 5A.30 – 5A.36, to set forth the authority, duties and responsibilities of the RBOC, and established qualifications for RBOC membership and related provisions.

[2] Ordinance No. 236-12.

Powers

The RBOC may also comment to the Board on the development and drafting of proposed legislation regarding whether to submit a measure for voter approval or authorizing the issuance of revenue bonds, if no voter approval is not required. The Board is not required to accept the RBOC's recommendations. In furtherance of its purpose, the RBOC may also engage in any of the following activities:

(1) Inquiring into the disbursement and expenditure of the proceeds of PUC revenue bonds authorized and issued in accordance with the San Francisco Charter by receiving any and all reports, financial statements, correspondence or other documents and materials requested by the Committee related to the expenditure of revenue bond funds by the PUC;

(2) Holding public hearings to review the disbursement and expenditure of the proceeds of such revenue bonds;

(3) Inspecting facilities financed with the proceeds of such revenue bonds;

(4) Receiving and reviewing copies of any capital improvement project proposals or plans developed by the PUC related to the City's water, power or wastewater infrastructure and funded by bond proceeds;

(5) Reviewing efforts by the City to maximize bond proceeds by implementing cost-saving measures, including, but not limited to, all of the following: (i) mechanisms designed to reduce the costs of professional, consulting and similar fees and expenses related to site preparation and project design; (ii) recommendations regarding the cost-effective and efficient use of core facilities; (iii) developing and using alternate technologies; and, (iv) accessing other sources of infrastructure funding, excluding bond refunding; and

(6) Commissioning independent review and evaluation of the disbursement and expenditure of the proceeds of such revenue bonds by accessing any funds set aside for this purpose under Subsection (d) of this Section to retain outside auditors, inspectors and necessary experts to conduct such independent review.

In addition the RBOC is permitted, by majority vote of all of its members after consultation with the City Attorney, to prohibit the further issuance or sale of authorized public utility revenue bonds which have yet to be issued or sold if the RBOC determines (i) that revenue bonds are being or have been expended (A) for purposes not authorized by the authorizing bond resolution, or (B) otherwise amount to (i) an illegal expenditure or (ii) illegal waste of such revenue bond proceeds within the meaning of applicable law. See 5A.34 of the Admin Code

The RBOC does not have the power to participate or interfere in the selection process of any vendor hired to execute bond funded projects.

Legislative Notes

1. Proposition P is a measure designed to increase stakeholder confidence. It is designed to ensure public accountability regarding the expenditure of PUC revenue bond proceeds. The RBOC created to shadow the expected significant expenditure by the PUC on capital improvements for the water, wastewater and power enterprises.

2. The RBOC was created to provided 'persistent, vigorous and independent' review regarding the expenditure of PUC revenue bond proceeds. Independence of RBOC is a core organizing principle. Thus except as provided by Proposition P, members of RBOC cannot be employees of City. Also, no vendor, contractor or consultant of the City that performs work funded by bonds issued by the City may serve on the Committee. Finally, this independent is protected by the RBOC's authority to hire independent auditors, inspect bond financed facilities and review the PUC's capital improvement plans.

3. Audit review by RBOC has teeth. The RBOC can, by majority vote of all of its members after consultation with the City Attorney, vote to prohibit the further issuance or sale of authorized public utility revenue bonds which have yet to be issued or sold if the RBOC determines (i) that revenue bonds are being or have been expended (A) for purposes not authorized by the authorizing bond resolution, or (B) otherwise amount to (i) an illegal expenditure or (ii) illegal waste of such revenue bond proceeds within the meaning of applicable law. See 5A.34 of the Admin Code. The PUC can appeal to the Board of Supervisors to override the decision of the RBOC. Proposition P does not define terms 'illegal expenditure' or 'illegal waste.'

4. Proposition P was approved at the same time voters adopted Proposition A, a measure authorizing the issuance of $1.628 billion of water revenue bonds for the water enterprise and Proposition E, a measure designed to give the PUC more autonomy to issue bonds for its respective enterprises. At some level, the creation of the RBOC was to rebut the charge that the PUC did not have the capacity to implement a large scale capital program.

5. Proposition P was drafted to respond to citizen concern regarding operations at the PUC, who had authored 1997's Prop H rate freeze. In 1998, San Francisco voters approved Proposition H, which froze retail water and wastewater rates from January 1, 1998 through July 1, 2006. In 2002, voters approved Propositions A and E, which rescinded the rate freeze.

6. The establishment of the RBOC did have its detractors. They asserted that, among other matters, (i) Proposition E, already contained a full range of oversight and protections needed to assure responsible conduct of the capital improvement program, (ii) fraud or illegal use of funds is a false issue; (iii) objected to membership on RBOC of Budget Analyst and BAWUA; and (iv) objected to giving RBOC power to enjoin bond sales asserting it would make PUC bonds worthless in market.

RECOMMENDED BOND OVERSIGHT COMMITTEE GUIDELINES/PRINCIPLES

The overarching purposes of independent financial oversight committees is two fold: (i) improving financial control/oversight, and (ii) strengthening stakeholder (i.e., taxpayer/ratepayer, elected officials, etc.) confidence by ensuring that bond funds are wisely spent.

The following financial oversight guidelines/principles have been developed by staff while discussing/researching this topic. The relevance of the principles will depend in large measure on the size of the bond portfolio, the frequency of bond issues, and the responsibilities of the oversight committee. Staff believes that some, if not all, of such principles are embedded (either explicitly or implicitly) in the work of all City oversight committees.

A. Process Oriented Guidelines.

- *Committee Bylaws.* Committees should adopt bylaws to govern its operations. Bylaws serve as a useful reference for committee members, and serve to order the conduct of meetings, election of officers, publication of reports, etc.

- *Committee Work Plan.* Depending on its workload/responsibilities, the Committee should consider developing a work plan to guide its activities. The work plan should be flexible to address developing matters/issues.

- *Committee Membership*. Committee should ensure that its membership has the necessary technical expertise (e.g., accounting, finance, construction management, etc.) to carry out its functions.

- *Committee Outreach*. To ensure stakeholder confidence, the Committee should ensure that its activities (e.g., meetings, reports, facility inspections, etc.) are widely publicized.

- *Committee Independence*. To ensure stakeholder confidence and to ensure its credibility, the Committee should take steps to maintains its independence from the oversight entity.

B. Effective Oversight Guidelines.

- *Strategic execution plans for asset construction, repair and modernization.* Committee should have access to or knowledge of any funding department's strategic execution plans which would include a mission statement, guiding principles, goals, lists of specific projects, milestones, budget, time schedules, management controls, information systems, cost controls, early warning systems, and the assignment of responsibility and accountability.

- *Progress reports; other internal reports.* Committee should have knowledge of progress reports, and the frequency of their preparation, to identify progress made, significant schedule and budget variances, plan revisions and current estimates for cost and completion. Committee should endeavor to learn what other audit reports are being conducted on

relevant contract performance or project evaluation by internal or external auditing entities, and obtain a copy of such report or a presentation of the same, as appropriate.

- *Early warning memos process.* Committee should be aware of internal processes for development of internal memoranda which report when a construction, repair or modernization project is likely to exceed the budgeted cost by a stated percent or more.

- *Knowledge Transfer.* Committee should also understand internal processes by which department (s) obtains/transfers "lessons learned" from/to other City departments engaged in capital asset acquisition/construction.

- *A rational and timely audit system.* Committee should be aware of processes for annual audits, including annual financial and performance audits (as required by law), audits of new construction, repair and modernization contracts, if any. Committee may propose to oversight department a schedule for any of the forgoing.

- *Independent oversight reports and evaluations.* Oversight Committee may seek services of Oversight Consultant to assist Committee with the development of annual work planning activities. Committee should, where appropriate, commission independent reports and evaluations to assist it carry out its mission.

SUMMARY COMPARISON OF CITY BOND OVERSIGHT COMMITTEES

Committee Name:	Citizens 'General Obligation Bond Oversight Committee (9 members)	SFPUC Revenue Bond Oversight Committee (7 members)	SFMTA Bond Oversight Committee (7 members)
Authority:	**Voter Approved Initiative Ordinance** Initiative Ordinance, Proposition F (adopted by voters 11/5/2002; Admin Code Section 5.30 *et seq*.) Initiative Ordinance, Proposition C (adopted by the voters 11/4/2003; SF Charter Appendix F), to add Audit Review Board responsibilities, including whistleblower program. Bylaws attached as Exhibit 1.	**Voter Approved Initiative Ordinance** Initiative Ordinance, Proposition P (adopted by voters 11/5/12002; Admin Code Section 5A.30 *et seq*.) Bylaws attached as Exhibit 2.	**Voluntary SFMTA Action** SFMTA Resolution 11-154, adopted 12/6/11 Bylaws attached as Exhibit 3.
Committee Portfolio	Outstanding GO Bonds: approx. $1,938,083,783	Outstanding Water Revenue Bonds approx.: $4,179,825,000 Outstanding Wastewater Revenue Bonds approx.: $731,745,000 Outstanding Power Revenue Bonds approx.: $17,212,000	Outstanding SFMTA Revenue Bonds approx.: $100,000,000
Core Purpose:	Report publically on the expenditure of taxpayers money in accordance with voter authorized to ensure that: (i) general obligation bond revenue are expedited in accordance with ballot measure, and (ii) no general obligation bonds are used for any administrative salaries or other governmental expenditures. Committee also reviews status of standards and benchmarks developed by Services Audit Unit of	Report publically on expenditure of revenue bond proceeds (for water, wastewater and power enterprises) to ensure that: (i) revenue bond proceed are expended only in accordance with the authorizing bond resolution and applicable law, (ii) revenue bond proceeds are expended solely for uses, purposes and projects	Report publically SFMTA's expenditure of debt proceed on permitted transportation projects, and to ensure the SFMTA has established prudent internal controls, and policies and to ensure: (i) debt proceeds and expended only in accordance with authorizing resolution and

SUMMARY COMPARISON OF CITY BOND OVERSIGHT COMMITTEES

Committee Name:	Citizens 'General Obligation Bond Oversight Committee (9 members)	SFPUC Revenue Bond Oversight Committee (7 members)	SFMTA Bond Oversight Committee (7 members)
	Controller's Office, and determines whether such standards and benchmarks are accurate and useful for citizens of City.	authorized in bond, and (iii) review bond proceeds and expended for authorized capital improvements.	applicable law; (2) debt proceed are expended solely for uses, purposes and projects authorized; and (3) debt proceeds are appropriately expended for capital projects.
Powers:	A. General Obligation Bond Review (i) Inquire into disbursement and expenditure of proceeds of general obligation bonds by receiving bond reports, financial statements, and other documents from agencies that receive proceeds from such general obligation; (ii) hold public hearings; (iii) inspect facilities financed with general obligation bonds; (iv) receive/review copies of any capital project; (v) review measures to maximize bond proceeds; (vi) (a) review mechanism to reduce costs of professional fees and site preparation and design; (b) joint use of core facilities (vii) commission independent review of disbursement and expenditure of general obligation bond proceeds	Revenue Bond Review (i) Inquire into disbursement and expenditure of bond proceeds by receiving bond reports, financial statements, and other documents; (ii) hold public hearings; (iii) inspect facilities financed with general obligation bonds; (iv) receive/review copies of any capital project; (v) review measures to maximize bond proceeds; (vi) (a) review mechanism to reduce costs of professional fees and site preparation and design; and (vii) commission independent reviews by retaining outside auditors, inspectors and necessary experts.	Debt Proceeds Review (i) Inquire into the disbursement and expenditure of the debt proceeds of the Agency by receiving any reports, financial statements, and other documents and materials; (ii) Hold public hearings; (iii) Inspect facilities and infrastructure financed with debt proceeds; (iv) receive and review copies of any project statements and the status of projects, including expenditures incurred for projects funded through the debt; (v) review efforts to maximize debt proceeds, including: (i) reducing costs of professional fees and consulting services; and

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	B. Citizen's Audit Review Board (i) Under Charter section F1.111, review service standards and benchmarks developed by Services Audit Unit of Controller's Office in consultation with City departments delivering services to public, and publicize results of examination. Review to ensure accuracy and usefulness of service standards and benchmarks to public. (ii) Review citizen and employee complaints received by Controller an disposition, Charter section F1.107.		(ii) use of core facilities and use of cost-effective/ efficient reusable facility plans; and (vi) commission independent reviews by retaining outside auditors, inspectors and necessary experts.
Power to Enjoin Bond Issuance	The Committee may, after conducting its own its own independent audit, determines that general obligation bond proceeds were spent on purposes not authorized by the ballot measure, the Committee may prohibit the issuance bonds pursuant to any remaining authorization. Decision may be appealed to Board of Supervisors.	If the Committee, after conducting its own its own independent audit, determines that bond proceeds were spent on purposes not authorized, the Committee may prohibit the issuance bonds. Decision may be appealed to the Board of Supervisors.	None.
Meetings	The Committee meets every other month.	The Committee meets monthly.	The Committee shall meet the months of February, May, August and November.
Regular Reports	Prepares work plan to forecast Committee work. Most recent attached at Exhibit 4.	Receives regular updates re WSIP (project status, budget, etc.) SSIP (project status budget. No work plan. Selective bond issues audit.	Quarterly status reports Annual Financial Statement Report, as requested City Services Audit Reports, as requested.
Funding	Committee receives 1/20th of 1% of gross proceeds of a bond issue. Committee has no independent	Committee receives 1/20th of 1% of gross proceeds of a revenue bond	SFMTA funded. Committee has no independent staffing.

SUMMARY COMPARISON OF CITY BOND OVERSIGHT COMMITTEES

Committee Name:	Citizens 'General Obligation Bond Oversight Committee (9 members)	SFPUC Revenue Bond Oversight Committee (7 members)	SFMTA Bond Oversight Committee (7 members)
	staffing. Supported by Clerk of the Board.	issue. Committee has no independent staffing. Supported by Clerk of the Board.	
Open Meetings	Meetings subject to Brown Act, Sunshine Ordinance.	Meetings subject to Brown Act, Sunshine Ordinance.	Meetings subject to Brown Act, Sunshine Ordinance.
Reporting	Committee reports annually on its activities.	Committee reports annually on its activities.	Committee reports annually on its activities.