File No. 120640

Committee Item No. 21
Board Item No. 21

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee **Date** June 18 & 22, 2012

Board of Supervisors Meeting **Date** 7/17/12

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Completed by: Victor Young **Date** June 14, 2012
Completed by: Victor Young **Date** 7-5-12

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

[Expenditures from the Budget Savings Incentive Fund - FY2012-2013 and FY2013-2014]

Resolution approving expenditures from the Budget Savings Incentive Fund for one-time purposes in FY2012-2013 and FY2013-2014.

WHEREAS, Section 10.20 of the San Francisco Administrative Code established a Budget Savings Incentive Fund to encourage City Departments to implement cost-saving incentives and allow for the reinvestment of those savings in one-time expenditures that improve the efficiency of departmental operations, reduce the cost of service delivery, generate additional revenue, or meet deferred maintenance needs; and

WHEREAS, at the close of FY2010-2011, $8.7 million was deposited into the Fund from the savings generated by General Fund Departments and the Controller assumes additional deposits of $9.6 m from departmental expenditure savings projected for FY2011-2012, for a total estimated balance of $18.3 million; and

WHEREAS, Departments have made proposals for one-time and efficiency proposals to the Capital Planning Committee and the Committee on Information Technology; and

WHEREAS, through these committees, expenditure proposals have been approved by the Mayor's Budget Director, the Controller and the President of the Board of Supervisors or their designees; and

WHEREAS, the expenditure proposals of $8.4 m have been included in the Mayor's proposed FY2012-2013 budget and $9.9 m for the FY2013-2014 budget, and a listing is on file with the Clerk of the Board of Supervisors in File No. 120640, which is hereby declared to be a part of this resolution as if set forth fully herein; now, therefore, be it

RESOLVED, That the Board of Supervisors approves the use of the Budget Savings Incentive Fund as a funding source for identified one-time expenditures for FY2012-2013 and FY2013-2014.

Item 10 File 12-0640	Departments: Mayor's Office Controller

EXECUTIVE SUMMARY

Legislative Objective

- The proposed resolution would approve the use of the projected $18.3 million Budget Savings Incentive Fund as a funding source for (a) $8,467,058 in FY 2012-13, and (b) $9,926,880 in FY 2013-14, or a total expenditure of $18,393,938.

Key Points

- Section 10.20(a) of the Administrative Code established a Budget Savings Incentive Fund to encourage City departments to implement cost-saving strategies and allow for the reinvestment of those savings in one-time expenditures.

Fiscal Impacts

- $8.7 million was deposited into the Budget Savings Incentive Fund at the close of FY 2010-11 and $9.6 million is projected to be deposited into the Fund at the close of FY 2011-12, for a total Fund balance of $18.3 million.
- The Attachment identifies the 18 proposed projects totaling $8,467,058 for 12 City departments in FY 2012-13, and the 30 proposed projects totaling $9,926,880 for 11 City departments in FY 2013-14. All of these proposed projects and funding are included in the Mayor's proposed FY 2012-13 and FY 2013-14 budgets, based on recommendations by COIT and the Capital Planning Committee.

Recommendation

- Approve the proposed resolution to use the Budget Savings Incentive Fund as a funding source for various specified projects in the FY 2012-13 and FY 2013-14 budgets.
- The Budget and Legislative Analyst will be reviewing each of the specified projects, for potential reductions, as part of the overall review of each City department's budget.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

According to Charter Section 2.105, the Board of Supervisors shall act only by written ordinances or resolutions.

Background

Section 10.20(a) of the City's Administrative Code established a Budget Savings Incentive Fund as a category eight fund[1] to encourage City departments to implement cost-saving strategies and allow for the reinvestment of those savings in one-time expenditures, including but not limited to expenditures that improve the efficiency of departmental operations, reduce the cost of service delivery, generate additional revenue or meet deferred maintenance needs. In accordance with Section 10.20(b) of the City's Administrative Code, at the end of each fiscal year, up to 25 percent of the total appropriations closed to the General Fund balance shall be appropriated into the Budget Savings Incentive Fund and placed on Controller's reserve. However, the Controller can suspend the carry forward amount in years when the Controller determines that the City's financial condition cannot support deposits into the Fund.

According to Section 10.20(a), disbursements from the Budget Savings Incentive Fund can only be made to those City departments that generated net year-end expenditure savings at the close of the most recent prior fiscal year, as certified by the Controller. According to Ms. Monique Zmuda, Deputy Controller, $8.7 million was deposited into the Budget Savings Incentive Fund at the close of FY 2010-11 and $9.6 million is projected to be deposited into the Fund at the close of FY 2011-12, for a total estimated Fund balance of $18.3 million as of June 30, 2012.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the use of the estimated $18.3 million Budget Savings Incentive Fund as a funding source for (a) $8,467,058 in FY 2012-13, and (b) $9,926,880 in FY 2013-14, or a total expenditure of $18,393,938. The Attachment, provided by Ms. Zmuda identifies the 18 proposed projects totaling $8,467,058 for 12 City departments in FY 2012-13, and the 30 proposed projects totaling $9,926,880 for 11 City departments in FY 2013-14.

According to Ms. Zmuda, all of the identified projects and funds are included in the proposed FY 2012-13 and FY 2013-14 Mayor's Budget, for each of the respective departments. The Budget and Legislative Analyst will be reviewing each of the proposed projects as part of the overall review of each City department's budget.

FISCAL IMPACTS

Ms. Zmuda advises that the Controller was not able to accurately determine the amount of $18.3 million of FY 2010-11 savings achieved until year-end close was completed in November of 2011. Ms. Zmuda further advises that the projected $9.6 million savings for FY 2011-12 is a minimum amount that is anticipated to be achieved.

As noted above, according to Section 10.20(a), disbursements from the Budget Savings Incentive Fund can only be made to those City departments that generated net year-end expenditure savings at the close of the most recent prior fiscal year, as certified by the Controller. Ms. Zmuda advises that while the amount of expenditure savings from individual departments does not

[1] In accordance with Section 10.100-1 of the City's Administrative Code, a category eight fund is automatically appropriated, accumulates interest and carries forward any unexpended and unencumbered fund balance each year.

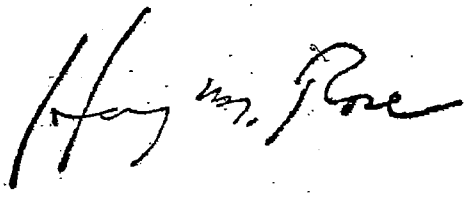
match the amount of projected expenditures, as shown in the Attachment, each City department that is proposed to receive Budget Savings Incentive Funds, achieved expenditure savings in the prior fiscal year.

The recommendations for funding the proposed Budget Savings Incentive Fund projects, as shown in the Attachment, were based on each departments' individual requests to the Committee on Information Technology (COIT) and the Capital Planning Committee for approval of the proposed projects and funding.

RECOMMENDATION

Approve the proposed resolution to use the Budget Savings Incentive Fund as a funding source for various specified projects in the FY 2012-13 and FY 2013-14 budgets.

The Budget and Legislative Analyst will be reviewing each of the specified projects, for potential reductions, as part of the overall review of each City department's budget.



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

FY 2012-13 Budget Savings Incentive Fund Proposal

Dept	Project Title	Total	Committee
Asian Art Museum	FACILITIES MAINTENANCE	156,900	Capital
Art Commission	Mission Cultural Center for Latino Arts HVAC Replacement	214,760	Capital
Art Commission	Mission Cultural Center for Latino Arts Roof System Replacement	227,563	Capital
Art Commission	Cultural Centers Facilities Maintenance	100,507	Capital
Board of Supervisors	Replace Assessment Appeals Tracking Systems	350,000	COIT
Controller	SYSTEMS DISASTER RECOVERY PROJECT	500,000	COIT
District Attorney	DAMION Uprades for full functionality / JUSTIS implementation	320,428	COIT
Dept Public Works	DPW - Facilities Maintenance	350,000	Capital
Human Services Agency	HVAC replacement at 170 Otis, & Facilites Maintenance	3,274,000	Capital
Emergency Management Agency	911 Center Gaseous Fire Suppression System	260,000	Capital
Fire	FIR - Facilities Maintenace	400,000	Capital
Juveline Probation	Youth Guidance Center - Facilities Maintenance	250,000	Capital
Police	Mission Station Chiller Replacement	152,900	Capital
Police	Roof Replacements - Ingleside, Bayview, and Park Police Stations	180,000	Capital
Police	Mobile Devices for Officers	200,000	COIT
Police	Crime Data Warehouse - Phases 3, 4, and 5	380,000	COIT
Police	Improve network speed at all Police Stations	150,000	COIT
Treasurer Tax Collector	Business Tax Application Procument and Implementation	1,000,000	COIT
		8,467,058	

FY 2013-14 Budget Savings Incentive Fund Proposal

Dept	Project Title	Total	Committee
Asian Art Museum	AAM - Facilities Maintenance	210,845	Capital
Art Commission	ART - Monument Maintenance & Conservation	78,750	Capital
Art Commission	Civic Art Collection Restoration	190,000	Capital
Art Commission	African American Art & Culture Complex Electrical Wiring & Distribution Upgrade	159,005	Capital
Art Commission	African American Arts & Cultural Center Roof Replacement	281,666	Capital
Art Commission	SOMArts Roofing System Replacement	370,822	Capital
Art Commission	ART - Cultural Centers Facilities Maintenance	105,532	Capital
District Attorney	DAMION Uprades for full functionality / JUSTIS implementation	243,480	COIT
Dept Public Works	DPW - Capital Emergency Repairs	315,000	Capital
Dept Public Works	Public Works City Facility Maintenance	786,450	Capital
Dept Public Works	DPW - Facilities Maintenance	367,500	Capital
Human Services Agency	170 Otis and other Facilites Maintenance	269,500	Capital
Fine Arts Museum	FAM - Facilities Maintenance, Legion of Honor	980,759	Capital
Fire	FIR - Facilities Maintenace	420,000	Capital
Juvenile Probation	Replace Plumbing Fixtures and Rough-in at Log Cabin Ranch	61,000	Capital
Juvenile Probation	Replace Culvert and Repair Road Leading to Log Cabin Ranch	200,000	Capital
Juvenile Probation	HVR - Facilities Maintenance	21,000	Capital
Juvenile Probation	YGC - Facilities Maintenance	262,500	Capital
Juvenile Probation	LCR - Facilities Maintenance	63,000	Capital
Juvenile Probation	Fire Notification Replacement and System Upgrades	497,000	Capital
Juvenile Probation	Juvenile Justice Center Buildings Exterior Repair	250,000	Capital
Juvenile Probation	Juvenile Justice Center - Resurface roadways and parking lots	200,000	Capital
Police	GGP Police Stables Renovation	227,071	Capital
Police	Lake Merced Range Maintenance Project	500,000	Capital
Academy of Sciences	SCI - Facilities Maintenance	157,500	Capital
Sheriff	SHF - Facilities Maintenance	689,500	Capital
Sheriff	County Jails Kitchen Components, Security CCTV/Recording System, and Laundry Equipment	435,000	Capital
Sheriff	County Jail 6 (San Bruno): Roof Replacement and Fall Protection Devices	447,000	Capital
Sheriff	San Bruno Water Service Pipeline Replacement (I-280 Portion)	890,000	Capital
Sheriff	County Jail 6 (San Bruno): System Upgrades and Repairs	247,000	Capital
Total		**9,926,880**	

FY 2012-13 Budget Savings Incentive Fund Proposal

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