

# TEXT OF PROPOSED ORDINANCE PROPOSITION F

**Ordinance establishing Citizens' General Obligation Bond Oversight Committee; setting forth the purposes of said committee; establishing requirements for committee membership; and related matters.**

Note: *This section is entirely new.*

Be it ordained by the People of the City and County of San Francisco:

Section 1. The San Francisco Administrative Code is hereby amended by adding Article V, to read as follows:

Section 5.1. Establishment. (a) The Board of Supervisors of the City and County of San Francisco (the "Board") shall establish and appoint members to an independent citizens' general obligation bond oversight committee (the "committee"), pursuant to Section 5.3 hereof, prior to issuing any general obligation bonds (the "bonds") subsequent to the effective date of this measure.

Section 5.2. Purpose. The purpose of the committee shall be to inform the public concerning the expenditure of general obligation bond proceeds. The committee shall actively review and report on the expenditure of taxpayers' money in accordance with the voter authorization. The committee shall convene to provide oversight for: (1) ensuring that bond revenues are expended only in accordance with the ballot measure, and (2) ensuring that no funds are used for any administrative salaries or other general governmental operating expenses; unless specifically authorized in the ballot measure for such bonds. The committee has no power to review bond proposals prior to voter approval. Further, the committee shall not participate or interfere in the selection process of any vendor hired to execute bond funded projects.

(b) In furtherance of its purpose, the committee may engage in any of the following activities:

(1) Inquiring into the disbursement and expenditure of the proceeds of bonds approved by voters by receiving any reports, financial statements, correspondence or other documents and materials related to the expenditure of bond funds from agencies that receive proceeds from these bonds.

(2) Holding public hearings to review the disbursement and expenditure of the proceeds of bonds approved by voters.

(3) Inspecting facilities financed with the proceeds of bonds approved by voters.

(4) Receiving and reviewing copies of any capital improvement project proposals or plans developed by the City.

(5) Reviewing efforts by the City to maximize bond proceeds by imple-

menting cost-saving measures, including, but not limited to, all of the following: (i) mechanisms designed to reduce the costs of professional fees and site preparation and design; and (ii) recommendations regarding the joint use of core facilities and use of cost-effective and efficient reusable facility plans.

(6) Commissioning independent review of the disbursement and expenditure of the proceeds of bonds approved by voters by accessing any funds set aside for this purpose under subsection (c) of this section to retain outside auditors, inspectors and necessary experts to conduct such independent review.

(c) To the extent permitted by law, each ballot measure shall provide that one-tenth of one percent of the gross proceeds from the proposed bonds be deposited in a fund established by the Controller's Office and appropriated by the Board at the direction of the committee to cover the costs of said committee.

Section 5.3. Public Meetings. (a) The Board shall, without expending bond funds, provide the committee with any necessary technical assistance and shall provide administrative assistance in furtherance of its purpose and sufficient resources to publicize the conclusions of the committee.

(b) All committee proceedings shall be subject to the California Public Records Act (Section 6254, et seq., of the Government Code of the State of California) and the City's Sunshine Ordinance (Chapter 67 of this Code). The committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year. Minutes of the proceedings of the committee and all documents received and reports issued shall be a matter of public record and be made available on the Board's website.

Section 5.4. Membership. (a) The committee shall consist of at least nine members to be appointed as follows: three members by the Mayor; three by the Board; two members by the Controller; and one member by the Civil Grand Jury. Each member shall serve for a term of two years without compensation and for no more than two consecutive terms.

The members appointed by the Mayor shall be comprised, as follows:

(1) One member shall be active in a business organization representing the business community located within the City.

(2) One member shall be active in a labor organization.

(3) One member shall be active in a community organization.

The members appointed by the Board shall be comprised, as follows:

(1) One member shall be active in a business organization representing the business community located within the City.

(2) One member shall be active in a labor organization.

(3) One member shall be active in a community organization.

The members appointed by the Controller shall be comprised, as follows:

(1) One member with expertise in auditing governmental financial statements or with expertise in public finance law.

(2) One member with expertise in construction management.

The member appointed by the Civil Grand Jury shall be a member of the Civil Grand Jury or a designee appointed by the Civil Grand Jury.

(b) No employee or official of the City shall be appointed to the committee. No vendor, contractor, or consultant of the City that performs work funded by bonds issued by the City shall be appointed to the committee.

Section 5.6. Waste. If, after reviewing materials provided by an agency, department or other entity (each an "agency") receiving proceeds from the sale of bonds, the committee, after conducting its own independent audit and after consultation with the City Attorney, determines that bond proceeds were spent on purposes not authorized by the ballot measure, the committee may, by majority vote, prohibit the issuance of bonds for any remaining bond authorization.

The committee's decision to prohibit the sale of authorized, unsold bonds may be appealed by the agency to the Board within 30 days. The Board may overturn this decision by a supermajority vote of the members present at the meeting at which the matter is presented.

The prohibition on the issuance of bonds for any remaining bond authorization may be lifted by the Board after the agency provides the committee and the Board with documentation of corrective action satisfactory to the Board.

5.7. General Obligation Bond Ordinances. All bond ordinances introduced after the effective date of this ordinance shall contain a statement incorporating the provisions of this ordinance in such bond ordinance.

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5.8. Application. This Article VI shall apply to all general obligation bonds with unexpended proceeds, except for Section 5.2(c) which shall apply only to bond authorizations approved by voters subsequent to the effective date of this ordinance.

Section 2. Severability. If any part or provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance, including its application to other persons or circumstances, shall not be affected by such a holding, and shall continue in force and effect. To this end, the provision of this ordinance is severable.