

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

Public Utilities Commission Building
525 Golden Gate Ave., 3rd Floor
Tuolumne Conference Room
San Francisco, CA 94102

September 30, 2019 - 9:00 AM

Regular Meeting

Mission: The Revenue Bond Oversight Committee (RBOC) monitors the expenditure of revenue bond proceeds related to the repair, replacement, upgrade and expansion of the SFPUC's water, power and sewer infrastructure. The RBOC provides independent oversight to ensure transparency and accountability. The RBOC's goal is to ensure that SFPUC revenue bond proceeds are spent for their intended purposes in accordance with legislative authorization and other applicable laws.

1. Call to Order and Roll Call

Members:

Seat 1	Vacant
Seat 2	Kevin Cheng
Seat 3	Vacant
Seat 4	Tim Cronin
Seat 5	Travis George, Chair
Seat 6	Christina Tang, Vice Chair
Seat 7	Jennifer Millman-Tell

2. **Agenda Changes** (*Discussion and possible action*)
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.
4. **RBOC:** Request for Proposal and Selection Process Update (*Discussion and possible action*)(attachment)
5. **SFPUC:** Water System Update (*Discussion and possible action*)
6. **RBOC:** Comparison of similar Boards and Commissions duties and reports (*Discussion and possible action*)(attachment)
7. **RBOC:** Review and possible amendments to RBOC Bylaws (*Discussion and possible action*)(attachment)

8. **RBOC:** Status of Vacant Seats on the RBOC (*Discussion and possible action*)
9. **Approval of Minutes:** August 19, 2019, Meeting Minutes (*Discussion and possible action*) (*attachment*)
10. **Announcements, Comments, Questions, and Future Agenda Items.** (*Discussion and possible action*)

Pending Issues:

1. Request that SSIP Quarterly reports include information on Stormwater Management System and details on the bidding climate and possible cost increase)
 2. Request that the SFPUC provide updates on all water projects that may not be part of SSIP or WSIP.
 3. RBOC: Acquiring consultant to examine expected performance of complete projects.
 4. SFPUC Staff Report: Environmental Justice
 5. SFPUC: Annual Clean Power SF Update (December)
 6. Southeast Plant Tour (Sept/Oct)
 7. Future meeting dates
-
11. **Adjournment**

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 Clerk, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 – (415) 554-5184.

Audio recordings of the meeting of the Revenue Bond Oversight Committee are available at: http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=97

For information concerning San Francisco Public Utilities Commission please contact by e-mail RBOC@sfgov.org or by calling (415) 554-5184.

Meeting Procedures

Public Comment will be taken before or during the Committee’s consideration of each agenda item. Speakers may address the Committee for up to three minutes on that item. During General Public Comment, members of the public may address the Committee on matters that are within the Committee’s jurisdiction and are not on the agenda.

Procedures do not permit: 1) persons in the audience to vocally express support or opposition to statements by Commissioners by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) bringing in or displaying signs in the meeting room; and 4) standing in the meeting room.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

LANGUAGE INTERPRETERS: Requests must be received at least 48 hours in advance of the meeting to help ensure availability. Contact Peggy Nevin at (415) 554-5184. AVISO EN ESPAÑOL: La solicitud para un traductor debe recibirse antes de mediodía de el viernes anterior a la reunion. Llame a Derek Evans (415) 554-5184. PAUNAWA: Ang mga kahilingan ay kailangang matanggap sa loob ng 48 oras bago mag miting upang matiyak na matutugunan ang mga hiling. Mangyaring tumawag kay sa (415) 554-5184.

Disability Access

Revenue Bond Oversight Committee meetings are held at the Public Utilities Commission, 525 Golden Gate Avenue, San Francisco, CA. The hearing rooms at the Public Utilities Commission are specified on the agenda and are wheelchair accessible. To request sign language interpreters, readers, large print agendas or other accommodations, please call (415) 554-5184. Requests made at least 48 hours in advance of the meeting will help to ensure availability.

翻譯 必須在會議前最少四十八小時提出要求
請電 (415) 554-7719

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) or to report a violation of the ordinance, contact by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102; phone at (415) 554-7724; fax at (415) 554-5163; or by email at soff@sfgov.org.

Citizens may obtain a free copy of the Sunshine Ordinance by printing San Francisco Administrative Code, Chapter 67, at <http://www.sfbos.org/sunshine>.

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code, Section 2.100, et. seq.] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at: 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 581-3100; fax (415) 252-3112; website www.sfgov.org/ethics.

SUPPLIER INFORMATION

Supplier Names	HKA Global, Inc. (HKA)	Yano Accountancy Corporation (YAC)
Supplier Addresses	201 California Street, Suite 411, San Francisco, CA 94111	201 California Street, Suite 411, San Francisco, CA 94111
Supplier Contact Names	Paul Pocalyko, CPA	Eugene Yano, CPA
Supplier Contact Phone Numbers	267-831-2911	415-981-9970
Supplier Contact E-mail Addresses	paulpocalyko@hka.com	eugene.yano@yanocpa.com
City and County of San Francisco Supplier Numbers (if established)	29924	56467
Date Quote Submitted to the City	June 14, 2019	June 14, 2019

RELEVANT EXPERIENCE

The HKA/YAC team brings the RBOC and CSA a combined experience second to none. We are uniquely qualified as Eugene Yano (YAC) was the primary and lead accountant working directly with the CCSF/SFPUC for 23 years performing the required GAGAS audits requested in the RFq. He fully understands the needs and requirements of this contract. Established over 40 years ago, HKA is currently conducting or has completed numerous performance audits on some of the largest and most complex programs/projects in the world. Representative clients include audits for: the Mississippi DOT, the Office of Inspector, General Panama Canal Authority – Third Set of Locks Project, the University of Central Florida Facilities Planning and Construction Department Assessment, a Project Delivery Assessment Report for Eastridge to BART Regional Connector, the Federal Highway Administration. Mr. Pocalyko has performed revenue bond audits or forensic audit procedures on behalf of Bond holders or the recipient of bond funds on a variety of projects. Representative audits include a revenue bond audit for the construction of a confidential sports facility, the Philadelphia Electric Company, Conectiv Electric Utility, and the Pittsburgh Airport Hyatt Hotel.

Oakland Unified School District (“OUSD”) Measures B and J Performance & Financial Audits - YAC was the lead firm for the OUSD Measures B and J audits from the years ended June 30, 2011-2017 which were performed in accordance with GAGAS. The performance audits evaluated whether bond proceeds were spent only on those construction projects identified in the two bond indentures. As part of the audit, YAC identified and evaluated risks, and tested OUSD’s internal controls to address those risks. YAC’s quantitative findings over the years included identification of expenditures for other than allowable expenditures under the bond indentures, and repayment of bond proceeds borrowed by the General Fund (an allowable activity) without interest (the unallowable activity).

SFPUC’s Water Revenue Requirement (“WRR”) and predecessor Suburban Revenue Requirement Calculation (“SRRC”) YAC has performed these audits every year since June 30, 1995. The WRR and SRRC audits also include the evaluation of proper classification of construction expenditures funded by all of the water-related revenue bond issues subject to your RFq. Mr. Yano, our Project Task Principal, was the signing partner every year for the thirty sets of audit reports issued under the two above annual projects.

Confidential Sports Facility – HKA is currently involved in the evaluation of Revenue Bond Proceeds and Uses related to the construction of a sports facility. The parties are disputing the utilization of these proceeds and whether these proceed violated the provisions of the bond agreements. The matter is currently pending resolution in court.

Office of Inspector General, Panama Canal Authority – Third Set of Locks Project - Since 2010, HKA has assisted the Office of Inspector General (OIG) for the Panama Canal Authority (ACP) providing auditing and oversight services for the \$5 Billion expansion of the Panama Canal. HKA began its work on this highly complex project by conducting an overall risk assessment of the program and preparing a five-year audit plan. The team assisted and advised the OIG and the design-build team with all program audits, which involved process, procedure and performance reviews. A key role was identifying issues and providing recommendations to minimize their impact on project budget and schedule. HKA developed a risk tolerance matrix that identified high and moderate risk tolerance levels for potential issues and recommended corresponding reporting protocols. We also assisted and advised the OIG in the development of key project performance indicators to monitor critical project developments and reported project progress to its Audit Committee. When delays and disputes arose, our role was expanded to include dispute resolution and claims analysis, helping to mitigate potential contractor disputes. Throughout the process, we used an integrated team approach with OIG staff, employing on-the-job training and other tools to ensure that knowledge was effectively transferred to OIG personnel. The project reached its revised opening date, and the “third set of locks” was opened to global acclaim. Our Firm’s audit services addressed performance, technical, engineering and financial issues that could have impacted the quality, cost, schedule and transparency of the project.

AUDIT APPROACH

The team will use its 23+ years of experience with the CCSF/SFPUC financial systems to summarize all debt-funded non-labor and labor expenditures by project in Microsoft Access, similar to the summarization and reconciliation process used during the WRR/SRRC audits. As part of our risk assessment, the database of expenditures can be used to analyze expenditures by any combination of project and funding source, as well as any other relevant fields (for example, by contractor/vendor or SFPUC employee). We note that SFPUC historically used a first-in, first-out methodology for assigning allowable debt-funded capital expenditures to bond series. For example, all allowable debt-funded capital expenditures were deemed as funded by Bond Series 2006A until all available funds were exhausted, then by Bond Series 2009A, then 2009B and so forth. We will use a combination of non-random and random sampling to select expenditures for testing. Our proprietary monetary unit sampling (“MUS”) software will be used for random sample selection.

Bond Issuances Not Subject to Audit - We note that the following Water-related bond series should not be included in the performance audit scope because bond proceeds were used for refunding of earlier bond series: 2015A, 2016A, 2017D, 2017F and 2017G.

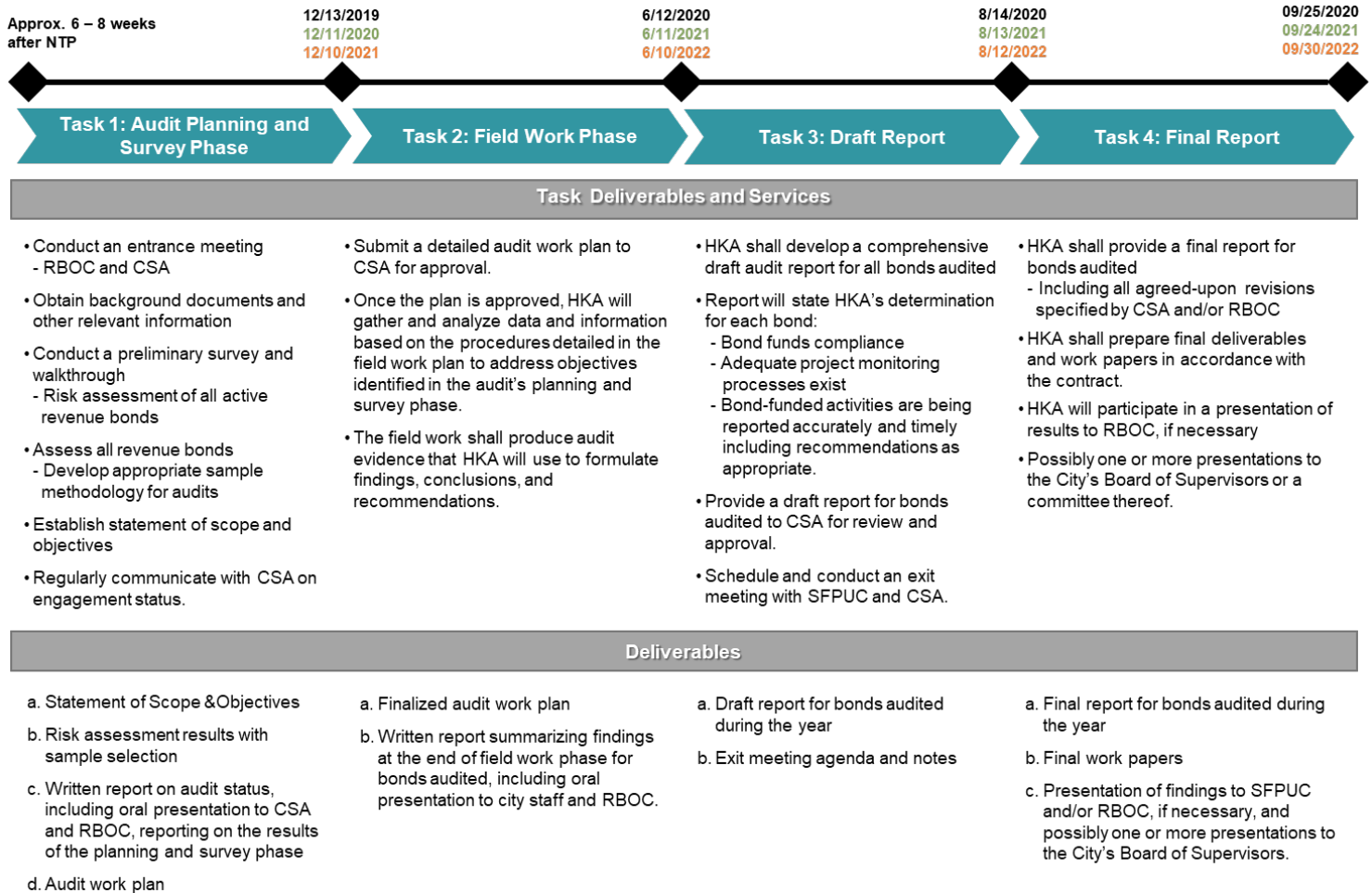


Figure 1 - Approach and Deliverables Timeline

Audit Descriptions & Deliverables - HKA has developed the following methodology and approach based upon a review and our understanding and acceptance of your requested scope of work and the targeted completion dates for the audits per your RFq.

Task 1 – Audit Planning and Survey Phase - Upon receiving notice to proceed, we will schedule and conduct an entrance meeting with RBOC and CSA during which we will jointly identify any particular areas of concern, and discuss and establish the audit objectives, methodology, information needs, and timeline. Additionally, we will assess all revenue bonds and develop an appropriate sample methodology for the audits. We will establish an appropriate statement of scope and objectives that addresses engagement objectives and risk. As required, we will conduct the Performance Audits under GAGAS Standards. YAC's Principal, Mr. Yano, will sign all audit reports as required by GAGAS. Working collaboratively with the RBOC and CSA, Eugene Yano and Paul Pocalyko, both CPAs, will serve as Concurring Reviewers and Project Principals for audits performed during the contract.

We will meet with RBOC personnel to discuss our general approach and submit a preliminary document request and other relevant information to fully understand the revenue bond programs. Given Mr. Yano's long-standing working experience with the SFPUC and CCSF, our team is very familiar with the materials, manuals, reports and other key documents maintained by the client. Key documents typically requested as part of our performance audit methodology include:

- Organizational and staffing charts
- Standard procurement and contracting forms (engineering and construction)
- Standard forms, templates and logs
- Standard specifications
- Policy and procedural manuals
- Project management/execution plans
- Representative actual program/project cost, schedule, and quality data for three years (pavement rehabs, overlays, & bridge rehab/replace)
- Progress and management reports
- Risk management documentation

Key members of the audit team will participate in the kick-off meetings in person. Other supporting members of the team will participate in the kick-off meeting via teleconference as necessary. During Task 1, the team will contact SFPUC to conduct a

preliminary survey and walkthrough that includes a risk assessment of all active revenue bonds. At all times, the team will regularly communicate and report progress status with CSA.

Task 2 – Field Work Phase - The objective of Task 2 is to develop a Detailed Audit Plan for CSA’s review and approval. The Audit Plan will define the performance objectives, scope, and methodology of the assessment including:

- Specific program/project governance elements to assess and compare to peer agencies and leading industry practices
- Performance metrics/criteria
- Additional project documentation to review
- Assumptions and constraints

Once approved, the Audit Plan will serve as our framework and approach for completing the assessment. The team will review the documentation, information and analyze data based on the procedures identified in the field work plan that achieves the objectives identified in the audit’s planning and survey phase. Our field work will yield the audit evidence that we will utilize to formulate our findings, conclusions, and ultimately, our recommendations.

Task 3 – Draft Report - Based upon the collected information and our analyses, the Team will develop and submit to CSA for review and approval our comprehensive draft audit report for all bonds audited. HKA/YAC will state our determination for each bond addressing whether:

- Bond funds were expended in compliance with applicable legal requirements and established criteria;
- Adequate project monitoring existed;
- Bond funded activities are being reported accurately and timely including recommendations as appropriate.

Following CSA’s review, we will schedule a meeting and/or teleconference to address any questions or comments prior to developing and submitting the Final Report.

Task 4 – Final Report - HKA/YAC will provide our final report for bonds audited as per the agreed Schedule of Deliverables which will include all agreed-upon revisions specified by CSA and/or RBOC which will issue the report. We will prepare final deliverables and final work papers in accordance with our contract and our scope of work. Finally, we will participate in a presentation of results to RBOC and as necessary, additional presentations to the City’s Board of Supervisors or a committee thereof.

AVAILABILITY AND PROPOSED DURATION

Given the deep bench strength of the HKA/YAC team, we are available to begin upon Notice of Intent to Award. We understand that the City estimates a six to eight-week period to execute a contract. Therefore, we anticipate a start date between August 19, 2019 and September 3, 2019 (Labor Day is September 2, 2019) or earlier should the contract take less time to approve.

COST

Team Personnel and Cost - HKA/YAC has assembled a seasoned team of professionals who have performed numerous audits and contracts with a similar scope of services. We welcome the opportunity to discuss various methods of remuneration for the professional services provided should our team be selected including:

A. Hourly Project Fee Schedule

Project Principal:	\$450/hour
Project Director/Associate Project Director:	\$325 - \$275/hour
Senior Project Analyst/Project Analyst	\$250/hour - \$220/hour

B. Flat Fee per Audit Assignment

\$400,000.00 Flat Fee Estimated based on performing (six) Audits Annually

Note: Ultimate pricing to be determined on actual task orders

Project Principals - Eugene Yano, CPA (YAC, with 40+ years of professional experience and 23 years of experience with SFPUC) and Paul Pocalyko, CPA (HKA, with 38 years of professional experience) are proposed as our Project Principals. They will ultimately be responsible for the quality and timeliness of the services provided by our team. Because of his client-specific expertise, Mr. Yano will be dual-hatted as one of the Field Directors. Both have previously worked together at what is now PricewaterhouseCoopers LLP.

Project Director/Associate Project Director- will be responsible for planning and managing all field work, reporting to Mr. Yano and Mr. Pocalyko. Typically, Project Directors and Associate Project Directors have anywhere from six to thirty years of professional experience.

Senior Project Analyst/Project Analyst - Senior Project Analysts, and Project Analysts under the direction of Project Directors, will be responsible for performing the on-site field work. Senior Project Analysts and Project Analysts typically have up to six years of experience.

APPENDIX A – Services to Be Provided by Contractor

Introduction: This scope of work is a general guide to the work the City and County of San Francisco's (City) expects to be performed and is not a complete listing of all services that may be required or desired.

1. GENERAL PROJECT DESCRIPTION

The San Francisco Public Utilities Commission (SFPUC) provides retail drinking water and wastewater services to San Francisco, wholesale water to three Bay Area counties, green hydroelectric and solar power to Hetch Hetchy electricity customers, and power to San Francisco residents and businesses through the CleanPowerSF program. SFPUC is governed by a five-member commission (Commission) who is responsible for the operational oversight in areas such as rates and charges for services, approval of contracts, and organizational policy. The Commission is empowered by the San Francisco Charter to issue water, clean water, and power revenue bonds. Such bonds are to reconstruct, replace, expand, repair, or improve water facilities, clean water facilities, power facilities, or combinations of water, clean water, and power facilities under SFPUC's jurisdiction. In fiscal year 2018-19 SFPUC has over 30 outstanding revenue bond series in its three service enterprises, totaling \$3.8 billion.

Given the City's significant investment in these bonds, the San Francisco Public Utilities Revenue Bond Oversight Committee (RBOC) was formed in November 2003 to provide oversight to ensure that proceeds from revenue bonds for capital improvements are expended in accordance with the authorizing bond resolution and applicable law.

The Office of the Controller (Department), City Services Auditor (CSA), in conjunction with RBOC, is requesting the contractor to conduct audits of public utility revenue bonds for capital improvement. The objective of the audits is to determine whether bond funds are spent in accordance with the stated purposes and permissible uses of such bonds and determine whether bond funds were used for impermissible administrative expenses. The City and County of San Francisco (City) requires that the requested audits be conducted and delivered as performance audits defined by the U.S. Government Accountability Office in its Government Auditing Standards.

2. PROJECT DEFINITIONS

Agreement – The Agreement between the Contractor and the City

City – The City and County of San Francisco

City Services Auditor (CSA) – A division of the Office of the Controller

CSA Audits – Audit division of the City Services Auditor; for this Agreement, the project staff will be:

- Controller's Team:
 - Mark de la Rosa* – Acting Chief Audit Executive
 - Nicole Kelley* – Controller's Project Lead
 - Hunter Wang* – Controller's Project Associate

Controller's Office (Controller) – The City and County of San Francisco's Office of the Controller

Contractor – HKA Global, Inc.

Contractor’s Team –

Paul Pocalyko, Project Principal – Contractor’s Project Lead

Eugene Yano – Project Principal

XXX – Project Director/Associate Project Director

XXX – Senior Project Analyst/Project Analyst

GAGAS – Generally Accepted Government Auditing Standards, published as *Government Auditing Standards: 2018 Revision*

GAO – U.S. Government Accountability Office

Project – San Francisco Public Utilities’ Revenue Bonds Audits, the scope of services to be performed under this agreement as set forth in this Appendix A – Services to Be Provided by Contractor

RBOC - San Francisco Public Utilities Revenue Bond Oversight Committee

3. PROJECT APPROACH

3.1 Project Staffing: The City, in its sole discretion, has the right to approve or disapprove Contractor’s personnel, including subcontractor personnel, assigned to perform the services under this Agreement at any time throughout the term of this Agreement.

The City shall have the right to interview and review the qualifications of any new personnel proposed by Contractor. Any change to Contractor’s personnel must be approved in writing by the City at least fourteen (14) days in advance of assignment of such personnel by Contractor. Such approval by the City shall not be unreasonably withheld.

3.2 Project Roles and Responsibilities: Contractor’s Project Lead shall manage Contractor’s Team to ensure that it completes all work and obligations described in this Agreement.

The Controller’s Project Lead, along with the Controller’s Project Associates, will provide oversight of the Project to ensure that Contractor meets staffing, timeline, budget, and work product targets and deliverables described in this Agreement, will approve contract payments in accordance with Appendix B, and provide oversight of all contract administration matters.

3.3 Project Management and Communications: The Project requires effective project management, including, but not limited to, the following:

- Contractor’s Team shall schedule and coordinate biweekly conference calls/meetings with the Controller’s Project Lead or, as deemed necessary, by the City. At minimum, Contractor’s Team Project Lead shall participate in each conference call/meeting. As part of these meetings, Contractor’s Team shall report on its progress (including labor hours, expenses, and deadlines) on Project tasks and deliverables for review, input, decision-making, and approval by the Controller’s Project Lead.
- Written Project progress reports and updates shall be provided to the Controller’s Project Lead upon request throughout the term of the Agreement and in accordance with Appendix B to this Agreement.

3.4 Government Auditing Standards: The City requires that the requested services be conducted and delivered as performance audits as defined by GAO's Government Auditing Standards.

3.5 Services Provided by Attorneys: Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

4. TASKS AND DELIVERABLES

4.1 Overall Tasks: Contractor's deliverables shall be professionally organized and presented. Contractor's Team shall provide the Controller's Project Lead with deliverables in accordance with Appendices A and B.

The deliverables review process may be iterative and may, at the City's discretion, require face-to-face meetings of the Controller's and Contractor's Teams before the City's final approval of work products and deliverables. Contractor shall submit draft materials to the Controller's Team for review and incorporate City feedback.

Contractor shall provide the City prompt access to any data or documents relied on, or created by, Contractor in the performance of work for inspection. Upon completion of the project, Contractor shall provide all final work papers and documentation to the City.

The timely submission of all reports is an essential and material term and condition of this Agreement. Upon request, reports shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

4.2 Conduct Performance Audits: Contractor shall conduct audits, in accordance with GAGAS, of public utility revenue bonds for capital improvement. The objective of the audits is to determine whether bond funds are spent in accordance with the stated purposes and permissible uses of such bonds and determine whether bond funds were used for impermissible administrative expenses.

Contractor's scope of work shall entail a full risk assessment of all public utility revenue bonds in year one to determine an appropriate sample methodology to select bonds for audit, and perform the audits, as approved by the City and RBOC. The risk assessment should be reviewed in year two and three to determine if an update to assessment is necessary based on the population of bonds and if any significant changes affected the risk criteria of any bonds. After identifying the sample, Contractor shall audit expenditures to determine whether they were spent in accordance with the stated purposes and permissible uses of the bond fund. Contractor will hold a meeting with the City to obtain approval of the audit work plan before proceeding with actual audit work. Contractor and the City may discuss and implement written changes to the audit procedures before and during the work performed under this Agreement.

Up to 18 audits will be included in this Agreement. The audit projects and scope may change, at the City's sole and absolute discretion, depending on prioritization, available funding, or other factors. There is no guarantee of a minimal amount of work for this contract. The audit period for each audit will be determined by the City and will range from one to three years. Contractor must obtain the City's approval for the specific audit period.

4.3 Description of Services: Upon commencement of each audit, Contractor shall perform the following services:

4.3.1. Task 1: Audit Planning and Survey

Contractor shall initiate the planning process by obtaining background documents and other relevant information to fully understand the City's public revenue bond programs, contact SFPUC to conduct a preliminary survey that includes a risk assessment, establish an appropriate scope and objectives that address engagement objectives and risk, and provide ongoing communication with CSA related to the engagement status. As part of the planning process, Contractor shall schedule and conduct an entrance conference with SFPUC and CSA.

Task 1 deliverables may include, but are not limited to, the following:

- a. Entrance conference agenda and meeting notes.
- b. Information request to SFPUC.
- c. Statement of Scope and Objectives.
- d. Risk Assessment results with sample selection.
- e. Written report on audit status, including oral presentation to CSA and RBOC, reporting on the results of the planning and survey phase.
- f. Audit plan.

4.3.2. Task 2: Audit Fieldwork

Contractor shall submit a detailed field work plan to CSA for approval. Once the plan is approved, Contractor shall gather and analyze data and information based on the procedures detailed in the field work plan to address objectives identified in the audit's planning and survey phase. The work conducted during this phase shall produce audit evidence that Contractor will use to formulate findings, conclusions, and recommendations.

Task 2 deliverables may include, but are not limited to, the following:

- a. Finalized work plan.
- b. Written summary of findings and recommendations at the end of the field work phase for bonds audited, including oral presentation to city staff and RBOC.

4.3.3. Task 3: Draft Report

Based on the collected information and analyses performed, Contractor shall develop a draft audit report for each bond audited, which will determine whether bond funds were expended in compliance with applicable legal requirements and established criteria, if adequate project monitoring processes exist, and whether bond-funded activities are being reported accurately and timely including recommendations as appropriate. Contractor shall provide draft reports to CSA for review and approval. As part of the reporting and quality control review process, Contractor shall schedule and conduct an exit conference with SFPUC and CSA.

Task 3 deliverables may include, but are not limited to, the following:

- a. Finding and Recommendations Outline
- b. Draft report for bonds audited during the year.
- c. Exit meeting agenda and notes.

4.3.4. Task 4: Final Report

Contractor shall provide a final report for bonds audited, which will include all agreed-upon revisions specified by CSA and/or RBOC, which will issue the report. Contractor shall prepare final deliverables and work papers in accordance with this Agreement. Contractor shall provide the report to the CSA in an electronic format that will allow CSA to issue the report under the CSA's cover, with the CSA's summary. Upon completion of the project, Contractor shall provide all final work papers and documentation to CSA electronically.

Contractor shall also be expected to participate in a presentation of results to RBOC, if necessary, and possibly one or more presentations to the City's Board of Supervisors or a committee thereof.

Task 4 deliverables may include, but are not limited to, the following:

- a. Final report for bonds audited during the year.
- b. Final work papers.
- c. Presentation of findings to SFPUC and/or RBOC, if necessary, and possibly one or more presentations to the City's Board of Supervisors.

4.3.5. Task 5: Meetings, Negotiations, and Service Coordination

Contractor shall participate in all meetings and negotiations related to the scope of services provided herein, as requested by the City, and keep the City appropriately informed of the status, issues, and any information impacting the status of the project. Contractor shall take such steps as are appropriate to ensure that the scope of services described herein is properly coordinated.

In addition to the reports specified above, Contractor shall provide written status reports as requested by the City. The City will determine the format for the content of any as-needed reports.

Task 5 deliverables may include, but are not limited to, the following:

- a. Bi-weekly written status reports, including tasks performed, actual and milestone dates, and any performance/completion issues
- b. Agendas, materials, and notes for each meeting, as requested by the City.

5. AS-NEEDED SERVICES

Contractor shall provide additional services on an as-needed basis, as determined and requested by the City, in accordance with Section 11.5 of the Agreement, which may consist of additional audit, analytical, and other procedures, above and beyond those outlined in the approved audit program, which may be required to fully analyze and document audit findings or related issues developed during Contractor's completion of the scope of work outlined in the approved audit program.

Any as-needed services are subject to the City's review and approval of scope and budget, including staffing, timeline, deliverables, and costs. In accordance with the terms and conditions of the solicitation under which Contractor was selected for these services, costs shall be negotiated for a fixed, not-to-exceed price based on the hourly rates submitted by Contractor in its proposal or response. Such hourly rates shall apply to all services provided through this Agreement.

Appendix B Calculation of Charges

In accordance with Article 3 of this Agreement, Contractor's total compensation under this Agreement is detailed below, inclusive of all costs required to complete all work specified in Appendix A. In no event shall the total costs under this Agreement exceed the amount provided in Article 3 of this Agreement.

Project – SFPUC Revenue Bond Audit

Payment Requests should be sent to:
The City & County of San Francisco Controller's Office, Central Finance
Attention: **Mark de la Rosa**
1 Dr. Carlton B. Goodlett Place, City Hall, Room 484
San Francisco, CA 94012

Electronic invoices should be sent to: [CentralFinance@sfgov.org/](mailto:CentralFinance@sfgov.org)

Insurance Documentation should be sent to via e-mail to: CentralContracts@sfgov.org.

Payments for Deliverables

- Payments for deliverables will be paid on a "not-to-exceed" basis. "Not-to-exceed" means that Contractor shall perform its obligations under the Agreement for the amounts listed in the Cost and Work Effort Estimate below even if it is required to expend more than the number of hours listed in the Cost and Work Estimate.
- Contractor is expected to track its actual hours of work on each deliverable listed in the Cost Estimate below. Payments for deliverables will be based on actual hours. The Not-to-Exceed Deliverable Budget is the maximum amount the City will pay Contractor for each deliverable. Additional and separate cost reimbursement for expenses will not be provided by the City.
- Partial payments will not be made for deliverables that are not approved by the City or that are not deemed completed by the City.

Payments will be made by the City to Contractor within 30 days after the City has received Contractor's payment request, provided that:

1. The City has accepted as satisfactory, in the City's sole and absolute discretion, the services rendered by Contractor to the City in accordance with this Agreement;
2. A written status report has been provided to the City by Contractor as part of Contractor's payment request documenting completion of each task in accordance with Appendix A and associated deliverable/task or activity in accordance with the amounts below for which payment is requested (each status report shall be signed by the Controller's Project Lead or Controller's Project Manager indicating his/her agreement with Contractor's description of completion in the status report);
3. A written summary of the estimated amount of hours per deliverable and the actual amount of hours and actual direct costs per deliverable spent by Contractor with a summary of subtotals per deliverable and a grand total estimated to actual hours comparison for the Project is provided to the City;

4. Insurance documentation is current in accordance with Section 15 of the Agreement; and
5. Contract Monitoring Division subcontractor payment paperwork has been submitted in accordance with Article 11.5 of the Agreement.

Cost Estimate:

Deliverable	Audit Project Description ¹	Estimated Budget Hour ²	Target Completion Date		Budget		Not-to-Exceed Deliverable Budget
			Draft Report	Final Report	Draft Report	Final Report	
Fiscal Year 2019-20 Audits							
1-6	Six Revenue Bonds Audits \$67,000/audit x 6 audits <i>Revenue Bonds to be determined</i>	1600	8/14/20	9/25/20	70% of audit fee	30% of audit fee	\$402,000
Fiscal Year 2020-21 Audits							
1-6	Six Revenue Bonds Audits \$67,000/audit x 6 audits <i>Revenue Bonds to be determined</i>	1600	8/13/21	9/24/21	70% of audit fee	30% of audit fee	\$402,000
Fiscal Year 2021-22 Audits							
1-6	Six Revenue Bonds Audits \$67,000/audit x 6 audits <i>Revenue Bonds to be determined</i>	1600	8/12/22	9/30/22	70% of audit fee	30% of audit fee	\$402,000
As-Needed Work							
At Blended Rate of \$250/hour (275 hours)							\$120,000
Total for Agreement							\$1,326,000

¹ There is no guarantee of a minimal amount of work for this contract.

² Depending on scope of project, budget and cost may be modified at full discretion of CSA and agreed upon by Contractor.



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

MEMORANDUM

TO: Citizen General Obligation Bond Oversight Committee
Brenda Kwee McNulty, Chair
Kristin Chu, Vice Chair
Alexander Tonisson, Member
Brian Larkin, Member
Kevin Hughes, Member
Larry Bush, Member
Robert Carlson, Member

CC: Ben Rosenfield, Controller

FROM: Tonia Lediju, Chief Audit Executive

DATE: March 23, 2018

SUBJECT: Best Practices Benchmarking for Citizen Bond Oversight Committees

EXECUTIVE SUMMARY

The Citizens' General Obligation Bond Oversight Committee (CGOBOC) of the City and County of San Francisco (City) is the only body in San Francisco mandated to oversee and inform the public regarding expenditures from the City's general obligation bond proceeds. CGOBOC requested that the Office of the Controller's City Services Auditor (CSA), Audits Division, conduct a benchmarking analysis to assist committee members in identifying potential improvements to the committee's oversight role, functions, and activities. To complete its analysis, CSA identified and interviewed staff of five peer bond oversight committees, researched best practices for bond oversight, and reviewed committee bylaws, charters, and reports. CSA then compared the role, functions, and activities of the five other committees with those of CGOBOC.

Key Findings and Recommendations

CGOBOC follows many of the leading practices identified in this report. CGOBOC is the only committee that provides a handbook to its members. The committee also follows all the leading practices regarding meetings and annual reports and is one of two committees that televises its meetings. Finally, CGOBOC is the only committee that oversees bonds using a liaison model, where each member of the committee is asked to oversee a bond program, receive updates, and report back to the entire committee. Recommendations in this report will serve to enhance the committee's oversight of bonds.

Performance Measures

Although CGOBOC receives regular financial reports from each bond program, the reports are not yet standardized across all bond programs. Without standardized performance measures across all bond programs, CGOBOC cannot compare spending of bond programs or review expenditures efficiently. For efficiency and clarity, a standard reporting template with a core set of measures is a leading practice. Although only one committee has a standardized report format formulated by committee members, three others are working to complete their own, including CGOBOC.

Recommendation: CGOBOC should complete the process of standardizing the reporting format so all the bond programs CGOBOC oversees use the same format. This will help ensure CGOBOC receives adequate information about all bonds to allow it to confirm that the proceeds are spent in accordance with the associated ballot measure.

Orientation and Training

Although it provides new members with an onboarding binder, CGOBOC would benefit from enhanced training for new members and additional training for all members. CGOBOC should consider implementing orientation and training for members to give them the knowledge needed to understand bond funding, spending, and finances. Only three of six committees have some form of orientation for members, and two of six have done other trainings for members during meetings.

Recommendation: CGOBOC should consider instituting an enhanced orientation plan for new members to ensure all members begin their service with adequate knowledge about bonds and finance.

Transparency and Public Access

CGOBOC meetings are accessible to the public and all meeting information is posted online, but CGOBOC's website is difficult to navigate and could include more detailed and interactive information. Given their mandate to inform the public about bond expenditures, oversight committees must provide information to the public about themselves and their functions in many ways to reach a broader audience. Of the six committees, only one lists all the bonds it oversees in an accessible manner on its website, and only one has a website with what we consider to be complete and transparent information about its members. Nonetheless, almost all have complete and easily accessible information about their meetings and make their reports accessible to the public and their jurisdictions' governing boards.

Recommendation: CGOBOC should ensure it provides adequate information about its activities, functions, and members to the public by enhancing the committee's website and other means.

BACKGROUND AND METHODOLOGY

CSA conducted this analysis at CGOBOC's request to help it identify potential improvements to how it fulfills its oversight role, functions, and activities. This report compares CGOBOC's activities to those of five peer committees, both inside and outside San Francisco city government.

Purview

CGOBOC has the authority to "inform the public concerning the expenditure of general obligation bond proceeds." The committee reviews bond expenditures and ensures they are spent in accordance with the relevant ballot measure. There are other committees in San Francisco's public sector with a similar function, but only CGOBOC has purview over the City's general obligation bonds.¹

Although departmental commissions may review bonds and bond expenditures as part of their work, they do not have the same San Francisco Charter mandate as CGOBOC. For example, the need to answer questions about spending of bond proceeds raised in departmental meetings differs from CGOBOC's voter mandate to ensure spending is in line with the ballot measure.

Methodology

To complete this analysis, CSA identified five committees similar in nature to CGOBOC and interviewed their staff and/or members, researched leading practices for bond oversight, and reviewed committee bylaws, charters, and reports. CSA identified organizations to compare to CGOBOC by focusing on organizations in the San Francisco Bay Area and California that oversee multiple bond programs. CSA excluded cities often used as benchmarks for San Francisco, including Berkeley, Los Angeles, and Oakland, because they do not have bond oversight committees or have committees that only oversee one bond or bond program.

Because all school bond committees in California are governed by the same state law,² the two school bond committees we contacted yielded sufficient information about school bond oversight committees. CSA selected the following committees to benchmark CGOBOC against:

- Revenue Bond Oversight Committee (RBOC) of the San Francisco Public Utilities Commission (SFPUC)
- Bond Oversight Committee (BOC) of the San Francisco Municipal Transportation Agency (SFMTA)
- Citizens' Bond Oversight Committee (CBOC) of the San Francisco Unified School District (SFUSD)
- Citizens' Bond Oversight Committee of the City College of San Francisco (City College)
- Bond Oversight Committee of the City of Austin, Texas (Austin)

From these organizations' websites, CSA gathered documents, including the commissions' bylaws, meeting minutes, and best practices. CSA interviewed members of the benchmark committees to further understand the committees' roles, functions, and activities. CSA researched bond oversight

¹ Both the San Francisco Public Utilities Commission and San Francisco Municipal Transportation Agency have committees that oversee revenue bond expenditures. Both the San Francisco Unified School District and City College of San Francisco have committees that oversee school-related bonds.

² California Education Code, Section 15278-82.

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committee guidelines from the California League of Bond Oversight Committees (CaLBOC). CSA read recommendations made by the Little Hoover Commission, an independent oversight agency for the State of California, and the Contra Costa County Grand Jury in its 2012 report, *School Bond Oversight Committees: Raising the Bar*.

CSA derived the leading oversight practices used in this analysis by aggregating information from interviews of benchmark committee members and/or staff, comparing committee information, including bylaws and meeting minutes, as well as information from CaLBOC and the Little Hoover Commission.

RESULTS

Measures and Reporting

Exhibit 1: Benchmarking Results — Measures and Reporting

OVERSIGHT PRACTICE	CGOBOC	SFPUC	SFMTA	SFUSD	City College	Austin
Does the committee receive reports on expenditures, schedules, and scopes of each bond including presentations by bond projects/programs?	Yes	Yes	Yes	Yes	Yes	Yes
Does the committee maintain standardized reporting formats across bond programs formulated or approved by the committee?	No, working on it	No ^a	Yes ^b	No, working on it	No, but the district has one	No, working on it








^a The update presentations the committee regularly receives from project staff, although not standardized, are generally very similar and include the same measures.

^b An example of a standardized report is included in Appendix B.

Financial reports presented to bond oversight committees are one of the ways that oversight committees can review financial information. Although CGOBOC receives reports and presentations on the finances of the bonds it oversees and receives a standardized project summary sheet, the committee does not require all bond program managers to follow a standardized report format in their presentations. CGOBOC has developed a template that incorporates many of these recommendations but has not yet adopted it for all programs under its jurisdiction.

Without a standardized reporting format, CGOBOC will have difficulty both efficiently overseeing bonds, because measures will be inconsistent, and will be unable to compare expenditures across bond programs. Although different bond programs may require distinct performance measures, common measures exist that should be included in all reports to CGOBOC. These measures include the original and revised budget, encumbrance amount, expenditures, balance, issuances, status of project, and change orders. For ease of review by CGOBOC, where possible each of these measures should be shown for the bond and by project.

Exhibit 2: Measures Received by Committees*

						
All receive measures of bond expenditures.	Two receive information about additional funding sources for projects.	Five divide reports for bond spending by project.	Three receive measures of the original and revised budget and the balance.	One receives contingency history measures for bond programs.	Two receive appropriations, and one receives encumbrance and reallocation measures. One receives bond sales.	Three qualitative project updates including: project milestones, accomplishments, and challenges.

* Only measures in the CGOBOC project summary sheet are included in this analysis; measures from individual project presentations are excluded because they are not consistent.

Beyond the standard financial, schedule, and progress measures, two that should be considered are measures of outreach and community engagement and measures that were common in recent bond audit findings. As part of this effort, the committee should review programs’ methods of stakeholder engagement in use by various city departments. As background, the SFPUC’s methods for community engagement are included in Appendix C. Project presentations include information on community outreach, including the number of fairs attended, surveys completed, and instances of social media outreach conducted. Recent financial audits of bond expenditures have included reviewing design costs, general expenditure measures, expenditures related to administrative costs, including salaries and benefits, and change order amounts. CGOBOC could request these measures in a standardized report format.

Even with a standard format, quarterly reports for different projects may look different. For example, a housing program may include measures such as the number of housing units in the pipeline or completed and the number of neighborhood in which units were built, whereas a transportation bond update may include the number of miles of road improved. This is appropriate to give committee members context. However, each bond program must also provide the core measures the committee needs to track and compare for all programs.

Recommendations

CGOBOC should:

1. Complete the process of standardizing the reporting format used by all the bond programs it oversees to ensure it receives information from all bond programs adequate to enable it to confirm that the proceeds are spent in accordance with the relevant ballot measures.
2. Consider including stakeholder engagement as one of its required performance measures for reporting.

Orientation and Training

Exhibit 3: Benchmarking Results — Orientation and Training

OVERSIGHT PRACTICE	CGOBOC	SFPUC	SFMTA	SFUSD	City College	Austin
Does the committee provide resources for members, such as orientations or trainings? ^a	No	Yes	No ^b	No	Yes	No ^c

^a Leading practices include holding orientations, providing training, and having a handbook for members. If a committee performs all of these practices, a *yes* is indicated.

^b According to SFMTA, given the straightforward nature of revenue bonds pledges across all revenues and because of members' financial experience and participation on other committees, a comprehensive orientation is unnecessary.

^c New members attend an orientation session, but the commission does not provide training.

The Little Hoover Commission report recommends *independent* training for bond oversight committee members. The Commission specified independent training because being trained by the organization a committee must oversee is not conducive to good oversight. Although CGOBOC is the only committee that provides a handbook to its members, it does not conduct orientation or training sessions, both of which can be important to the success of bond oversight committees. Orientation and initial or ongoing training can give members the skills needed to understand finances, because while some members may have these skills, not all may. Examples of trainings conducted by other committees that CGOBOC could consider include Bond Financing 101, a training like that provided to members of the SFPUC Revenue Bond Oversight Committee, and an orientation from CalBOC, like that provided to members of the City College Bond Oversight committee.

Recommendations

CGOBOC should:

3. Consider instituting an enhanced orientation plan for new committee members to ensure they begin their service with adequate knowledge about bonds and finance.
4. Develop supplementary training for continuing committee members to enhance their knowledge and effectiveness.

Public Transparency and Access to Information

Exhibit 4: Benchmarking Results — Website

OVERSIGHT PRACTICE	CGOBOC	SFPUC	SFMTA	SFUSD	City College	Austin
Does the committee’s website provide adequate information to the public about the bonds it oversees? ^a	No	No ^b	No ^b	No	No	No

^a Leading practices include having a website with a bond-tracking dashboard or database, a list of all open bonds overseen by the committee in an easily accessible location, and annual reports. Some leading practices, including whether the website is easily accessible from the jurisdiction’s home page and whether jurisdiction staff updates the website, were excluded because the committee may not have control over them. If a committee performs more than two of the leading practices, a yes is indicated.

^b Because revenue bonds are not approved by voter mandate, having a bond-tracking dashboard and a list of bonds overseen may not be considered a leading practice for revenue bond committees, such as those of SFPUC and SFMTA.

Although all the bond oversight committees have the same or similar core information displayed on their websites—such as bylaws, meeting agendas, and minutes—some oversight committees have websites with much more information than others. For example, Austin has an open data website for the city’s 2016 Mobility Bond in which one can explore, by location, each project funded by the bond, including its budget, funds spent to date, current stage, and whether it is within its approved budget and on schedule. (See Appendix D for more information.)

A website such as the one for Austin’s Mobility Bond enables the public to see how bond funds are spent. CGOBOC does not have these functions or features on its website. Although some San Francisco departments that have bond-funded projects do have information about them on their own websites, these are not accessible from CGOBOC’s website.

Exhibit 5: Benchmarking Results — Committee Member Information

OVERSIGHT PRACTICE	CGOBOC	SFPUC	SFMTA	SFUSD	City College	Austin
Does the committee require members to have different backgrounds?	Yes	Yes	No ^a	Yes	Yes	No
Is full committee member information transparent and accessible to the public? ^b	No	No	No	No	No	Yes

^a The SFMTA Board of Directors resolution that formed SFMTA’s Bond Oversight Committee requires different people or bodies to appoint members but does not require members from different backgrounds. Because this committee was not formed pursuant to the city Charter, it may have different practices than committees that were.

^b Leading practices include listing on a committee’s website members’ biographies, contact information, and term expiration dates. If a committee lists two or more of these pieces of information on its website, a yes is indicated.

CGOBOC does not list contact information for or biographies of its members on its website. Such information is important because it informs interested members of the public about who represents them and gives the public context about committee decisions.

Exhibit 6: Benchmarking Results — Meetings

OVERSIGHT PRACTICE	CGOBOC	SFPUC	SFMTA	SFUSD	City College	Austin
Does the committee hold meetings at regular intervals?	Yes	Yes	Yes	Yes	Yes	Yes
Are committee meetings transparent and accessible to the public? [*]	Yes	Yes	Yes	Yes	Yes	Yes

^{*}Leading practices include communicating meeting announcements to the public in multiple ways and televising meetings. If a committee performs one or more of these practices, a *yes* is indicated. Note that televising meetings is not financially viable for all committees.

As one of the critical functions of a bond oversight committee, meetings allow the public to watch and interact with the committee. To encourage the public to attend its meetings, the committee should announce them in advance (as is legally required) and in multiple ways. CGOBOC follows all the leading practices regarding meetings, including televising them. CGOBOC complies with the requirement to post its meeting agendas at the committee’s offices, at the meeting room, at the Public Library, and on the Committee’s website.

Exhibit 7: Benchmarking Results — Annual Reports

OVERSIGHT PRACTICE	CGOBOC	SFPUC	SFMTA	SFUSD	City College	Austin
Are annual reports made accessible to the public and jurisdiction’s board? ^a	Yes	Yes	Yes	No	Yes	N/A ^b

^a Leading practices include broadcasting annual reports to the public in multiple ways and presenting the annual report to the jurisdiction’s board. If a committee performs both of these practices, a *yes* is indicated.

^b The Austin Bond Oversight Committee bylaws do not require an annual report.

Annual reports can provide the public with an overview of the committee’s activities and findings of the previous year. CGOBOC follows leading practices, distributing its reports in multiple ways, including by posting them on its website and presenting its annual reports to the Board of Supervisors.

Two peer committees have unusual ways of distributing reports to the public. SFMTA’s committee sends its reports to anyone who has requested it from the committee. City College’s committee mails a “teaser” postcard, attached in Appendix E, to every San Francisco resident, which includes the report’s highlights and a link to the online report. In general, distributing reports in multiple ways to the public will ensure more people have access to a committee’s work.

Recommendation

- CGOBOC should ensure it provides to the public adequate information about its activities, functions, and members by enhancing the committee’s website and other means and should consider additional methods of report distribution used by other committees.

Functions and Activities

Exhibit 8: Benchmarking Results — Committee Functions and Activities

OVERSIGHT PRACTICE	CGOBOC	SFPUC	SFMTA	SFUSD	City College	Austin
Does the committee have presentations by staff on bond-funded projects?	Yes	Yes	Yes	Yes	Yes	Yes
Does the committee plan and implement regular ^a audits?	Yes	No ^b	No ^c	Yes, required by bylaws	Yes, required by bylaws	No
Does the committee maintain a liaison system, with different members assigned to different bonds to review reports?	Yes	No, considering implementing	No	No	No	No, considering implementing
Can the committee tour bond-funded facilities?	Yes	Yes, toured this year	Yes	Yes	Yes, toured this year	No

^a At least yearly, for the purposes of this report, but it depends on the needs of the committee.

^b Committee has conducted audits, although does not do so regularly.

^c Although committee does not regularly have audits conducted, it does have yearly attestation engagements conducted in accordance with American Institute of Certified Public Accountants standards.

CGOBOC follows all the leading oversight practices related to monitoring bond projects and expenditures that CSA identified. Also, CGOBOC is the only committee CSA considered that maintains a liaison system for monitoring bonds. Unlike members of other committees, each CGOBOC member is asked to oversee a bond program, receive updates, and report back to the entire committee. CGOBOC is also the only committee with a liaison system and the only one to include its members’ liaison comments in the annual report.

State law requires both SFUSD and City College’s committees to conduct annual independent performance and financial audits.³ Also, three other committees, including CGOBOC, have the power, as expressed in their bylaws, to conduct audits as they see fit. Financial audits concern financial statements, while performance audits ensure bond funds were spent in accordance with the ballot measure.

CGOBOC has commissioned audits of bond programs in the past, including audits of the 2008 San Francisco General Hospital Bond and the 2010 Earthquake Safety and Emergency Response Bond Program. CGOBOC has also planned six audits in the coming two fiscal years. These audits are critical to oversight functions because they provide an independent, in-depth analysis of expenditures that committee members may not be able to provide.

Recommendation

- CGOBOC should continue to request more frequent audits to ensure bond proceeds are spent as voters approved.

³ Ibid.

Committee Staffing and Composition

Exhibit 9: Benchmarking Results — Committee Staffing

OVERSIGHT PRACTICE	CGOBOC	SFPUC	SFMTA	SFUSD	City College	Austin
Does the committee have staff from the jurisdiction to assist it?	Yes	Yes	Yes	Yes	Yes	Yes

All the committees have access to staff who assists with the administrative work related to committee meetings, such as preparing agendas and minutes, and present updates about bond-funded projects at meetings. One member of a peer committee noted that, although the committee can hire from outside the organization, it is a very difficult process, so the committee members feel they must work with the employees of the jurisdiction they oversee, sacrificing a level of independence in their work.

Exhibit 10: Benchmarking Results — Committee Composition

OVERSIGHT PRACTICE	CGOBOC	SFPUC	SFMTA	SFUSD	City College	Austin
Can the committee create subcommittees?	Yes	Yes	Yes	Yes	Yes	Yes

Subcommittees allow committees to be more efficient by dividing the workload, ensuring that not every member must be involved in all aspect of the committee’s activities. Although all six committees can create subcommittees or working groups, not all do, including CGOBOC. Nonetheless, CGOBOC does divide members’ functions by using the liaison system. Subcommittees are not a preferred way to divide work for all committees. Two committees mentioned that they do not have subcommittees because all their members would like to be active in all aspects of the committee.

Appendix A

Leading Practices

CSA derived the leading oversight practices used in this analysis by aggregating information from interviews of benchmark committee members and/or staff, comparing committee information, including bylaws and meeting minutes, as well as information from CalBOC and the Little Hoover Commission. The oversight practice information collected for CGOBOC and five peer committees is presented in the table below.

OVERSIGHT PRACTICE	CGOBOC	SFPUC	SFMTA	SFUSD	City College	Austin
1. Number of committee members required	At least 9	7	7	At least 7	At least 7	11
FUNCTIONS						
2. Does the committee receive reports on expenditures, schedules, and scopes of each bond, including presentations by bond projects?	Yes	Yes	Yes	Yes	Yes	Yes
3. Does the committee receive presentations by staff on bond-funded projects?	Yes	Yes	Yes	Yes	Yes	Yes
4. Does the committee maintain standardized reporting formats across bond funds formulated or approved by the committee?	No, working on it	No	Yes	No, working on it	No, but the district has one	No, working on it
5. Does the committee plan and implement regular (for the purposes of this at least yearly, but depends on the needs of the committee) audits?	Yes	No ^a	No ^b	Yes, required by bylaws	Yes, required by bylaws	No
6. Does the committee maintain a liaison system, with different members assigned to different bonds to review reports?	Yes	No, considering implementing	No	No	No	No, considering implementing
7. Can the committee tour bond-funded facilities?	Yes	Yes, toured this year	Yes	Yes	Yes, toured this year	No

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OVERSIGHT PRACTICE	CGOBOC	SFPUC	SFMTA	SFUSD	City College	Austin
ORIENTATION AND TRAINING						
8. Does the committee hold an orientation for every new member?	No	Yes	No ^c	No	Yes	Yes
9. Does the orientation or training include an introduction to bond financing?	N/A	Yes	N/A	N/A	Yes	No
10. Does the committee hold trainings for members when requested or necessary due to changes in law, etc.?	No	Yes	No	No	Yes	No
11. Are handbooks given to all members?	Yes	No	No	No	No	No
WEBSITE						
12. Is there a bond-tracking dashboard or display on the committee's website? ^d	No	No	No	No	No	Yes, for 2016 Mobility Bond
13. Is information on open bonds and expenditures on the committee's website?	No	No	No	Yes	No	No
14. Are annual reports on the committee's website?	Yes	Yes	Yes	Yes	Yes	Yes
15. Is there a researchable database on the committee's website (for example, ability to search by bond program)?	No	No	No	No	No	No
16. Are open bonds listed on the first page of the committee's website?	No	No	No	No	Yes	No
17. Is the committee's website easily accessible from the jurisdiction's website?	No	Yes	Yes	Yes	No	Yes
18. Is the committee website updated by jurisdiction staff, not committee members?	Yes	Yes	Yes	Yes	Yes	Yes
MEMBERS						
19. Does the committee require members to have different backgrounds?	Yes	Yes	No ^e	Yes	Yes	No

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OVERSIGHT PRACTICE	CGOBOC	SFPUC	SFMTA	SFUSD	City College	Austin
20. Are the expiration dates of members' terms listed online?	No	No	No	No	Yes	Yes
21. Is member contact information listed online?	No	No	No	No	No	Yes
22. Are member biographies listed online?	No	Yes	No	No	No	No
MEETINGS						
23. Does the committee hold meetings at regular intervals?	Yes	Yes	Yes	Yes	Yes	Yes
24. Are meeting announcements communicated to the public in multiple ways?	Yes, meeting website, mailer to those who have contacted in the past	Yes, meeting website, mailer to those who have contacted in the past	Yes, website and posted publicly	Yes, website and posted publicly	Yes, email campus-wide, website and posted publicly	Yes, Legal posting requirements and TV broadcast
25. Are committee meetings televised?	Yes	No	No	No	No	Yes
ANNUAL REPORTS						
26. Are annual reports required by the committee's bylaws?	Yes	Yes	Yes	Yes	Yes	No
27. Are annual reports communicated to the public in multiple ways?	Yes, online and reports on file at multiple locations	Yes, online and reports on file at multiple locations	Yes, posted online and sent to anyone who requests it in written form	No	Yes, posted online and mailer sent to all SF residents	N/A
28. Are annual reports presented to the jurisdiction's board?	Yes	Yes	Yes	Yes	Yes	N/A
STAFF						
29. Does the committee get assistance from staff of the jurisdiction?	Yes	Yes, staff during meetings, not full time	Yes, about six finance staff, work with committee when projects overlap	Yes, district bond staff	Yes, 2 staff (1 admin, 1 account clerk), not full time	Yes, 1 staff, not full time

OVERSIGHT PRACTICE	CGOBOC	SFPUC	SFMTA	SFUSD	City College	Austin
COMMITTEE COMPOSITION						
30. Can the committee create subcommittees?	Yes	Yes	Yes	Yes	Yes	Yes

Notes:

^a Committee has had audits, although not regularly.

^b Although committee does not have regular audits, it does have yearly attestation engagements conducted in accordance with American Institute of Certified Public Accountants standards.

^c According to SFMTA, given the straightforward nature of revenue bonds pledges across all revenues and because of members' extensive financial experience and participation on other committees, a comprehensive orientation is unnecessary.

^d Because revenue bonds are not approved by voters, having a bond-tracking dashboard and database and a list of bonds overseen may not be a leading practice.

^e The SFMTA Board of Directors resolution that formed the SFMTA Bond Oversight Committee requires different people or bodies to appoint members but does not require that members be from different backgrounds. Because this committee was not formed pursuant to the city Charter, it may have different practices than committees that were.

Appendix B

Sample Standardized Quarterly Report from the SFMTA RBOC

Bond Summary - June 2017 Expenditures (pending expenditures of interest accruals)

Series 2012B Bonds

The purpose of this monthly report is to update the Bond Oversight Committee (BOC) on SFMTA Revenue Bond monthly expenditures. Data for full project budgets and expenditures that include other fund sources will be presented in the next quarterly report.

Issued on July 11, 2012

PROJECT	ORIGINAL AMOUNT	REVISED AMOUNT ¹ [A]	BOND FUNDING ALLOCATED [B]	BONDS PAID June 2017 [C]	TOTAL BONDS PAID [D]	ENCUMBERED [E]	BOND AMOUNT AVAILABLE [F] (=B-D-E)	REMAINING TO BE ALLOCATED BY PROGRAM [G] (=A-B)	NOTES
Balboa Streetscape			126,234	-	126,234	-	-		
Bicycle Parking			750,000	-	750,000	-	-		
Bicycle Strategy Capital Projects – Polk Street Northbound Separated Bikeway			481,267	-	481,267	-	-		
Church and Duboce Project			37,466	-	37,466	-	-		
Exploratorium Crosswalk			250,000	-	250,000	-	-		
Franklin Street Bulbouts			48,508	-	48,508	-	-		
Geary-Gough Peter Yorke Bulbout			142,825	-	142,825	-	-		
Systemwide Transit Access and Reliability Program	\$1,500,000	\$1,836,300	\$1,836,300	-	\$1,836,300	-	-	-	
Muni Metro Sunset Tunnel Rail Rehabilitation			2,210,474	-	2,210,474	-	-		
Muni Metro Sunset Tunnel Rail Rehabilitation	\$900,000	\$2,210,474	\$2,210,474	-	\$2,210,474	-	-	-	
Muni Metro Turnback Rail Rehabilitation			1,635,366	-	1,635,366	-	-		
Muni Metro Turnback Water Intrusion Mitigation			462,112	-	462,112	-	-		
Muni Metro Turnback Rehabilitation	\$3,000,000	\$2,097,478	\$2,097,478	-	\$2,097,478	-	-	-	
Muni Green Center Rail Rehabilitation			2,100,000	-	2,100,000	-	-		
Muni Green Center Roof Rehabilitation			6,218,051	-	6,218,051	-	-		
Muni Green Light Rail Facility Rehabilitation	\$7,200,000	\$8,318,051	\$8,318,051	-	\$8,318,051	-	-	-	
Muni System Radio Replacement Project			62,197	-	62,197	-	-		
Muni System Radio Replacement Project	\$1,600,000	\$62,197	62,197	-	62,197	-	-	-	
C3 Integrated Systems Replacement			6,175,500	-	6,175,500	-	-		
Muni Metro System Public Announcement and Public Display System Replacement	\$6,500,000	\$6,175,500	\$6,175,500	-	\$6,175,500	-	-	-	
Parking Garage Projects - Condition Assessment, Waterproofing & Ventilation			5,000,000	-	5,000,000	-	-		
Parking Garage Projects	\$5,000,000	\$5,000,000	\$5,000,000	-	\$5,000,000	-	-	-	
PROJECTS	\$25,700,000	25,700,000	\$25,700,000	-	\$25,700,000	-	-	-	

TOTAL (Allocated + To Be Allocated) \$25,700,000

SERIES 2012B SFMTA REVENUE BOND RECAP	
TOTAL AMOUNT BONDS PAID TO DATE	\$25,700,000
AMOUNT ENCUMBERED	-
REMAINING BALANCE	-
GRAND TOTAL	\$25,700,000

INTEREST EARNED through June 30, 2017 \$293,839

¹ Revised Amounts based on 05/16/2016 Memo to the SFMTA Board (6th Reallocation of Series 2012B Proceeds)

Bond Summary - June 2017 Expenditures

The purpose of this monthly report is to update the Bond Oversight Committee (BOC) on SFMTA Revenue Bond monthly expenditures. Data for full project budgets and expenditures that include other fund sources will be presented in the next quarterly report.

PROJECT	ORIGINAL AMOUNT	REVISED AMOUNT ¹ [A]	BOND FUNDING ALLOCATED [B]	BONDS PAID June 2017 [C]	TOTAL BONDS PAID [D]	ENCUMBERED [E]	BOND AMOUNT AVAILABLE [F] (=B-D-E)	REMAINING TO BE ALLOCATED BY PROGRAM [G] (=A-B)	NOTES
9th and Division Improvements			100,000	-	100,000	-	-		
Above Grade PCS & Signal Visibility Improvement			421,718	-	421,718	-	-		
Excelsior & South Bernal Arcawides			328,627	6,060	280,357	-	48,270		Project complete. Funds to be moved to other projects.
Gough Street Pedestrian Safety Improvements			437,587	-	405,041	-	32,546		Working with DPW to return unused funds.
Lombard Street Safety Project			435,223	183,090	359,323	-	75,900		
Pedestrian Countdown Signals (Design)			500,000	1,108	488,226	-	11,774		
Persia Triangle Street Improvements			448,808	-	441,007	-	7,801		Unspent funds to be moved to another project.
Safe Routes to School Projects - Alamo Elementary			87,800	-	87,800	-	-		
Safe Routes to School Projects - Denman			30,292	-	30,292	-	-		
Safe Routes to School Projects - Tenderloin			333,932	-	274,709	-	59,213		To be spent down in December 2017.
Traffic Calming Improvements - Applications			238,364	-	238,364	-	-		
Traffic Calming Improvements - Area Wide			777,700	15,144	732,571	472	44,637		Pending DPW closeout; index code needs to be extended. Project substantially complete on 12/31/16.
Traffic Calming Improvements - Backlog Spot Improvements			785,890	-	785,890	-	-		
Traffic Calming Improvements - Site Specific			497,728	-	497,728	-	-		
Pedestrian Safety & Traffic Signal Improvements	\$5,000,000	\$5,425,496	\$5,423,659	\$205,402	\$5,143,026	\$472	\$280,161	\$1,837	
C3 Blue Light Emergency Phone Replacement			6,016,000	-	6,016,000	-	-		
Radio Replacement			2,000,000	-	2,000,000	-	-		
Transit Spot Improvement - 24th Street & Castro Bus Bulb Construction			273,954	-	273,954	-	-		
Transit Spot Improvement - Columbus Bus Bulbs			400,745	-	400,745	-	-		
Transit Spot Improvement - Muni Forward - 5 Fulton Mid Route Phase I			455,055	-	455,055	-	-		
Transit Spot Improvement - Muni Forward - 5 Fulton Outer			1,055,000	132	554,746	17,655	482,599		Moving \$130k to LRV procurement.
Transit System Safety & Other Transit Improvements	\$11,000,000	\$10,200,754	\$10,200,754	\$132	\$9,700,500	\$17,655	\$482,599		
Bicycle Strategy Capital Projects - Oak and Fell Bikeways Resurfacing			290,732	-	290,732	-	-		
Bicycle Strategy Capital Projects - Polk Street Northbound Separated Bikeway			89,972	-	89,972	-	-		
Bicycle Strategy Capital Projects - Wiggle Neighborhood Green Corridor			228,400	-	218,369	-	10,031		To be spent down in October 2017.
Broadway Chinatown Streetscape			425,936	62,432	166,603	216,558	42,775		To be spent down in September 2017.
Masonic Avenue Streetscape			5,726,171	757,737	4,761,630	749,839	214,702		Spending has increased due to prioritization of bond by DPW.
Van Ness BRT			2,250,880	-	2,250,880	-	-		
Street Capital Improvements	\$9,000,000	\$9,012,091	\$9,012,091	\$820,169	\$7,778,186	\$966,397	\$267,508		
Isais Creek Phase II Improvements			18,339,763	-	18,261,001	70,819	7,943		To be spent down in September 2017.
Operator Restrooms (Operator Convenience Facilities Phase I)			1,528,504	-	1,528,504	-	-		
Operator Restrooms (Operator Convenience Facilities Phase II)			1,099,569	60,557	1,074,449	5,893	19,227		
Parking Garage Projects - Condition Assessment, Waterproofing & Ventilation			1,000,000	-	999,850	-	150		To be spent down in July 2017.
Facility Improvements	\$7,000,000	\$21,967,836	\$21,967,836	\$60,557	\$21,863,804	\$76,712	\$27,320		
33 Stryan Overhead Replacement Project Phase I			1,892,852	-	1,892,852	-	-		
L Taraval Track Rail & Overhead Rehab			100,000	-	100,000	-	-		
M Ocean View Track Replacement			112,000	-	111,737	-	263		To be spent down in September 2017.
Muni Metro Sunset Tunnel Rail Rehabilitation			7,500,000	12,155	7,481,984	18,016	-		
Muni Metro Twin Peaks Tunnel Rail Replacement			4,754,780	73,929	4,700,918	39,003	14,859		
Transit Fixed Guideway Improvements	\$30,500,000	\$14,359,632	\$14,359,632	\$86,084	\$14,287,491	\$57,019	\$15,122		
Procurement of Light Rail Vehicles			14,030,560	157,638	13,467,723	166,774	396,063		
MUNI Fleet	\$12,500,000	\$14,034,191	\$14,030,560	\$157,638	\$13,467,723	\$166,774	\$396,063	\$3,631	
PROJECTS	\$75,000,000	\$75,000,000	\$74,994,532	\$1,329,982	\$72,240,730	\$1,285,029	\$1,468,773	\$5,468	

TOTAL (Allocated + To Be Allocated) \$75,000,000

SERIES 2013 SFMTA REVENUE BOND RECAP	
TOTAL AMOUNT BONDS PAID TO DATE	\$72,240,730
AMOUNT ENCUMBERED	\$1,285,029
REMAINING BALANCE	\$1,474,241
GRAND TOTAL	\$75,000,000

INTEREST EARNED through June 30, 2017 \$1,114,183

¹ Revised Amounts based on 07/10/2017 Memo to the SFMTA Board (7th Reallocation of Series 2013 Proceeds)

Appendix C - Project by Project Summary of Revenue Bond Fund Reallocations (Series 2013) As of July 10, 2017								
PROJECT/PROGRAM (From)	Capital Project (From)	PROJECT/PROGRAM (To)	Capital Project (To)	Amount of Reallocation	Reallocation Date	Reallocation Number	Required Authority	Reason for Reallocation
Transit Fixed Guideway Improvements	Unallocated	Pedestrian Safety & Traffic Signal Improvements	Gough Street Pedestrian Improvements	\$437,587	2/13/2015	1	BOC/MTAB Notification	Funding swap with another bond series
Transit Fixed Guideway Improvements	Unallocated	Facility Improvements	Van Ness Station Elevator Modernization	\$750,000	2/13/2015	1	BOC/MTAB Notification	Funding swap with another bond series
Facility Improvements	Parking Garage Projects	Facility Improvements	Islais Creek Phase II Improvements	\$722,431	10/5/2015	2	Administrative Authority	Project determined infeasible
Transit Fixed Guideway Improvements	Unallocated	Facility Improvements	Elevator Safety and Reliability Projects	\$750,000	10/5/2015	2	BOC/MTAB Notification	Project funding need
Transit Fixed Guideway Improvements	Unallocated	Facility Improvements	Islais Creek Phase II Improvements	\$13,542,781	6/1/2016	3	BOC/MTAB Notification	Identified funds will not be spent within 3 year window
Street Capital Improvements	Bicycle Strategy Capital Projects - Oak and Fell Bikeways Resurfacing	Street Capital Improvements	Van Ness Bus Rapid Transit	\$54,268	6/22/2016	4	Administrative Authority	Cost savings from completed project
Street Capital Improvements	Broadway Chinatown Streetscape	Street Capital Improvements	Van Ness Bus Rapid Transit	\$998,275	6/22/2016	4	Administrative Authority	Funding swap with another bond series
Street Capital Improvements	Unallocated	Street Capital Improvements	Van Ness Bus Rapid Transit	\$712,548	6/22/2016	4	Administrative Authority	Identified funds will not be spent within 3 year window
Transit System Safety & Other Transit Improvements	Transit Spot Improvement - Muni Forward - 5 Fulton Outer	Facility Improvements	Islais Creek Phase II Improvements	\$449,200	8/26/2016	5	BOC/MTAB Notification	Cost savings from active project
Transit Fixed Guideway Improvements	M Ocean View Track Replacement	MUNI Fleet	Procurement of Light Rail Vehicles	\$660,000	10/14/2016	6	BOC/MTAB Notification	Identified funds will not be spent within 3 year window
Transit System Safety & Other Transit Improvements	Transit Spot Improvement - Muni Forward - 5 Fulton Mid Route Phase I	MUNI Fleet	Procurement of Light Rail Vehicles	\$344,945	10/14/2016	6	BOC/MTAB Notification	Cost savings from completed project
Transit System Safety & Other Transit Improvements	Unallocated	MUNI Fleet	Procurement of Light Rail Vehicles	\$5,046	10/14/2016	6	BOC/MTAB Notification	Identified funds will not be spent within 3 year window
Pedestrian Safety & Traffic Signal Improvements	Above Grade PCS & Signal Viability Improvement	Street Capital Improvements	Masonic Avenue Streetscape	\$12,091	7/26/2017	7	BOC/MTAB Notification	Cost savings from completed project
Transit System Safety & Other Transit Improvements	Transit Spot Improvement - Columbus Bus Bulbs	MUNI Fleet	Procurement of Light Rail Vehicles	\$55	7/26/2017	7	BOC/MTAB Notification	Cost savings from completed project
Facility Improvements	Islais Creek Phase II Improvements	MUNI Fleet	Procurement of Light Rail Vehicles	\$520,569	7/26/2017	7	BOC/MTAB Notification	Identified funds will not be spent within 3 year window
TOTAL				\$17,967,890				

19 | Best Practices Benchmarking for Citizen Bond Oversight Committees

Bond Summary - June 2017 Expenditures

The purpose of this monthly report is to update the Bond Oversight Committee (BOC) on SFMTA Revenue Bond monthly expenditures. Data for full project budgets and expenditures that include other fund sources will be presented in the next quarterly report.

Series 2014 Bonds
Issued on December 10, 2014

PROJECT	ORIGINAL AMOUNT	REVISED AMOUNT ¹ (A)	BOND FUNDING ALLOCATED (B)	BONDS PAID June 2017 (C)	TOTAL BONDS PAID (D)	ENCUMBERED (E)	BOND AMOUNT AVAILABLE (F) (=B-D-E)	REMAINING TO BE ALLOCATED BY PROGRAM (G) (=A-B)	NOTES
9th and Division Improvements			147,426	-	137,701	-	9,725		Project savings to be moved to another project.
Broadway Chinatown Streetscape			1,484,064	43,322	117,179	1,182,966	183,919		
Columbus Ave. Streetscape Project			1,059,524	127,037	259,257	194,093	606,274		Substantial completion in September 2017.
Diamond Heights Boulevard Pedestrian Safety Improvements			315,000	4,005	17,394	-	297,606		To be spent down in March 2018.
Geary BRT Phase I			700,000	18,573	251,318	-	448,682		Construction to begin in October 2017.
Lombard Street Safety Project			891,725	(71,824)	442,173	234,580	214,972		Negative monthly expenditure due to DPW correction
Pedestrian Countdown Signals (Construction)			2,000,000	79,316	1,459,450	147,554	392,996		
Polk Streetscape			2,733,339	55,396	452,447	1,789,981	490,911		
Polk Street Signal Upgrade			352,000	6,488	59,274	260,726	32,000		
Safe Routes to School Projects - Denmark			462,100	19,738	405,738	-	56,362		To be spent down in December 2017.
Traffic Calming Improvements - Backlog Spot Improvements			185,000	5,959	124,002	-	60,998		To be spent down in December 2017.
Traffic Calming Program Implementation			912,725	46,865	560,996	-	351,729		
Pedestrian Safety & Traffic Signal Improvements	\$11,000,000	\$11,242,903	\$11,242,903	\$334,875	\$4,286,929	\$3,809,900	\$3,146,074		
1 California: Laurel Village Transit Priority Project			186,000	15,261	81,727	-	104,273		
19 Polk: Polk Street Transit Priority Project			540,000	11,588	89,586	216,031	234,383		
C3 Blue Light Emergency Phone Replacement			3,500,000	-	3,500,000	-	-		
Mission and Silver Fast Track Transit Enhancements			342,576	-	342,576	-	-		
Radio Replacement			11,000,000	-	11,000,000	-	-		
Transit Spot Improvement - Columbus Bus Bulbs			91,168	-	91,168	-	-		
Transit Spot Improvement - Events at Phelps			71,000	402	19,104	-	51,896		To be spent down in December 2017.
Van Ness Bus Rapid Transit Project			124,000	-	-	-	124,000		
Transit System Safety & Spot Improvements	\$7,500,000	\$16,500,000	\$15,854,744	\$27,251	\$15,124,161	\$216,031	\$514,552	\$645,256	
7th and 8th Street Streetscape			300,000	96,891	261,566	1,561	36,873		Substantial completion in June, pending closeout.
Bicycle Strategy Capital Projects - Oak and Fell Bikeways Resurfacing			54,169	-	54,169	-	-		
Contract 64 Signals			573,487	11,657	44,539	-	528,948		
Masonic Avenue Streetscape			13,746,693	37,947	553,707	8,082,983	5,110,003		
Mission Valencia Raised Cycletrack			147,189	-	132,335	12,011	2,843		Pending PUC closeout.
Safe Routes to School Projects - Tenderloin			163,099	-	157,992	-	5,107		Pending DPW closeout.
Street Capital Improvements	\$5,000,000	\$14,984,637	\$14,984,637	\$146,495	\$1,204,308	\$8,096,555	\$5,683,774		
Elevator Safety & Reliability Project			345,569	-	-	345,569	-		Work to begin in August 2017.
Ides Creek Phase I Improvements			6,137,000	-	5,900,800	-	236,200		To be spent down in September 2017.
Operator Restrooms (Operator Convenience Facilities Phase II)			3,517,431	50,420	1,072,376	403,991	2,041,064		
Parking Garage Projects - Condition Assessment, Waterproofing & Ventilation			51,630	-	-	-	51,630		Delays caused by permitting. May need to move funds for faster spending.
Parking Garage Project - Elevator Modernization Condition Assessment of 7 Garages			5,352,000	46,963	294,771	47,646	5,009,583		Bid process to begin in September. Contractor backlog cause delays. May need to move funds out.
Parking Garage Project - Ellis O'Connell Seismic Upgrade			1,770,000	35,656	80,454	-	1,689,546		
Parking Garage Project - Golden Gateway Garage Ventilation			3,517,000	32,709	2,734,983	-	782,017		Project in closeout.
Parking Garage Project - Japan Center Garage Ventilation			3,140,000	175,050	2,141,183	52,208	946,609		Substantial completion in August 2017.
Parking Garage Project - Lombard Garage Waterproofing			3,026,000	5,858	506,579	16,286	3,403,135		Bid award in coming months.
Parking Garage Project - Sutter Stockton Garage Ventilation			2,061,400	50,493	1,713,059	-	349,341		Project in closeout.
Facility Improvements	\$8,000,000	\$8,000,000	\$7,818,230	\$97,149	\$14,443,205	\$665,700	\$14,509,125	\$181,870	
Procurement of Light Rail Vehicles			2,886,460	-	2,272,460	-	614,000		
MUNI Fleet	\$12,500,000	\$2,272,460	\$2,886,460	-	\$2,272,460	-	\$614,000	(\$614,000)	Reallocation letter to move funds from Transit System Safety & Spot Improvements to MUNI Fleet being processed
PROJECTS	\$75,000,000	\$75,000,000	\$74,786,774	\$905,770	\$37,331,063	\$12,988,186	\$24,467,525	\$213,226	

TOTAL (Allocated + To Be Allocated) \$75,000,000

SERIES 2014 SFMTA REVENUE BOND RECAP	
TOTAL AMOUNT BONDS PAID TO DATE	\$37,331,063
AMOUNT ENCUMBERED	\$12,988,186
REMAINING BALANCE	\$24,682,751
GRAND TOTAL	\$75,000,000

INTEREST EARNED through June 30, 2017 \$1,061,951

¹ Revised Amounts based on 3/21/2017 Memo to the SFMTA Board (2nd Reallocation of Series 2014 Proceeds)

Appendix C - Project by Project Summary of Revenue Bond Fund Reallocations (Series 2014) As of March 21, 2017								
PROJECT/PROGRAM (From)	Capital Project (From)	PROJECT/PROGRAM (To)	Capital Project (To)	Amount of Reallocation	Reallocation Date	Reallocation Number	Required Authority	Reason for Reallocation
Facility Improvements	Unallocated Parking Garage Projects	Transit System Safety & Other Transit Improvements	Radio Replacement	\$9,000,000	10/5/2015	1	BOS Approval	Identified funds will not be spent within 3 year window
MUNI Fleet	Procurement of Light Rail Vehicles	Street Capital Improvements	Masonic Streetscape Project	\$10,227,540	10/5/2016	1	BOC/MTAB Notification	Funding swap to meet cash flow needs
Street Capital Improvements	Columbus Avenue Streetscape	Pedestrian Safety & Traffic Signal Improvements	Columbus Avenue Streetscape	\$242,903	3/21/2017	2	BOC/MTAB Notification	Consolidation of funding for the same project into one program
TOTAL				\$19,470,443				

Appendix B - Summary of Revenue Bond Fund Reallocations (Series 2014) As of March 21, 2017						
PROJECT/PROGRAM	ORIGINAL AMOUNT	Reallocation 1 10/2/2015 Board Letter		Reallocation 2 3/21/2017 Board Letter		TOTAL Reallocation
		CHANGE	REVISED PROJECT TOTAL	CHANGE	REVISED PROJECT TOTAL	
Pedestrian Safety & Traffic Signal Improvements	\$11,000,000	\$0	\$11,000,000	\$242,903	\$11,242,903	\$242,903
Transit System Safety & Other Transit Improvements	\$7,500,000	\$9,000,000	\$16,500,000	\$0	\$16,500,000	\$9,000,000
Street Capital Improvements	\$5,000,000	\$10,227,540	\$15,227,540	(\$242,903)	\$14,984,637	\$9,984,637
Facility Improvements	\$39,000,000	(\$9,000,000)	\$30,000,000	\$0	\$30,000,000	(\$9,000,000)
MUNI Fleet	\$12,500,000	(\$10,227,540)	\$2,272,460	\$0	\$2,272,460	(\$10,227,540)
TOTAL	\$75,000,000	\$0	\$75,000,000	\$0	\$75,000,000	\$0

Bond Summary - June 2017 Expenditures

Series 2017 Bonds

The purpose of this monthly report is to update the Bond Oversight Committee (BOC) on SFMTA Revenue Bond monthly expenditures. Data for full project budgets and expenditures that include other fund sources will be presented in the next quarterly report.

Issued on June 7, 2017

PROJECT	ORIGINAL AMOUNT	REVISED AMOUNT [A]	BOND FUNDING ALLOCATED [B]	BONDS PAID June 2017 [C]	TOTAL BONDS PAID [D]	ENCUMBERED [E]	BOND AMOUNT AVAILABLE [F] (=B-D-E)	REMAINING TO BE ALLOCATED BY PROGRAM [G] (=A-B)	NOTES
Procurement of Light Rail Vehicles			10,187,453	6,944,949	6,944,949	3,242,504	-		
MUNI Fleet	TOTAL \$107,000,000	-	\$10,187,453	\$6,944,949	\$6,944,949	\$3,242,504	-	\$96,812,547	
Van Ness Bus Rapid Transit Project			48,000,000	2,356,364	2,356,364	45,643,636	-		
Van Ness Bus Rapid Transit Project	TOTAL \$48,000,000	-	\$48,000,000	\$2,356,364	\$2,356,364	\$45,643,636	-	-	
Mission Bay Transportation Capital Improvements			35,000,000	-	-	-	35,000,000		
Mission Bay Transportation Capital Improvements	TOTAL \$35,000,000	-	\$35,000,000	-	-	-	\$35,000,000	-	
PROJECTS	\$190,000,000	-	\$93,187,453	\$9,301,313	\$9,301,313	\$48,886,140	\$35,000,000	\$96,812,547	

TOTAL (Allocated + To Be Allocated) \$190,000,000

SERIES 2017 SFMTA REVENUE BOND RECAP	
TOTAL AMOUNT BONDS PAID TO DATE	\$9,301,313
AMOUNT ENCUMBERED	\$48,886,140
REMAINING BALANCE	\$131,812,547
GRAND TOTAL	\$190,000,000

INTEREST EARNED through June 30, 2017	\$128,048
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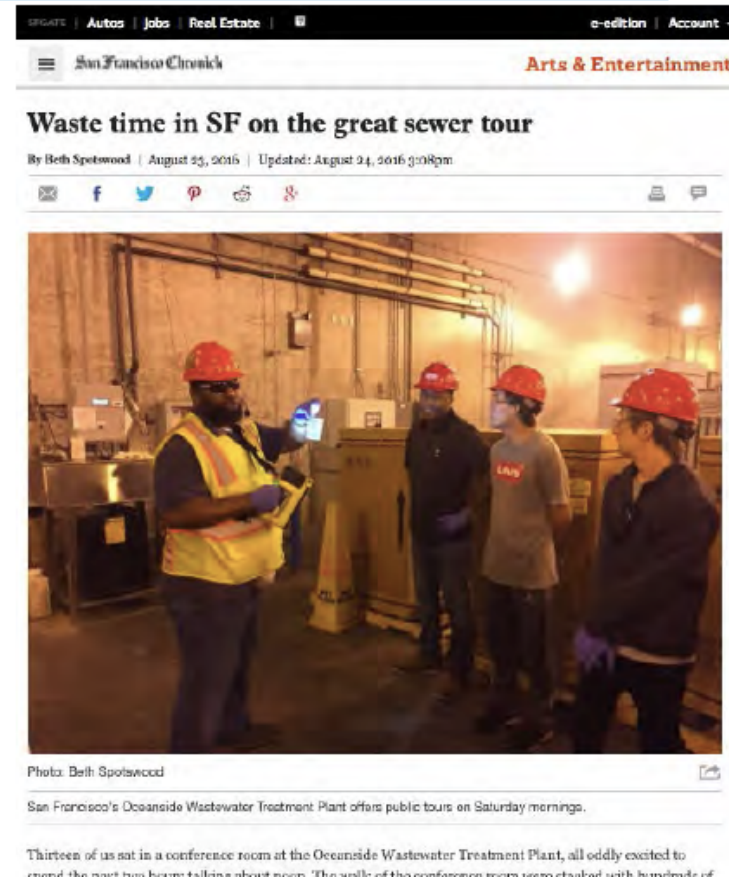
Appendix C

SFPUC RBOC Meeting Presentation Stakeholder Engagement



Stakeholder Outreach to Date

- 50+ Street Fairs
 - 93 Workshops
 - 250+ Tours with 3,500+ Attendees
 - 95+ Presentations
 - 1,900+ Ipad Surveys
 - 4,800+ MetroQuest Surveys
 - 1.5+ Million reached on Social Media
- f** 5,656 Facebook Likes
- t** 13,313 Twitter Followers
- in** 2,504 LinkedIn Connections



Appendix D

Austin BOC Bond Dashboard

Home Page for Dashboard



The 2016 Mobility Bond is putting Austin In Motion

Austin voters approved \$720 million in bonds last year for transportation and mobility improvements throughout the city. During the next eight years, a dedicated project team of engineers, data analysts, and builders will be delivering these improvements for a more mobile and safe Austin. This team is guided by [City Council's Contract With Voters, which you can read here](#).

This website is your resource for information about opportunities to get involved, to track how your tax-payer dollars are being invested, and to stay up-to-date on the progress of this historic bond investment. [Learn more about the projects.](#)

Click the icons below for more information about each topic:

[Sign Up for Our Newsletter](#)



Dashboard with Project Map

capitalprojects.austintexas.gov
austintexas.gov Get Updates FAQ Search Projects

84 Projects 100% On-Budget 100% On-Schedule

Home

All Projects

2016 BOND

Select All

Regional Mobility

Corridor Mobility

Local Mobility

COUNCIL DISTRICT

PROJECT PHASE


Preliminary

Design


Bid/Award

Construction

Post-Construction



Hover over a project



Welcome to the City of Austin Project Explorer

This interactive tool gives you details about projects and programs funded by the 2016 Mobility Bond Program.

The 2016 Mobility Bond Program invests \$720 million in transportation and mobility improvements throughout Austin. The program is composed of three categories: Regional Mobility, Corridor Mobility, and Local Mobility.

- Regional Mobility:** The 2016 Mobility Bond Regional Program dedicates \$101 million to regional mobility projects to address congestion and enhance safety.
- Corridor Mobility:** The 2016 Mobility Bond Corridor Program provides \$482 million for corridor improvement projects that enhance mobility, safety, and connectivity for all users—whether you drive, bike, walk, or take transit.
- Local Mobility:** The 2016 Mobility Bond Local Program puts \$137 million to local mobility projects, including Sidewalks, Safe Routes to School, Urban Trails, Bikeways, Intersection Safety/Vision Zero, and Sub-standard Streets/Capital Renewal.

Project Performance Goals

Each project and program in the Project Explorer has two green, yellow, or red indicators that let you know if the project is on-time and on-budget.

- ✔ Project is within approved schedule.
Project is within approved budget.
- ⊕ Project is 3 to 9 months behind approved schedule.
Project is over approved budget, but within 20%.
- ✖ Project is more than 9 months behind approved schedule.
Project is more than 20% over approved budget.

Project Example

North Lamar Boulevard / Guadalupe Street Corridor Mobility Plan

Project ID: 11892.001

[Project Website](#)

- ✔ Project is within approved budget.
- ✔ Project is within approved schedule.

Description:

The City of Austin is creating a Corridor Mobility Plan for the North Lamar Boulevard and Guadalupe Street corridors. A Corridor Mobility Plan is a preliminary engineering report with recommendations to improve safety, mobility, and connectivity. The limits of this Corridor Mobility Plan are on North Lamar Boulevard between Lady Bird Lake and US Hwy 183, and on Guadalupe Street between West 29th Street and North Lamar Boulevard.

2016 Mobility Bond Program Information:

- [Program\(s\)](#) | [Budget](#) | [Obligated](#) | [Spent](#)
- Corridor | \$482.0 million | \$11.40 million | \$5,201,000

Project Details:

N/A	Anticipated Construction Start	4,5,7,9,10	Council District(s)
\$580,000	Project Total Budget	\$580,000	2016 Bond Funding
\$572,000	Project Funds Obligated	\$572,000	2016 Bond Funds Obligated
\$3,000	Project Funds Spent	\$3,000	2016 Bond Funds Spent
Sara Behunek	Project Contact	sara.behunek@austintexas.gov	Contact Email

Stage



Appendix E

City College of SF Report "Teaser" Draft as of November 2017

City College of San Francisco Citizen's Bond Oversight Committee 2017 Annual Report to the Community



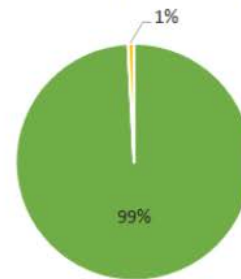
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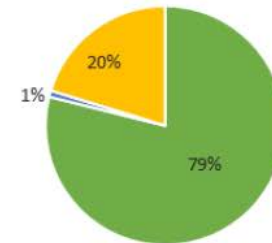


2001 Proposition A



- Expended Funds: \$193,427,987
- Committed Funds: \$0
- Uncommitted Funds: \$1,572,013

2005 Proposition A



- Expended Funds: \$195,949,302
- Committed Funds: \$2,086,101
- Uncommitted Funds: \$50,350,698

What is a general obligation bond?

General obligation bonds fund projects such as the renovation of existing classrooms and school facilities, as well as construction of new schools and classrooms. Similar to a home loan, general obligation bonds are typically repaid over 30 years. The loan repayment comes from a tax on all taxable property – residential, commercial, agricultural and industrial – located in the District.

What is the Citizens' Bond Oversight Committee and why does it matter to me?

The Citizens' Bond Oversight Committee (CBOC) is a collection of community members that are tasked to oversee the spending of general obligation bonds. This additional oversight is important because you pay for these bonds as part of your property taxes.

Where do I go to find more information?

The 2017 Annual Report to the Community for the Fiscal Year July 2015 to June 2016 is available from the CBOC's website at <http://www.ccsf.edu/en/about-city-college/board-of-trustees/bond/annual-report>. For additional questions, please contact the Office of the Vice Chancellor of Finance & Administration at 415-241-2230.



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

MEMORANDUM

TO: Tonia Lediju, Audit Director
Mark dela Rosa

FROM: Brenda McNulty, CGOBOC Chair

DATE: May 14, 2018

SUBJECT: **Response to the Bond Oversight Benchmarking Report**

At the Citizen's General Obligation Bond Oversight Committee (CGOBOC) meeting on April 2, 2018, we received the Controller's City Services Auditor's staff memo entitled "Best Practices Benchmarking for Citizen Bond Oversight Committees." Audits' staff also gave a brief presentation and summary of the benchmarking research and their recommendations during our meeting.

We are very pleased to note that the CGOBOC already follows many of the leading practices that are detailed in the report.

At the same time, we value the recommendations for improvement. The Committee has already committed to making changes along the lines set out in the recommendations. We are already underway with an update to the design and content of the CGOBOC website. We have discussed the Committee's ideas regarding the format of bond reporting at recent meetings and plan to work on a new standardizing process starting in the summer of 2018.

These and other improvements to the Committee's work and processes are an important part of our workplan and we will update them at each of our meetings.

Thank you for the careful research done by your staff. We value the report and will use your recommendations going forward this fiscal year and next.

Best Practices Benchmarking for Citizen Bond Oversight Committees



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
Audits Division

Mark de la Rosa | Alice Duncan-Graves

04.02.2018



CSA conducted this analysis at CGOBOC's request to help it identify potential improvements to how it fulfills its oversight role, functions, and activities.

Benchmarked Jurisdictions

- Revenue Bond Oversight Committee (RBOC) of SFPUC
- Bond Oversight Committee (BOC) of SFMTA
- Citizens' Bond Oversight Committee (CBOC) of SFUSD
- Citizens' Bond Oversight Committee of City College of San Francisco (City College)
- Bond Oversight Committee of City of Austin, Texas (Austin)

Other Resources

- California League of Bond Oversight Committees, *Committee Guidelines*
- Little Hoover Commission
- Contra Costa County Grand Jury 2012 report, *School Bond Oversight Committees: Raising the Bar*



Highlights

CGOBOC follows many of the leading practices identified in CSA's report. CGOBOC is:

- The only committee to provide a handbook to members.
- One of two committees that televises its meetings.
- The only committee that uses a liaison model to oversee bonds.



Recommendations

CGOBOC should:

Measures and Reporting

- Complete the process of standardizing the reporting format bond programs use.
- Consider including stakeholder engagement as one of its required performance measures.

Orientation and Training

- Consider instituting an enhanced orientation plan for new committee members.
- Develop supplementary training for continuing committee members.

Public Transparency and Access to Information

- Ensure it provides to the public adequate information about its activities, functions, and members.

Functions and Activities

- Continue to request more frequent audits to ensure bond proceeds are spent as voters approved.

**PUBLIC UTILITIES REVENUE BOND OVERSIGHT COMMITTEE
BYLAWS**

**ARTICLE I
Overview**

Section 1. Name

The name of this committee is the Public Utilities Revenue Bond Oversight Committee (referred to herein as the "Committee").

Section 2. Authority

The Committee derives its authority from Proposition P, adopted by the voters at the November 5, 2002 election (S.F. Admin. Code, Sections 5A.30 *et. seq.*). Terms contained in these Bylaws are not intended to, and shall not, in any way enlarge or restrict the purposes, powers or authority of the Committee. In the event of any conflict between these Bylaws and the terms of Proposition P as adopted by the voters, the provisions of Proposition P shall control.

Section 3. Purpose

The purpose of the Committee is to report publicly to the Mayor, the Public Utilities Commission (hereinafter the "Commission") and the Board of Supervisors regarding the Commission'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. The Committee shall convene to provide oversight to ensure that: (1) revenue bond proceeds are expended only in accordance with the authorizing bond resolution and applicable law, (2) revenue bond proceeds are expended solely for uses, purposes and projects authorized in the bond resolution, and (3) revenue bond proceeds are appropriately expended for authorized capital improvements so that an uninterrupted supply of water and power continues to flow to the City and the Commission's customers.

Section 4. Activities and Powers

In furtherance of its purpose, the Committee may: (1) inquire into the disbursement and expenditure of the proceeds of the Commission's revenue bonds authorized by the bond resolution and other applicable law by receiving any and all reports, financial statements, correspondence or other documents and materials related to the expenditure of revenue bond funds from the Commission; (2) hold public hearings to review the disbursement and expenditure of the proceeds of revenue bonds; (3) inspect facilities financed with the proceeds of revenue bonds; (4) receive and review copies of any capital improvement project proposals or plans developed by the Commission relating to the Commission's water, power or wastewater infrastructure which are to be financed in whole or in part with revenue bonds; (5) review efforts by the Commission to maximize revenue bond proceeds by implementing cost-saving measures including, but not limited to, (a) mechanisms designed to reduce the costs of professional fees and site preparation and project design, (b) recommendations regarding the cost effective and efficient use of core facilities, (c) the development and use of alternate technologies, and (d) the use of other sources of infrastructure funding, excluding bond refunding; and (6) commission review and evaluation of the disbursement and expenditure of the proceeds of such revenue bonds by independent consultants and experts.

The Committee may comment to the Board of Supervisors on the development and drafting of proposed legislation pertaining to Commission revenue bonds prior to a Board

determination regarding whether to submit the measure for voter approval or authorizing the issuance of revenue bonds, if voter approval is not otherwise required.

In addition, if, after reviewing materials provided by the Commission, the Committee, after conducting its own independent audit and after consultation with the City Attorney, determines that the proceeds of a revenue bond program were spent on purposes not authorized by the resolution or otherwise amounts to an illegal expenditure or illegal waste of such revenue bonds within the meaning of applicable law, the Committee, by majority vote, may prohibit the issuance or sale of authorized public utility revenue bonds which have yet to be issued or sold by acting in accordance with the procedures set forth in Article III, Section 11 of these Bylaws. The Committee's decision to prohibit the sale of authorized, unsold revenue bonds may be appealed and overturned, or lifted, in accordance with the provisions of Section 5A.34 of the San Francisco Administrative Code.

Section 5. Restrictions on Activities and Powers

The Committee shall not participate or interfere in the selection process of any vendor hired to execute revenue bond funded projects.

Section 6. Committee Members

The Committee shall consist of seven members: two members appointed by the Mayor; two members appointed by the Board; one member by the Controller; and one member by the Bay Area Water Users Association. The seventh member shall be the Budget Analyst for the Board or his/her representative.

Members appointed by the Mayor and the Board shall, individually or collectively, have expertise, skills and experience in economics, the environment, construction and project management. The member appointed by the Controller shall have background and experience in auditing, accounting and project finance.

Each Committee member will serve for no more than two consecutive terms. Upon their initial appointment, three members of the Committee shall be assigned by lot to an initial term of two and the remaining four members shall have an initial term of four years. Thereafter, each Committee member shall serve a four-year term.

If there is a vacancy on the Committee, the Chair shall promptly notify the appointing authority and request that such vacancy be filled at the earliest possible date. If a Committee member has misses three (3) consecutive duly called meetings of the Committee without informing the Chair as to the reason or cause of the absence, such Committee member shall be presumed to have vacated their position on the Committee. Thereupon the Chair shall place on the next succeeding agenda for the Committee's consideration an item to permit such member to appear and explain his or her absence from Committee meetings. Prior to such meeting, the Chair shall cause to be provided no later than 5 days prior to such meeting notice to the absent Committee member requesting their attendance at such meeting. If such member shall not attend the next succeeding meeting then and in such case the presumption shall become conclusive and such member shall be deemed to have vacated their position on the Committee. Thereafter the Chair shall promptly notify the appointing authority of the presumed vacancy and request that such vacancy be filled at the earliest possible date.

Upon expiration of a members term, the member shall continue to serve as a member of the Committee until a successor is appointed.

Section 6. Committee Office

For purposes of contacting the Committee, the Committee office will be physically located at ~~1155 Market Street~~ 525 Golden Gate Avenue, 45th Floor. The Committee's mailing address is ~~1155 Market Street~~ 525 Golden Gate Avenue, 45th Floor, San Francisco, California 941023. The Committee's e-mail address is rboc@sfgov.org ~~bondoversight@sfgov.org~~. ~~The Committee's phone number is: (415) 487-5245.~~

ARTICLE II Officers

Section 1. Officers

There shall be a Chair and a Vice Chair of the Committee.

Section 2. Term of Office

The term of each office shall be one year. Officers serve at the pleasure of the Committee and may be removed from office before expiration of their one-year term by a vote of four members of the Committee.

Section 3. Election of Officers

Elections for officers shall be conducted at the first regular meeting of the Committee in each calendar year, or as soon thereafter as practicable as determined by the Committee. The Chair and Vice Chair shall continue in their respective offices until a new election is conducted.

In the event the Chair is unable to complete his or her term of office, the Vice Chair shall serve as Chair until the next regular meeting. At the next regular meeting, the Committee shall elect a new Chair to fill the vacancy for the balance of the unexpired term. In the event the Vice Chair is elected as Chair, there shall be an election for a new Vice Chair at that meeting. If the office of Vice Chair is vacated before the expiration of a term, it shall remain vacant until the next regular meeting, at which time the Committee shall elect a new Vice Chair.

Section 4. Duties of the Chair

The Chair shall preside at all meetings of the Committee, shall preserve order and decorum, and shall decide all questions of order subject to appeal to the Committee by any member. In addition, the Chair, working with the Committee members and staff, shall oversee the preparation of the agenda for all Committee meetings.

Unless the Committee specifies otherwise, the Chair is empowered to appoint members to standing or special subcommittees formed by the Committee. In addition, as stated in Article III, Section 2, the Chair is empowered to call special meetings.

Section 5. Duties of the Vice Chair

In the absence of the Chair, the Vice Chair shall preside at meetings of the Committee. In addition, as stated in Article II, Section 3, if the Chair is unable to complete his or her term of office, the Vice Chair shall serve as Chair until the next regular meeting.

In the absence of both the Chair and Vice Chair, the members shall select by motion a member to preside over the meeting.

ARTICLE III Meetings

Section 1. Regular Meetings

~~The first regular meeting of the Committee shall be held on November 12, 2003, at 2:00 p.m. at 1155 Market Street, 4th Floor.~~

~~At the first meeting of each calendar year,~~ At the first meeting of the year the Committee shall adopt a schedule specifying the dates, times and locations of the regular meetings for the next year.

Once the dates, times and locations of the regular meetings have been determined, that information shall be promptly posted on the Commission's website, ~~at the San Francisco Main Library, and at the Committee's office.???~~

Section 2. Special Meetings

The Chair or a majority of the members of the Committee may call special meetings at any time by delivering written notice to each member of the Committee ~~and to individuals who have requested such notice in writing.~~

Section 3. Notice and Agendas of Meetings

Agendas of all regular and special meetings shall be posted at least 72 hours prior to the meeting at the meeting site, at the Committee's office, at the San Francisco Main Library, and on the Commission's website. If a special meeting will be at a site other than 525 Golden Gate Avenue~~1155 Market Street~~, notice of the special meeting shall be given at least 15 days prior to said special meeting. Agendas and notices shall be emailed~~mailed~~ to each Committee member ~~and to individuals who have requested such agendas and notices in writing.~~

Section 4. Cancellation of Meetings

The Chair may cancel a meeting if he or she is aware that a quorum of the body will not be present or if the meeting date conflicts with a holiday or other responsibilities of the Committee members. Notices of cancellations shall be posted at the meeting site, at the Committee's office, at the San Francisco Main Library, and on the Commission's website. ~~If time permits, notice of meeting cancellations shall be mailed to all members of the public who have requested in writing to receive notices and agendas of Committee meetings.~~

If a regular meeting is cancelled, the Chair shall reschedule the regular meeting at a date and time that is after the originally scheduled date and time, that is reasonably close to the originally scheduled date and time, and that is calculated to result in the greatest number of Committee members in attendance at the rescheduled meeting.

Section 5. Conduct of Meetings

All Committee meetings shall be held in compliance with all applicable laws, including but not limited to, the Ralph M. Brown Act (Cal. Gov. Code, Sections 54950 *et. seq.*), the California Public Records Act (Cal. Gov. Code, Sections 6250 *et. seq.*), the San Francisco Charter, the San Francisco Sunshine Ordinance (S.F. Admin. Code, Chapter 67), the Ordinance establishing the Committee (S.F. Admin. Code, Sections 5A.30 *et. seq.*), and these Bylaws. Except where state or local laws or other rules provide to the contrary, the Committee, at the discretion of the Chair, may use Robert's Rules of Order as a guide to the conduct of meetings.

When a member desires to address the Committee, he or she shall seek recognition by addressing the Chair. When recognized, the member shall proceed to speak. The member shall confine his or her remarks to the question before the Committee.

Section 6. Setting Agendas

Committee staff, at the direction of the Chair, shall prepare the agenda for meetings. The Chair will, as practicable, place any item requested by a member of the Committee on the agenda ~~provided that it is generally received no less than five days prior to a regular meeting.~~ Each agenda of all regular meetings shall contain an item during which members may request items for the Committee to consider at future meetings.

Section 7. Quorum

Four members of the Committee shall constitute a quorum for all purposes.

Section 8. Required Vote For Approval of a Matter

The affirmative vote of four members of the Committee shall be required for the approval of any matter, except that the affirmative vote of a majority of the members present is sufficient for the approval of any procedural or parliamentary matter.

Section 9. Voting and Abstention

Each member present at a Committee or subcommittee meeting shall vote "yes," "no" ~~or "abstain"~~ when a question is put, unless the member has a conflict of interest that legally precludes participation in the vote. The determination of whether a Committee member has a conflict of interest that precludes participation in a matter shall be determined by the individual member in consultation with the City Attorney.

The Committee may take action on items on the agenda by roll call vote, voice vote, or show of hands. The minutes shall reflect how each Committee member voted on each item.

Section 10. Public Comment

Agendas for regular meetings shall provide an opportunity for members of the public to directly address the Committee on items of interest to the public that are within the subject matter jurisdiction of the Committee.

Each person wishing to speak on an item before the Committee at a regular or special meeting shall be heard once for up to three minutes, unless extended by the Chair. The Chair may limit the time for public comment consistent with state and local law.

Section 11. Process for Prohibiting Issuance of Revenue Bonds Upon Determination That Revenue Bond Proceeds Were Spent on Unauthorized Purposes

If the Committee prohibits the issuance of bonds for any remaining revenue bond authorization in accordance with Section 5A.34 of the San Francisco Administrative Code, it shall do so only after proceeding as follows. At a regular or special meeting of the Committee, the Committee, after having conducted its own independent audit and after consultation with the City Attorney, may make a finding that the Commission has spent revenue bond proceeds on purposes not authorized by the authorizing resolution or otherwise amounts to an illegal expenditure or illegal waste under applicable law. At such meeting, the Committee may determine, by majority vote, whether to prohibit the further issuance of revenue bonds pursuant to the powers granted to the Committee by Section 5A.34 of the San Francisco Administrative Code. If the Committee makes a finding of illegal expenditure or illegal waste, or makes a decision to prohibit revenue bond sales, notification shall be delivered simultaneously to each member of the Board of Supervisors, the President of the San Francisco Public Utilities Commission, the Mayor's Office of Public Finance, the City Controller and the City Treasurer.

The Committee's decision to prohibit the sale of authorized, unsold revenue bonds may be appealed and overturned, or lifted, in accordance with the provisions of Section 5A.34 of the San Francisco Administrative Code.

ARTICLE IV Maintenance of Committee Records and Issuance of Reports

Section 1. Meeting Minutes

Minutes shall be taken at every regular and special meeting. The minutes shall reflect how each Committee member voted on each item of business before the Committee. Minutes shall be approved by the Committee and be made available at the Committee's office, on the Commission's website, and at the San Francisco Public Library.

Section 2. Reports

The Committee shall issue an annual report ~~by January 30 of~~ each year on the results of its activities for the preceding year ~~(the "Reporting Period"), and such~~. ~~A report shall be issued at least once a year and~~ delivered to the Mayor, the Commission and the Board of Supervisors. ~~The report shall be delivered no later than 90 days following the end of the Reporting Period.~~ All reports issued shall be placed on file at the Committee's office, the Commission's website, at the Clerk of the Board of Supervisors, and at the San Francisco Public Library.

ARTICLE V Subcommittees

Section 1. Standing Subcommittees

The Chair of the Committee ~~Upon approval of four members of the Committee, the Committee~~ may form standing subcommittees at any time to give advice on its ongoing functions. The standing subcommittees shall be composed of members of the Committee. Unless otherwise specified by the Committee, the Chair shall select each subcommittee's members and officers, if any, at the time the subcommittee is formed and again at the first regular meeting of the Committee in each calendar year. The Chair shall name members whose qualifications meet the needs of the subcommittee to which that member is appointed. Members and officers appointed by the Chair to serve on a standing subcommittee shall serve at the pleasure of the Chair. The Chair may remove at any time a member from a subcommittee and appoint a replacement member or officer

Section 2. Special Subcommittees

Upon approval of four members of the Committee, the Committee may form special subcommittees. Special subcommittees shall be formed for a specific purpose and cease to exist after completion of a designated task. Special subcommittees may be composed of members of the Committee and/or the public. Unless otherwise specified by the Committee, the Chair shall name the subcommittee's members and officers.

Section 3. Conduct of Subcommittee Meetings; Reports

All subcommittee meetings shall be held in compliance with all applicable laws, including but not limited to, the Ralph M. Brown Act (Cal. Gov. Code, Sections 54950 *et. seq.*), the California Public Records Act (Cal. Gov. Code, Sections 6250 *et. seq.*), and the San Francisco Sunshine Ordinance (S.F. Admin. Code, Chapter 67).

All subcommittees shall maintain minutes in the manner set forth in these Bylaws. All subcommittees shall report to the Committee, as frequently as requested by the Chair.

Section 4. Abolishing Subcommittees

Any subcommittee formed by the Committee may be abolished by the Chair ~~upon approval by four members~~ of the Committee.

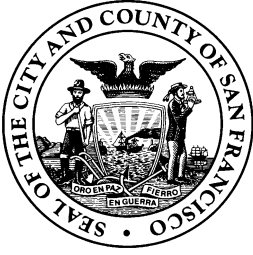
ARTICLE VI Bylaws

Section 1. Amendment of Bylaws

After presentation of a proposed amendment of the Bylaws as a scheduled agenda item at a meeting of the Committee, the Bylaws may be amended by a vote of a majority of the members.

Section 2. Public Notice of Bylaws

These Bylaws, and any amendments thereto, shall be available to the public at the Committee's office and; the Commission's website, ~~and at the San Francisco Public Library~~.



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

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

August 19, 2019 - 9:00 AM

Regular Meeting

Mission: The Revenue Bond Oversight Committee (RBOC) monitors the expenditure of revenue bond proceeds related to the repair, replacement, upgrade and expansion of the SFPUC's water, power and sewer infrastructure. The RBOC provides independent oversight to ensure transparency and accountability. The RBOC's goal is to ensure that SFPUC revenue bond proceeds are spent for their intended purposes in accordance with legislative authorization and other applicable laws.

1. Call to Order and Roll Call

Members:

Seat 1	Vacant
Seat 2	Kevin Cheng
Seat 3	Vacant
Seat 4	Tim Cronin
Seat 5	Travis George, Chair
Seat 6	Christina Tang, Vice Chair
Seat 7	Jennifer Millman-Tell

Chair George called the meeting to order at 9:10 a.m. On the call of the roll, Chair George, Vice Chair Tang, and Members Cheng and Cronin were noted present. Member Millman-Tell was noted absent. A quorum was present.

2. Agenda Changes

There were no agenda changes.

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.

Speakers:

None.

4. **RBOC: Request for Proposal and Selection Process Update**

Vice-Chair Tang provided an update of the Request for Proposal process and evaluation of the potential contractors. It was noted that the notice to proceed has been issued and the contract is currently being negotiated.

The RBOC request that the City Service Auditor attend the next meeting of the RBOC to provide an update.

Speakers:
None.

The matter was continued to the next meeting without objection.

5. **SFPUC: Wastewater System Capital Update**

Howard Fung and Rich Morales (SFPUC) provided an updated of the Wastewater System Capital and responded to questions. Mr. Fung noted that the presentation regarding headwater facilities and biosolids was last updated in March 2019. Mr. Morales noted that the SFPUC was recently awarded \$120,000,000 in loans for headwater and other construction projects. The RBOC requested additional information regarding the Apprenticeship Program.

Public Comment:
None.

There were no actions.

6. **RBOC: Comparison of similar Boards and Commissions duties and reports**

Mark Blake (Office of the City Attorney) provided a summary of the comparison report and responded to questions from the RBOC.

Upon discussion the RBOC agreed to review the comparison report to determine if the RBOC should adopt any of the listed practices.

Public Comment:
None.

The matter was continued to the next meeting without objection.

7. **RBOC: Review and possible amendments to RBOC Bylaws**

Upon discussion the RBOC agreed to review the RBOC Bylaws and propose revision at the next RBOC meeting.

The matter was continued to the next meeting without objection.

8. **Approval of Minutes: May 20, 2019, Meeting Minutes.**

Member Cronin provided amendment/corrections to the May 20, 2019, Meeting Minutes.

Chair George, seconded by Vice-Chair Tang, moved to approve the May 20, 2019, Meeting Minutes as amended.

Public Comment:

None.

The motion passed by the following vote:

Ayes: 5 - Cheng, Tang, Cronin, George

Noes: 0 - None

Absent: - Millman-Tell

9. Announcements, Comments, Questions, and Future Agenda Items.

The RBOC proposed September 23rd or September 30th as the next RBOC meeting date.

September 23rd or 30th

1. SFPUC Staff Report: Expanded Bond Expenditure Report
2. SFPUC Staff Report: Water System Update
3. RBOC: Status of Vacant Seats on the RBOC

Pending Issues:

1. Request that SSIP Quarterly reports include information on Stormwater Management System and details on the bidding climate and possible cost increase)
2. Request that the SFPUC provide updates on all water projects that may not be part of SSIP or WSIP.
3. RBOC: Acquiring consultant to examine expected performance of complete projects.
4. SFPUC Staff Report: Environmental Justice
5. SFPUC: Annual Clean Power SF Update (December)
6. Future meeting dates

10. Adjournment

There being no further business, the meeting adjourned at 10:02 a.m.

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

Approved by the RBOC: Draft