File No. 120426 Committee Item No. 1
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee **Date** May 23 and 24, 2012

Board of Supervisors Meeting **Date** _____

Cmte	Board	
☐	☐	Motion
☐	☐	Resolution
☒	☐	*Ordinance Annual Appropriation Ordinance - Available at: http://www.sfcontroller.org
☐	☐	Legislative Digest
☒	☐	Budget and Legislative Analyst Report 5/23
☐	☐	Legislative Analyst Report
☐	☐	Youth Commission Report
☐	☐	Introduction Form (for hearings)
☐	☐	Department/Agency Cover Letter and/or Report
☐	☐	MOU
☐	☐	Grant Information Form
☐	☐	Grant Budget
☐	☐	Subcontract Budget
☐	☐	Contract/Agreement
☐	☐	Form 126 – Ethics Commission
☐	☐	Award Letter
☐	☐	Application
☐	☐	Public Correspondence

OTHER **(Use back side if additional space is needed)**

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Completed by: Victor Young **Date** May 18, 2012
Completed by: Victor Young **Date** _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

CITY AND COUNTY OF SAN FRANCISCO

PROPOSED BUDGET

AND

ANNUAL APPROPRIATION ORDINANCE

FOR SELECTED DEPARTMENTS

AS OF MAY 1, 2012

File No. 120426 Ordinance _____

FISCAL YEAR ENDING JUNE 30, 2013 and
FISCAL YEAR ENDING JUNE 30, 2014

** Complete copy of document is located in

File No. 120426

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

PROPOSED BUDGET AND ANNUAL APPROPRIATION ORDINANCE FOR SELECTED DEPARTMENTS

AS OF MAY 1, 2012

FISCAL YEAR ENDING JUNE 30, 2013 and FISCAL YEAR ENDING JUNE 30, 2014

The Proposed Budget and Annual Appropriation Ordinance for Selected Departments as of May 1, 2012 and its accompanying schedules are produced by the Controller's Budget Office. Upon approval, this is the document that is the legal authority for the City to spend funds during the fiscal year.

This document contains information on the sources and uses of selected City funds and departments, detailed by department and program. Additional schedules summarize selected City revenues and expenditures by service area, department, and fund. Please see the table of contents for a complete list of the information contained in this document.

Copies of this document are distributed to all City libraries and on the City Controller's website (http://www.sfcontroller.org). They may also be viewed at the following City Hall offices:

Mayor's Office of Public Policy and Finance
1 Dr. Carlton B. Goodlett Place, Room 288

Controller's Office
1 Dr. Carlton B. Goodlett Place, Room 316

Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244

If you would like additional copies or need further information, please call the Controller's Budget Office at (415) 554-7500.

** Complete copy of document is located in
File No. 120426

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

May 21, 2012

TO: Budget and Finance Committee

FROM: Budget and Legislative Analyst

SUBJECT: Recommendations of the Budget and Legislative Analyst for Amendment of the Mayor's Fiscal Year 2012-2013 to Fiscal Year 2013-2014 Budget.

Page

Descriptions for Departmental Budget Hearing, May 23, 2012 Meeting, 10:00 a.m.

AIR Airport 1
PRT Port 10
PAB Permit Appeals Board 16
RNT Rent Board 19

Harvey M. Rose

cc: Supervisor Chu
Supervisor Avalos
Supervisor Kim
Supervisor Cohen
Supervisor Wiener
President Chiu
Supervisor Campos
Supervisor Elsbernd
Supervisor Farrell
Supervisor Mar
Supervisor Olague
Clerk of the Board
Cheryl Adams
Mayor Lee
Controller
Kate Howard
Greg Wagner

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2012-13

Budget Changes

The department's proposed $838,016,536 budget for FY 2011-12 is $81,871,314 or 10.8 percent more than the original FY 2011-12 budget of $ 756,145,222.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2012-13 is 1,469.52 FTEs, which is 92.21 FTEs more than the 1,377.31 FTEs in the original FY 2011-12 budget. This represents 6.7 percent increase in FTEs from the original FY 2011-12 budget.

Revenue Changes

Consistent with expenditures, the Department's revenues have increased by $81,871,314 or 10.8 percent from the original FY 2011-12 budget of $756,145,222 to the proposed FY 2012-13 budget of $838,016,536.

YEAR TWO: FY 2013-14

Budget Changes

The department's proposed $865,701,259 budget for FY 2013-14 is $27,684,723 or 3.3 percent more than the proposed FY 2012-13 budget of $838,016,536.

Personnel Changes

The number of FTEs budgeted for FY 2013-14 is 1,488.42 FTEs, which is 18.9 FTEs more than the 1,469.52 FTEs in the proposed FY 2012-13 budget.

Revenue Changes

Consistent with expenditures, the Department's revenues have increased by $27,684,723 or 3.3 percent, from the proposed FY 2012-13 budget of $838,016,536 to the proposed FY 2013-14 budget of $865,701,259.

RECOMMENDED REDUCTIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total $2,340,846 in FY 2012-13 and $2,217,127 in FY 2013-14. These reductions would still allow an increase of $79,530,468 or 10.5 percent in the Department's FY 2012-13 budget and $25,467,596 or 3 percent in the Department's FY 2013-14 budget.

RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEARS 2012-13 & 2013-14

DEPARTMENT: **AIR – AIRPORT**

SUMMARY OF PROGRAM EXPENDITURES:

Program	2011-2012 Budget	2012-2013 Proposed	Change From 2011-2012	2013-2014 Proposed	Change From 2012-2013
ADMINISTRATION	36,899,762	42,335,878	5,436,116	44,572,563	2,236,685
AIRPORT DIRECTOR	16,579,536	8,681,265	(7,898,271)	8,823,278	142,013
BUREAU OF DESIGN AND CONSTRUCTION	5,621,140	13,346,864	7,725,724	14,027,455	680,591
BUSINESS & FINANCE	428,766,832	448,091,868	19,325,036	467,436,020	19,344,152
CAPITAL PROJECTS AND GRANTS	39,498,903	80,519,484	41,020,581	76,229,491	(4,289,993)
CHIEF OPERATING OFFICER	4,595,869	4,811,312	215,443	5,111,470	300,158
COMMUNICATIONS & MARKETING	5,862,433	6,301,302	438,869	6,480,587	179,285
CONTINUING PROJECTS, MAINT AND RENEWAL	7,075,000	10,500,000	3,425,000	9,310,000	(1,190,000)
FACILITIES	148,844,080	155,996,876	7,152,796	164,167,236	8,170,360
FIRE AIRPORT BUREAU NON-PERSONNEL COST	811,248	678,947	(132,301)	598,434	(80,513)
OPERATIONS AND SECURITY	55,098,535	59,634,287	4,535,752	61,941,342	2,307,055
PLANNING DIVISION	4,019,107	3,551,512	(467,595)	3,827,380	275,868
POLICE AIRPORT BUREAU NON-PERSONNEL COST	2,472,777	3,566,941	1,094,164	3,176,003	(390,938)
AIRPORT COMMISSION Total	**756,145,222**	**838,016,536**	**81,871,314**	**865,701,259**	**27,684,723**

The Department's proposed FY 2012-13 budget has increased by $81,871,314 largely due to:

- The annualized cost of positions added in prior years as well as proposed new positions;
- Additional services and cost increases for shuttle bus, parking management, and the Airline Liaison Office as well as a proposed parking tax on the ballot in San Mateo County;
- Police Academy trainees to replace officers assigned to SFO; and,
- Higher debt service expenses as the result of scheduled increases for previously issued bonds.

The Department's proposed FY 2013-14 budget will be increasing by $27,684,723 largely due to:

- The additional cost of positions added in prior years and proposed new positions;
- Additional services and cost increase for information technology services, parking management services, and equipment maintenance; and,
- Higher debt service payments that will increase again as the result of scheduled increases for previously issued bonds.

RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEARS 2012-13 & 2013-14

DEPARTMENT: AIR – AIRPORT

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTE) budgeted for FY 2012-13 is 1,469.52 FTEs, which is 92.21 FTEs more than the 1,377.31 FTEs in the original FY 2011-12 budget. This represents 6.7 percent increase in FTEs from the original FY 2011-12 budget.

The number of FTEs budgeted for FY 2013-14 is 1,488.42 FTEs, which is 18.9 FTEs more than the 1,469.52 FTEs in the proposed FY 2012-13 budget.

DEPARTMENT REVENUES:

Department revenues have increased by $81,871,314 or 10.8 percent from FY 2011-12 to FY 2012-13. Revenue increases are resulting from:

- An increase in enplanements (the number of passengers boarding a plane) from FY 2011-12 to FY 2012-13. Recent increases in service primarily reflect domestic growth, with new or more frequent flights by United Airlines following its merger with Continental Airlines, and the continued expansion of Virgin America. The Airport has also seen an increase in international flights. These changes will lead to increased revenues from landing fees, airline rental fees, parking and transportation, and other concessions. The Department expects these changes will lead to landing fee revenue increases from FY 2011-12 to FY 2012-13 based on landed weight forecasts.

- The Department also expects increased revenues from FY 2011-12 to FY 2012-13 due to increased rental rates and increased leased space as United Airlines takes on additional space in Boarding Area B and increased parking and other concession revenue.

Department revenues have increased by $27,684,723 or 3.3 percent in the proposed FY 2013-14 budget. Revenue increases are resulting from:

- Department forecasts that enplanements will continue to increase from FY 2012-13 to FY 2013-14. This will lead to increased revenues from landing fees, airline rental fees, parking and transportation, and other concessions to increase. The Department expects revenues from Airport landing fees to increase from FY 2012-13 to 2013-14 based on landed weight forecasts.

- Increases in rental rates and leased space. Additionally, the Department expects total concession revenue to increase from FY 2012-13 to FY 2013-14 due to increased passenger activity.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total $2,340,846 in FY 2012-13 and $2,217,127 in FY 2013-14. These reductions would still allow an increase of $79,530,468 or 10.5 percent in the Department's FY 2012-13 budget and $25,467,596 or 3 percent in the Department's FY 2013-14 budget.

Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2012-13 and FY 2013-14 Fixed Two-Year Budget

AIR - Airport

	FY 2012-13							FY 2013-14						
	FTE		Amount					FTE		Amount				
Object Title	From	To	From	To	Savings	GF	1T	From	To	From	To	Savings	GF	1T
BG1- Administration (5A AAA AAA)	**SFIA Operating Non-Project Controlled**													
0933 Manager V	1.00	0.00	$148,830	$0	$148,830			1.00	0.00	$148,830	$0	$148,830		
0932 Manager IV	0.00	1.00	$0	$137,904	($135,200)			0.00	1.00	$0	$137,904	($137,904)		
Mandatory Fringe Benefits			$53,134	$51,014	$2,120					$59,684	$57,147	$2,537		
	Total Savings			$15,750				*Total Savings*			$13,463			
	Disapprove the upward substitution of a 0931 Manager II to 0933 Manager V. Instead, allow upward substitution to 0932 Manager IV, which is an appropriate position to handle the anticipated responsibilities.							Ongoing reduction						
Permanent Salaries-Miscellaneous			($4,080,242)	($4,230,242)	$150,000					($3,391,497)	($3,541,497)	$150,000		
Mandatory Fringe Benefits			($1,776,334)	($1,841,584)	$65,250					($1,671,765)	($1,737,015)	$65,250		
	Increase Attrition Savings by $150,000, thus reducing Permanent Salaries, to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						
Professional & Specialized Services			$1,379,499	$1,254,499	$125,000					$1,248,228	$1,123,228	$125,000		
	The Department's contract with Catholic Healthcare West (aka Dignity Health) provides medical clinic services. The Department has increased the contract amount by $146,842, from $1,232,657 in FY 2011-12 to $1,379,499 in FY 2012-13. The proposed reduction of $125,000 reflects projected expenditures in FY 2012-13 as well as historical expenditures.							Ongoing reduction						
Professional & Specialized Services			$450,000	$350,000	$100,000		x			$200,000	$200,000	$0		
	The Department has a contract with SFOtec for after-hours, weekend and holiday network monitoring, reporting and restoration of Airport Systems and Networks. The Department has requested a $140,000 increase in the contract from $310,000 in FY 2011-12 to $450,000 in FY 2012-13, but is not projected to fully expend on the contract in FY 2011-12. This $100,000 reduction would still allow a $40,000 increase in the contract amount from FY 2011-12 to FY 2012-13.													
Maintenance Services-Equipment			$1,024,250	$899,250	$125,000					$1,324,250	$1,199,250	$125,000		
	Reduce to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						
Other Current Expenses			$2,863,350	$2,788,350	$75,000					$2,837,725	$2,762,725	$75,000		
	Reduce to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						

GF = General Fund
1T = One Time

Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2012-13 and FY 2013-14 Fixed Two-Year Budget

AIR - Airport

	FY 2012-13							FY 2013-14						
	FTE		Amount					FTE		Amount				
Object Title	From	To	From	To	Savings	GF	1T	From	To	From	To	Savings	GF	1T
Equipment Purchase			$458,500	$447,662	$10,838		x			$388,000	$384,387	$3,613		x
	Based on vendor quote.							Based on vendor quote.						
BG2- Business & Finance (5A AAA AAA)	**SFIA Operating Non-Project Controlled**													
Premium Pay			$28,594	$26,094	$2,500					$28,594	$26,094	$2,500		
Mandatory Fringe Benefits			$2,270	$2,072	$198					$2,270	$2,072	$198		
	Reduce to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						
Professional & Specialized Services			$2,193,747	$2,043,747	$150,000					$2,193,747	$2,043,747	$150,000		
	The Department has a contract with Smart Carte for the provision of free luggage carts in the International Terminal customs area. The Department has not fully expended on the contract in FY 2011-12 and is projected to expend less than the budgeted amount for FY 2012-13.							Ongoing reduction						
Professional & Specialized Services			$18,538,661	$18,338,661	$200,000					$19,150,568	$18,950,568	$200,000		
	The Department's contract with New South Parking provides parking management services. The Department did not expend all budgeted funds in FY 2010-11 and is not projected to do so in FY 2011-12. This $200,000 reduction would still allow a $363,315 increase in the contract from FY 2010-11 to FY 2011-12.							Ongoing reduction						
Other Current Expenses			$137,170	$129,670	$7,500					$138,445	$130,945	$7,500		
	Reduce to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						
Equipment Purchase			$25,000	$18,448	$6,552		x			$0	$0	$0		
	Based on vendor quote.													
BG3- Communications & Marketing (5A AAA AAA)	**SFIA Operating Non-Project Controlled**													
Travel			$87,305	$72,305	$15,000					$87,305	$72,305	$15,000		
	Reduce to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						

GF = General Fund
1T = One Time

Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2012-13 and FY 2013-14 Fixed Two-Year Budget

AIR - Airport

	FY 2012-13							FY 2013-14						
	FTE		Amount					FTE		Amount				
Object Title	From	To	From	To	Savings	GF	1T	From	To	From	To	Savings	GF	1T
Professional & Specialized Services			$1,152,400	$1,052,400	$100,000					$1,152,400	$1,052,400	$100,000		
	The Department has a contract with the International Strategic Marketing Alliance Pool to promote tourism, trade, and international air traffic to San Francisco. The Department did not expend the entirety of the contract in FY 2010-11 and is not projected to do so in FY 2011-12.							Ongoing reduction						
Other Current Expenses			$126,955	$106,955	$20,000					$126,955	$106,955	$20,000		
	Reduce to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						
BG4- Chief Operating Officer (5A AAA AAA)	**SFIA Operating Non-Project Controlled**													
Other Current Expenses			$239,500	$234,500	$5,000					$240,000	$235,000	$5,000		
	Reduce to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						
BG6- Facilities (5A AAA AAA)	**SFIA Operating Non-Project Controlled**													
Manager II	1.00	0.00	$119,128	$0	$119,128					$119,128	$0	$119,128		
Manager I	0.00	1.00	$0	$111,066	($111,066)					$0	$111,066	($111,066)		
Mandatory Fringe Benefits			$47,369	$45,864	$1,505					$52,792	$50,922	$1,870		
	Total Savings			$9,567				*Total Savings*			$9,932			
	Disapprove the upward substitution of a 0922 Manager I to 0923 Manager II. A Manager I position is sufficient for the proposed responsibilities.							Ongoing reduction						
Premium Pay			$3,007,000	$2,992,000	$15,000					$3,007,000	$2,992,000	$15,000		
Mandatory Fringe Benefits			$238,756	$237,565	$1,191					$238,756	$237,565	$1,191		
	Reduce to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						
Professional & Specialized Services			$24,000	$20,000	$4,000					$24,000	$20,000	$4,000		
	Reduce to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						
9993 M Attrition Savings			($1,349,846)	($1,549,846)	$200,000					($1,239,846)	($1,439,846)	$200,000		
Mandatory Fringe Benefits			($627,813)	($720,833)	$93,020					($639,183)	($742,289)	$103,106		
	The Department has reduced Attrition Savings by $1,087,059 from ($2,436,905) in FY 2011-12 to ($1,349,846) in FY 2012-13. The proposed increase in Attrition Savings reflects projected actual salary savings and should provide sufficient funds for salaries.							Ongoing reduction						

GF = General Fund
1T = One Time

Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2012-13 and FY 2013-14 Fixed Two-Year Budget

AIR - Airport

	FY 2012-13							FY 2013-14						
	FTE		Amount					FTE		Amount				
Object Title	From	To	From	To	Savings	GF	1T	From	To	From	To	Savings	GF	1T
9993 M Attrition Savings			($35,896)	($135,896)	$100,000					($35,896)	($135,896)	$100,000		
Mandatory Fringe Benefits			($16,736)	($63,360)	$46,624					($18,553)	($70,238)	$51,685		
	The Department has reduced Attrition Savings by $500,617 from ($536,513) in FY 2011-12 to ($35,896) in FY 2012-13. The proposed increase in Attrition Savings reflects projected actual salary savings and should provide sufficient funds for salaries.							Ongoing reduction						
9993 M Attrition Savings			($57,030)	($157,030)	$100,000					($57,030)	($157,030)	$100,000		
Mandatory Fringe Benefits			($23,468)	($64,618)	$41,150					($26,160)	($72,031)	$45,871		
	The Department has reduced Attrition Savings by $496,922 from ($553,952) in FY 2011-12 to ($57,030) in FY 2012-13. The proposed increase in Attrition Savings reflects projected actual salary savings and should provide sufficient funds for salaries.							Ongoing reduction						
Maintenance Services-Buildings & Structures			$1,591,400	$1,391,400	$200,000					$1,646,400	$1,446,400	$200,000		
	Reduce to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						
Equipment Maintenance Supplies			$2,044,708	$1,984,708	$60,000					$2,040,183	$1,980,183	$60,000		
	Reduce to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						
BG7- Operations and Security (5A AAA AAA)	**SFIA Operating Non-Project Controlled**													
1822 Administrative Analyst	1.00	0.00	$81,824	$0	$81,824					$81,824	$0	$81,824		
1408 Principal Clerk	0.00	1.00	$0	$69,316	($69,316)					$0	$69,316	($69,316)		
Mandatory Fringe Benefits			$34,402	$31,066	$3,336					$38,274	$34,465	$3,809		
	Total Savings			$15,844				*Total Savings*			$16,317			
	Disapprove the upward substitution of a 1408 Principal Clerk to 1822 Administrative Analyst. A 1408 Principal Clerk position is sufficient for the proposed responsibilities.							Ongoing reduction						

GF = General Fund
1T = One Time

Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2012-13 and FY 2013-14 Fixed Two-Year Budget

AIR - Airport

	FY 2012-13							FY 2013-14						
	FTE		Amount					FTE		Amount				
Object Title	From	To	From	To	Savings	GF	1T	From	To	From	To	Savings	GF	1T
1823 Senior Administrative Analyst	1.00	0.00	$95,654	$0	$95,654					$95,654	$0	$95,654		
1844 Senior Management Assistant	0.00	1.00	$0	$86,322	($69,316)					$0	$86,322	($86,322)		
Mandatory Fringe Benefits			$38,513	$35,602	$2,911					$42,957	$39,645	$3,312		
	Total Savings			$29,249				*Total Savings*			$12,644			
	Disapprove the upward substitution of a 1844 Senior Management Assistant to 1823 Senior Administrative Analyst. A 1844 Senior Management Assistant position is sufficient for the proposed responsibilities.							Ongoing reduction						
Professional & Specialized Services			$9,136,874	$8,936,874	$200,000					$9,319,612	$9,119,612	$200,000		
	The Department has a contract with SFO Shuttle Bus for shuttle bus services for long-term and employee parking lots. The Department did not expend all funds on the contract in FY 2010-11 and is not projected to do so in FY 2011-12. This reduction would still allow for a $873,063 increase from FY 2011-12 to FY 2012-13.							Ongoing reduction						
Equipment Purchase			$45,000	$42,006	$2,994		x			$0	$0	$0		
	Based on vendor quote.													
BG8- Bureau of Design & Construction (5A AAA AAA)	**SFIA Operating Non-Project Controlled**													
Premium Pay			$53,801	$43,801	$10,000					$53,801	$43,801	$10,000		
	Reduce to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						
Equipment Purchase			$30,000	$21,238	$8,762		x			$0	$0	$0		
	Based on vendor quote.													
BG9- Planning Division (5A AAA AAA)	**SFIA Operating Non-Project Controlled**													
Other Materials & Supplies			$14,500	$10,000	$4,500					$14,500	$10,000	$4,500		
Mandatory Fringe Benefits			$1,151	$794	$357					$1,151	$794	$357		
	Reduce to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						

GF = General Fund
1T = One Time

Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2012-13 and FY 2013-14 Fixed Two-Year Budget

AIR - Airport

	FY 2012-13							FY 2013-14						
	FTE		Amount					FTE		Amount				
Object Title	From	To	From	To	Savings	GF	1T	From	To	From	To	Savings	GF	1T
BGQ- Fire Airport Bureau (5A AAA AAA)	**SFIA Operating Non-Project Controlled**													
Training			$130,000	$105,000	$25,000					$130,000	$105,000	$25,000		
	Reduce to reflect actual expenditures in prior fiscal years and projected expenditures in FY 2011-12.							Ongoing reduction						

FY 2012-13
Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	$0	$0	$0
Non-General Fund	$129,146	$2,211,700	$2,340,846
Total	$129,146	$2,211,700	$2,340,846

FY 2013-14
Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	$0	$0	$0
Non-General Fund	$3,613	$2,213,514	$2,217,127
Total	$3,613	$2,213,514	$2,217,127

GF = General Fund
1T = One Time

DEPARTMENT: **PRT - PORT**

BUDGET REVIEW EXECUTIVE SUMMARY
FIXED TWO YEAR BUDGET, FY 2012-13 & FY 2013-14

YEAR ONE (FY 2012-13)

Expenditure Changes

The Port's proposed expenditures of $85,788,804 for FY 2012-13 is $7,036,645 or 8.9% more than the original budget of $78,752,159 for FY 2011-12.

Personnel Changes

The number of full-time equivalent (FTE) net operating positions budgeted for FY 2012-13 is 237.38 FTEs, which is 14.22 FTEs more than the 223.16 FTEs in FY 2011-12. This represents a 6.4% increase in FTEs from the original budget for FY 2011-12.

Revenue Changes

Port revenues, consistent with expenditures, have increased by $$7,036,645 or 8.9%, from the original FY 2011-12 budget of $78,752,159 to the proposed FY 2012-13 budget of $85,788,804.

YEAR TWO (FY 2013-14)

Expenditure Changes

The Port's proposed expenditures of $87,871,163 for FY 2013-14 is $2,082,359 or 2.4% more than the proposed budget of $85,788,804 for FY 2012-13.

Personnel Changes

The number of FTEs net operating positions budgeted for FY 2013-14 is 238.38 FTEs, which is 1.0 FTE more than the 237.38 FTEs in FY 2012-13.

Revenue Changes

Port revenues, consistent with expenditures, have increased by $2,082,359 or 2.4%, from the proposed FY 2012-13 budget of $85,788,804 to the proposed FY 2013-14 budget of $87,871,163.

RECOMMENDED REDUCTIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total $439,382 in FY 2012-13 and $442,776 in FY 2013-14. These reductions would still allow an increase of $6,597,263 or 8.4% in the Department's FY 2012-13 budget and $1,639,583 or 1.9% in the Department's FY 2013-14 budget.

DEPARTMENT: PRT - PORT

SUMMARY OF PROGRAM EXPENDITURES:

	FY 2011-12 Original	FY 2012-13 Proposed	Increase/ (Decrease) from FY 2011-12	FY 2013-14 Proposed	Increase/ (Decrease) from FY 2012-13
Administration	$23,084,714	$26,181,961	$3,097,247	$27,005,951	$823,990
Engineering & Environmental	4,194,296	4,354,256	159,960	4,493,181	138,925
Maintenance	34,793,060	32,102,682	(2,690,378)	33,828,836	1,726,154
Maritime Operations & Marketing	3,832,466	8,412,256	4,579,790	8,502,353	90,097
Planning & Development	2,944,527	4,341,865	1,397,338	3,422,927	(918,938)
Real Estate & Management	9,903,096	10,395,784	492,688	10,617,915	222,131
Total	**$78,752,159**	**$85,788,804**	**$7,036,645**	**$87,871,163**	**$2,082,359**

FY 2012-13

The Port's proposed budget for FY 2012-13 is $7,036,645 more than the original budget for FY 2011-12, primarily due to:

- $3,097,247 increase in Administration for (a) $2,100,000 increase for debt service from additional financing payments from the $34.6 million Certificates of Participation for the Cruise Terminal ($21 million) and America's Cup ($13.6 million) projects, (b) approximately $700,000 increase for additional salaries and fringe benefits due to changes in positions and increasing labor and health/dental costs, and (c) various changes in workorders which result in a net increase of approximately $200,000 for additional parking meter and traffic management services from the Department of Parking and Traffic.
- $4,579,790 increase in Maritime Operations & Marketing because of the addition of the South Beach Harbor and Marina projects, which were previously under the Redevelopment Agency.
- $1,397,338 increase in Planning & Development because of one-time $1 million professional services consultant study for the America's Cup related to Piers 30-32, and additional labor and fringe benefit costs.
- $2,690,378 reduction in Maintenance because of reduced available funding for capital expenditures, due to the need to drawdown the Port's operating surpluses to fund the Cruise Terminal Project and the America's Cup Project in FY 2012-13.

FY 2013-14

The Port's proposed budget for FY 2013-14 is $2,082,359 more than the proposed budget for FY 2012-13, largely due to:

- $1,726,154 increase in Maintenance because of additional funds allocated to capital improvements to address the physical infrastructure of the Port.
- $823,900 increase in Administration generally due to increases in labor and fringe benefit costs.
- $918,938 reduction in Planning and Development because of reduction of $1 million one-time study in FY 2012-13 related to the America's Cup.

DEPARTMENT: PRT - PORT

DEPARTMENT PERSONNEL SUMMARY:

The budgeted number of FTEs in FY 2012-13 is 237.38 or 14.22 more than the 223.16 FTEs in FY 2011-12, primarily due to:

- 9.0 FTEs for the addition of the South Beach Harbor and Marina projects, which were previously under the Redevelopment Agency.
- 5.0 FTE new positions, including (a) 1.0 FTE limited tenure Principal Business Analyst to assist in upgrading the Port's financial and asset management systems, (b) 1.0 FTE limited tenure Personnel Analyst to manage labor issues in the Maintenance division, (c) 1.0 FTE General Laborer due to an expanded workload, (d) 1.0 FTE Planner III position to address expanded community planning, urban design and other regulatory Port planning requirements, and (e) transition of two 0.5 FTE positions from off-budget to the Port's operating budget.
- In addition, 2.0 FTE off-budget maintenance positions are proposed for FY 2012-13 only to ensure timely completion of the America's Cup project.

The budgeted number of FTEs in FY 2013-14 is 238.38 or 1.0 more than the 237.38 FTEs in FY 2012-13, which reflects the addition of 1.0 FTE Project Manager I position that is proposed to transition from off-budget to the Port's operating budget.

REVENUES:

The Port's major source of revenue is office, commercial and industrial leasing of Port property, which is projected to increase from approximately $37.9 million in FY 2011-12 to (a) $40.6 million in FY 2012-13, an increase of $2.7 million, and (b) $42 million in FY 2013-14, or an additional $1.4 million due to economic recovery. In addition, the General Fund, through the Office of Economic and Workforce Development, is projected to contribute (a) $500,000 in FY 2011-12, (b) $2,228,000 in FY 2012-13, and (c) $494,000 in FY 2013-14, or a total of $3,222,000 as Payments in Lieu of Rent to offset the Port's lost rent revenues from moving Port tenants out of Port facilities that will be used for the America's Cup events. In accordance with a Memorandum of Understanding (MOU) approved in March, 2011 by the Board of Supervisors (File 10-1564), the Port originally projected receiving $6,700,000 of General Fund revenues as Payments in Lieu of Rent, instead of the currently anticipated $3,222,000, a savings of approximately $3,478,000 of General Fund revenues due to fewer piers being used for the America's Cup.

The Port's other major sources of revenues in FY 2012-13 are: (a) $19.3 million from maritime, cargo, ship repair, and cruise services, (b) $15.7 million from parking lots, meters and fines, and (c) approximately $2 million from other permit, special events, and miscellaneous receipts. All of these revenues are projected to further increase in FY 2013-14 due primarily to increased number of cruise bookings, ship repairs, installation of additional parking meters along the Southern Waterfront, and inflation.

DEPARTMENT: PRT - PORT

NEW CAPITAL POLICY AND FIVE YEAR FINANCIAL PLAN UPDATE:

The Port's 10-year Capital Plan identified a total of $2.2 billion of capital improvements. In March, 2012, the Port Commission approved a new Capital Policy to require the Port to commit a minimum of 20 percent of operating revenues to capital each fiscal year. However, neither the proposed FY 2012-13 nor FY 2013-14 Port budgets commit 20 percent of operating revenues to capital improvements, because the Port's available fund balance is needed to fund the Cruise Terminal and other related America's Cup projects. The Port includes $9,803,160 of capital expenditures for FY 2012-13 or 13.1 percent of the Port's $74,646,369 FY 2012-13 operating revenues, and $12,555,666 of capital expenditures for FY 2013-14, or 16.5 percent of the Port's $76,088,339 FY 2013-14 operating budget.

The Port's 5-Year Financial Plan identifies increasing operating expenses relative to projected revenues, such that reductions to capital improvements or to operating expenses will be necessary in the future.

OTHER ISSUES

In May, 2012, the Board of Supervisors approved the sale of $45,000,000 of Certificates of Participation (COPs) and the appropriation of the $45,000,000 of COPs and $13,700,580 of other Port revenue bond and capital funds, for a total of $58,700,580 for the (a) Pier 27 Cruise Terminal ($23,800,003), (b) America's Cup projects ($18,740,662), (c) Pier 70 Shoreside Power projects ($5,700,000) and (d) debt issuance and related costs ($10,459,915). The proposed FY 2012-13 and FY 2013-14 budgets include the additional debt financing costs for these COPs.

In addition, although not included in the proposed Port budget, the Port and the Office of Economic and Workforce Development staff advise that a total of $6,500,000 will be included in the Office of Economic and Workforce Development's FY 2012-13 budget, including (a) $4,900,000 of General Fund revenues and (b) $1,600,000 of America's Cup Organizing Committee fundraising revenues to fund the Port's Cruise Terminal and America's Cup projects in FY 2012-13.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total $439,382 in FY 2012-13 and $442,776 in FY 2013-14. These reductions would still allow an increase of $6,597,263 or 8.4% in the Department's budget for FY 2012-13 and $1,639,583 or 1.9% in the Department's budget for FY 2013-14.

Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2012-13 and FY 2013-14 Fixed Two-Year Budget

PRT - Port

Object Title	FY 2012-13 FTE From	FTE To	Amount From	Amount To	Savings	GF	1T	FY 2013-14 FTE From	FTE To	Amount From	Amount To	Savings	GF	1T
BKO - Administration														
Project Manager								1.00	0.00	$117,494	0	$117,494		
IS Administrator								0.00	1.00	$0	$109,903	($109,903)		
Fringe Benefits										$48,521	$45,832	$2,689		
	Total Savings			$0				*Total Savings*			$10,280			
								Substitute one 1024 IS Administrator position, for the existing 5502 Project Manager off-budget position. For FY 2013-14, the Port is proposing to transfer one grant-funded 5502 Project Manager position to the Port's Operating budget, due to a reduction of Homeland Security grant funding. However, the position that would actually be transferred is a lower-classification 1024 IS Administrator position. The recommended 1024 IS Administrator will be responsible for continuing to oversee technical Homeland Security projects and Police Department operations at the Port.						
Senior IS Business Analyst	1.00	0.00	$105,092	$0	$105,092			1.00	0.00	$105,092	$0	$105,092		
Fringe Benefits			$40,498	$0	$40,498					$45,301	$0	$45,301		
	Total Savings			$145,590				*Total Savings*			$150,393			
	Delete existing 1053 Senior IS Business Analyst position. The Port is proposing to add one new 1054 Principal IS Business Analyst in the FY 2012-13 budget. The existing budgeted 1053 IS Business Analyst position will becoming vacant in the near future and there is not a need for both positions.							Ongoing reduction from elimination of one 1053 Senior IS Business Analyst position in FY 2012-13.						
Equipment Purchase			$52,560	$52,560	$0					$52,560	$26,280	$26,280		x
	Port is requesting purchase of two replacement sedans in FY 2012-13, which is not recommended for reduction.							Purchase one replacement sedan, instead of two replacement sedans in FY 2013-14, given that the Department has also budgeted replacing two sedans in FY 2012-13.						
Equipment Purchase			$177,390	$139,065	$38,325		x							
	Eliminate Google Search Appliance proposed to be purchased in FY 2012-13 because this Intranet indexing system is not critical to Port operations at this time.													

GF = General Fund
1T = One Time

Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2012-13 and FY 2013-14 Fixed Two-Year Budget

PRT - Port

Object Title	FY 2012-13 FTE From	FTE To	Amount From	Amount To	Savings	GF	1T	FY 2013-14 FTE From	FTE To	Amount From	Amount To	Savings	GF	1T
	BKY - Maintenance													
Pile Worker	12.00	11.00	$1,038,024	$951,522	$86,502			12.00	11.00	$1,038,024	$951,522	$86,502		
Fringe Benefits			$446,328	$409,134	$37,194					$495,522	$454,229	$41,293		
Pile Worker Apprentice II	0.00	1.00	$0	$82,186	($82,186)			0.00	1.00	$0	$82,502	($82,502)		
Fringe Benefits			0	36,043	($36,043)					$0	$39,470	($39,470)		
			Total Savings	$5,467						*Total Savings*	$5,823			
	Reduce the number of 9330 Pile Workers from 12 FTEs to 11 FTEs and create one new 9329 Pile Worker Apprentice II position based on the new classification recently created by the Department of Human Resources for the Port.							Ongoing reduction from substituting one 9330 Pile Worker position for one lower classification 9329 Pile Worker Apprentice II position.						
Capital Projects			$2,025,000	$1,825,000	$200,000					$550,000	$350,000	$200,000		
	Reduce to reflect double-budgeting of electrical costs for America's Cup Event Authority in FY 2012-13 and FY 2013-14.							Reduce to reflect double-budgeting of electrical costs for America's Cup Event Authority in FY 2012-13 and FY 2013-14.						
	BKD - Maritime Operations													
Professional Services			$1,391,702	$1,341,702	$50,000					$1,309,605	$1,259,605	$50,000		
	Reduce Professional Services to reflect actual projected need.s							Reduce to reflect ongoing reduction in Professional Services.						

FY 2012-13
Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	$0	$0	$0
Non-General Fund	$38,325	$401,057	$439,382
Total	$38,325	$401,057	$439,382

FY 2013-14
Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	$0	$0	$0
Non-General Fund	$26,280	$416,496	$442,776
Total	$26,280	$416,496	$442,776

GF = General Fund
1T = One Time

DEPARTMENT: PAB – PERMIT APPEALS BOARD

BUDGET REVIEW EXECUTIVE SUMMARY
TWO YEAR BUDGET
FY 2012-13 & FY 2013-14

YEAR ONE: FY 2012-13

Expenditure Changes

The department's proposed $934,735 budget for FY 2012-13 is $9,446, or 1.0%, more than the original FY 2011-12 budget of $925,289.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2012-13 is 5, which is unchanged from the original FY 2011-12 budget.

Revenue Changes

Department revenues have increased by $9,446 or 1.0%, from the original FY 2011-12 budget of $925,289 to the proposed FY 2012-13 budget of $934,735.

YEAR TWO: FY 2013-14

Expenditure Changes

The department's proposed $949,328 budget for FY 2013-14 is $14,593, or 1.6%, more than the original FY 2012-13 budget of $934,735.

Personnel Changes

The number of FTEs budgeted for FY 2013-14 is 5, which is unchanged from the original FY 2012-13 budget.

Revenue Changes

Department revenues have increased by $14,593 or 1.6%, from the original FY 2012-13 budget of $934,735 to the proposed FY 2013-14 budget of $949,328.

DEPARTMENT: PAB – PERMIT APPEALS BOARD

SUMMARY OF PROGRAM EXPENDITURES:

	FY 2011-12 Original Budget	FY 2012-13 Proposed Budget	Increase/ (Decrease) from Prior Year	Percent Change	FY 2013-14 Proposed Budget	Increase/ (Decrease) from Prior Year	Percent Change
Program							
Appeals Processing	$925,289	$934,735	$9,446	1.0%	$949,328	$14,593	1.6%
Total, Permit Appeals Board	**$925,289**	**$934,735**	**$9,446**	1.0%	**$949,328**	**$14,593**	1.6%

FY 2012-13

The Permit Appeals Board's proposed budget for FY 2012-13 is $9,446 more than the budget for FY 2011-12. The Permit Appeals Board has proposed new or increased programs in FY 2012-13, as noted below, offset by other reductions:

- An increase in permanent salaries and mandatory fringe benefits due to Memoranda of Understanding (MOU) changes; and

Increases in Professional and Specialized Services to cover the cost of annual maintenance and support for a new database that will allow the Department to better automate appeal processing and tracking. These increases are partially offset by a reduction in the Department's workorder with the City Attorney, as reduced City Attorney services are anticipated in FY 2012-13.

FY 2013-14

The Permit Appeals Board's proposed budget for FY 2013-14 is $14,593 more than the budget for FY 2012-13, largely due to:

- Increases in mandatory fringe benefits for department staff.

Increases are partially offset by a reduction in the Department's workorder with the City Attorney, as reduced City Attorney services are further anticipated in FY 2013-14.

Personnel

The number of FTEs in FY 2012-13 is 5 or unchanged from the 5 FTEs in FY 2011-12.

The number of FTEs in FY 2013-14 is 5 or unchanged from than the 5 FTEs in FY 2012-13.

The Department currently has no vacancies and anticipates no layoffs in the upcoming two year budget cycle.

DEPARTMENT: PAB – PERMIT APPEALS BOARD

Revenues

The Permit Appeals Board receives operating revenue from permit application filing fees and a Board of Appeals surcharge. The proposed budget includes modest increases in revenue from the Board of Appeals surcharge in FY 2012-13 and 2013-14, and no increase in budgeted permit application filing fee revenues in either FY 2012-13 or FY 2013-14

Expenditures

The Board of Appeals major expenditure increases over the next two years are for mandatory fringe benefits for Board of Appeals staff, and a new service contract to provide maintenance and support for the Board of Appeals' new database, which will automate portions of the appeal processing and tracking.

COMMENTS:

The Budget and Legislative Analyst has no recommended reductions to the proposed budget.

DEPARTMENT: RNT – RENT BOARD

BUDGET REVIEW EXECUTIVE SUMMARY
TWO YEAR ROLLING BUDGET, FY 2012-13 & FY 2013-14

YEAR ONE (FY 2012-13)

Expenditure Changes

The Rent Board's proposed expenditures of $6,000,593 for FY 2012-13 is $45,241 or 0.8% more than the original budget of $5,955,352 for FY 2011-12.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2012-13 is 28.53 FTEs, which is 0.38 FTEs less than the 28.91 FTEs in FY 2011-12. This represents a 1.3% decrease in FTEs from the original budget for FY 2011-12.

Revenue Changes

Department revenues, consistent with expenditures, have increased by $45,241 or 0.8%, from the original FY 2011-12 budget of $5,955,352 to the proposed FY 2012-13 budget of $6,000.593.

YEAR TWO (FY 2013-14)

Expenditure Changes

The Rent Board's proposed expenditures of $6,212,995 for FY 2013-14 is $212,402 or 3.5% more than the proposed budget of $6,000,593 for FY 2012-13.

Personnel Changes

The number of FTEs budgeted for FY 2013-14 is 28.53 FTEs, the same as proposed for FY 2012-13.

Revenue Changes

Department revenues, consistent with expenditures, would increase by $212,402 or 3.5%, from the proposed FY 2012-13 budget of $6,000,593 to the proposed FY 2013-14 budget of $6,212,995.

RECOMMENDED REDUCTIONS

None.

DEPARTMENT: RNT – RENT BOARD

SUMMARY OF PROGRAM EXPENDITURES:

	FY 2011-12 Original	FY 2012-13 Proposed	Increase/ (Decrease) from FY 2011-12	FY 2013-14 Proposed	Increase/ (Decrease) from FY 2012-13
Rent Board	$5,955,352	$6,000,593	$45,241	$6,212,995	$212,402

FY 2012-13

The Rent Board's proposed budget for FY 2012-13 is $45,241 more than the budget for FY 2011-12, primarily due to:

- $94,232 increase in salaries and $33,049 increase in fringe benefits based on negotiated labor agreements;
- $18,525 increase in Tax Collector workorder to process and collect Rent Board fees;
- $40,000 decrease in professional services from one-time technology contract in FY 2011-12; and
- $56,787 decrease in Real Estate Division workorder due to one-time painting and carpeting expenses completed in FY 2011-12.

FY 2013-14

The Rent Board's proposed budget for FY 2013-14 is $212,402 more than the proposed budget for FY 2012-13, largely due to:

- $42,294 increase in salaries and $171,499 increase in fringe benefits based on negotiated labor agreements.

DEPARTMENT PERSONNEL SUMMARY:

The number of FTEs in FY 2012-13 is 28.53 or 0.38 less than the 28.91 FTEs in FY 2011-12, primarily due to increased Attrition savings.

The number of FTEs in FY 2013-14 is 28.53, the same as proposed for FY 2012-13.

REVENUES:

The Rent Board is fully supported by an annual $29 Rent Stabilization and Arbitration Fee charged to the owners for each of their rental units in the City that are subject to the City's Rent Ordinance. Each year, the Controller calculates the annual Rent Board fee by July 31 of each year, based on the projected annual cost of operating the Rent Board, less any remaining fund balance from the previous year, divided by the number of residential units subject to the annual fee. Such Rent Board fees are collected by the Tax Collector's Office, together with Property Taxes. The annual Rent Board fee is estimated to remain at $29 per rental unit for FY 2012-13 and FY 2013-14.

DEPARTMENT: RNT – RENT BOARD

The Rent Board also receives recoveries of an estimated $96,000 annually to conduct hearings on an as-needed basis for the Human Services Agency Care Not Cash hearings ($70,000), the Department of Public Works Litter Abatement Hearings ($16,000) and City Planning's Sign Ordinance hearings ($10,000).

COMMENTS:

No recommended reductions.