

File No. 101140

Committee Item No. 5
Board Item No. 02

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: September 15, 2010

Board of Supervisors Meeting

Date 09/28/10

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Ethics Form 126 |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
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| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER

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Completed by: Victor Young
Completed by: Victor Young

Date: September 10, 2010
Date: 9/16/10

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

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ॐ नमो भगवते वासुदेवाय

1 [Cigarette Litter Abatement Fee - Timing and Standards for Controller's Review and
2 Adjustment]

3 **Ordinance amending Section 105.3 of the San Francisco Administrative Code to**
4 **change the timelines and standards under which the Controller is directed to review**
5 **and adjust the Cigarette Litter Abatement Fee.**

6 NOTE: Additions are single-underline italics Times New Roman;
7 deletions are strike-through italics Times New Roman.
8 Board amendment additions are double-underlined;
9 Board amendment deletions are ~~strikethrough-normal~~.

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

10 Section 1. Findings.

11 (a) Further review and analysis of the results of the 2009 audit of the composition of
12 street and sidewalk litter conducted by MGM Management and HDR/BVA Inc. reveals that the
13 audit found that cigarette butts and related packaging litter constitute 22% of all such litter on
14 San Francisco sidewalks and street gutters.

15 Section 42. The San Francisco Administrative Code is hereby amended by amending
16 Section 105.3, to read as follows:

17 **SEC. 105.3. IMPOSITION OF CIGARETTE LITTER ABATEMENT FEE.**

18 (a) The City hereby imposes a Cigarette Litter Abatement Fee at the rate of \$0.20 per
19 Pack of Cigarettes on the Purchaser for all Cigarette Sales within the geographic limits of the
20 City, subject to adjustment from time to time under subsection (fg) below. The Fee shall be
21 imposed on a per-Pack of Cigarettes basis for Cigarette Sales in larger quantities. The Fee is
22 payable at the time of the Cigarette Sale transaction.

23 (b) Each Cigarette Retailer shall collect the Fee from the Purchaser at the time of the
24 Cigarette Sale and remit the collected revenue to the City as provided in Subsection (c).

1 (c) The Cigarette Retailer shall hold the collected Fee revenue in trust for the City and
2 remit such revenue to the Tax Collector each calendar quarter on or before the last day of the
3 month immediately following each respective quarterly period, and in accordance with the Tax
4 Collector's Rules, except that all such amounts shall be due immediately upon the City's
5 suspension of a Cigarette Retailer's Health Code Article 19H tobacco sales permit, or upon a
6 Cigarette Retailer's voluntary surrender of such tobacco sales permit, or upon the transfer of
7 ownership or cessation of a Cigarette Retailer's business for any reason.

8 (d) If the Cigarette Retailer fails to collect and remit the Fee as Subsections (a), (b)
9 and (c) require, the Cigarette Retailer is liable to the City for the full Fee amount.

10 (e) The Tax Collector shall deposit all monies collected pursuant to this Cigarette Litter
11 Abatement Fee Ordinance to the credit of the Environment Cigarette Litter Abatement Fund
12 authorized by San Francisco Administrative Code Section 10.100-70. Said fund shall be used
13 exclusively for the following purposes:

14 (1) Refunds of any overpayments of the Fee imposed hereunder;

15 (2) Costs of the Department of Public Works incurred in abating cigarette litter
16 from sidewalks, street gutters, and similar outdoor public spaces consistent with the categories of
17 expense items included in the report that the Department of Public Works has submitted to the Board of
18 Supervisors in support of this ordinance and that appears in file no. 101140; administration, collection
19 and enforcement of this Cigarette Litter Abatement Fee Ordinance, including but not limited to, the Tax
20 Collector's personnel, training, space, equipment, material and supplies, and systems programming
21 expenses specific to collecting the Fee;

22 (3) Costs of the Tax Collector incurred in the collection and enforcement of the
23 Cigarette Litter Abatement Fee consistent with the categories of expense items included in the report
24 that the Tax Collector has submitted to the Board of Supervisors in support of this ordinance and that
25 appears in file no. 101140;

1 (43) Costs of public outreach and education to curb improper cigarette
2 litter disposal; and

3 ~~(4) Costs to collect and remove cigarette litter from City sidewalks, gutters and~~
4 ~~public spaces.~~

5 **(fg) Fee Adjustment.** No later than December 1, 2010, and every year thereafter, the
6 Controller shall Beginning with fiscal year 2011-2012, the City may adjust the Fee each year,
7 without further action by the Board of Supervisors, as set forth in this subsection.

8 ~~(1) Not later than April 1, the Director of the Department of the Environment, or his or~~
9 ~~her designee, shall report to the Controller the Fees collected from the prior fiscal year and the City's~~
10 ~~prior fiscal year costs to support the services and activities described in Section 105.3(e) herein, as~~
11 ~~well as many other information that the Controller deems necessary to carry the duties set forth herein.~~

12 ~~(21) Not later than May 15, t~~The Controller shall determine whether the current
13 Fee has produced or is projected to produce revenues sufficient to support the services and
14 activities described in Section 105.3(e) herein and that the current Fee has not produced or is
15 not projected to produce revenue which is significantly more than necessary to support those
16 services and activities. In making such determinations, the Controller shall use the most
17 recent available data concerning the percentage of litter on City sidewalks, street gutters, and
18 similar outdoor public spaces that is cigarette butts and related packaging litter. At the time of
19 the enactment of this Ordinance, such data indicates that 22% of litter on City sidewalks,
20 street gutters, and similar outdoor public spaces consists of cigarette butts and related
21 packaging litter. The Controller shall periodically procure updated data concerning the
22 percentage of litter in such areas that is cigarette butts and related packaging litter.

23 (32) The Controller shall, if necessary, adjust the Fee upward or downward for
24 the upcoming fiscal year as appropriate to ensure that, over time, the Fee program recovers
25

1 no more than the costs of the services and activities described in Section 105.3(e) herein. The
2 adjusted Fee shall become operative on January July 1.

3 (43) The Tax Collector shall post the adjusted Fee on its website. Failure to
4 make the posting that this subsection requires shall not affect the rights of the City to collect
5 the adjusted Fee.

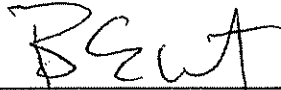
6

7 APPROVED AS TO FORM:
8 DENNIS J. HERRERA, City Attorney

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By:



BURK E. DELVENTHAL
Deputy City Attorney

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LEGISLATIVE DIGEST

[Cigarette Litter Abatement Fee; Timing and Standards for Controller's Review and Adjustment.]

Ordinance amending Section 105.3 of the San Francisco Administrative Code to change the timelines and standards under which the Controller is directed to review and adjust the Cigarette Litter Abatement Fee

Existing Law

Current law imposes a cigarette litter abatement fee and requires the Controller to review abatement and administrative costs and fee revenues and, if necessary, make annual adjustments commencing in fiscal year 2011-2012 to ensure that over time the ordinance recovers no more than the actual costs of cigarette litter abatement.

Amendments to Current Law

This amendment would delete the 2011-2012 commencement of the Controller's obligation to review the fee and make adjustments. Instead the amendment would require the Controller to conduct the first review and if necessary make adjustments not later than December 1, 2010. This amendment would also provide more detailed criteria to guide the Controller's review duties under this ordinance.

Background Information

Updated cost data indicate that it is preferable to require an earlier review of the costs and revenues that support the Cigarette Abatement Fee.

City and County of San Francisco



Gavin Newsom, Mayor
Edward D. Reiskin, Director

orig: B+P clerk, BOS 11, Co B
cpage
Leg. Dep
(415) 554-4806
FAX (415) 554-6944
Douglas.Legg@sfdpw.org
http://www.sfdpw.com

Department of Public Works
Finance, Budget & Performance Division
Financial Management and Administration
City Hall, Room 340
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4645
Douglas Legg, Manager

September 14, 2009

File 101140

Angela Calvillo
Clerk of the Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Report on DPW Costs to Abate Cigarette Litter in Support of File No. 101140

Dear Ms. Calvillo,

The attached spreadsheet constitutes the Department of Public Works (DPW) cost to abate litter in Fiscal Year 2009-10. The costs represented are for our Bureau of Street Environmental Services' (BSES) manual cleaning program consisting primarily of manual block sweepers, green machines, crew supervisors and other personnel, contracts, material and support services, excluding steam cleaning/power washing costs. These costs do not include our mechanical sweeping program, our illegal dumping cleanup program, or our graffiti abatement program. The total FY 2009-10 cost for abating litter was \$15,116,683. We estimate that sixteen percent of our manual cleaning cost (excluding steam cleaning costs) is for collection of leaves and other organic materials; the cost for this activity has also been excluded from the litter abatement costs shown in this report.

Sincerely,

Douglas Legg
Manager, Finance Budget & Performance

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AK

**Bureau of Street Environmental Services
Fiscal Year 2009-2010**

Revised estimated total litter cost estimate.

program name: **MANUAL CLEANING: FY 2009-10 excluding steam cleaning & incl midyr cuts**

	ID (Other Funding)		Gas Tax		General Fund		Program Total	
	\$\$	FTE	\$\$	FTE	\$\$	FTE	\$\$	FTE
0932	0		99,879	0.75	0		99,879	0.75
1312	0		0	0.00	37,138	0.50	37,138	0.50
1630	0		0		0		0	-
1704	0	0.00	0		102,471	2.00	102,471	2.00
1822	0		0		15,005	0.20	15,005	0.20
7215	44,020	0.67	1,056,488	16.08	305,514	4.65	1,406,023	21.40
7281	0		121,797	1.35	180,440	2.00	302,237	3.35
7355	0		0		0		0	-
7501	0		0		655,874	13.83	655,874	13.83
7514	290,599	4.90	1,968,959	33.20	2,941,578	49.60	5,201,136	87.70
step m	(1)		(1,174)		(69,911)		(71,085)	-
salary savings	(47,101)	(0.71)	(205,691)	(2.97)	(232,481)	(3.78)	(485,273)	(7.46)
(Plus/Less 1 Day)	1,257		13,438		17,885		32,581	
salaries subtotal	288,775	4.86	3,053,697	48.41	3,953,512	69.00	7,295,985	122.27
temp pay	0		259,054		236,070		495,123	
premium pay	0		44,551		30,539		75,090	
overtime	0		142,801		83,662		226,463	
salaries total	288,775	4.86	3,500,103	48.41	4,303,783	69.00	8,092,661	122.27
MFB	120,653		1,146,755		1,579,513		2,846,922	
dept. overhead	106,914		1,152,690		1,417,366		2,676,969	
bureau overhead	99,181		1,069,322		1,314,856		2,483,359	
labor total	615,523	4.86	6,868,870	48.41	8,615,518	69.00	16,099,912	122.27
prof. services					235,510		235,510	
dp equipment maint.			7,000		0		7,000	
other currents			0		182,250		182,250	
material & supplies			205,304		264,092		469,396	
equipment purch.							0	
lease pymts.			541,324		221,711		763,034	
dtis infrastructure					46,915		46,915	
district attorney							0	
parking and traffic							0	
police							0	
rent board					3,000		3,000	
sheriff							0	
water dept							0	
bbr			153,398		0		153,398	
boe			0				0	
ssr							0	
non-labor total	0		907,025		953,478		1,860,504	
subtotal	615,523		7,775,896		9,568,996		17,960,415	
additional funding	3,515,241				(3,515,241)		0	
total	4,130,764		7,775,896		6,053,755		17,960,415	

Leaves & Organic 1/3 of collections for three months
Matter = 1/10 of collections for nine months
Total FY 2009-10 Litter Abatement Costs

\$ 15,116,683

Office of the Treasurer & Tax Collector
City and County of San Francisco



José Cisneros, Treasurer

September 14, 2010

Angela Calvillo
Clerk of the Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2010 SEP 14 AM 10:13
BY PC

Re: Report on Costs to Abate Cigarette Litter in Support of File No. 101140

Dear Ms. Calvillo,

The attached spreadsheet constitutes the report of the Office of the Treasurer and Tax Collector concerning that Office's costs of collecting and enforcing the Cigarette Litter Abatement Fee in Fiscal Year 2009 – 10. The costs represent the actual hours of work performed by our Cashier, Business Tax – Account Services, and Information Technology staff as well as non-personnel costs. The costs are based on the actual number of statements. These costs do not include the one time set up costs of the technical solution, since it is not an ongoing cost, but does reflect the annual license costs for the application.

Sincerely,

Tajel Shah
Director, Budget & Operations

Office of the Treasurer & Tax Collector
 Cigarette Litter Abatement Fee
 Collection & Enforcement Cost
 Based on 3000 accounts with quarterly payments
 Assumes 20% Delinquency

Personnel				
<i>Classification</i>	<i>Position</i>	<i>FTE</i>	<i>Annual Salary</i>	
1630	Account Clerk	65%	\$51,350	\$33,378
1632	Sr. Account Clerk	75%	\$59,462	\$44,597
1654	Principal Accountant	10%	\$91,962	\$9,196
0931	Manager III	7%	\$126,048	\$8,823
1824	Principal Administrative Analyst	10%	\$110,708	\$11,071
4308	Sr. Collection Officer	50%	\$66,326	\$33,163
4220	Auditor	100%	\$81,432	\$81,432
1023	IT	5%	\$99,944	\$4,997
				\$226,657
With benefits				\$301,453
Cashier Costs				\$10,620
		Overhead		\$49,838
		Total personnel		\$351,291
Non Personnel				
		Software Licensing		\$4,000
		Mailings Cost		\$1,360
				\$5,360
Total				\$356,651

