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Controller's Office

# Nine-Month Budget Status Report

Board of Supervisors  
Budget & Finance Committee  
May 18, 2016



# General Fund Overview

- Projected ending balance of \$397.8M at close of current year is an improvement of \$72.9 million versus the assumptions contained in the March 2016 Joint Report.
- Improvement versus budget driven largely by property tax revenue improvement and savings in health and human services departments.
- There is no projected deposit to the Rainy Day Reserve. Economic reserves are projected to total \$256.6 million at year end, or 5.9% of General Fund revenues (vs 10% target).



# General Fund Citywide Revenue Projections

\$ Millions

Controller's Office

	Revised Budget	6-Month Projection	9-Month Projection	Surplus (Shortfall)
Property Taxes	1,291.0	1,360.0	1,374.0	83.0
Business Taxes	634.5	631.1	654.7	20.2
Sales Tax - Local 1% and Public Safety	270.9	254.3	264.6	(6.3)
Hotel Room Tax	384.1	389.2	387.1	3.0
Utility User & Access Line Taxes	139.1	136.2	138.3	(0.8)
Parking Tax	89.7	90.7	90.7	1.0
Real Property Transfer Tax	275.3	275.3	256.0	(19.3)
Interest Income	10.7	12.0	12.7	2.0
1991 and Public Safety Realignment	205.8	211.3	212.2	6.4
Motor Vehicle In-Lieu	-	0.6	0.6	0.6
Franchise Taxes	16.8	16.7	16.7	(0.1)
Fines, Settlements, & Other Revenue	28.2	30.6	38.8	10.6
State - Other	-	0.6	4.7	4.7
Airport Transfer-In	40.8	41.7	41.9	1.1
<b>Total Citywide Revenues</b>	<b>3,386.9</b>	<b>3,450.3</b>	<b>3,493.1</b>	<b>106.2</b>



# Baseline Transfers

\$ Millions

Controller's Office

	Revised Budget	6-Month Projection	9-Month Projection	Variance
<b>Aggregate Discretionary Revenues (ADR)</b>	<b>2,958.4</b>	<b>3,012.4</b>	<b>3,051.0</b>	<b>92.7</b>
MTA Baseline 9.2% ADR	272.0	277.1	280.5	8.5
MTA Population Change Baseline	25.9	27.7	27.7	1.8
Library Baseline 2.3% ADR	67.6	68.9	68.2	0.6
Public Education Fund Baseline 0.3% ADR	4.3	4.4	4.4	0.1
<b>Total Baseline Transfers</b>	<b>369.8</b>	<b>378.1</b>	<b>380.8</b>	<b>11.1</b>
80% Parking Tax in Lieu Transfer to MTA	74.2	75.6	76.5	2.3
<b>Total Baselines and In-Lieu Transfers</b>	<b>443.9</b>	<b>453.7</b>	<b>457.3</b>	<b>13.4</b>



# Departmental Projections

\$ Millions

Controller's Office

	Revenue Surplus / (Shortfall)	Uses Savings / (Deficit)	Net Surplus / (Shortfall)
<b>Net Shortfall Departments</b>			
City Attorney	(0.5)	0.1	(0.4)
Police	(0.4)	-	(0.4)
<b>Subtotal Departments with Net Deficits</b>	<b>\$ (0.9)</b>	<b>\$ 0.1</b>	<b>\$ (0.7)</b>
<b>Net Surplus Departments</b>			
Public Health	(30.3)	85.7	55.4
Human Services	(1.3)	20.3	19.0
General City Responsibility	-	13.5	13.5
Public Works	5.2	-	5.2
City Administrator	0.4	3.5	3.8
City Planning	2.5	-	2.5
Recreation and Parks	1.3		1.3
Emergency Management	-	1.1	1.1
Adult Probation	0.2	0.7	0.9
Other Net Surplus	(1.6)	6.2	4.5
<b>Subtotal Departments with Net Surplus</b>	<b>\$ (23.7)</b>	<b>\$ 130.9</b>	<b>\$ 107.2</b>
<b>Total</b>	<b>\$ (24.6)</b>	<b>\$ 131.1</b>	<b>\$ 106.4</b>



# Supplemental Appropriations

- Three General Fund supplemental appropriations have been approved year to date: \$0.1 million for the Super Bowl 50 Impact Fund, \$0.3 million for Legacy Business Implementation, and \$2.5 million for improvements to the Geneva Car Barn.
- The Board has approved a re-appropriation of permanent salaries for overtime spending at Emergency Management, Public Health, Police, Fire, Sheriff and PUC.



# Major Reserve Status

\$ Millions

Controller's Office

	FY 2015-16					FY 2016-17		
	FY 2014-15 Ending Balance	Starting Balance	Projected Deposits	Projected Withdrawals	Projected Ending Balance	Budgeted Deposits	Budgeted Withdrawals	Projected Ending Balance
General Reserve	\$ 55.6	\$ 73.4	\$ -	\$ (9.7)	\$ 63.7	\$ 12.0	\$ -	\$ 75.7
Budget Savings Incentive Fund	-	33.9	20.8	-	54.8	-	-	54.8
Recreation & Parks Savings Incentive Reserve	-	10.6	1.3	(3.1)	8.8	-	(3.1)	5.7
Rainy Day Economic Stabilization City Reserve	71.9	71.9	-	-	71.9	-	-	71.9
Rainy Day Economic Stabilization School Reserve	42.1	42.1	-	-	42.1	-	-	42.1
Rainy Day One-Time Reserve	43.1	43.1	-	-	43.1	-	-	43.1
Budget Stabilization Reserve	132.3	132.3	9.4	-	141.6	-	-	141.6
Salary and Benefits Reserve	20.2	34.0	-	(24.1)	9.9	14.0	(14.0)	-
<b>Total</b>	<b>365.1</b>	<b>441.3</b>	<b>31.5</b>	<b>(36.9)</b>	<b>435.9</b>	<b>26.0</b>	<b>(17.1)</b>	<b>434.9</b>
Economic reserves					256.6			
Economic reserves as a % of General Fund revenues					5.9%			



# Projection Uncertainty

- Continued pace of economic growth and activity, particularly the effect on transfer and business taxes.
- Federal revenue uncertainty, particularly ACA revenues at DPH.





## Other Special Funds

A host of other special funds are reviewed in the report.

- **Improving:**  
Building Inspection, Convention Facilities, Airport, MTA, Port
- **Worsening:**  
Courthouse Construction, Water, Wastewater



# Closing

- Current year benefit from additional transfer tax revenues limited by required Budget Stabilization Reserve deposits (75% of any increase).
- Revised updates for future year revenues will be provided to the Mayor's Office for inclusion in the Mayor's Proposed Budget in June.

