

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

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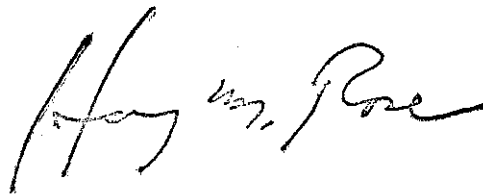
June 17, 2011

TO: Budget and Finance Committee
FROM: Budget and Legislative Analyst
SUBJECT: June 20, 2011 Budget and Finance Committee Meeting

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A handwritten signature in black ink, appearing to read "Harvey M. Rose". The signature is fluid and cursive, with the first name being the most prominent.

Harvey M. Rose

cc: Supervisor Chu
Supervisor Mirkarimi
Supervisor Kim
Supervisor Wiener
President Chiu
Supervisor Avalos
Supervisor Campos
Supervisor Cohen
Supervisor Elsbernd
Supervisor Farrell
Supervisor Mar
Clerk of the Board
Cheryl Adams
Controller
Greg Wagner

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department’s proposed \$32,122,184 budget for FY 2011-12 is \$13,821,856 or 75.5 percent more than the original FY 2010-11 budget of \$18,300,328.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 64.53 FTEs, which is 5.99 FTEs more than the 58.54 FTEs in the original FY 2010-11 budget. This represents a 10.2 percent change in FTEs from the original FY 2010-11 budget.

The Department has requested approval of four positions as an interim exception. The Budget and Legislative Analyst recommends against approval of these positions as an interim exception, which do not perform revenue generating or critical functions. However the Budget and Legislative Analyst recommends approval of these four positions effective on August 1, 2011 instead of July 1, 2011.

Revenue Changes

The Department's revenues of \$25,152,233 in FY 2011-12, are \$13,615,203 or 118.0 percent more than FY 2010-11 revenues of \$11,537,030. General Fund support of \$6,969,951 in FY 2011-12 is \$206,653 or 3.1 percent more than FY 2010-11 General Fund support of \$6,763,298.

RECOMMENDATIONS

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$473,260 in FY 2011-12. These reductions would still allow an increase of \$13,348,296 or 72.9 percent in the Department’s FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$4,012 to the General Fund.

Together, these recommendations will result in \$477,272, of which \$225,684 is savings to the City’s General Fund.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ECN – ECONOMIC AND WORKFORCE DEVELOPMENT

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change 2010-2011	Pct Change
ECONOMIC AND WORKFORCE DEVELOPMENT				
CHILDREN'S BASELINE	314,065	314,065	0	0.0%
ECONOMIC DEVELOPMENT	3,316,813	16,454,359	13,137,546	N/A
FILM SERVICES	944,240	1,207,171	262,931	27.8%
OFFICE OF SMALL BUSINESS AFFAIRS	597,505	613,480	15,975	2.7%
WORKFORCE TRAINING	13,127,705	13,533,109	405,404	3.1%
ECONOMIC AND WORKFORCE DEVELOPMENT	18,300,328	32,122,184	13,821,856	75.5%

The Department's proposed FY 2011-12 budget has increased by \$13,821,856 largely due to:

- \$10,020,170 in General Fund monies to be used in preparation for the 34th America's Cup for (a) obtaining the required permits, (b) the California Environmental Quality Act (CEQA) documents, and (c) a public engagement strategy with impacted merchant, tenant, and neighborhood associations as well as regional transportation providers, public safety personnel and neighboring jurisdictions.
- A Transfer of \$2,183,760 in General Fund monies to the Port in order to reimburse them for projected reduced revenues to be incurred due to the 34th America's Cup during FY 2011-12.
- The Department's new role of administering the Local Hiring Policy for Construction, which was approved in December, 2010 by the Board of Supervisors.

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 64.53 FTEs, which is 5.99 FTEs more than the 58.54 FTEs in the original FY 2010-11 budget. This represents a 10.2 percent change in FTEs from the original FY 2010-11 budget.

The FY 2011-12 Budget includes 8 FTEs that are new positions. Four of these positions are intended to support the new work the Department is undertaking in preparation for the 34th America's Cup:

- Manager VIII position to (a) be responsible for achieving all deliverables and milestones under the Host and Venue Agreement, (b) obtain all Federal and State authorizations for the races, (c) develop, negotiate, and implement plans for the infrastructure required to host the events, (d) coordinate the environmental review process, (e) coordinate and support related initiatives, and (f) interface with the America's Cup Event Authority (ACEA), the America's Cup Organizing Committee (ACOC), and the America's Cup Race Management.
- Manager III position to (a) coordinate interdepartmental and interagency efforts in preparation for the 34th America's Cup, (b) write, present, and update public plans for the interdepartmental and interagency work related to preparation for the 34th America's Cup, (c) secure Memorandums of

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ECN – ECONOMIC AND WORKFORCE DEVELOPMENT

Understanding (MOU), permits, and service information for regional, state, and federal agencies to allow for event permitting, security, and construction, and (d) work with the ACOC, ACEA and City finance staff to manage the budget, pay contractors, and reimburse partner agencies.

- Manager VI position to (a) coordinate complex real estate development projects through the entitlement and permitting process across multiple city departments, (b) create jobs and enhance the City's housing stock, (b) meet and consult with project sponsors, (c) establish and maintain effective working relationships with Elected Officials, Department Heads and staff, civic organizations, State and Federal agencies, stakeholders and the public in order to resolve complex issues and to facilitate solutions resulting in project approvals and permitting, (d) work with Small Business Assistance Center and various Community Benefit Districts on entitlement, permitting and inspection matters for new and existing small businesses and restaurants, and facade improvements, and (e) prepare and review capital project and maintenance program cost estimates; negotiate with internal agencies & external stakeholders.
- Manager I position to (a) perform overall event coordination, (b) coordinate negotiations regarding the Workforce Development plan, (c) collaborate on creating small business linkages for the event, (d) work with City departmental staff to create youth involvement opportunities and coordinate negotiations regarding the Youth Involvement Plan, (e) coordinate on the development of an education plan to link spectators with the event, (f) assist in the creation of partnerships to link the event with the City's cultural scene, and (g) facilitate advertising efforts of the event.

Four of the new positions are to support the Department's new role in administering the Local Hiring Policy for Construction and the CityBuild Workforce programs:

- Three Senior Community Development Specialist I positions to (a) conduct contractor outreach and engagement efforts on behalf of CityBuild's programs and (b) focus on providing resources towards ensuring contractor success in meeting workforce goals.
- One Senior Community Development Specialist I position to (a) provide data analysis and general support around operations, budget, contract, and grant development, and (b) compile data and develop workforce reports on behalf of the Local Hiring Policy for Construction.

No FTEs are proposed for deletion in FY 2011-12.

The Department has requested approval of four positions as an interim exception. The Budget and Legislative Analyst recommends against approval of these positions as an interim exception, which do not perform revenue generating or critical functions. However the Budget and Legislative Analyst recommends approval of these four positions effective on August 1, 2011 instead of July 1, 2011.

DEPARTMENT REVENUES:

The Department's revenues of \$25,152,233 in FY 2011-12, are \$13,615,203 or 118.0 percent more than FY 2010-11 revenues of \$11,537,030. General Fund support of \$6,969,951 in FY 2011-12 is \$206,653 or 3.1 percent more than FY 2010-11 General Fund support of \$6,763,298. Specific changes in the Department's FY 2011-12 revenues include:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ECN – ECONOMIC AND WORKFORCE DEVELOPMENT

- An increase in General Fund support for expenses related to preparation for the 34th America's Cup.
- An increase in General Fund support to fund the China SF Initiative, a public/private partnership to connect businesses in China to businesses in the Bay Area and assist Chinese companies looking to locate or invest in North America.
- An increase in General Fund support to fund the Department's administration of the Local Hiring Policy for Construction.
- An American Recovery and Reinvestment Act of 2009 grant received via the Environmental Protection Agency for the cleanup of Mission Bay brownfields, which is land previously used for industrial purposes which may be contaminated by low concentrations of hazardous waste or pollution and has the potential to be reused once it is cleaned up.

34TH AMERICA'S CUP HAS A \$12,203,930 GENERAL FUND IMPACT IN FY 2011-12:

The Budget and Legislative Analyst notes that the proposed increase of revenues and expenditures for preparation for the America's Cup is equal to a total of \$12,203,930 (\$10,020,170 plus \$2,183,760) and will be sourced from the General Fund Reserve. While the America's Cup Organizing Committee has pledged to raise \$32,000,000, including \$12,000,000, by the end of the CEQA process in late 2011, the raising of that money is not certain and the expenditures associated with the 34th America's Cup have the potential to bear a significant impact on the balance of the General Fund Reserve in FY 2011-12 and going forward up to the event, which will take place in 2013.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$473,260 in FY 2011-12. These reductions would still allow an increase of \$13,348,296 or 72.9 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$4,012 to the General Fund.

Together, these recommendations will result in \$477,272, of which \$225,684 is savings to the City's General Fund.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ECN - Economic and Workforce Development

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
BFS - Film Services (2S CRF MFP)													
Other Fixed Charges			\$651,588	\$400,000	\$251,588					\$651,588	\$400,000	\$251,588	
	Disapprove increase in funding for Film Rebate Program due to insufficient justification for increase based on expenditures for FY 2010-11.							Ongoing reduction.					
BK5 - Economic Development (1G AGF AAP)													
Temporary Salaries - Miscellaneous	0.10	0.07	\$92,500	\$62,500	\$30,000	x			\$92,500	\$62,500	\$30,000	x	
Mandatory Fringe Benefits			\$7,354	\$4,969	\$2,385	x			\$7,354	\$4,969	\$2,385	x	
			<i>Total Savings</i>		\$32,385					<i>Total Savings</i>		\$32,385	
	Reduction based on historical expenditures.							Ongoing reduction.					
BK5 - Economic Development (1G AGF ACP)													
Temporary Salaries - Miscellaneous	1.26	0.61	\$45,000	\$15,000	\$30,000	x			\$45,000	\$15,000	\$30,000	x	
Mandatory Fringe Benefits			\$3,578	\$1,193	\$2,385	x			\$3,578	\$1,193	\$2,385	x	
			<i>Total Savings</i>		\$32,385					<i>Total Savings</i>		\$32,385	
	Reduction based on historical expenditures.							Ongoing reduction.					

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ECN - Economic and Workforce Development

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	
	From	To	From	To				From	To	From	To			
Programmatic Projects			\$9,819,360	\$9,697,857	\$121,503	x					\$9,819,360	\$9,715,149	\$127,578	x
0943 - Manager VIII	1.0	0.0	\$189,878	\$0	\$189,878									
0942 - Manager VII	0.0	0.9	\$0	\$150,836	(\$150,836)									
0931 - Manager III	1.0	0.0	\$126,048	\$0	\$126,048									
1825 - Principal Analyst II	0.0	0.9	\$0	\$104,107	(\$104,107)									
0922 - Manager I	1.0	0.0	\$108,888	\$0	\$108,888									
1824 - Principal Analyst	0.0	0.9	\$0	\$94,968	(\$94,968)									
0941 - Manager VI	1.0	0.9	\$156,494	\$140,845	\$15,649									
Mandatory Fringe Benefits			\$198,691	\$167,740	\$30,951									
			<i>Total Savings</i>	\$121,503							<i>Total Savings</i>	\$127,578		
	<p>The Department requested four new positions for the America's Cup project, including one new Manager VIII, one new Manager VI, one new Manager III and one new Manager I. The Budget and Legislative Analyst recommends:</p> <p>* Downward substitution of the Manager VIII to a Manager VII, which is consist with the executive level duties of the position and organizational, in which this position reports to the Department Head III, which has lower salary range than the Manager VIII.</p> <p>* Downward substitution of the Manager III to an 1825 Principal Analyst II. This position does not have management responsibility.</p> <p>* Downward substitution of the Manager I to an 1824 Principal Analyst. This position does not have management responsibility.</p> <p>* Disapproval of four interim exception positions for the Manager VII, Manager VI, Principal Analyst II, and Principal Analyst which do not perform revenue generating or critical functions. The BLA recommends a start date of August 1, 2011 instead of July 1, 2011.</p>							Ongoing reduction.						

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ECN - Economic and Workforce Development

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	
	From	To	From	To				From	To	From	To			
BK7 - Office of Small Business Affairs (1G AGF AAA)														
Temporary Salaries - Miscellaneous	0.10	0.05	\$7,000	\$3,500	\$3,500	x				\$7,000	\$3,500	\$3,500	x	
Mandatory Fringe Benefits			\$557	\$279	\$279	x				\$557	\$279	\$279	x	
			<i>Total Savings</i>		\$3,779					<i>Total Savings</i>		\$3,779		
	Reduce Temporary Salaries due to insufficient justification for need and historical expenditures.							Ongoing reduction.						
Other Current Expenses			\$37,500	\$12,500	\$25,000	x				\$37,500	\$12,500	\$25,000	x	
	Reduction based on historical expenditures.							Ongoing reduction.						
Materials and Supplies - Budget Only			\$4,020	\$2,400	\$1,620	x				\$4,020	\$2,400	\$1,620	x	
	Reduction based on historical expenditures.							Ongoing reduction.						
Other Materials and Supplies			\$10,000	\$5,000	\$5,000	x				\$10,000	\$0	\$10,000	x	
	Reduction based on historical expenditures.							Ongoing reduction.						

	FY 2011-2012 Total Recommended Reductions		
	One-Time	Ongoing	Total
General Fund Impact		\$221,672	\$221,672
Non-General Fund Impact		\$251,588	\$251,588
Total	\$0	\$473,260	\$473,260

	Estimated FY 2012-2013 Impact Total Recommended Reductions
General Fund Impact	\$232,747
Non-General Fund Impact	\$251,588
Total	\$484,335

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ECN - Economic and Workforce Development

Vendor Name	Subobject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
NORTH OF MARKET NEIGHBORHOOD IMPROV CORP	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2009	9/21/2010	50,000.00	0.55
COLE HARDWARE	OTHER SAFETY EXPENSES	Yes	2009	<u>9/24/2009</u>	\$4,340	\$2,558.69
NORTHERN CALIFORNIA COMMUNITY LOAN FUND	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	2/16/2011	10,000	0.32
PATRICK & CO	OTHER MATERIALS & SUPPLIES	Yes	2009	8/2/2010	1814.42	1452.2
					Total Amount Return to Fund Balance	\$4,011.76
					General Fund	\$4,011.76
					Non-General Fund	\$0.00

Note: The above encumbrance balances are from budget years prior to FY 2010-11. The Department has indicated that the balances of these encumbrances are no longer needed, therefore the balance can be returned to the General Fund.

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department’s proposed \$286,617,000 budget for FY 2011-12 is \$12,933,000 or 4.3 percent less than the original FY 2010-11 budget of \$299,550,000.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 113.5 FTEs, which is 3.0 FTEs more than the 110.5 FTEs in the original FY 2010-11 budget. This represents a 2.7 percent increase in FTEs from the original FY 2010-11 budget.

Revenue Changes

The Department’s Property Tax increment revenues, proposed to be \$125,274,000 in FY 2011-12, are an increase of \$20,430,000, or 19.5 percent, compared to FY 2010-11 Property Tax increment revenues of \$104,844,000. Other Departmental revenues are proposed to be \$66,650,000 in FY 2011-12, which represents a decrease of \$68,000, or 0.1 percent less than the Department’s FY 2010-11 other revenues of \$66,718,000.

RECOMMENDATIONS

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$642,947 in FY 2011-12. The General Fund impact of these reductions is \$302,185.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: RED – REDEVELOPMENT

SUMMARY OF PROGRAM EXPENDITURES:

	FY 2010-11 Budget	FY 2011-12 Proposed	Increase/ (Decrease)	Percent
<u>Total Sources of Funds</u>				
Property Sales, Rentals and Leases	\$16,033,000	\$17,734,000	\$1,701,000	10.6%
Developer Contributions	13,071,000	11,882,000	(1,189,000)	(9.1%)
Other	37,614,000	37,034,000	(580,000)	(1.5%)
Property Tax Increment	<u>104,844,000</u>	<u>125,274,000</u>	<u>20,430,000</u>	19.5%
Total Sources of Funds	171,562,000	191,924,000	20,362,000	11.9%
<u>Total Uses of Funds</u>				
<u>Work Program Uses</u>				
Debt Service	87,696,000	100,630,000	12,934,000	14.7%
Public Improvements	74,201,000	38,004,000	(36,197,000)	(48.8%)
Housing Production and Assistance	66,209,000	56,055,000	(10,154,000)	(15.3%)
Property Maintenance	13,277,000	10,302,000	(2,975,000)	(22.4%)
Business Development	4,375,000	1,588,000	(2,787,000)	(63.7%)
Pass-Through Obligations	11,072,000	24,226,000	13,154,000	118.8%
Job Training	1,360,000	1,147,000	(213,000)	(15.7%)
Other	14,232,000	32,807,000	18,575,000	130.5%
Subtotal Work Program Uses	272,422,000	264,759,000	(7,663,000)	(2.8%)
Personnel Costs	17,127,000	17,750,000	623,000	3.6%
Administrative Costs	4,001,000	4,108,000	107,000	2.7%
Total Uses	293,550,000	286,617,000	(6,933,000)	(2.4%)
Educational Revenue Augmentation Funds	6,000,000	0	(6,000,000)	(100.0%)
	299,550,000	286,617,000	(12,933,000)	(4.3%)
Deficit	(127,988,000)	(94,693,000)	33,295,000	(26.0%)
<u>Other Funding Sources</u>				
Other Property Tax Increment	9,424,000	11,195,000	1,771,000	18.8%
Tax Increment Bond Proceeds	118,564,000	83,498,000	(35,066,000)	(29.6%)
Subtotal, Other Funding Sources	127,988,000	94,693,000	(33,295,000)	(10.8%)
Net Sources Less Uses	\$0	\$0	\$0	0.0%

The Department's proposed FY 2011-12 budget has decreased by \$12,933,000 due to decreases in public improvement projects, housing production and assistance, property maintenance expenditures, business development, job training and deletion of Educational Revenue Augmentation Funds (ERAF) transfers¹:

The Redevelopment Agency's budget includes expenditures for project areas, the Citywide Housing Program, and Administration and Personnel as described below.

¹ Under State law, local governments in FY 2010-11 were required to shift an allocation of property tax revenues to local schools, to meet educational funding requirements under Proposition 98. The Redevelopment Agencies share of this shift was \$6 million. This shift is not required in FY 2011-12, according to the Department.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: RED – REDEVELOPMENT

Redevelopment Project Areas:

A Project Area is a designated redevelopment area, which has been approved by the Board of Supervisors. As shown in the table below, there are 10 existing Project Areas² for which the Redevelopment Agency’s proposed budget for FY 2011-12 provides \$222,473,000 in project areas funding, which is \$53,390,000, or 31.58 percent higher than the approved budget of \$169,083,000 for FY 2010-11. Changes to individual projects programs are as follows:

Project Area Budgets, Current and Proposed				
Project Area*		Approved Budget FY 2010-11	Proposed Budget FY 2011-12	Proposed Increase (Decrease)
1	Bayview Hunters Point Area B	\$6,815,000	\$7,137,000	\$322,000
	<i>Golden Gateway</i>	15,513,000	19,121,000	3,608,000
	<i>Hunters Point (Area "A")</i>	571,000	733,000	162,000
2	Hunters Point Shipyard (Phase I)	7,374,000	4,321,000	(3,053,000)
	Hunters Point Shipyard (Phase II)	5,505,000	24,510,000	19,005,000
	<i>India Basin</i>	561,000	511,000	(50,000)
3	Mid Market	954,000	0	(954,000)
4	Mission Bay North	9,416,000	34,103,000	24,687,000
5	Mission Bay South	18,106,000	46,420,000	28,314,000
6	South Beach Harbor	2,235,000	2,511,000	276,000
	<i>Rincon Point- South Beach</i>	17,461,000	17,923,000	462,000
7	South of Market	7,578,000	4,518,000	(3,060,000)
8	Transbay Terminal	21,308,000	10,564,000	(10,744,000)
	<i>Western Addition</i>	12,495,000	12,617,000	122,000
9	Visitacion Valley	442,000	0	(442,000)
10	Yerba Buena Center	33,771,000	28,607,000	(5,164,000)
	Yerba Buena Gardens & Center for the Arts	8,978,000	8,877,000	(101,000)
Total		\$169,083,000	\$222,473,000	\$53,390,000

**Numbered Areas are Active Project Areas. Italicized Project Areas are expired project areas that have been extended under SB 2113, as discussed below.*

² South Beach Harbor is a part of Rincon Point-South Beach project, and Yerba Buena Gardens & Center for the Arts is a part of the Yerba Buena Center project. In addition, five project areas are expired, non-current project areas, but have been extended under SB 2113, which authorizes the Redevelopment Agency to continue to borrow funds exclusively for Low and Moderate Income Housing Fund activities until January 1, 2014, or until the Agency replaces all of the housing units demolished prior to the requirement for replacement housing obligations in redevelopment areas. The extended project areas are: Golden Gateway, Hunters Point (Area "A"), India Basin, Rincon Point-South Beach and Western Addition.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: RED – REDEVELOPMENT

- An increase in Property Tax Increment revenues that is needed to meet existing Agency obligations to pay debt service on tax increment bonds previously issued.
- An increase in various miscellaneous project-specific revenues, including a federal loan for transportation improvements related to the Hunters Point Shipyard project, and money for bond financing fees, parking fees and interest payments related to the City’s housing program.
- An decrease in grant revenues.
- A decrease in use of reserves from prior-year earnings.

LEGISLATION:

File 11-0270 is a resolution approving the FY 2011-12 Budget of the Redevelopment Agency. The resolution would also approve the issuance of San Francisco Redevelopment Agency bonds not to exceed amount of \$84,000,000.

RECOMMENDATIONS:

1. Amend the Redevelopment Agency’s proposed FY 2011-12 budget (File No. 10-0270) in accordance with the Budget Analyst’s recommended reductions totaling \$642,947, of which \$302,185 or 47 percent are General Fund reductions, as shown on the following pages.
2. Approve the Redevelopment Agency budget, as amended, and approve the proposed issuance of San Francisco Redevelopment Agency bonds not to exceed amount of \$84,000,000 (File No. 11-0270).

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

RED - Redevelopment Agency

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
Development Services													
Facilities Maintenance Worker	1.0	0.0	\$57,327	\$0	\$57,327	x			\$60,670	\$0	\$60,670		
Mandatory Fringe Benefits			\$30,383	\$0	\$30,383	x			\$32,155	\$0	\$32,155		
			<i>Total Savings</i>		\$87,710				<i>Total Savings</i>		\$92,825		
	Position has been vacant six months, with workload redistributed to remaining staff.							Ongoing reduction.					
Contract Compliance													
Contract Compliance Specialist I	0.5	0.0	\$43,290	\$0	\$43,290	x			\$45,814	\$0	\$45,814		
Mandatory Fringe Benefits			\$22,944	\$0	\$22,944	x			\$24,282	\$0	\$24,282		
			<i>Total Savings</i>		\$66,234				<i>Total Savings</i>		\$70,096		
	Position has been vacant six months, with workload redistributed to remaining staff.							Ongoing reduction.					
Administration													
Telephones			\$64,700	\$60,000	\$4,700	x			\$64,700	\$60,000	\$4,700		
	Reduce based on historical expenditures.							Ongoing reduction.					
Payroll Services			\$68,000	\$32,000	\$36,000	x			\$68,000	\$32,000	\$36,000		
	Reduce based on historical expenditures.							Ongoing reduction.					
Staff Training			\$41,600	\$36,500	\$5,100	x			\$41,600	\$36,500	\$5,100		
	Reduce based on historical expenditures.							Ongoing reduction.					
Temps & Recruitment Costs			\$207,575	\$175,000	\$32,575	x			\$207,175	\$175,000	\$32,175		
	Reduce based on historical expenditures.							Ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

RED - Redevelopment Agency

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
Postage and Express			\$71,890	\$25,000	\$46,890	x			\$71,890	\$25,000	\$46,890		
	Reduce based on historical expenditures.							Ongoing reduction.					
Purchase Machines/ Equipment/Furniture			\$77,400	\$25,000	\$52,400	x			\$77,400	\$25,000	\$52,400		
	Reduce based on historical expenditures.							Ongoing reduction.					
Maintenance for Machines/ Equipment/Furniture			\$277,718	\$200,000	\$77,718	x			\$277,718	\$200,000	\$77,718		
	Reduce based on historical expenditures.							Ongoing reduction.					
Travel-Local			\$18,660	\$10,000	\$8,660	x			\$18,660	\$10,000	\$8,660		
	Reduce based on historical expenditures.												
Travel-Out of Town			\$17,700	\$14,000	\$3,700	x			\$17,700	\$14,000	\$3,700		
	Reduce based on historical expenditures.												
Conference & etc.			\$33,750	\$15,000	\$18,750	x			\$33,750	\$15,000	\$18,750		
	Reduce based on historical expenditures.												
Miscellaneous Expenses			\$273,160	\$130,000	\$143,160	x			\$273,160	\$130,000	\$143,160		
	Reduce based on historical expenditures.							Ongoing reduction.					
Office Supplies			\$118,650	\$70,000	\$48,650	x			\$118,650	\$70,000	\$48,650		
	Reduce based on historical expenditures.												
Supplies-Mimeo/Printing/Photo			\$27,700	\$17,000	\$10,700	x			\$27,700	\$17,000	\$10,700		
	Reduce based on historical expenditures.												

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

RED - Redevelopment Agency

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		

**FY 2011-2012
Total Recommended Reductions**

	One-Time	Ongoing	Total
General Fund Impact	\$0	\$302,185	\$302,185
Non-General Fund Impact	\$0	\$340,762	\$340,762
Total	\$0	\$642,947	\$642,947

**Estimated FY 2012-2013 Impact
Total Recommended Reductions**

General Fund Impact	\$306,216
Non-General Fund Impact	\$345,308
Total	\$651,524

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department’s proposed \$48,911,896 budget for FY 2011-12 is \$4,907,896 or 11.2 percent more than the original FY 2010-11 budget of \$44,004,000.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 244.88 FTEs, which is 17.41 FTEs more than the 227.47 FTEs in the original FY 2010-11 budget. This represents a 7.7 percent increase in FTEs from the original FY 2010-11 budget.

Revenue Changes

The Department’s revenues, proposed to be \$48,911,896 in FY 2011-12, represent an increase of \$4,907,896 or 11.2 percent more than the department’s FY 2010-11 revenues of \$44,004,000. There is no General Fund support for the Department.

RECOMMENDATIONS

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$1,696,107 in FY 2011-12. These reductions would still allow an increase of \$3,211,789 or 7.3 percent in the Department’s FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended encumbrances, totaling \$153,462.

Together, these recommendations will result in savings of \$1,849,569.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: DBI – BUILDING INSPECTION

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
ADMINISTRATION/SUPPORT SERVICES	12,886,642	15,987,010	3,100,368	24.1%
HOUSING INSPECTION/CODE ENFORCEMENT SVCS	7,291,661	7,678,239	386,578	5.3%
INSPECTION SERVICES	14,671,742	15,053,023	381,281	2.6%
PLAN REVIEW SERVICES	9,153,955	10,193,624	1,039,669	11.4%
DEPARTMENT OF BUILDING INSPECTION	44,004,000	48,911,896	4,907,896	11.2%

The Department’s proposed FY 2011-12 budget has increased by \$4,907,896 largely due to:

- The Department’s plans to continue its remodeling of the San Francisco Permit Center located at 1660 Mission Street. The 4th and 5th floor were completed in August, 2010 and the Department plans to begin remodeling the 1st, 2nd, and 3rd floors in FY 2011-12.
- The Department’s plans to replace its informational technology infrastructure equipment, including all of its servers. This project has been prioritized in the COIT Plan for FY 2011-12.
- The Department’s plans to fund a new Permit and Project Tracking System, which it is co-funding with the Planning Department. Negotiations have begun with the top scoring vendor selected during the Request For Proposal process. The Department anticipates that the contract will be executed in late summer with a 24-month implementation schedule.
- The Department’s plans to increase its funding for scanning and indexing all currently issued plans to facilitate the retrieval of plans electronically.

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 244.88 FTEs, which is 17.41 FTEs more than the 227.47 FTEs in the original FY 2010-11 budget. This represents a 7.7 percent increase in FTEs from the original FY 2010-11 budget.

Specific proposed changes in the Department’s FY 2010-11 FTE count include the following new positions:

- One position to serve as a second Database Administrator due to increased volume of databases within the Department.
- Four positions for Senior Clerks for both the Central Permit Bureau and Permit Services to process permits, determine fees from other Departments, and manage specialized enforcement programs, among other duties. The Department believes that these positions are necessary due to the slow recovery of the construction industry, resulting in a larger

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: DBI – BUILDING INSPECTION

volume of smaller-sized projects and creating longer lines at the Permit Center on the 1st floor and increased permit processing time.

- Six positions for Principal Clerks for Code Enforcement Services, Central Permit Bureaus, and Permit Review Services to accept, review, approve, and issue construction permits for public and private buildings, issue electrical, plumbing, and street space permits, and assess and collect fees, The Department believes that these positions are necessary due to volume increase in workload.
- Two positions for two Chief Clerks to supervise staff in Code Enforcement Services and Permit Services.
- Three positions, including a Plumbing Inspector, Electrical Inspector, and Building Inspector, needed for inspection of work per the intergovernmental agreements with the following entities: Transbay Joint Powers Authority, San Francisco Public Utilities Commission and the Port of San Francisco. These positions are
- One position for a Building Inspector for coordination of emergency preparedness activities in the Department
- One position for a Chief Building inspector for coordination of emergency preparedness activities in the Department.

DEPARTMENT REVENUES:

The Department's revenues, proposed to be \$48,911,896 in FY 2011-12, represent an increase of \$4,907,896 or 11.2 percent more than the department's FY 2010-11 revenues of \$44,004,000. Specific changes in the Department's FY 2011-12 revenues include:

- An increase in revenues from Charges for Services. This is primarily due to the ongoing multiyear intergovernmental agreements for the Department to (a) provide plan and field inspection services for the construction of the Transbay Transit Center, (b) the construction of a new administration building for the San Francisco Public Utilities Commission, (c) Treasure Island projects, and (d) various projects for the Port of San Francisco including the Exploratorium.
- An increase in Apartment, Rental, and Hotel License Fees. The fees were increased in FY 2009-10. The increase reflects the actual revenues received in FY 2010-11 of \$8,408,000.
- Use of the fund balance in the Strong Motion Fund, which is sourced from a fee charged on building permits to defray personnel and equipment costs for seismic education and improving the preparation for damage assessment after strong seismic motion events, being budgeted in FY 2011-12 for the Disaster Coordination Unit which is being created in FY 2011-12 in order to meet the Mayor's Executive Directive which mandated the creation of a Disaster Preparedness Coordinator for each City Department. The fund balance was not budgeted in FY 2010-11.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: DBI – BUILDING INSPECTION

FIVE YEAR FINANCIAL PLAN:

According to Ms. Pamela Levin, Deputy Director for Administrative Services, the Department anticipates 5 percent growth in its budget between FY 2011-12 and FY 2015-16.

Revenues

- Historically, the construction industry has a 5-year cycle. However, given the current economic environment, the cycle may be longer and revenues may decrease.
- Fees and charges for services must be updated at least on a bi-yearly basis to achieve and maintain full cost recovery.

Expenditures

- The Department considers eliminating positions to be the last alternative, after implementing other expenditure reductions to offset reduced revenues, although salaries and fringe benefits represent 67 percent of its budget.
- The Department will continue to monitor work orders with other City departments and evaluate expenditures to save costs.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,696,107 in FY 2011-12. These reductions would still allow an increase of \$3,211,789 or 7.3 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended encumbrances, totaling \$153,462.

Together, these recommendations will result in savings of \$1,849,569.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DBI - Building Inspection

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
BAN - Administration/Support Services (2S BIF ANP)													
1823C - Senior Administrative Analyst	2.0	1.0	\$182,292	\$91,146	\$91,146			2.0	1.0	\$191,285	\$95,643	\$95,643	
Mandatory Fringe Benefits			\$73,268	\$36,634	\$36,634					\$82,759	\$41,380	\$41,380	
	<i>Total Savings \$127,780</i>							<i>Total Savings \$137,022</i>					
	Delete one Senior Administrative Analyst position that has been vacant since 2007.							Ongoing position reduction					
1044C - IS Engineer Principal	2.0	1.0	\$255,251	\$127,626	\$127,626			2.0	1.0	\$267,843	\$133,922	\$133,922	
Mandatory Fringe Benefits			\$77,741	\$38,871	\$38,871					\$101,914	\$50,957	\$50,957	
	<i>Total Savings \$166,496</i>							<i>Total Savings \$184,879</i>					
	Delete one IS Engineer Principal position that is currently vacant due to addition of new 1042 IS Engineer-Journey position within the same division.							Ongoing position reduction					
0931C - Manager III	1.0	0.0	\$121,485	\$0	\$121,485			1.0	0.0	\$128,569	\$0	\$128,569	
Mandatory Fringe Benefits			\$47,280	\$0	\$47,280					\$53,476	\$0	\$53,476	
	<i>Total Savings \$168,765</i>							<i>Total Savings \$182,045</i>					
	Delete one Manager III position that has been vacant since 2009.							Ongoing position reduction					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DBI - Building Inspection

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
1004C - IS Operator Analyst	1.0	0.0	\$69,015	\$0	\$69,015			1.0	0.0	\$72,420	\$0	\$72,420	
Mandatory Fringe Benefits			\$30,764	\$0	\$30,764					\$34,548	\$0	\$34,548	
	<i>Total Savings \$99,779</i>						<i>Total Savings \$106,968</i>						
	Delete one IS Operator Analyst position that has been vacant since 2008.							Ongoing position reduction					
1053C - IS Business Analyst - Senior	4.0	3.0	\$399,871	\$299,903	\$99,968			4.0	4.0	\$419,597	\$314,698	\$104,899	
Mandatory Fringe Benefits			\$155,895	\$116,921	\$38,974					\$176,406	\$132,305	\$44,102	
	<i>Total Savings \$138,942</i>						<i>Total Savings \$149,001</i>						
	Delete one IS Business Analyst position that has been vacant since 2008.							Ongoing position reduction					
Temporary Salaries													
Miscellaneous			\$74,779	\$24,779	\$50,000					\$74,779	\$24,779	\$50,000	
Mandatory Fringe Benefits			\$5,944	\$1,970	\$3,974					\$5,944	\$1,970	\$3,974	
	<i>Total Savings \$53,974</i>						<i>Total Savings \$53,974</i>						
	Reduce to reflect actual expenditures in prior fiscal years.							Ongoing reduction.					
Materials and Supplies			\$671,550	\$400,000	\$271,550					\$671,550	\$171,550	\$500,000	
	Reduce to reflect actual expenditures in prior fiscal years.							Ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DBI - Building Inspection

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
BAN - Administration/Support Services (2S BIF CPR)													
Professional/Specialized Services			\$600,000	\$200,000	\$400,000		x						
	This proposed contract increase for the Records Management Project, is not sufficiently justified based on historical expenditures The existing contract amount of \$200,000 is sufficient to accomplish the intended task.												
BHS - Housing Inspection/Code Enforcement Services (2S BIF ANP)													
1410-Chief Clerk	0.77	0.0	\$57,997	\$0	\$57,997			1.0	0.0	\$79,709	\$0	\$79,709	
Mandatory Fringe Benefits			\$24,769	\$0	\$24,769					\$36,405	\$0	\$36,405	
	<i>Total Savings</i>			<i>\$82,766</i>				<i>Total Savings</i>			<i>\$116,114</i>		
	Disapprove one new Chief Clerk position due to insufficient justification. There is already sufficient supervision in Code Enforcement, with an Acting Senior Building Inspector supervising two 1426 Senior Clerk Typist positions, one 1444 Secretary 1 position, and one 1408 Principal Clerk position.							Ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DBI - Building Inspection

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
BIS - Inspection Services (2S BIF ANP)													
6331C - Building Inspector	0.77	0.0	\$77,678	\$0	\$77,678			1.0	0.0	\$105,742	\$0	\$105,742	
Mandatory Fringe Benefits			\$31,025	\$0	\$31,025					\$45,493	\$0	\$45,493	
	<i>Total Savings \$108,703</i>							<i>Total Savings \$151,235</i>					
	Disapprove one new Building Inspector position due to insufficient justification. There is a new Chief Building Inspector position, which will serve as Disaster Coordinator and this position will be an alternate. Therefore, there is sufficient staffing within the Disaster Coordination Unit.							Ongoing reduction.					
BPS - Plan Review Services (2S BIF ANP)													
1406C - Senior Clerk	1.54	0.0	\$76,591	\$38,296	\$38,296			2.0	1.0	\$105,265	\$0	\$105,265	
Mandatory Fringe Benefits			\$39,057	\$0	\$39,057					\$56,838	\$0	\$56,838	
	<i>Total Savings \$77,353</i>							<i>Total Savings \$162,103</i>					
	Disapprove two new Senior Clerk position due to insufficient justification of need for 2 additional positions. With 6 new 1408 Principal Clerk positions and one new 1410 Chief Clerk position, all of which the BLA recommends for approval, there is sufficient staffing for Plan Review Services.							Ongoing reduction.					

	Total Recommended Reductions		
	One-Time	Ongoing	Total
General Fund Impact	\$0	\$0	\$0
Non-General Fund Impact	\$400,000	\$1,296,107	\$1,696,107
Total	\$400,000	\$1,296,107	\$1,696,107

	Estimated FY 2012-2013 Impact
	Total Recommended Reductions
General Fund Impact	\$0
Non-General Fund Impact	\$1,743,341
Total	\$1,743,341

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DBI - Building Inspection

Vendor Name	Subsubject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
HEWLETT-PACKARD FINANCIAL SERVICES	DATA PROCESSING EQUIP RENTAL	No	2009	8/12/2010	69,918.08	347.02
TENDERLOIN HOUSING CLINIC INC	COMMUNITY BASED ORGANIZATION SERVICES	No	2010	8/12/2010	80,000.00	4,530.07
CHINATOWN COMMUNITY DEVELOPMENT CENTER	COMMUNITY BASED ORGANIZATION SERVICES	No	2010	8/18/2010	71,436.00	361.44
SAN FRANCISCO APARTMENT ASSOC	COMMUNITY BASED ORGANIZATION SERVICES	No	2010	8/17/2010	50,000.00	1,001.59
SHOE DEPOT INC	OTHER SAFETY EXPENSES	No	2010	7/17/2009	837.68	837.68
SHOE DEPOT INC	OTHER SAFETY EXPENSES	No	2010	7/28/2010	837.68	64.77
SHOE DEPOT INC	OTHER SAFETY EXPENSES	No	2010	7/13/2010	837.68	106.20
GALLS/LONG BEACH UNIFORM	OTHER SAFETY EXPENSES	No	2010	8/24/2010	401.50	256.97
GALLS/LONG BEACH UNIFORM	OTHER SAFETY EXPENSES	No	2010	8/3/2010	401.50	7.33
GALLS/LONG BEACH UNIFORM	OTHER SAFETY EXPENSES	No	2010	7/20/2009	401.49	401.49
GRM INFORMATION MANAGEMENT SERVICES	MISCELLANEOUS FACILITIES RENTAL	No	2010	9/24/2010	38,000.00	660.97
PELICAN DELIVERY INC	FREIGHT/DELIVERY	No	2010	8/3/2010	1,216.00	12.60
STAR REPORTING SERVICE INC	COURT REPORTERS	No	2010	8/17/2010	3,000.00	275.00
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/19/2010	243.34	10.87
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	93.34	93.34
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	4/21/2010	243.34	122.82
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	93.33	93.33
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	93.33	93.33
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	10/20/2009	93.33	94.91
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	93.33	93.33
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	4/12/2010	93.33	48.16
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	12/16/2009	93.33	48.16
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	93.33	93.33
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/15/2010	243.33	140.9
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	93.34	93.34
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	93.34	93.34
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/19/2010	199.99	41.76
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	6/1/2010	199.99	56.64
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/14/2010	199.99	46.62
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	5/17/2010	199.99	56.64
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	3/25/2010	199.99	72.89
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	11/10/2009	200.00	101.45
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/19/2010	200.00	433.12

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DBI - Building Inspection

Vendor Name	Subsubject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/19/2010	200.00	103.02
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	6/23/2010	200.00	42.62
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/19/2010	200.01	47.45
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/12/2010	200.01	627.72
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/13/2010	200.01	572.21
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	200.01	278.5
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	11/10/2009	200.01	101.46
B M I IMAGING SYSTEMS	OTHER PROFESSIONAL SERVICES	No	2010	12/15/2009	300,000.00	2,637.44
B M I IMAGING SYSTEMS	OTHER PROFESSIONAL SERVICES	No	2010	3/2/2011	200,000.00	123,103.94
SELECTRON TECHNOLOGIES INC	TRAVEL COSTS PAID TO VENDORS	No	2010	12/24/2010	5,000.00	3,593.25
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	5/12/2010	219.00	52.00
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/25/2010	219.00	142.56
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	1/15/2010	219.00	89.01
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/28/2010	547.50	161.07
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/28/2010	547.50	380.88
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/25/2010	547.50	217.82
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/24/2010	3,832.50	1,576.90
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/25/2010	2,190.00	1,530.66
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	6/1/2010	547.50	166.76
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/25/2010	547.50	667.45
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	5/11/2010	219.00	154.73
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/30/2010	219.00	143.42
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/25/2010	547.50	34.39
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	1/28/2010	500.00	94.96
INTERNATIONAL CODE COUNCIL INC	TRAINING COSTS PAID TO VENDORS	No	2010	12/30/2009	1,500.00	500.00
INTERNATIONAL CODE COUNCIL INC	BOOKS - NON LIBRARY ONLY	No	2010	10/29/2010	500.00	493.81
INTERNATIONAL CODE COUNCIL INC	FREIGHT/DELIVERY	No	2011	10/29/2010	200.00	190.00
FORD GRAPHICS	PRINTING	No	2010	7/14/2010	5000.61	4,873.47
					Total Amount Return to Fund Balance	\$153,462.24
					General Fund	\$0.00
					Non-General Fund	\$153,462.24

Note: The above encumbrance balances are from budget years prior to FY 2010-11. The Department has indicated that the balances of these encumbrances are no longer needed.

BUDGET REVIEW EXECUTIVE SUMMARY**Budget Changes**

The department's proposed \$24,453,040 budget for FY 2011-12 is \$603,068 or 2.5 percent more than the original FY 2010-11 budget of \$23,849,972.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 150.42 FTEs, which is 4.41 FTEs more than the 146.01 FTEs in the original FY 2010-11 budget. This represents 3.0 percent increase in FTEs from the original FY 2010-11 budget.

Revenue Changes

The Department's revenues of \$22,756,122 in FY 2011-12, are \$337,585 or 1.5 percent more than FY 2010-11 revenues of \$22,418,537. General Fund support of \$1,696,917 in FY 2011-12 is \$265,482 or 18.5 percent more than FY 2010-11 General Fund support of \$1,431,435.

The Department has requested approval of one new position as an interim exception. The Budget and Legislative Analyst does not recommend approval of the interim exception because the position does not have revenue generating or critical functions. However, the Budget and Legislative Analyst does recommend approval of this position to be hired on August 1, 2011, instead of July 1, 2011.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$598,788 in FY 2011-12. These recommendations will result in \$8,605 in General Fund reductions to the proposed budget in FY 2011-12.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: CPC – CITY PLANNING

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
ADMINISTRATION/PLANNING	7,711,918	7,660,151	(51,767)	(0.7%)
CURRENT PLANNING	7,780,621	7,368,210	(412,411)	(5.3%)
ENVIRONMENTAL PLANNING	3,186,229	4,102,156	915,927	28.7%
LONG RANGE PLANNING	5,171,204	3,916,747	(1,254,457)	(24.3%)
ZONING ADMINISTRATION AND COMPLIANCE	0	1,405,776	1,405,776	N/A
CITY PLANNING	23,849,972	24,453,040	603,068	2.5%

The Department’s proposed FY 2011-12 budget has increased by \$603,068 largely due to:

- The Department’s planned participation in creating a Health Care Master Plan for the City, which includes producing a draft Environmental Impact Report and transportation background studies, project management, land use assessment, and interagency coordination and collaboration with the Department of Public Health, and the development of plan language and review to ensure consistency with Planning Code and implementation feasibility.
- The Department’s role in preparing for the America’s Cup 34, including producing an Environmental Impact Report, conducting urban design and land use review, and providing oversight and review of Historic Resource Evaluation Reports and other historic resource California Environmental Quality Act (CEQA)-related material.
- The Department’s involvement in the Better Market Street project, which will improve Market Street by designing and creating places for people to promenade and engage in a range of social, cultural and economic activities.
- The Zoning Administrator is responsible for interpreting, administering and enforcing the Planning Code for the Department. In FY11-12, this function will be reorganized into a separate division within the Department, which will result in a decrease in expenditures in the FY 2011-12 budget.

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 150.42 FTEs, which is 4.41 FTEs more than the 146.01 FTEs in the original FY 2010-11 budget. This represents 3.0 percent increase in FTEs from the original FY 2010-11 budget.

The increase in FTEs are the result of the Planning Department’s adding 5 new positions, or the equivalent of 2.65 FTEs in FY 2011-12. The remaining 1.76 additional FTEs are the result of annualization of positions or other administrative adjustments.

The Department has an estimated increase in Temporary Salaries of \$25,000 to be used in preparation for the 34th America’s Cup. The Department’s environmental studies and other work in preparation for the 34th America’s Cup will be funded through a work order recovery from the Mayor’s Office of Economic and Workforce Development. The money for these salaries will be paid by the General Fund

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: CPC – CITY PLANNING

Reserve, if the America’s Cup Organizing Committee does not reach its \$12,000,000 fundraising goal for FY 2011-12 out of a total fundraising goal of \$32,000,000.

The Department has requested approval of one position as an interim exception. The Budget and Legislative Analyst does not recommend approval of the interim exception because the position does not have revenue generating or critical functions. The Budget and Legislative Analyst is recommending approval of this position with a start date of August 1, 2011 instead of July 1, 2011.

DEPARTMENT REVENUES:

The Department's revenues of \$22,756,122 in FY 2011-12, are \$337,585 or 1.5 percent more than FY 2010-11 revenues of \$22,418,537. General Fund support of \$1,696,917 in FY 2011-12 is \$265,482 or 18.5 percent more than FY 2010-11 General Fund support of \$1,431,435. Specific changes in the Department’s FY 2011-12 revenues include:

- Decrease in federal grant funding due to the elimination of American Recovery and Reinvestment Act of 2009 funding received from the Environmental Protection Agency.
- Significant increases in fees received by the Department from New Construction Building Permits and building permit alterations due to a Consumer Price Index increase and a projected 3 percent increase in revenues due to increased volume of permit activity.
- Significant increases in State grant funding due to the hiring of a Grant Writer in FY 2010-11.

Fee Legislation

Projected revenues for FY 2011-12 are based on a proposed fee increase ordinance as follows:

File No.	Fee Description	FY 2010-11 Original Revenue	Change in FY 2011-12	Annualized Revenue Thereafter	% Cost Recovery
11-0706 & 0707	Adjust fees based on the Controller’s annual two-year average consumer price index (CPI) – 2.07%	\$17,878,345	\$370,082	\$18,248,427	100%

File 11-0706 - All planning fees are subject to the Controller’s annual adjustment based on the two-year average Consumer Price Index (CPI) change. The proposed ordinance amends Administrative Code, Chapter 31 by amending Sections 31.22, 31.23, and 31.23.1 to increase all fees based the Controller's annual adjustment, which is based on the two-year average Consumer Price Index (CPI) and include CPI indexing language in Section 31.22(a)(12) - Monitoring Conditions of Approval and Mitigating Monitoring and Section 31.22(b)(1) and (6) - Fee for Installment Payments.

Recommendation: Approve the proposed ordinance.

File 11-0707 - This proposed ordinance amends Planning Code Article 3.5 to: (a) place a cap on the initial fee amount at no more than 50 percent of the estimated construction cost of the project when applying for a Commission or Zoning Administrative Hearing Application (conditional use or variance,

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: CPC – CITY PLANNING

including Downtown Applications), certificate of appropriateness, or a building permit application and (b) adjust fees based on the Controller's annual two-year average CPI.

Recommendation: Approval of the proposed fee ordinance is a policy matter for the Board of Supervisors.

FIVE YEAR FINANCIAL PLAN:

The Department anticipates 20 percent growth in its revenue budget and 23 percent growth in its expenditure budget between FY 2011-12 and FY 2015-16.

Revenues

- The Department is assuming that it will receive no Federal grants in the next five years.
- The Department is assuming the State grant program will steadily increase due to the hiring of a Grant Writer who is increasing the Department's State grant revenue and will then level off with consistent funding.
- The Department is expecting that revenues from Charges for Services will steadily increase by 5 percent each year over the next five years.
- The Department is expecting that its General Fund support will remain unchanged over the next five years.

Expenditures

- The Department is expecting that Salaries will increase by 3.8 percent in total over the next five years.
- The Department is expecting that Fringe Benefits will increase by 10.3 percent in total over the next five years.
- The Department is expecting that other non-personnel related expenditures, such as materials, supplies, contract expenses, and services of other departments are expected to have modest increases over the next five years.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: CPC – CITY PLANNING

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$598,788 in FY 2011-12. These recommendations will result in \$8,605 in General Fund reductions to the proposed budget in FY 2011-12.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CPC - City Planning

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FAH - Long Range Planning (1G AGF AAA)													
5277C - Planner I	1.00	0.0	\$65,720	\$0	\$65,720			1.0	0.0	\$68,962	\$0	\$68,962	x
Mandatory Fringe Benefits			\$29,888	\$0	\$29,888					\$33,531	\$0	\$33,531	x
	<i>Total Savings \$95,608</i>							<i>Total Savings \$102,493</i>					
	Delete one Planner I Position, which has been vacant since 2008.							Ongoing position reduction.					
FAH - Long Range Planning (1G AGF ACP)													
Materials and Supplies			\$11,200	\$6,200	\$5,000					\$11,200	\$6,200	\$5,000	x
	<i>Total Savings \$5,000</i>							<i>Total Savings \$5,000</i>					
	Reduce based on historical expenditures.							Ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CPC - City Planning

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FDP- Current Planning (1G AGF AAA)													
5322C - Graphic Artist	1.00	0.0	\$56,725	\$0	\$56,725			1.00	0.0	\$60,030	\$0	\$60,030	x
Mandatory Fringe Benefits			\$27,220	\$0	\$27,220					\$30,601	\$0	\$30,601	x
	<i>Total Savings \$83,945</i>							<i>Total Savings \$90,631</i>					
	Delete one Graphic Artist Position, which has been vacant since 2008.							Ongoing position reduction.					
FEF - Administration/Planning (1G AGF AAA)													
1314C - Public Relations Officer	1.00	0.0	\$85,957	\$0	\$85,957			1.0	0.0	\$90,197	\$0	\$90,197	x
Mandatory Fringe Benefits			\$35,256	\$0	\$35,256					\$39,777	\$0	\$39,777	x
	<i>Total Savings \$121,213</i>							<i>Total Savings \$129,974</i>					
	Delete the new 1314C Public Relations Officer position. The Department currently has two other positions serving in communications, public affairs, or government relations roles, including a Government and Public Affairs Manager, and a Legislative Analyst.							Ongoing position reduction.					
1404C - Clerk	1.00	0.0	\$47,966	\$0	\$47,966			1.0	0.0	\$50,761	\$0	\$50,761	x
Mandatory Fringe Benefits			\$24,889	\$0	\$24,889					\$27,868	\$0	\$27,868	x
	<i>Total Savings \$72,855</i>							<i>Total Savings \$78,629</i>					
	Delete one Clerk position, which has been vacant since 2007.												

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CPC - City Planning

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
5291C - Planner III	1.50	0.5	\$142,168	\$0	\$142,168					\$149,181	\$0	\$149,181	x
Mandatory Fringe Benefits			\$56,394	\$0	\$56,394					\$63,751	\$0	\$63,751	x
			<i>Total Savings</i>		<i>\$198,562</i>				<i>Total Savings</i>		<i>\$212,932</i>		
	Delete one Planner position, which has been vacant since 2007.												
Training-Budget			\$13,702	\$10,202	\$3,500	x			\$13,702	\$10,202	\$3,500	x	
	Reduction based on historical expenditures						Ongoing reduction.						
Training Costs Paid to Vendors			\$5,500	\$4,000	\$1,500				\$5,500	\$4,000	\$1,500	x	
	Reduction based on historical expenditures						Ongoing reduction.						
Materials and Supplies			\$67,600	\$59,600	\$8,000				\$67,600	\$59,600	\$8,000	x	
	Reduction based on historical expenditures. Will still allow for an increase of \$9,600 for Materials and Supplies in FY 2011-12.						Ongoing reduction.						

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CPC - City Planning

Object Title	FY 2011-2012						FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FFP - Environmental Planning (1G AGF AAA)													
5298 - Planner III Environmental Review	0.65	0.59	\$61,606	\$55,445	\$6,161	x			\$61,606	\$55,445	\$6,161	x	
Mandatory Fringe Benefits			\$24,439	\$21,995	\$2,444	x			\$24,439	\$21,995	\$2,444	x	
			<i>Total Savings</i>		\$8,605				<i>Total Savings</i>		\$8,605		
	Disapprove Interim Exception for Planner III Environmental Review position to conduct environmental review services due to insufficient justification of need. Candidate has not been selected and interviews have not been conducted. Approve the position, to reflect a August 1, 2011 hire date instead of a July 1, 2011 hire date.						Ongoing position reduction.						

	FY 2011-2012 Total Recommended Reductions		
	One-Time	Ongoing	Total
General Fund Impact	\$0	\$8,605	\$8,605
Non-General Fund Impact	\$0	\$590,183	\$590,183
Total	\$0	\$598,788	\$598,788

	Estimated FY 2012-2013 Impact Total Recommended Reductions
General Fund Impact	\$632,659
Non-General Fund Impact	\$8,605
Total	\$641,264

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department's proposed \$20,776,505 budget for FY 2011-12 is \$2,642,181 or 14.6 percent more than the original FY 2010-11 budget of \$18,134,324.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 146.67 FTEs, which is 11.98 FTEs more than the 134.69 FTEs in the original FY 2010-11 budget. This represents a 8.9 percent increase in FTEs from the original FY 2010-11 budget.

The Department has requested approval of seven new positions as an interim exception. The Budget and Legislative Analyst recommends approval of six of the seven positions as interim exception positions which can be hired on July 1, 2011. We recommend approval of the other new position to begin on October 1, 2011 instead of July 1, 2011.

Revenue Changes

The Department's revenues of \$3,070,000 in FY 2011-12, are \$70,000 or 2.2 percent less than FY 2010-11 revenues of \$3,140,000. General Fund support of \$17,706,505 in FY 2011-12 is \$2,712,181 or 18.1 percent more than FY 2010-11 General Fund support of \$14,994,324.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$782,476 in FY 2011-12, all of which are General Fund reductions. These reductions would still allow an increase of \$1,859,705 or 10.3 percent in the Department's FY 2011-12 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ASR - ASSESSOR RECORDER

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
ASSESSOR / RECORDER				
PERSONAL PROPERTY	2,611,072	2,870,539	259,467	9.9%
REAL PROPERTY	5,941,790	7,332,038	1,390,248	23.4%
RECORDER	1,371,743	1,565,000	193,257	14.1%
TECHNICAL SERVICES	5,401,736	7,068,089	1,666,353	30.8%
TRANSFER TAX	2,807,983	1,940,838	(867,145)	(30.9%)
TOTAL	18,134,324	20,776,504	2,642,180	14.6%

The Department's proposed FY 2011-12 budget has increased by \$2,642,180 largely due to 19 new limited tenure positions in the Real Property and Personal Property Divisions.

- Currently, the Department has seven temporary Senior Real Property Appraisers and Real Property Appraisers who conduct property valuations for properties whose assessed value has been appealed. The Department proposes to reassign these seven positions, funded by Temporary Salaries in FY 2011-12, to seven limited-tenure positions.
- The Department proposes to add ten new limited-tenure Real Property Appraiser, Senior Real Property Appraiser, and Principal Real Property Appraiser positions to process the assessment backlog and assessment appeals caseload.
- The Department proposes to add two new limited-tenure Personal Property Auditor and Senior Personal Property Auditor positions to value property improvements for tax assessment purposes.

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 146.67 FTEs, which is 11.98 FTEs more than the 134.69 FTEs in the original FY 2010-11 budget. This represents an 8.9 percent increase in FTEs from the original FY 2010-11 budget, as discussed above.

The Department has requested approval of seven limited tenure positions as an interim exception. The Budget and Legislative Analyst recommends approval of six of the seven positions as an interim exception, to be hired on July 1, 2011.

Currently, the Department has seven temporary Real Property Appraiser and Senior Real Property Appraiser positions conducting property valuations for the assessment appeals caseload. The Budget and Legislative Analyst recommends approval of six of the seven requested positions as interim exception positions to be hired on July 1, 2011 because these positions have ongoing work assignments for valuing properties for the purposes of defending property assessments in assessment appeals hearings. However, one of the positions requested for an interim exception is a Principal Real Property Appraiser, which is not one of the existing temporary positions. The Budget and Legislative Analyst recommends approval of this position, but not as an interim exception, thereby reducing this new limited tenure position from 1.0 FTE to 0.77 FTE for an effective starting date of October 1, 2011 instead of July 1, 2011.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ASR - ASSESSOR RECORDER

DEPARTMENT REVENUES:

The Department's revenues of \$3,070,000 in FY 2011-12, are \$70,000 or 2.2 percent less than FY 2010-11 revenues of \$3,140,000. General Fund support of \$17,706,505 in FY 2011-12 is \$2,712,181 or 18.1 percent more than FY 2010-11 General Fund support of \$14,994,324.

Fee Legislation

There are no new or changed fees proposed for FY 2011-12

Other Issues

Two of the nineteen new limited tenure positions that the Department is requesting are Personal Property Auditors who will develop policies and procedures for tenant improvement valuation and work to reduce the tenant improvement backlog.

The 17 new limited tenure Real Property Appraiser, Senior Real Property Appraiser, and Principal Property Appraiser positions will process the property assessment backlog and assessment appeals caseload. Although the Department has stated that hiring of these new positions will result in \$15,000,000 of additional Property Tax revenues, the Department has not provided a basis or any detailed documentation for this revenue assumption.

The number of pending assessment appeals has increased from 5,103 in June 2010 to 7,305 in May 2011. Under State law, the Assessment Appeals Board must respond to the appeal within two years of the filing date.

Currently, the Assessor-Recorder's Office's Real Property Division has one permanent assessment appeals team, consisting of eight Principal Real Property Appraiser, Senior Real Property Appraiser and Real Property Appraiser positions. In addition, the Real Property Division has a team of seven temporary Senior Real Property Appraiser and Real Property Appraiser positions who conduct property valuations for assessment appeals, as discussed above.

Based on the current number of pending assessment appeals, the Budget and Legislative Analyst recommends three assessment appeals teams, consisting of six to seven staff per team. This would include the existing assessment appeals team of eight staff, the temporary assessment appeals team of seven staff (to be reassigned from temporary to limited tenure positions), and one additional assessment appeals team of five new limited tenure staff. To achieve three assessment appeals teams of six to seven staff per team, the Real Property Division could revise staff assignments among the three teams.

Therefore, of the 17 new limited tenure Real Property Appraiser, Senior Real Property Appraiser, and Principal Property Appraiser positions, the Budget and Legislative Analyst recommends approval of 12 new limited tenure positions and disapproval of five new limited tenure positions, as detailed in the attached Recommendations.

Five Year Financial Plan

The decline in property values has resulted in a large increase in appeals by property owners disputing the Assessor Recorder's valuation of their properties. Because the Assessor Recorder must respond to

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ASR - Assessor-Recorder

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FDJ - Real Property (1G AGF AAA)													
Temporary Salaries	4.08	1.7	\$300,000	\$125,000	\$175,000	x			\$300,000	\$125,000	\$175,000	x	
Mandatory Fringe Benefits			\$23,851	\$9,876	\$13,975	x			\$23,851	\$9,876	\$13,975	x	
			<i>Total Savings</i>		\$188,975					<i>Total Savings</i>		\$188,975	
	Disapprove the increase in temporary salaries of \$175,000 and the associated increase in temporary positions. Department is proposing to convert seven temporary positions to three year limited tenure positions and has not provided justification for the increase in temporary positions and associated salaries.							Estimated ongoing reduction.					
FDJ - Real Property (1G AGF AAA)													
4265 Senior Real Property Appraiser	2.31	1.54	\$207,372	\$138,248	\$69,124	x		3.0	2.0	\$269,313	\$179,542	\$89,771	x
Mandatory Fringe Benefits			\$83,782	\$55,855	\$27,927	x			\$108,807	\$72,538	\$36,269	x	
			<i>Total Savings</i>		\$97,051					<i>Total Savings</i>		\$126,040	
	Delete one (.77 FTE) new limited tenure 4265 Senior Real Property Appraiser position. The Department is requesting 17 new limited tenure Principal Real Property Appraiser, Senior Real Property Appraiser, and Real Property Appraiser positions to process pending assessment appeals. The Department does not have sufficiently detailed productivity measures to determine the actual number of staff necessary to process assessment appeals caseload. The Budget and Legislative Analyst is recommending approval of 12 of the 17 new positions, allowing the Department to add two additional assessment appeals teams to the existing assessment appeals team for a total of three teams.							Estimated ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ASR - Assessor-Recorder

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FDJ - Real Property (1G AGF AAA)													
4261 Real Property Appraisers	4.62	2.31	\$358,285	\$179,143	\$179,142	x		6.0	3.0	\$465,305	\$232,652	\$232,652	x
Mandatory Fringe Benefits			\$152,587	\$76,294	\$76,293	x				\$198,165	\$99,083	\$99,083	
			<i>Total Savings</i>	\$255,435						<i>Total Savings</i>	\$331,735		
Delete three (2.31 FTE) new limited tenure 4261 Real Property Appraiser positions. The Department is requesting 17 new limited tenure Principal Real Property Appraiser, Senior Real Property Appraiser, and Real Property Appraiser positions to process pending assessment appeals. The Department does not have sufficiently detailed productivity measures to determine the actual number of staff necessary to process assessment appeals caseload. The Budget and Legislative Analyst is recommending approval of 12 of the 17 new positions, allowing the Department to add two additional assessment appeals teams to the existing assessment appeals team for a total of three teams.							Estimated ongoing reduction.						

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ASR - Assessor-Recorder

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FDJ - Real Property (1G AGF AAA)													
4267 Principal Real Property Appraiser	0.8	0.00	\$80,032	\$0	\$80,032	x		1.0	0.0	\$103,937	\$0	\$103,937	x
Mandatory Fringe Benefits			\$30,820	\$0	\$30,820	x				\$40,027	\$0	\$40,027	x
			<i>Total Savings</i>	\$110,852						<i>Total Savings</i>	\$143,964		
	Delete one (.8 FTE) new limited tenure 4267 Principal Real Property Appraiser position. The Department is requesting 17 new limited tenure Principal Real Property Appraiser, Senior Real Property Appraiser, and Real Property Appraiser positions to process pending assessment appeals. The Department does not have sufficiently detailed productivity measures to determine the actual number of staff necessary to process assessment appeals caseload. The Budget and Legislative Analyst is recommending approval of 12 of the 17 new positions, allowing the Department to add two additional assessment appeals teams to the existing assessment appeals team for a total of three teams.							Estimated ongoing reduction.					
FDL - Technical Services (1G AGF ACP)													
4267 Principal Real Property Appraiser	1.0	0.77	\$103,937	\$80,032	\$23,905	x	x						
Mandatory Fringe Benefits			\$40,027	\$30,820	\$9,207	x	x						
			<i>Total Savings</i>	\$33,112		x	x						
	Reduce 1.0 FTE new limited tenure 4267 Principal Real Property Appraiser to 0.77 FTE to adjust for a hire date of October 1, 2011 instead of July 1, 2011. The Budget and Legislative Analyst has recommended approval of the other six new positions to be hired effective July 1, 2011.												

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ASR - Assessor-Recorder

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FDK - Personal Property (1G AGF AAA)													
4222 Senior Personal Property Auditor	0.77	0.0	\$69,124	\$0	\$69,124	x		1.0	0.0	\$89,771	\$0	\$89,771	x
Mandatory Fringe Benefits			\$27,927	\$0	\$27,927	x				\$36,269	\$0	\$36,269	x
			<i>Total Savings</i>		\$97,051					<i>Total Savings</i>		\$126,040	
	Disapprove one new Senior Personal Property Auditor. Department has not demonstrated that workload requires two additional employees, and span of control does not justify a senior position.							Ongoing reduction					

FY 2011-2012 Total Recommended Reductions			
	One-Time	Ongoing	Total
General Fund Impact	\$33,112	\$749,364	\$782,476
Non-General Fund Impact	\$0	\$0	\$0
Total	\$33,112	\$749,364	\$782,476

Estimated FY 2012-2013 Impact Total Recommended Reductions	
General Fund Impact	\$916,754
Non-General Fund Impact	\$0
Total	\$916,754

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department's proposed \$28,459,631 budget for FY 2011-12 is \$1,575,663 or 5.9 percent more than the original FY 2010-11 budget of \$26,883,968.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 208.56 FTEs, which is 2.12 FTEs less than the 210.68 FTEs in the original FY 2010-11 budget. This represents a 1.0 percent decrease in FTEs from the original FY 2010-11 budget.

Revenue Changes

The Department's revenues of \$14,778,113 in FY 2011-12, are \$796,387 or 5.1 percent less than FY 2010-11 revenues of \$15,574,500. General Fund support of \$13,681,518 in FY 2011-12 is \$2,372,050 or 21 percent more than FY 2010-11 General Fund support of \$11,309,468.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$395,291 in FY 2011-12. These reductions would still allow an increase of \$1,180,372 or 4.1 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$17,111 to the General Fund.

Together, these recommendations will result in General Fund savings of \$412,402.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: TTX - TREASURER TAX COLLECTOR

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
BUSINESS TAX	5,431,773	6,312,938	881,165	16.2%
DELINQUENT REVENUE	8,815,112	8,745,332	(69,780)	(0.8%)
INVESTMENT	1,609,203	1,982,550	373,347	23.2%
LEGAL SERVICE	179,597	209,736	30,139	16.8%
MANAGEMENT	4,546,554	5,000,830	454,276	10.0%
PROPERTY TAX/LICENSING	2,479,875	2,327,782	(152,093)	(6.1%)
TAXPAYER ASSISTANCE	1,100,876	1,169,403	68,527	6.2%
TRANSFER TAX	0	0	0	N/A
TREASURY	2,720,978	2,711,062	(9,916)	(0.4%)
TREASURER/TAX COLLECTOR	26,883,968	28,459,633	1,575,665	5.9%

The Department's budget increase is mainly attributable to expenditure increases in the Investment, Business Tax and Legal Service Programs.

The increase in Business Tax Division expenditures reflects the Committee on Information Technology (COIT) approved Business Tax Replacement project to replace the Division's mainframe application. The Department reports that the mainframe no longer meets its requirements. The project will include purchase of hardware, software licensing, and a professional services contract for the management of the Business Tax Division (BTS) at a total expenditure of \$900,000 in the upcoming fiscal year. The Department estimates the total project cost at between \$2.2 million and \$5 million. Software licensing and professional services contract will be recurring expenditures.

An RFP (Request for Proposal) for the acquisition and installation of a business tax administration system is scheduled for release in July 2011. The Department reports a new system is needed because the existing system has reached the end of its useful life. The Department estimates ongoing maintenance costs at approximately \$100,000 for software maintenance.

DEPARTMENT PERSONNEL SUMMARY:

The Department has requested interim exceptions for two positions that do not have functions that are revenue generating or critical to the Department's programs. The Budget and Legislative Analyst recommends a hire date of August 1, 2011 instead of July 1, 2011 for these two positions.

DEPARTMENT REVENUES:

The Department's revenues of \$14,778,113 in FY 2011-12, are \$796,387 or 5.1 percent less than FY 2010-11 revenues of \$15,574,500. General Fund support of \$13,309,468 in FY 2011-12 is \$2,372,050 or 21 percent more than FY 2010-11 General Fund support of \$11,309,468.

Decreases in Department revenues result from net decreases in expenditure recoveries from other City departments and reduced interest earnings.

COMMENTS:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: TTX - TREASURER TAX COLLECTOR

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$395,291 in FY 2011-12. These reductions would still allow an increase of \$1,180,372 or 4.1 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$17,111 to the General Fund.

Together, these recommendations will result in General Fund savings of \$412,402.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TTX - Treasurer Tax Collector

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FCL - Treasury (1G AGF AAA)													
Temporary Salaries	1.63	0.62	\$120,000	\$45,823	\$74,177	x		1.63	0.62	\$120,000	\$45,823	\$74,177	x
Mandatory Fringe Benefits			\$9,540	\$3,643	\$5,897	x			\$9,540	\$3,643	\$5,897	x	
			<i>Total Savings</i>		\$80,074					<i>Total Savings</i>		\$0	
	Reduce Temporary salaries by \$74,177. The Department has increased Temporary Salaries by \$25,283, from \$387,718 in FY 2010-11 to \$413,541 in FY 2011-12, although the Department has a projected surplus in FY 2010-11.							Estimated ongoing reduction.					
FCM - Investment (1G AGF AAA)													
0953 Deputy Director III	1.00	0.0	\$150,829	\$0	\$150,829	x		1.0	0.0	\$159,624	\$0	\$159,624	x
0952 Deputy Director II	0.0	1.0	\$0	\$121,485	(\$121,485)	x		0.0	1.0	\$0	\$128,569	(\$128,569)	x
Mandatory Fringe Benefits			\$53,101	\$47,280	\$5,821	x			\$60,535	\$53,476	\$7,059	x	
			<i>Total Savings</i>		\$35,165					<i>Total Savings</i>		\$38,114	
	Disapprove upward substitution of 0952 (Deputy Director II) to 0953 (Deputy Director III). The Department of Human Resources (HR) Classification and Compensation Database indicates that an 0952 has responsibility for a division of 60 to 175 people and an 0953 has responsibility for a medium sized city department division of 175 to 800 employees. Department's largest Division has 75 FTEs.							Estimated ongoing reduction.					
FCN - Property Tax/ Licensing (1G AGF AAA)													
1634 Principal Account Clerk	1.00	0.92	\$67,280	\$61,898	\$5,382	x	x						
Mandatory Fringe Benefits			\$30,027	\$27,625	\$2,402	x	x						
			<i>Total Savings</i>		\$7,785								
	The Department has requested interim exceptions for one Principal Account Clerk position that does not have functions that are revenue generating or critical to the Department's program. The Budget and Legislative Analyst recommends a hire date of August 1, 2011 instead of July 1, 2011 for this two position.												

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TTX - Treasurer Tax Collector

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	
	From	To	From	To				From	To	From	To			
FCS - Delinquent Revenue (1G AGF AAA)														
Attrition Savings	(5.70)	#####	(\$382,203)	(\$532,203)	\$150,000	x	x							
Mandatory Fringe Benefits			(\$173,332)	(\$241,358)	\$68,026	x	x							
			<i>Total Savings</i>	\$218,026										
Increase Attrition Savings to offset projected salary surplus in FY 2010-11.														
FEG - Management (1G AGF AAA)														
0954 Deputy Director IV	1.0	0.0	\$171,678	\$0	\$171,678	x		1.0	0.0	\$181,689	\$0	\$181,689	x	
0953 Deputy Director III	0.0	1.0	\$0	\$150,829	(\$150,829)	x		0.0	1.0	\$0	\$159,624	(\$159,624)	x	
Mandatory Fringe Benefits			\$57,238	\$53,101	\$4,137	x				\$65,549	\$60,535	\$5,014	x	
			<i>Total Savings</i>	\$24,986					<i>Total Savings</i>	\$27,079				
Disapprove upward substitution of 0953 (Deputy Director III) to 0954 (Deputy Director IV). HR Classification and Compensation Database indicates that an 0953 has responsibility for a division of 175 to 800 people and an 0954 has responsibility for a medium sized city department division of 800 to 2000 employees. The Department's largest Division has 75 FTEs.							Estimated ongoing reduction.							
0933 Manager V	1.0	0.00	\$140,630	\$0	\$140,630	x		1.0	0.0	\$148,830	\$0	\$140,630	x	
0931 Manager III	0.0	1.0	\$0	\$121,485	(\$121,485)	x		0.0	1.0	\$0	\$128,569	(\$121,485)	x	
Mandatory Fringe Benefits			\$51,078	\$40,968	\$10,110	x				\$58,081	\$53,476	\$10,110	x	
			<i>Total Savings</i>	\$29,255					<i>Total Savings</i>	\$29,255				
Disapprove upward substitution of 0931 Manager III to 0933 Manager V. The Department has not shown the need for the more highly compensated management position.							Estimated ongoing reduction.							

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TTX - Treasurer Tax Collector

Object Title	FY 2011-2012						FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		

FY 2011-2012 Total Recommended Reductions			
	One-Time	Ongoing	Total
General Fund Impact	\$225,811	\$169,480	\$395,291
Non-General Fund Impact	\$0	\$0	\$0
Total	\$225,811	\$169,480	\$395,291

Estimated FY 2012-2013 Impact Total Recommended Reductions	
	Total
General Fund Impact	\$174,522
Non-General Fund Impact	\$0
Total	\$174,522

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TTX - Treasurer-Tax Collector

Vendor Name	Subobject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
PIVOT INTERIORS INC	MINOR FURNISHINGS	yes	2009	8/28/2008	9602.25	9,602
PIVOT INTERIORS INC	OTHER OFFICE SUPPLIES	yes	2009	5/29/2009	2915.14	2,915
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRAC	yes	2010	3/10/2010	1000	774
DS WATERS OF AMERICA INC DBA ALHAMBRA	OTHER OFFICE SUPPLIES	yes	2008	3/26/2010	7800	2,511
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRAC	yes	2010	5/25/2010	1000	705
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRAC	yes	2010	5/25/2010	700	604
Total Amount Return to Fund Balance						\$17,111
General Fund						\$17,111
Non-General Fund						\$0

Note: The above encumbrance balances are from budget years prior to FY 2010-11. The Department has indicated that the balances of these encumbrances are no longer needed, therefore the balance can be returned to the General Fund.

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The Controller's proposed \$38,188,906 budget for FY 2011-12 is \$5,074,070 or 15.3 percent more than the original FY 2010-11 budget of \$33,114,836.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 201.08 FTEs, which is 7.54 FTEs more than the 193.54 FTEs in the original FY 2010-11 budget. This represents a 3.9 percent increase in FTEs from the original FY 2010-11 budget.

The Department has requested approval of three positions as interim exceptions. The Budget and Legislative Analyst recommends approval of two positions as interim exceptions and disapproval of one position.

Revenue Changes

General Fund support for the Controller's Office, proposed to be \$10,364,405 in FY 2011-12, is a decrease of \$1,025,513 or 9.0 percent less than the Department's FY 2010-11 General Fund allocation of \$11,389,918. The Department's non-General Fund revenues, proposed to be \$27,824,501 in FY 2011-12, represents an increase of \$6,099,583 or 28.1 percent more than the Department's FY 2010-11 non-General Fund revenues of \$21,724,918.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$114,629 in FY 2011-12. These reductions would still allow an increase of \$4,959,441 or 15.0 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out \$84,033 of prior year unexpended General Fund encumbrances to the General Fund.

Together, these recommendations will result in \$198,662 savings to the City's General Fund.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: CON – CONTROLLER

SUMMARY OF PROGRAM EXPENDITURES:

<u>Program</u>	<u>2010-2011 Budget</u>	<u>2011-2012 Proposed</u>	<u>Change From 2010-2011</u>	<u>Pct Change</u>
ACCOUNTING OPERATIONS AND SYSTEMS	\$7,441,458	\$7,133,816	(\$307,642)	-4.1%
BUDGET & PAYROLL SYSTEM	0	146,480	146,480	N/A
CITY SERVICES AUDITOR	11,630,947	12,126,014	495,067	4.3%
ECONOMIC ANALYSIS	289,153	418,713	129,560	44.8%
MANAGEMENT, BUDGET AND ANALYSIS	3,837,659	4,085,164	247,505	6.4%
PAYROLL AND PERSONNEL SERVICES	9,409,608	13,757,669	4,348,061	46.2%
PUBLIC FINANCE	506,011	521,050	15,039	3.0%
CONTROLLER	\$33,114,836	\$38,188,906	\$5,074,070	15.3%

The Department's proposed FY 2011-12 budget would increase by \$5,074,070 largely due to:

- The annualization of Project eMerge in the Controller's Payroll and Personnel Services Division to a total budget of \$10,544,235, an increase of \$5,579,707 from the original FY 2010-11 operating budget of \$4,964,528. Project eMerge is an integrated human resources, employment, payroll and benefits administrative system that will cover all active and retired City employees. In November of 2009, Project eMerge and a project implementation budget of \$10,355,982 was transferred from the Department of Human Resources to the Controller's Office. In addition to the project implementation funding, the Controller's FY 2010-2011 budget included \$5,131,222 under the Payroll and Personnel Services Division to fund Project eMerge from December 1, 2010 through June 30, 2011. Project eMerge is funded through expenditure recoveries from General Fund and non-General Fund departments, allocated by the Controller based on the number of positions in each department.
- Budget and Payroll System increase of \$146,480 to provide workorder funds to the Department of Technology for one 1042 Information Systems Engineer to assist on the Data Consolidation Project.
- City Services Auditor funding increasing by \$495,067 from \$11,630,947 to \$12,126,014, primarily due to increases in professional consulting services and employee retirement expenses.
- Increase of \$247,505 in the Management, Budget and Analysis Division primarily due to overall increases in fringe benefit expenses and the transfer of one 1823 Senior Administrative Analyst into this Division to provide additional revenue and cost analyses to support 12 City departments.
- Increase of \$129,560, a 44.8 percent increase in the Economic Analysis Division, due to the requested addition of one new position in this Division, or from two positions to three positions.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: CON – CONTROLLER

DEPARTMENT PERSONNEL SUMMARY:

The FY 2011-12 budget reflects 7.54 FTEs new positions, including (a) 1.0 FTE 1654 Principal Accountant in the Accounting Operations and Systems Division to provide financial and accounting support for City departments on a charge-back basis, (b) 1.0 FTE 1823 Senior Administrative Analyst for the Economic Analysis Division to provide additional Payroll Tax support and analysis to the two existing Economists, (c) 1.0 FTE 1054 IS Principal Business Analyst and 0.5 FTE 1064 Is Principal Programmer Analyst for Project eMerge implementation activities through December 31, 2011 and the annualization of FY 2011-12 existing Project eMerge positions, and (d) reductions in Attrition Savings.

Three 0.5 Limited Term Project eMerge positions, or a total of 1.5 FTEs, are proposed for deletion effective January 1, 2012. The Controller is not currently proposing to layoff any employees.

The Department has requested approval of three positions as interim exceptions. The Budget and Legislative Analyst recommends approval of two positions as interim exceptions and disapproval of one position.

- Two positions are recommended for approval as interim exceptions based on available prior year project funding to support the final implementation of Project eMerge.
- One position is not recommended for approval as an interim exception based on insufficient project funding to support this Project eMerge position.

DEPARTMENT REVENUES:

Department revenues have increased by \$6,099,583 or 28.1 percent. General Fund support for the Department has decreased by \$1,025,513 or 9.0 percent. Major changes in the Department's FY 2011-12 revenues include:

- The Controller's Office is primarily funded through revenue recoveries from other City departments for City Services Auditor, Project eMerge, and other financial, accounting and payroll services. The balance of the Controller's budget is funded with General Fund revenues.
- Major revenue recovery increases from City departments to reflect the annualization of Project eMerge in FY 2011-12 workorders, including (a) \$2,159,241 from Community Health Service, (b) \$941,047 from San Francisco Municipal Transportation Agency, (c) \$707,106 from General City Responsibility, (d) \$496,694 from the PUC, (e) \$351,621 from Recreation and Park Department, and (f) \$432,894 from Department of Public Works.
- Increased revenue recovery of \$247,571 from the Department of Technology (DT) to reflect (a) \$145,967 for one 1042 Is Journey Engineer on loan to DT for a Data Consolidation Project and (b) \$101,604 for annualization of Project eMerge.
- Increased revenue recovery of \$117,690 from the Human Rights Commission for the Controller to provide additional accounting and financial support.
- \$500,000 of beginning fund balance for City Services Auditor, based on FY 2010-11 projected savings that is used to offset the FY 2011-12 General Fund workorder for this Division.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: CON – CONTROLLER

FIVE YEAR FINANCIAL PLAN:

The Department anticipates only cost of living increases in its budget between FY 2011-12 and FY 2015-16.

Revenues

- Work orders and revenue recoveries from City departments for Controller financial systems, audits, accounting and payroll services would be adjusted annually to reflect actual cost of Controller services, changes in the cost of living and level of services provided to each City department.

Expenditures

- The Controller faces overall cost pressures related to Citywide personnel issues and mandated increases in fringe benefit rates.
- The City's accounting and financial reporting systems are proposed to be replaced over the next five to seven years, with costs projected to be up to \$75 million. In FY 2010-11, through workorders, the Airport provided \$250,000 and the PUC provided \$500,000, for a total of \$750,000, to fund initial project scoping and user requirements for replacement of the City's accounting and financial reporting systems. Once the project scoping and user requirements are completed, the Controller's Office budget would increase in order to fund the implementation of new accounting and financial reporting systems, including design, user requirements, software, hardware, consulting and training costs.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$114,629 in FY 2011-12. Of these recommended reductions, \$114,629 or 100 percent are General Fund reductions. These reductions would still allow an increase of \$4,959,441 or 15.0 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out \$84,033 of prior year unexpended General Fund encumbrances to the General Fund.

Together, these recommendations will result in \$198,662 savings to the City's General Fund.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CON - Controller

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FDC - Payroll and Personnel Services (1G AGF AAA)													
Attrition Savings	(5.81)	(6.12)	(469,614)	(\$494,614)	\$25,000	x		(5.75)	(6.12)	(\$479,332)	(\$510,176)	\$30,844	x
Mandatory Fringe Benefits			(196,911)	(\$207,288)	\$10,377	x				(\$216,861)	(\$230,816)	\$13,955	x
	<i>Total Savings \$35,377</i>							<i>Total Savings \$44,799</i>					
	Increase Attrition Savings in the Payroll and Personnel Services Division in the Controller's Office, given the current levels of Attrition Savings realized in FY 2010-11, the number of existing vacancies and anticipated hiring plan.							Ongoing savings.					
FDC - Payroll and Personnel Services (1G AGF ACP)													
1054 IS Principal Business Analyst	1.0	0.5	\$0	\$0	\$0	x	x					\$0	
Mandatory Fringe Benefits			\$0	\$0	\$0	x	x					\$0	
	<i>Total Savings \$0</i>							<i>Total Savings \$0</i>					
	As of July 1, 2011, ten Project eMerge positions would be deleted, resulting in three layoffs. The proposed FY 2011-12 budget would retain three Project eMerge positions, at 0.5 FTE each, to continue for six months through December 31, 2011. No additional funding is included in the FY 2011-12 budget for these three positions, based on estimated sufficient existing project funding. However, based on updated funding estimates, there is not sufficient funds to continue all three positions, such that this recommendation would delete one of the two 0.5 FTEs 1054 IS Principal Business Analyst positions with no offsetting savings. This recommendation is not anticipated to result in a layoff, due to an expected vacancy.												
Equipment Purchase			648,000	\$638,748	\$9,252	x	x						
	Based on actual cost of equipment.							One time reduction.					

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CON - Controller

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FDO - City Services Auditor (1G AGF AAP)													
Beginning Fund Balance			\$500,000	\$570,000	\$70,000	x	x						
Expenditure Recoveries			(\$11,626,014)	(\$11,556,014)		x	x						
	The City Services Auditor Division is projected to have an additional \$70,000 of remaining General Fund balance at the end of FY 2010-11, which is not included in the Mayor's proposed FY 2011-12 budget, which will be closed out to the City's General Fund. The \$70,000 was previously funded as Expenditure Recoveries in Salaries, as part of the Human Services workorder.												
FDX - Systems (1G AGF ACP)													
Principal Administrative Analyst - 1824	1.00	0.92	\$105,520	\$96,727	\$8,793	x	x						
Mandatory Fringe Benefits			\$40,447	\$37,076	\$3,371	x	x						\$0
Expenditure Recoveries			(\$145,967)	(\$133,803)	(\$12,164)	x	x						\$0
			<i>Total Savings</i>		\$0								
	Reduction and offsetting recovery due to Budget and Legislative Analyst's proposed Department of Technology workorder reduction. A \$12,164 savings would be realized in the Department of Technology budget.												

	Total Recommended Reductions		
	One-Time	Ongoing	Total
General Fund Impact	\$79,252	\$35,377	\$114,629
Non-General Fund Impact	\$0	\$0	\$0
Total	\$79,252	\$35,377	\$114,629

	Total Recommended Reductions
General Fund Impact	\$44,799
Non-General Fund Impact	\$0
Total	\$44,799

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CON - Controller

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		

Policy Recommendations

FFM - Economic Analysis (1G AGF ACP)													
Programmatic Projects			\$100,000	\$0	\$100,000	x	x					\$0	x
Senior Administrative Analyst 1823-N	1.0	0.0	\$0	0	\$0	x	x					\$0	x
			<i>Total Savings</i>	<i>\$100,000</i>						<i>Total Savings</i>	<i>\$0</i>		
<p>The Controller's Office has requested funding through its 06P Programmatic Projects budget for one new position (the equivalent of 0.77 FTE in FY 2011-12), an 1823 Senior Administrative Analyst, plus fringe benefits, to be funded with General Fund revenues in the Economic Analysis Division to support the two Economists currently working in this Division. The requested new position would predominantly work on a Business Tax study in FY 2011-12 to evaluate current tax structure and analyze alternatives to the City's Payroll Tax. The Budget and Legislative Analyst considers the requested new General Fund position to be a policy decision for the Board of Supervisors because Proposition I, approved by San Francisco voters on November 2, 2004, specified that this Office of Economic Analysis under the Controller would consist of two economists. Any additional support staff would be subject to the budgetary and fiscal provisions of the Charter. Since 2005, this Office has employed two economists as required by Proposition I, funded with General Fund revenues. The Budget and Legislative Analyst questions whether the over</p> <p>The requested new position would be the first additional General Funded position for this Division, since approval of Proposition I.</p>													

	FY 2011-2012		
	Total Policy Recommendations		
	One-Time	Ongoing	Total
General Fund Impact	\$100,000	\$0	\$100,000
Non-General Fund Impact	\$0	\$0	\$0
Total	\$100,000	\$0	\$100,000

	Estimated FY 2012-2013 Impact
	Total Policy Recommendations
General Fund Impact	\$0
Non-General Fund Impact	\$0
Total	\$0

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CON - Controller's Office

Vendor Name	Subobject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
DEPARTMENT OF TECHNOLOGY	IS-TIS-ISD SERVICES	Yes	2009	8/16/2010	\$106,514.00	\$25,978.00
ANACOMP INC	SYSTEMS CONSULTING SERVICES	Yes	2010	8/20/2010	120,000.00	33,625.55
DEPARTMENT OF TECHNOLOGY	IS-PURCH-REPRODUCTION	Yes	2010	8/24/2010	1,385.37	1,385.37
DEPARTMENT OF TECHNOLOGY	GF-TIS-TELEPHONE(AAO)	Yes	2010	8/24/2010	9,967.56	9,967.56
DEPARTMENT OF TECHNOLOGY	IS-TIS-ISD SERVICES	Yes	2010	8/24/2010	12,816.57	12,816.57
DEPARTMENT OF TECHNOLOGY	IS-PURCH-REPRODUCTION	Yes	2010	10/8/2010	1,000.00	259.88
Total Amount to be Returned to the General Fund						\$84,032.93

The above unexpended encumbrance balances are from budget years prior to FY 2010-11.

The Department has indicated that these unexpended encumbrances are no longer needed. Therefore the balance can be returned to the General Fund.

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department's proposed \$572,165,718 budget for FY 2011-12 is \$27,432,941 or 5.0 percent more than the original FY 2010-11 budget of \$544,732,777.

Revenue Changes

The Department's revenues of \$217,729,534 in FY 2011-12, are \$5,115,653 or 2.3 percent less than FY 2010-11 revenues of \$222,845,187. General Fund support of \$354,436,184 in FY 2011-12 is \$32,548,594 or 10.1 percent more than FY 2010-11 General Fund support of \$321,887,590.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,047,030 in FY 2011-12, which are one-time General Fund reductions. These reductions would still allow an increase of \$26,385,911 or 4.8 percent in the Department's FY 2011-12 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: GEN - GENERAL CITY RESPONSIBILITY

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
GENERAL CITY RESPONSIBILITIES	544,732,777	564,870,718	20,137,941	3.7%
INDIGENT DEFENSE/GRAND JURY	0	750,000	750,000	N/A
RETIREE HEALTH CARE - PROP B	0	6,545,000	6,545,000	N/A
GENERAL CITY RESPONSIBILITY	544,732,777	572,165,718	27,432,941	5.0%

The General City Responsibility budget is comprised of general expenditures and revenue transfers that are not the responsibility of other City departments, including General Fund supported debt service, reserves, and General Fund contributions to subsidized enterprise funds such as San Francisco General Hospital and Laguna Honda Hospital.

Major increases to the General City Responsibility budget in FY 2011-12 include:

- Increases in baseline allocations and Property Tax set-asides to the Children’s Fund and Children’s Services (or Children’s Baseline), Public Education Enrichment Fund and Public Education Baseline, Library Preservation Fund, and Municipal Transportation Agency.
- Increased General Fund subsidies to San Francisco General Hospital and Laguna Honda Hospital;
- Increased San Francisco Unified School District withdrawal from the Rainy Day Reserve Fund;
- Increased contribution to retiree health care; and
- New expenditures for the Retiree Health Plan Trust, approved by voters in the June 2008 election.

DEPARTMENT REVENUES:

The Department's revenues of \$217,729,534 in FY 2011-12, are \$5,115,653 or 2.3 percent less than FY 2010-11 revenues of \$222,845,187. General Fund support of \$354,436,184 in FY 2011-12 is \$32,548,594 or 10.1 percent more than FY 2010-11 General Fund support of \$321,887,590. Specific changes in the Department’s FY 2011-12 revenues include:

- Decreased unallocated general Property Tax revenues and bond proceeds; and
- New employer and employee retiree health care contributions to fund the Retiree Health Plan Trust.

The General City Responsibility budget contains (a) the City’s General Fund Reserve, (b) the Litigation Reserve, and (c) Salaries and Benefits Reserve, as shown in the table below:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: GEN - GENERAL CITY RESPONSIBILITY

	FY 2010-11 Original Budget	FY 2011-12 Proposed Budget	Increase (Decrease) Increase/ (Decrease) from FY 2010-11 Original Budget	Percent Increase Percent Increase/ (Decrease) from FY 2010-11 Original Budget
General Fund Reserve	\$25,000,000	\$25,000,000	0	0.00%
Litigation Reserve	11,000,000	11,000,000	0	0.00%
Salaries and Benefits Reserve	11,703,612	13,500,000	1,796,388	15.35%
Total	\$47,703,612	\$49,500,000	\$1,796,388	3.77%

The total Salaries and Benefits Reserve in FY 2011-12 is \$16.0 million, which includes \$13.5 million in new funds plus \$2.5 million in carry forward funds. Increased expenditures in FY 2011-12 from the Salaries and Benefits Reserve include retirement payouts for Police and Layoff Impact Premiums for individuals who were impacted by layoffs or reductions in FY 2008-09 and FY 2009-10.

Legislation

Projected revenues for FY 2011-12 are based on the proposed tax resolution as follows:

File No.	Fee Description	FY 2010-11	FY 2011-12	Change from PY	Annualized	% Cost Recovery
		Projected Revenue	Projected Revenue		Revenue Thereafter	
11-0274	Access Line Tax	\$40,100,000	\$41,000,000	\$900,000	\$41,000,000	N/A
Totals		40,100,000	\$41,000,000	\$900,000	\$41,000,000	

Recommendation: Approval of the proposed tax resolution is a policy matter for the Board of Supervisors. However, the Budget and Legislative Analyst notes that the proposed General City Responsibility budget is balanced based on the assumption that the tax legislation shown above will be approved.

OTHER ISSUES

The General City Responsibility budget contains funding for new programs, including:

- \$925,000 for information technology equipment and infrastructure replacement. This funding is part of the Committee on Information Technology (COIT) five-year plan.
- \$325,000 for the Mayor’s Transition Plan project. According to Mr. Greg Wagner, Mayor’s Budget Director, these funds are one-time and do not have an expenditure plan. The goal is to ensure that the incoming Mayor will have sufficient funding and flexibility to hire staff and fund other

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: GEN - GENERAL CITY RESPONSIBILITY

administration expenditures. The funding will be transferred to the Mayor's Office after the new Mayor takes office and the use of the funds will be determined by the Mayor. Based on discussions with the Mayor's Office, the Budget and Legislative Analyst has recommended a reduction of \$25,000. Furthermore, because there is no detailed expenditure plan for the \$325,000 Mayor's Transition Plan project, and because the proposed Mayor's Transition Plan will result in ongoing expenditures for positions and other Mayor's Office costs, the Budget and Legislative Analyst considers approval of the remaining \$300,000 to be a policy matter for the Board of Supervisors.

Indigent Defense Fund

The General City Responsibility FY 2011-12 budget includes \$750,000 in continuing project funds for legal appeals for indigent defendants in criminal court cases. Originally, indigent defense appeals funds were included in the General City Responsibility budget to capture State reimbursements for these appeals costs. However, the State no longer reimburses San Francisco for these costs, so that the costs of indigent defense appeals is paid entirely by the General Fund.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,047,030 in FY 2011-12, which are one-time General Fund reductions. These reductions would still allow an increase of \$26,385,911 or 4.8 percent in the Department's FY 2011-12 budget.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

GEN - General City Responsibility

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To				
FCZ - General City Responsibility													
Audit Reserve			\$ 5,606,153	\$5,106,153	\$500,000	x	x						x
	<p>The Audit Reserve, used to pay claims from prior years' audits, has increased from \$5,486,135 in FY 2010-11 to \$5,606,153 in FY 2011-12. Use of funds includes not only payment of claims from prior years' audits but also to meet shortfalls in internal service funds, work order recoveries, and other uses. Actual use of funds varies from year to year, with \$5.1 million expended in FY 2009-10 and \$1.3 million expended in FY 2010-11.</p> <p>According to the City's Financial and Management Information System (FAMIS), as of June 11, 2011, the Audit Reserve, including FY 2010-11 appropriations and carry forward funds, had an unexpended balance of \$14.5 million. This amount exceeds the estimated Audit Reserve claims in FY 2010-11 of \$7.3 million, which includes actual claims of \$1.3 million and potential claims of \$6 million. \$6 million in potential claims are: \$2 million to Recreation and Park Department to cover prior years' projects' negative balances, \$1 million to the City Attorney to cover shortfalls in work order recoveries, and \$3 million to replenish the loss reserve for settlement payments to the 49ers.</p>												
Court Facility Payment			\$1,719,746	\$1,697,716	\$22,030	x	x				\$0	\$0	x
	Reduction equals actual required payment in FY 2011-12.												
Mayor's Transition Plan			\$325,000	\$300,000	\$25,000	x	x						x
	According to Mr. Greg Wagner, Mayor's Budget Director, these funds are one-time and do not have an expenditure plan. Based on a discussion with the Mayor's Office, a reduction of \$25,000 will allow sufficient funding for the Mayor's Transition Plan.												

GF = General Fund

1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

GEN - General City Responsibility

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	
	From	To	From	To				From	To	From	To			
AML - Court Mandated Legal Services														
Indigent Defense			\$ 750,000	\$250,000	\$500,000	x	x							x
	<p>The General City Responsibility FY 2011-12 budget includes \$750,000 in continuing project funds for legal appeals for indigent defendants in criminal court cases. Originally, indigent defense appeals funds were included in the General City Responsibility budget to capture State reimbursements for these appeals costs. However, the State no longer reimburses San Francisco for these costs, so that the costs of indigent defense appeals is paid entirely by the City's General Fund.</p> <p>As of June 15, 2011, General City Responsibility budget had an unexpended balance of \$1,308,300 in this fund. FY 2009-10 expenditures from this fund were \$113,431 and FY 2010-11 expenditures as of June 15, 2011 were \$681,700. The Budget and Legislative Analyst recommends reducing the proposed FY 2011-12 budget by \$500,000 and carrying forward the \$1,308,300 in unexpended funds from FY 2010-11 to be used for FY 2011-12.</p>													

	FY 2011-2012 Total Recommended Reductions		
	One-Time	Ongoing	Total
General Fund Impact	\$1,047,030	\$0	\$1,047,030
Non-General Fund Impact	\$0	\$0	\$0
Total	\$1,047,030	\$0	\$1,047,030

	Estimated FY 2012-2013 Impact Total Recommended Reductions
General Fund Impact	\$0
Non-General Fund Impact	\$0
Total	\$0

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

GEN - General City Responsibility

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To				

Policy Recommendations

FCZ - General City Responsibility														
Mayor's Transition Plan			\$300,000	\$0	\$300,000	x	x							x
	<p>According to Mr. Greg Wagner, Mayor's Budget Director, these funds are one-time and do not have an expenditure plan. The goal is to ensure that the incoming Mayor will have sufficient funding and flexibility to hire staff and fund other administration expenditures. The funding will be transferred to the Mayor's Office after the new Mayor takes office and the use of the funds will be determined by the Mayor. As noted above, we have recommended a reduction of \$25,000. Because there is no detailed expenditure plan for the \$325,000 Mayor's Transition Plan project, and because the proposed Mayor's Transition Plan will result in ongoing expenditures for positions and other Mayor's Office costs, the Budget and Legislative Analyst considers approval of the remaining \$300,000 to be a policy matter for the Board of Supervisors.</p>													

	FY 2011-2012 Total Policy Recommendations		
	One-Time	Ongoing	Total
General Fund Impact	\$300,000	\$0	\$300,000
Non-General Fund Impact	\$0	\$0	\$0
Total	\$300,000	\$0	\$300,000

	Estimated FY 2012-2013 Impact Total Policy Recommendations	
General Fund Impact		\$0
Non-General Fund Impact		\$0
Total		\$0

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The City Attorney’s proposed \$65,056,332 budget for FY 2011-12 is \$1,825,056 or 2.9 percent more than the original FY 2010-11 budget of \$63,231,276.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 299.29 FTEs, which is .92 FTEs less than the 300.21 FTEs in the original FY 2010-11 budget. This represents a .3 percent reduction in FTEs from the original FY 2010-11 budget.

Revenue Changes

General Fund support for the City Attorney’s Office, proposed to be \$6,395,643 in FY 2011-12, is a decrease of \$915,015 or 12.5 percent less than the Department’s FY 2010-11 General Fund allocation of \$7,310,658. The Department’s non-General Fund revenues, proposed to be \$58,660,689 in FY 2011-12, represents an increase of \$2,740,071 or 4.9 percent more than the Department’s FY 2010-11 non-General Fund revenues of \$55,920,618.

RECOMMENDATIONS

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$30,212 in FY 2011-12. These reductions would still allow an increase of \$1,794,844 or 2.8 percent in the Department’s FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out \$3,876 of prior year unexpended General Fund encumbrances.

The Budget and Legislative Analyst also recommends additional one-time General Fund revenues of \$1,100,000 that are anticipated to be received by the City Attorney’s Office and can be credited to the City’s General Fund.

Together, these recommendations would result in \$1,134,088 savings to the City’s General Fund.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: CAT – CITY ATTORNEY

FIVE YEAR FINANCIAL PLAN:

The Department anticipates 8-10 percent growth in its budget between FY 2011-12 and FY 2015-16.

Revenues

- As noted above, recoveries from City departments are the largest revenue source for the City Attorney. The City Attorney's Office anticipates that these revenues will continue based on cost of living increases and the level of City Attorney services provided to non-General Fund City departments. In addition, revenues with specified development and/or infrastructure projects, such as the America's Cup, ParkMerced, Transbay Terminal, or other projects, may replace or provide additional resources for the City Attorney's Office.

Expenditures

- Over the next five years, the City Attorney's Office faces continued pressure to provide ongoing legal services to General Fund City departments that have less ability to fully pay for such services.

OTHER ISSUES

As shown in the Summary of Program Expenditures Table above, in addition to Claims and Legal Services, the City Attorney's FY 2010-11 and FY 2011-12 budgets also include \$2,735,000 for Affirmative Litigation. Affirmative Litigation provides staff and funds for the City Attorney to investigate and file consumer and other public interest cases, including actions brought on behalf of the people pursuant to California's Unfair Competition laws. Recent Affirmative Litigation cases worked on during FY 2010-2011 include: CitiApartments and Skyline Realty (obtaining a judgment on behalf of tenants), the Marriage Equality cases in State and Federal courts, a fraud case against the Academie de Cuisine cooking school, cases brought against alcohol companies such as Pabst Brewing Company for illegally selling certain alcohol and stimulant beverages to minors, and an unfair competition case for predatory immigration practices.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$30,212 in FY 2011-12. Of these recommended reductions, \$30,212 or 100 percent are General Fund, ongoing reductions. These reductions would still allow an increase of \$1,794,844 or 2.8 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out \$3,876 of prior year General Fund encumbrances.

The Budget and Legislative Analyst also recommends additional one-time General Fund revenues of \$1,100,000 that are anticipated to be received by the City Attorney's Office and can be credited to the City's General Fund.

Together, these recommendations would result in \$1,134,088 savings to the City's General Fund.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CAT- City Attorney

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	
	From	To	From	To				From	To	From	To			
FC2 -Claims (1G AGF AAA)														
Premium Pay			\$91,430	\$63,430	\$28,000	x			\$91,430	\$63,430	\$28,000	x		
Mandatory Fringe Benefits			\$7,224	\$5,012	\$2,212	x			\$7,224	\$5,012	\$2,212	x		
			<i>Total Savings</i>		\$30,212					<i>Total Savings</i>		\$30,212		
	<p>The MOUs between the City and the employees unions provide standby pay at 10 percent of the regular rate of pay if the City provides a pager or cellphone and 25 percent of the regular rate of pay without a pager or cellphone. Nine investigators receive the 25 percent standby pay rather than the 10 percent standby pay even though the employees are provided with cellphones. The City Attorney's Office should reduce standby pay to 10 percent of the regular pay, resulting in savings of \$30,212.</p>							Ongoing savings.						
Consumer Protection Fines			\$1,500,000	\$1,575,000	\$75,000	x	x						\$0	
			<i>Total Savings</i>		\$75,000					<i>Total Savings</i>		\$0		
	<p>The proposed FY 2011-12 budget includes anticipated revenues of \$1,500,000 from Consumer Protection Fines. This one-time revenue source is from penalties which the City Attorney's Office anticipates recovering from the National Arbitration Forum case in August of 2011. Based on ongoing negotiations and more current estimates, the City Attorney's Office anticipates actually recovering \$1,575,000 of penalty revenues, or an additional \$75,000 more than included in the FY 2011-12 budget. The proposed recommendation would therefore offset an additional \$75,000 of General Fund revenues currently budgeted in the City Attorney's budget.</p>													

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CAT- City Attorney

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
Land America Judgement			\$0	\$1,025,000	\$1,025,000	x	x					\$0	
			<i>Total Savings</i>	<i>\$1,025,000</i>		x	x			<i>Total Savings</i>		<i>\$0</i>	
<p>The State Attorney General, City Attorney and San Francisco District Attorney have been litigating for several years with Land America Title Company, arising out of unlawful business practices. Based on recent renegotiation of a prior judgement in this case, Land America will be required to pay a total of \$4,100,000, to be split 50% or \$2,050,000 to the State Attorney General, 25% or \$1,025,000 to the City Attorney and 25% or \$1,025,000 to the District Attorney. According to the City Attorney's Office, this judgement is anticipated to be received within the next month. These revenues of \$1,025,000 were not included in the Mayor's recommended FY 2011-12 budget. Therefore, the proposed recommendation reflects recovering \$1,025,000 of additional revenues in the FY 2011-12 City Attorney's budget, which can be credited to the City's General Fund.</p>													

FY 2011-2012 Total Recommended Reductions			
	One-Time	Ongoing	Total
General Fund Impact	\$1,100,000	\$30,212	\$1,130,212
Non-General Fund Impact		\$0	\$0
Total	\$1,100,000	\$30,212	\$1,130,212

Estimated FY 2012-2013 Impact Total Recommended Reductions	
General Fund Impact	\$30,212
Non-General Fund Impact	\$0
Total	\$30,212

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CAT - City Attorney

Vendor Name	Subobject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
DEPARTMENT OF TECHNOLOGY	<u>TIS-SFGTV SERVICES (AAO)</u>	Yes	2010	<u>8/11/2010</u>	\$6,900.00	<u>\$3,876.18</u>
Total Amount to be Returned to the General Fund						\$3,876.18

The above unexpended encumbrance balances are from budget years prior to FY 2010-11.

The Department has indicated that these unexpended encumbrances are no longer needed. Therefore the balance can be returned to the General Fund.

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department's proposed \$251,082,102 budget for FY 2011-12 is \$12,483,834 or 5.2 percent more than the original FY 2010-11 budget of \$ 238,598,268.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 638.72 FTEs, which is 22.49 FTEs more than the 616.23 FTEs in the original FY 2010-11 budget. This represents 3.6 percent change in FTEs from the original FY 2010-11 budget.

Revenue Changes

The Department's revenues of \$204,629,354 in FY 2011-12, are \$131,214 or 0.1 percent more than FY 2010-11 revenues of \$204,498,140. General Fund support of \$46,452,748 in FY 2011-12 is \$12,352,620 or 36.2 percent more than FY 2010-11 General Fund support of \$34,100,128.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$380,569 in FY 2011-12. These reductions would still allow an increase of \$12,103,265 or 5.1 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$359,437 to the General Fund.

Together, these recommendations will result in savings of \$740,006, of which \$618,200 are savings to the City's General Fund.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ADM – ADMINISTRATIVE SERVICES

SUMMARY OF PROGRAM EXPENDITURES:

Uses by Service Area, Department and Program				
Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
311 CALL CENTER	9,503,714	10,505,685	1,001,971	10.5%
ANIMAL WELFARE	3,963,492	4,092,255	128,763	3.2%
CAPITAL ASSET PLANNING	750,484	750,000	(484)	-0.1%
CITY ADMINISTRATOR - ADMINISTRATION	8,041,540	8,480,428	438,888	5.5%
COUNTY CLERK SERVICES	1,846,443	1,916,295	69,852	3.8%
DISABILITY ACCESS	11,153,585	9,018,116	(2,135,469)	-19.1%
ENTERTAINMENT COMMISSION	678,324	762,374	84,050	12.4%
FACILITIES MGMT & OPERATIONS	42,166,234	40,047,767	(2,118,467)	-5.0%
FLEET MANAGEMENT	1,019,759	1,008,745	(11,014)	-1.1%
GRANTS FOR THE ARTS	11,848,487	11,855,660	7,173	0.1%
IMMIGRANT RIGHTS COMMISSION	1,013,117	1,072,187	59,070	5.8%
JUSTICE PROJECT - CITY ADM OFFICE	0	2,522,601	2,522,601	N/A
LIVING WAGE / LIVING HEALTH (MCO/HCAO)	2,808,993	2,889,352	80,359	2.9%
MEDICAL EXAMINER	5,634,023	12,496,703	6,862,680	N/A
NEIGHBORHOOD BEAUTIFICATION	1,282,778	835,000	(447,778)	-34.9%
OTHER PROGRAMS	0	0	0	N/A
PROCUREMENT SERVICES	4,446,551	4,704,454	257,903	5.8%
REAL ESTATE SERVICES	23,186,478	23,306,303	119,825	0.5%
REPRODUCTION SERVICES	0	5,480,996	5,480,996	N/A
RISK MANAGEMENT / GENERAL	13,655,921	12,583,793	(1,072,128)	-7.9%
TOURISM EVENTS	70,719,217	70,820,558	101,341	0.1%
TREASURE ISLAND	1,510,151	1,626,495	116,344	7.7%
VEHICLE & EQUIPMENT MAIN & FUELING	23,368,977	24,306,335	937,358	4.0%
Total	238,598,268	251,082,102	12,483,834	5.2%

The Department’s proposed FY 2011-12 budget has increased by \$12,483,834 largely due to:

- The Justice Project (Justice Tracking Information System or JUSTIS) is being transferred from the Department of Technology to the City Administrator. JUSTIS is an integrated criminal justice information system to serve the following criminal justice agencies: San Francisco Superior Court, District Attorney, Public Defender, Sheriff, Police Department, Adult Probation Department, Juvenile Probation Department, and the Department on the Status of Women. While each department may have their own case management systems, these systems are to be integrated across departments through the JUSTIS project.

After the Department of Technology changed its mission to focus on the implementation and maintenance of enterprise-wide infrastructure and applications, the Department of Technology has gradually transferred control of department-specific projects and operations over to those departments. With the transfer of JUSTIS, the City Administrator will serve as the executive sponsor and oversee project management.

To date, JUSTIS has servers, but only a small percentage are in use. The Sheriff has been able to connect to the server for over a year. Departments that are in the phase of running tests and are

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ADM – ADMINISTRATIVE SERVICES

slated to interface with JUSTIS in FY 2011-12 are the District Attorney, Adult Probation Department, Public Defender, and the Department on the Status of Women. The Police Department and Superior Court are still in discussions regarding their needs and plans for JUSTIS.

- Reproduction Services is being transferred from the Department of Technology to the City Administrator. The Department of Technology has determined that Reproduction Services are not critical to its core mission Overseeing Citywide information technology infrastructure and applications. Reproduction Services will be returning to the City Administrator, where it was prior to FY 2006-07, so that the program may continue to provide services to support the operations of most City Departments.
- Support and development staff for Customer Relations Management (CRM), the system used to connect 311 Customer Service Agents to various City agency websites and portals, was transferred from the Department of Technology to 311 in FY 2010-11. However, funding for the CRM project was reduced during the transfer. The City Administrator is asking to restore one IT position for technical support, funding for licensing and software, as well as funding to purchase additional computer hardware and equipment for CRM.
- There is an increase in capital project funding for the Medical Examiner in preparation for the relocation of facilities from the Hall of Justice to a more seismically safe location. Though bond funding for the project is proposed for November 2013 and construction to begin in FY 2013-14 according to the City Capital Plan, FY 2011-12 funding will be used for site acquisition, conceptual planning, environmental review, and development of cost estimates.
- There is a net decrease in capital projects funding for the Disability Access Program. While funding from Certificates of Participation for capital projects has decreased, General Fund supported capital funding has increased. Further, the Department anticipates additional sources of capital project funding in FY 2011-12 through a November 2011 Bond initiative. The Department has noted, however, that if the initiative fails, the Department may return to the Board of Supervisors in FY 2011-12 for additional funding for curb ramp construction.

DEPARTMENT PERSONNEL SUMMARY:

The number of Net Operating full-time equivalent positions (FTE) budgeted for FY 2011-12 is 638.72 FTEs, which is 22.49 FTEs more than the 616.23 FTEs in the original FY 2010-11 budget. This represents a 3.6 percent change in FTEs from the original FY 2010-11 budget.

- There is a transfer of eight positions from the Department of Technology to the City Administrator as part of the transfer of the Justice Project to the Department.
- There is a transfer of thirteen positions from the Department of Technology to the City Administrator as part of the transfer of Reproduction Services to the Department.

DEPARTMENT REVENUES:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ADM – ADMINISTRATIVE SERVICES

The Department's revenues of \$204,629,354 in FY 2011-12, are \$131,214 or 0.1 percent more than FY 2010-11 revenues of \$204,498,140. General Fund support of \$46,452,748 in FY 2011-12 is \$12,352,620 or 36.2 percent more than FY 2010-11 General Fund support of \$34,100,128.

FIVE YEAR FINANCIAL PLAN:

The Department provided information on the five-year financial plan for the Convention Facilities Division, which although funded by Hotel Tax allocation, also generates its own revenues from operations.

The Convention Facilities Division anticipates 23 percent growth in its budget between FY 2011-12 and FY 2015-16. However, the Division notes that 10 percent of the growth is in one year—FY 2012-13—when the Moscone Center resumes full scheduled operation, after two years of partial operation during the major capital renovation work that is currently underway.

Revenues

- No increase in rental rates anticipated during this period.
- Tourism Improvement District (TID) rental offset fund of up to \$1,500,000 per year expires on December 31, 2013.
- Major technology sector events are outgrowing available space.

Expenditures

- Maintenance of benefits of union employees is increasing substantially year over year.
- Client expectations for higher level of service at lower costs continue to be a key factor in venue selection.
- Other increases in the cost of labor include the growing multiple uses of space and tight building turnovers between events.
- The demand for state-of-the art technology continues to increase.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$380,569 in FY 2011-12. Of these recommended reductions, \$258,763 or 68 percent are General Fund reductions, all of which are ongoing reductions. These reductions would still allow an increase of \$12,103,265 or 5.1 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$359,437 to the General Fund.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
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DEPARTMENT: ADM – ADMINISTRATIVE SERVICES

Together, these recommendations will result in savings of \$740,006, of which \$618,200 are savings to the City's General Fund.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ADM - General Services Agency - City Administrator

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	
	From	To	From	To				From	To	From	To			
AME - County Clerk Services (1G AGF AAA)														
Professional and Specialized Services			\$83,130	\$61,130	\$22,000	x			\$83,130	\$61,130	\$22,000	x		
	The proposed reduction of \$22,000 reflects historical spending and projected expenditures in FY 2011-12.							Ongoing reduction.						
BK6 - Treasure Island (1G AGF WOF)														
0933 Manager V	1.0	0.0	\$140,630	\$0	\$140,630			1.0	0.0	\$148,830	\$0	\$148,830		
1824 Principal Administrative Analyst	0.0	1.0	\$0	\$105,520	(\$105,520)			0.0	1.0	\$0	\$110,725	(\$110,725)		
Mandatory Fringe Benefits			\$51,078	\$40,447	\$10,631					\$58,081	\$45,816	\$12,265		
			<i>Total Savings</i>		<i>\$45,741</i>						<i>Total Savings</i>		<i>\$50,370</i>	
	Disapprove the upward substitution of a 1824 Principal Administrative Analyst to a 0933 Manager V. The Department has not provided sufficient justification for the level of management and supervision requested.							Estimated ongoing reduction.						

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ADM - General Services Agency - City Administrator

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FAC - City Administrator (1G AGF AAA)													
0932 Manager IV	1.0	0.0	\$130,306	\$0	\$130,306	x		1.0	0.0	\$137,904	\$0	\$137,904	x
0931 Manager III	0.0	1.0	\$0	\$121,485	(\$121,485)	x		0.0	1.0	\$0	\$128,569	(\$128,569)	x
Mandatory Fringe Benefits			\$49,029	\$47,280	\$1,749	x				\$55,598	\$53,476	\$2,122	x
	<i>Total Savings \$10,570</i>							<i>Total Savings \$11,457</i>					
	Disapprove the upward substitution of a 0931 Manager III to a 0932 Manager IV. The Department has not provided sufficient justification for the level of management and supervision requested.							Estimated ongoing reduction.					
Materials and Supplies			\$45,038	\$30,038	\$15,000	x			\$45,038	\$30,038	\$15,000	x	
	Reduce to reflect historical spending and projected expenditures.							Ongoing reduction.					
FCT - Risk Management / General (1G AGF WOF)													
1820 Junior Administrative Analyst	0.77	0.0	\$45,423	\$0	\$45,423			1.0	0.0	\$62,427	\$0	\$62,427	
Mandatory Fringe Benefits			\$21,423	\$0	\$21,423					\$31,309	\$0	\$31,309	
	<i>Total Savings \$66,846</i>							<i>Total Savings \$93,736</i>					
	Delete a new 1820 Junior Administrative Analyst position that was inadvertently included in the budget.							Estimated ongoing reduction.					
FFB- Living Wage / Living Health (1G AGF AAA)													
Professional and Specialized Services			\$361,000	\$341,000	\$20,000	x			\$361,000	\$341,000	\$20,000	x	
	Reduce to reflect historical spending and projected expenditures.							Ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ADM - General Services Agency - City Administrator

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FFH - Facilities Management and Operations (1G AGF AAA)													
Premium Pay			\$15,000	\$0	\$15,000	x				\$15,000	\$0	\$15,000	x
Mandatory Fringe Benefits			\$1,193	\$0	\$1,193	x				\$1,193	\$0	\$1,193	x
			<i>Total Savings</i>		<i>\$16,193</i>					<i>Total Savings</i>		<i>\$16,193</i>	
	According to the Department of Administrative Services, 1777 Media and Security System Specialists and 1781 Media and Security System Supervisors are assigned to standby during special events, news conferences, or hearings. The Department of Administrative Services plans to eliminate this standby coverage in FY 2011-12.							Estimated ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ADM - General Services Agency - City Administrator

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FFI - Real Estate Services (2S RPF SRZ)													
0923 Manager II	1.0	0.0	\$112,564	\$0	\$112,564			1.0	0.0	\$119,128	\$0	\$119,128	
0922 Manager I	0.0	1.0	\$0	\$104,946	(\$104,946)			0.0	1.0	\$0	\$111,066	(\$111,066)	
Mandatory Fringe Benefits			\$45,510	\$43,909	\$1,601					\$51,329	\$49,761	\$1,568	
	<i>Total Savings \$9,219</i>							<i>Total Savings \$9,630</i>					
	Disapprove the upward substitution of a 0922 Manager I to a 0923 Manager II. The Department has not provided sufficient justification for the level of management and supervision requested.							Estimated ongoing reduction.					
FFO - 311 Call Center (1G AGF AAA)													
Other Current Expenses			\$390,500	\$275,500	\$115,000	x			\$390,500	\$275,500	\$115,000	x	
	Reduce to reflect historical spending and projected expenditures. The recommended FY 2011-12 amount of \$275,500 for 035 current expenses is still \$13,000, or a 5 percent increase from the \$262,500 budgeted in FY 2010-11.							Ongoing reduction.					
Materials and Supplies			\$134,000	\$74,000	\$60,000	x			\$134,000	\$74,000	\$60,000	x	
	Reduce to reflect historical spending and projected expenditures. The recommended FY 2011-12 amount of \$74,000 for 040 materials and supplies is still \$54,000, or a 270 percent increase from the \$20,000 budgeted in FY 2010-11.							Ongoing reduction.					
FY 2011-2012 Total Recommended Reductions							Estimated FY 2012-2013 Impact Total Recommended Reductions						
			One-Time	Ongoing	Total								
General Fund Impact			\$0	\$258,763	\$258,763							General Fund Impact \$259,650	
Non-General Fund Impact			\$0	\$121,806	\$121,806							Non-General Fund Impact \$153,736	
Total			\$0	\$380,569	\$380,569							Total \$413,386	

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ADM - City Administrator

Vendor Name	Subject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
CORPORATE EXPRESS	OTHER OFFICE SUPPLIES	Yes	2007	11/12/2008	557.69	278.89
XTECH	MANAGEMENT CONSULTING SERVICES	Yes	2008	12/4/2008	89,625.00	29,885.00
DEPARTMENT OF TECHNOLOGY	IS-TIS-ISD SERVICES	Yes	2009	1/26/2010	60,000.00	8,187.28
EXPRESS OVERNITE	FREIGHT/DELIVERY	Yes	2010	6/30/2009	100.00	100.00
GRM INFORMATION MANAGEMENT SERVICES	OTHER CURRENT EXPENSES	Yes	2010	5/17/2010	120.00	88.52
FITZGERALD ELECTRO-MECHANICAL CO INC	OTHER EQUIP MAINT	Yes	2010	9/2/2009	200.00	75.20
THE LIGATURE	PRINTING	Yes	2010	6/30/2009	128.35	128.35
LANGUAGE LINE SERVICES	INTERPRETERS	Yes	2010	2/24/2010	500.00	3,447.61
TOWERS WATSON PENNSYLVANIA INC	MANAGEMENT CONSULTING SERVICES	Yes	2010	5/28/2010	100,000.00	22,097.48
EXPRESS OVERNITE	FREIGHT/DELIVERY	Yes	2010	8/31/2009	100.00	100.00
BAY AREA VIDEO COALITION	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	6/11/2010	4,200.00	24.00
CROWDED FIRE THEATRE CO	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	5/26/2010	10,600.00	2.00
H R D Q	BOOKS - NON LIBRARY ONLY	Yes	2010	9/9/2009	192.64	192.64
INTERNATIONAL EFFECTIVENESS CENTERS	INTERPRETERS	Yes	2010	10/9/2009	200.00	200.00
ROBERT MOSES' KIN	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	2/10/2010	22,500.00	8.00
SAN FRANCISCO FILM SOCIETY	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	6/16/2010	109,900.00	900.00
USO OF NORTHERN CALIFORNIA, INC.	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	9/15/2009	16,200.00	16,200.00
VIETNAMESE COMM CTR SF	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	4/6/2010	2,500.00	250.00
CHINESE FOR AFFIRMATIVE ACTION	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	4/22/2010	300,000.00	30,000.00
INTERSECTION FOR THE ARTS	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	1/7/2010	95,000.00	95,000.00
SEW PRODUCTIONS LORRAINE HANSBERRY THTR	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	1/7/2010	95,000.00	95,000.00
COLE HARDWARE	OTHER BLDG MAINT SUPPLIES	Yes	2010	9/11/2009	130.85	130.85
COLE HARDWARE	OTHER BLDG MAINT SUPPLIES	Yes	2010	9/17/2009	303.07	303.07
OFFICE DEPOT	MINOR FURNISHINGS	Yes	2010	11/4/2009	345.36	345.36
CITY ATTORNEY	GF-CITY ATTORNEY-LEGAL SERVICES	Yes	2010	8/31/2009	38,000.00	38,000.00
DEPARTMENT OF TECHNOLOGY	IS-TIS-ISD SERVICES	Yes	2010	1/26/2010	8,635.00	7,676.41
CITY ADMINISTRATOR - RISK MANAGEMENT	GF-RISK MANAGEMENT SERVICES (AAO)	Yes	2010	3/2/2010	475.00	95.00
DEPARTMENT OF PUBLIC WORKS	SR-DPW-ARCHITECTURE	Yes	2010	5/28/2010	80,000.00	1,726.58
DEPARTMENT OF TECHNOLOGY	TIS-SFGTV SERVICES (AAO)	Yes	2010	3/24/2010	8,995.00	8,995.00
Total Amount Return to Fund Balance						\$359,437.24

Note: The above encumbrance balances are from budget years prior to FY 2010-11. The Department has indicated that the balances of these encumbrances are no longer needed, therefore the balance can be returned to the General Fund.

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department's proposed \$74,841,614 budget for FY 2011-12 is \$3,163,071, or 4.1 percent, less than the original FY 2010-11 budget of \$78,004,685.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 196.69 FTEs, which is 13.24 FTEs less than the 209.93 FTEs in the original FY 2010-11 budget.

The Department has requested approval of four new positions as an interim exception. The Budget and Legislative Analyst does not recommend approval of these four positions as an interim exception to begin on July 1, 2011, but does recommend approval of these four new positions to begin on October 1, 2011.

Revenue Changes

The Department's revenues of \$73,386,433 in FY 2011-12, are \$3,279,771 or 4.3 percent less than FY 2010-11 revenues of \$76,666,204. General Fund support of \$1,455,181 in FY 2011-12 is \$116,700 or 8.7 percent more than FY 2010-11 General Fund support of \$1,338,481.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,416,868 in FY 2011-12. Of these recommended reductions, \$1,052,369 or 74.3 percent are General Fund reductions, and \$1,301,304 or 91.8 percent are ongoing reductions.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$2,662 to the General Fund.

Together, these recommendations will result in \$1,419,530 in savings to the City, including \$1,055,031 in General Fund savings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: TIS – DEPARTMENT OF TECHNOLOGY

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
GENERAL SERVICES AGENCY - TECHNOLOGY				
ADMINISTRATION	23,811,153	25,640,778	1,829,625	7.7%
GOVERNANCE AND OUTREACH	6,737,518	7,565,870	828,352	12.3%
OPERATIONS	32,177,636	30,878,230	(1,299,406)	(4.0%)
REPRODUCTION SERVICES	5,393,640	0	(5,393,640)	(100.0%)
TECHNOLOGY	2,427,644	1,807,472	(620,172)	(25.5%)
TECHNOLOGY SERVICES:PUBLIC SAFETY	7,457,094	8,949,264	1,492,170	20.0%
GENERAL SERVICES AGENCY - TECHNOLOGY	78,004,685	74,841,614	(3,163,071)	(4.1%)

The Department’s proposed FY 2011-12 budget has decreased by \$3,163,071 largely due to:

- The reduction of \$5.4 million in Reproduction Services work, including print, copy, mail, and delivery services. The responsibility is being transferred from the Department of Technology to Administrative Services.
- The transfer of the JUSTIS project to the GSA, representing a reduction of \$1.7 million.
- The reduction of \$1.3 million in interdepartmental recovery due to the Department resulting from telephone billing costs being subsidized by fund balance.

Reductions in funding have been partially offset by new funding as follows:

- A \$0.5 million increase in the Department’s Public Education and Government (PEG) grant for the provision of government and education services on local cable.
- New funding for projects in FY 2011-12 includes data center consolidation (\$3.0 million); expansion Voice over Information Protocol (VOIP) throughout the City (\$2.5 million); expansion of the City’s fiber optic network (\$0.9 million); creating a Citywide Virtual Desktop Environment (\$0.7 million); COIT security, visibility, and intelligence (\$0.5 million); and expansion of wireless internet access in City buildings (\$0.2 million).

Neutral budgetary changes include staff reorganization, with the reassignment of one position from Administration and nine positions from Operations to Technology Services: Public Safety.

In addition, the data center consolidation project will result in Citywide short-term salary savings totaling \$0.6 million in FY 2011-12, and long-term salary savings of \$2.1 million beginning in FY 2013-14, once the data center is fully operational. A departmental breakdown of the \$0.6 million salary savings, by department, is provided in Table 1 below. According to the Mayor’s Office, while these savings are in the form of attrition savings increases in FY 2011-12, the salary reductions will be matched to actual salaries of eliminated positions once the data center consolidation has been fully implemented.

Table 1.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: TIS – DEPARTMENT OF TECHNOLOGY

**Salary Savings, by Department
of Data Center Consolidation Project**

Department	Share of Data Center Salary Savings
Airport	\$69,601
Controller*	50,041
Building Inspection	16,126
Emergency Management*	18,395
Administrative Services*	12,624
Public Works*	34,283
Human Services Agency*	62,149
Police*	35,669
Public Health*	159,734
Library	12,135
Public Utilities Commission	99,647
Retirement	11,253
Treasurer/Tax Collector*	18,343
<i>General Fund Subtotal</i>	\$391,238
Total	\$600,000

* Denotes General Fund Departments

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 196.69 FTEs, which is 13.24 FTEs less than the 209.93 FTEs in the original FY 2010-11 budget. This represents a 6.3 percent decrease in FTEs from the original FY 2010-11 budget. Major changes include:

- The addition of 7 limited duration positions (5.3 FTEs) to work on the Department’s fiber optic network.
- Transfer of 14.3 positions associated with the Department’s Reproduction Services work and 7.3 positions associated with the JUSTIS program, which are being transferred to Administrative Services.

The Department has requested approval of four new positions as an interim exception. The Budget and Legislative Analyst does not recommend approval of these four positions as interim exceptions, because the positions do not serve a revenue generating purpose nor does their work support critical City functions. The Budget and Legislative Analyst does recommend approval of these four new positions to begin on October 1, 2011.

DEPARTMENT REVENUES:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: TIS – DEPARTMENT OF TECHNOLOGY

The Department's revenues of \$73,386,433 in FY 2011-12, are \$3,279,711 or 4.3 percent less than FY 2010-11 revenues of \$76,666,204. General Fund support of \$1,455,181 in FY 2011-12 is \$116,700 or 8.7 percent more than FY 2010-11 General Fund support of \$1,338,481.

Specific changes in the Department's FY 2011-12 revenues include:

- A reduction of \$5.4 million in funding for Reproduction Services, which are being transferred to Administrative Services.
- An additional net of \$0.5 million for its Cable Access Fund due to projected increased transfers from Comcast Cablevision.
- An increase of \$2.5 million in revenue from the Citywide Telephone Pass-through fund to pay for VOIP and other telephony project upgrades.

FIVE YEAR FINANCIAL PLAN:

The City's five-year Information and Communication Technology (ICT) plan identifies 103 percent growth in the City's technology projects between FY 2011-12 and FY 2015-16.

Revenues

- Ninety-four percent of the Department's revenues currently come from the internal service fund cost allocation to City departments that use or benefit from the Department's work. The Department has developed new revenue strategies starting in FY 2011-12 related to leasing fiber optic capacity and outdoor pole space. The Department hopes to use these and similar strategies to offset some of the projected expenditure needs related to information technology infrastructure.

Expenditures

- In addition to the fringe benefit cost increases that are common across all departments, the Department's expenditure pressures are the result of its mission to provide City departments with a modern, reliable, and efficient information technology infrastructure that includes data centers, telecommunications, networks, and wireless systems. In order for the city to take advantage of current and future technology innovations that are increasingly vital to daily operations, the Department will be making greater investments in the infrastructure it develops and maintains.
- The recently approved Committee on Information Technology (COIT) Information and Communication Technology (ICT) Plan provides a vision of IT needs and planning citywide for the next five years. The Department will play a central role in the success of strategic direction that is proposed.

COMMENTS:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: TIS – DEPARTMENT OF TECHNOLOGY

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$1,416,868 in FY 2011-12. Of these recommended reductions, \$1,052,369 or 74.3 percent are General Fund reductions, and \$1,301,304 or 91.8 percent are ongoing reductions.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$2,662 to the General Fund.

Together, these recommendations will result in \$1,419,530 in savings to the City, including \$1,055,031 in General Fund savings.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TIS - Department of Technology

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF*	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To				
BK4 - Governance and Outreach (IG AGF AAA)													
Training			\$16,950	\$4,000	\$12,950	x			\$16,950	\$4,000	\$12,950	x	
	Department spent less than \$2,000 on Training in FY 2009-10 and is projected to spend less than \$2,000 on Training in FY 2010-11, despite \$16,950 budgeted in current year. A reduction of \$12,950 will allow for sufficient Training funding in FY 2010-11.							Estimated ongoing savings.					
Materials and Supplies			\$13,051	\$11,051	\$2,000	x			\$13,051	\$11,000	\$2,051	x	
	Department spent less than \$9,000 on Materials and Supplies in FY 2009-10 and is projected to spend approximately \$10,551 on Materials and Supplies in FY 2010-11,. A reduction of \$2,000 will allow for sufficient Training funding in FY 2010-11.							Estimated ongoing savings.					
BAK - Operations (6I TIF AAP)													
Electrical Line Helper - 7432N	2.0	1.54	\$143,371	\$110,396	\$32,975	x	x						
Mandatory Fringe Benefits			\$65,523	\$50,453	\$15,070	x	x						
Electrical Line Worker - 7338N	2.0	1.54	\$168,473	\$129,724	\$38,749	x	x						
Mandatory Fringe Benefits			\$72,200	\$55,594	\$16,606	x	x						
			<i>Total Savings</i>		\$103,400					<i>Total Savings</i>		\$0	
	The Department has requested an interim exception for 4.0 new FTEs, 2.0 new 7432 Electrical Line Helper FTEs and 2.0 new 7338 Electrical Line Worker FTEs. Because these positions are not revenue generating or critical to the City's operations, the Budget and Legislative Analyst recommends against an interim exception. Therefor, reduce the 4.0 FTE to 3.08 FTE to reflect an expected hire date of October 1, 2011 instead of July 1, 2011.												

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TIS - Department of Technology

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF*	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To				
Premium Pay			\$60,593	\$20,000	\$40,593	x			\$60,593	\$20,000	\$40,593	x	
Mandatory Fringe Benefits			\$4,817	\$1,590	\$3,227	x			\$4,817	\$1,590	\$3,227	x	
Premium Pay			\$59,638	\$20,000	\$39,638	x			\$59,638	\$20,000	\$39,638	x	
Mandatory Fringe Benefits			\$4,742	\$1,565	\$3,177	x			\$4,742	\$1,565	\$3,177	x	
			<i>Total Savings</i>		\$86,635					<i>Total Savings</i>		\$86,635	
	<p>The Department has \$811,967 budgeted for Premium Pay in FY 2011-12 in this fund. However, the Department is projected to spend less than \$450,000 this year and spent less than \$500,000 in FY 2009-2010. A reduction of \$86,635, including Mandatory Fringe Benefits, will allow sufficient Premium Pay in FY 2011-12.</p>							<p>Estimated ongoing savings.</p>					
Maintenance Services - Equipment			\$320,140	\$120,140	\$200,000	x			\$320,140	\$120,140	\$200,000	x	
			\$93,349	\$47,000	\$46,349	x			\$93,349	\$50,000	\$43,349	x	
			<i>Total Savings</i>		\$246,349					<i>Total Savings</i>		\$243,349	
	<p>The Department has historically underexpended its allocation for Maintenance Services - Equipment by more than \$1,000,000. The Mayor's Office has proposed a reduction of \$588,000 for this line item in FY 2011-12. An additional reduction of \$246,349 will still allow for sufficient Maintenance Services - Equipment funding in FY 2011-12 based on historic spending.</p>							<p>Estimated ongoing savings.</p>					
Other Current Expenses			\$990,592	\$495,296	\$495,296	x			\$990,592	\$495,296	\$495,296	x	
	<p>The Department has historically underexpended its allocation for Other Current Expenses, sometimes by more than \$1,000,000. Although the Mayor's Office has proposed a reduction of \$183,000 for this line item in FY 2011-12, an additional reduction of \$600,000 will still allow for sufficient Other current Expenses funding in FY 2011-12 based on historic spending.</p>							<p>Estimated ongoing savings.</p>					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TIS - Department of Technology

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF*	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
Controller's Management Services			\$145,967	\$133,803	\$12,164	x	x						x
	The proposed workorder with the Controller's Office is budgeted at a full year of salary and fringe for an 1824 Senior Administrative Analyst. The position has been advertised but a selection has not yet occurred. The Department of Technology hopes to have the new hire begin at the end of July. A one-time, one-month salary savings would result in a net savings of \$12,164.												
BTO - Technology Services: Public Safety (6I TIF AAP)													
Premium Pay			\$234,346	\$84,346	\$150,000	x			\$234,346	\$100,000	\$134,346	x	
Mandatory Fringe Benefits			\$18,631	\$6,706	\$11,925	x			\$18,631	\$7,950	\$10,681	x	
Premium Pay			\$195,928	\$65,000	\$130,928	x			\$195,928	\$65,000	\$130,928	x	
Mandatory Fringe Benefits			\$15,577	\$5,168	\$10,409	x			\$15,577	\$5,168	\$10,409	x	
			<i>Total Savings</i>	\$303,262						<i>Total Savings</i>	\$286,364		
	The Department has \$811,967 budgeted for Premium Pay in FY 2011-12 in this fund. The Department is projected to spend less than \$450,000 in FY 2010-11 and spent less than \$500,000 in FY 2009-10. A reduction of \$303,262, including Mandatory Fringe Benefits, will allow sufficient Premium Pay in FY 2011-12.							Estimated ongoing savings.					
BIU - Administration (6I TIF AAP)													
Air Travel			\$23,052	\$11,526	\$11,526	x			\$23,052	\$11,526	\$11,526	x	
	The Department is projected to spend less than \$10,000 on Air Travel in FY 2010-11. A reduction of \$11,526 will allow for sufficient funding for Air Travel in FY 2011-12.							Estimated ongoing savings.					

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TIS - Department of Technology

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF*	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To				
Training			\$198,446	\$120,000	\$78,446	x			\$198,446	\$120,000	\$78,446	x	
	In FY 2008-09, 2009-10, and 2010-11, the Department has not spent more than \$111,193 for training, including less than \$60,000 in FY 2010-11. A reduction of \$78,446 will allow for sufficient funding for Training in FY 2011-12.							Estimated ongoing savings.					
Other Current Expenses			\$47,057	\$27,057	\$20,000	x			\$47,057	\$27,057	\$20,000	x	
	The Department is projected to spend less than \$19,000 on Other Current Expenses in FY 2010-11. A reduction of \$20,000 will allow for sufficient funding for Other Current Expenses in FY 2011-12.							Estimated ongoing savings.					
Materials and Supplies			\$89,839	\$45,000	\$44,839	x			\$89,839	\$45,000	\$44,839	x	
	The Department is projected to spend less than \$52,000 on Materials and Supplies in FY 2010-11. With ReproMail and Justis no longer the responsibilities of TIS, a reduction of \$44,839 will allow for sufficient funding for Materials and Supplies in FY 2011-12.							Estimated ongoing savings.					

	FY 2011-2012 Total Recommended Reductions		
	One-Time	Ongoing	Total
General Fund Impact*	\$85,517	\$966,852	\$1,052,369
Non-General Fund Impact*	\$30,047	\$334,452	\$364,499
Total	\$115,564	\$1,301,304	\$1,416,868

	Estimated FY 2012-2013 Impact Total Recommended Reductions
General Fund Impact*	\$952,178
Non-General Fund Impact*	\$329,278
Total	\$1,281,456

* Note: The fund 6I TIF AAP is an interdepartmental recovery fund, consisting of approximately 74% General Fund and 26% non-General Fund.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TIS - Encumbrances

Vendor Name	Subobject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
VSA INC DBA CA MEDIA SOLUTIONS	COMMUNICATION SUPPLIES	Yes	2009	1/27/2010	\$4,196	\$709
SPRINT NEXTEL	COMMUNICATION SUPPLIES	Yes	2010	6/4/2010	\$700	503
NATIONAL CAPTIONING INSTITUTE INC	OTHER PROFESSIONAL SERVICES	Yes	2010	9/21/2010	\$125,000	1,450
Total amount to be returned to the General Fund						\$2,662

The above encumbrance balances are from budget years prior to FY 2010-11.

The Department has indicated that the balances of these encumbrances are no longer needed. Therefore the balance can be returned to the General Fund.

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department's proposed \$5,909,033 budget for FY 2011-12 is \$41,585 or 0.7 percent more than the original FY 2010-11 budget of \$5,867,448.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 33.52 FTEs, which is 0.06 FTE less than the 33.58 FTEs in the original FY 2010-11 budget.

Revenue Changes

The Department's revenues of \$5,048,552 in FY 2011-12, are \$415,893 or 7.6 percent less than FY 2010-11 revenues of \$5,464,445. General Fund support of \$860,481 in FY 2011-12 is \$457,478 or 113.5 percent more than FY 2010-11 General Fund support of \$403,003.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$140,574 in FY 2011-12. Of these recommended reductions, \$122,322, or 87 percent, are General Fund reductions.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: HRC - HUMAN RIGHTS COMMISSION

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
HUMAN RIGHTS COMMISSION	5,867,448	5,909,033	41,585	0.7%
Total	<u>5,867,448</u>	<u>5,909,033</u>	<u>41,585</u>	<u>0.7%</u>

The Department's proposed FY 2011-12 budget has increased by \$41,585. This increase is net of a \$415,893 reduction in expenditure recoveries from other City departments for services provided by the Human Rights Commission to these departments for monitoring and enforcing compliance with the city's local business enterprise and equal benefits ordinances, partially offset by reductions in work order fund expenditures.

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 33.52 FTEs, which is 0.06 FTE less than the 33.58 FTEs in the original FY 2010-11 budget.

The FY 2011-12 Budget includes no new positions or layoffs.

DEPARTMENT REVENUES:

The Department's revenues of \$5,048,552 in FY 2011-12, are \$415,893 or 7.6 percent less than FY 2010-11 revenues of \$5,464,445. General Fund support of \$860,481 in FY 2011-12 is \$457,478 or 113.5 percent more than FY 2010-11 General Fund support of \$403,003.

Fee Legislation

The Department is proposing no new or changed fees.

Other Issues

The Human Rights Commission was established as a Charter commission by San Francisco voters in 1990. The work of HRC's Policy Division and its Discrimination Complaints and Mediation Division (DCMD) are Charter-mandated activities. DCMD staff investigates and mediates complaints of discrimination in employment, housing, and public accommodation. Policy Division staff interprets, revises and implements City ordinances under which HRC operates.

The Human Rights Commission has responsibility for City departments' and contractors' compliance with the City's Equal Benefits Ordinance and Local Business Enterprise Ordinance. The activities of HRC's Local Business Enterprise and Equal Benefits Compliance Divisions are mandated in Chapters 14B and 12B respectively of the Administrative Code. HRC's Equal Benefits staff enforces compliance with the ordinance's prohibition against discrimination based on marital and/or domestic partner status. Local Business Enterprise Division staff promotes the use of local businesses in city contracting.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: **HRC - HUMAN RIGHTS COMMISSION**

Due to reductions in the Department's budget since 2000, the HRC has funded its indirect costs and overhead costs associated with the Policy Division and Discrimination Complaints and Mediation Division (the original Charter mandated activities) through work orders with City departments. These costs are allocated based on the extent of HRC work performed for each agency including (a) the number of an agency's contracts requiring Local Business Enterprise compliance; (b) the number of vendors used by each agency that are required to comply with Chapter 12B (Equal Benefits) and (c) assignment of HRC staff to agencies on a full time basis.

In the proposed FY 2011-12 budget, HRC's 12B and 14B work order recoveries have been reduced by a net \$415,893 from \$5,464,445 in FY 2010-11 to \$5,048,552 in FY 2011-12 because HRC is not allocating Policy Division and Discrimination Complaints and Mediation Division costs to City departments.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$140,574 in FY 2011-12, including General Fund reductions of \$122,322

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

HRC - Human Rights Commission

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)						
	From	To	From	To	Savings	GF	1T	From	To	From	To	Savings	GF	
1G AGF WOF - Work Order Fund														
Court Fees and Other Compensation			\$7,000	\$1,000	\$6,000					\$7,000	\$1,000	\$6,000	x	
	Reduce to reflect expenditures in prior fiscal years. Department has only expended \$650 and not encumbered any funds for this work order.													
Employee Expenses			\$10,000	\$6,000	\$4,000					\$10,000	\$6,000	\$4,000		
	Reduce to reflect expenditures in prior fiscal years. Department has only expended \$4,571.													
Maintenance SVCS-Equipment			\$2,000	\$1,800	\$200					\$2,000	\$1,800	\$200		
	Reduce to reflect expenditures in prior fiscal years. Department has made no expenditures to date and has no encumbrances													
Other Current Expenses - Budget			\$13,921	\$3,000	\$10,921					\$13,921	\$3,000	\$10,921		
	Reduce to reflect expenditures in prior fiscal years. Department has spent approximately \$2,900 to date and has not encumbered funds.													
Rents and Leases Equipment			\$14,914	\$13,000	\$1,914					\$14,914	\$13,000	\$1,914		
	Reduce to reflect actual expenditures in prior fiscal years.													
Travel			\$4,500	\$1,000	\$3,500					\$4,500	\$1,000	\$3,500		
	Reduce to reflect actual expenditures in prior fiscal years.													

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

HRC - Human Rights Commission

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	From	To	From	To	Savings	GF	1T	From	To	From	To	Savings	GF
1G AGF ACP - Continuing Projects													
Professional and Specialized Services			\$424,039	\$310,000	\$114,039	x				\$424,039	\$310,000	\$114,039	
	Reduce to reflect actual expenditures in prior fiscal years												

FY 2011-2012

Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund Impact	\$0	\$122,322	\$122,322
Non-General Fund Impact	\$0	\$18,252	\$18,252
Total	\$0	\$140,574	\$140,574

Estimated FY 2012-2013 Impact

Total Recommended Reductions

General Fund Impact	\$122,322
Non-General Fund Impact	\$18,252
Total	\$140,574

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department's proposed \$129,674,772 budget for FY 2011-12 is \$32,816,147 or 20.2 percent less than the original FY 2010-11 budget of \$162,490,919.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 784.85 FTEs, which is 6.53 FTEs less than the 791.38 FTEs in the original FY 2010-11 budget. This represents a 0.8 percent decrease in FTEs from the original FY 2010-11 budget.

The Department has requested approval of eight positions as an interim exception. The Budget and Legislative Analyst recommends disapproval of the interim exceptions for these eight positions that do not perform revenue generating or critical functions. Instead of starting this position on July 1, 2011, the Budget and Legislative Analyst recommends a start date of August 1, 2011.

Revenue Changes

The Department's revenues of \$106,031,367 in FY 2011-12, are \$34,214,054 or 24.4 percent less than FY 2010-11 revenues of \$140,245,421. General Fund Support of \$23,643,405 in FY 2011-12 is \$1,397,907 or 6.3 percent more than FY 2010-11 revenues of \$22,245,498.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$835,415 in FY 2011-12.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances totaling \$160,046, which would allow the return of \$150,160 to the General Fund.

Together, these recommendations will result in total savings of \$995,461, of which \$546,923 are savings to the City's General Fund.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: DPW – GENERAL SERVICES AGENCY - PUBLIC WORKS

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
GENERAL SERVICES AGENCY - PUBLIC WORKS				
ARCHITECTURE	533,310	551,500	18,190	3.4%
BUILDING REPAIR AND MAINTENANCE	16,241,134	18,072,285	1,831,151	11.3%
CITY CAPITAL PROJECTS	63,469,244	26,096,510	(37,372,734)	(58.9%)
CONSTRUCTION MANAGEMENT SERVICES	340,745	411,225	70,480	20.7%
ENGINEERING	756,699	739,450	(17,249)	(2.3%)
GENERAL ADMINISTRATION	0	0	0	N/A
MAPPING	0	0	0	N/A
NEIGHBORHOOD BEAUTIFICATION	1,217,338	0	(1,217,338)	(100%)
OTHER PROGRAMS	0	0	0	N/A
STREET AND SEWER REPAIR	14,432,776	14,582,841	150,065	1.0%
STREET ENVIRONMENTAL SERVICES	35,848,304	38,555,461	2,707,157	7.6%
STREET USE MANAGEMENT	13,333,158	14,190,874	857,716	6.4%
URBAN FORESTRY	16,318,211	16,474,626	156,415	1.0%
GENERAL SERVICES AGENCY - PUBLIC WORKS	162,490,919	129,674,772	(32,816,147)	(20.2%)

The Department's proposed FY 2011-12 budget has decreased by \$32,816,147 largely due to:

- The Department's reduction in citywide tree maintenance, which will result in the maintenance of 6,400 trees to be provided by property owners in FY 2011-12, instead of being provided by the Department. This results in a savings to the Department of \$600,000.
- The Department's focus on reducing workers compensation expenditures through an aggressive workplace health and safety program.
- The Department's reduction in work related to road resurfacing, street structure and sidewalk repair, curb ramp construction and bridge repair due to decrease in funding.
- The Department's increased expenditures on the Community Corridors Apprenticeship Program, which is a job training program that focuses on litter removal, recycling and composting participation in commercial corridors throughout the City.

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 784.85 FTEs, which is 6.53 FTEs less than the 791.38 FTEs in the original FY 2010-11 budget. This represents a 0.8 percent decrease in FTEs from the original FY 2010-11 budget.

The FY 2011-12 Budget includes 8 new positions, also requested for approval as interim budget exceptions, as follows:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: DPW – GENERAL SERVICES AGENCY - PUBLIC WORKS

The Department is creating:

- Four 1822 Junior Administrative Analyst positions within the Street-Use and Mapping Bureau to (1) perform administrative functions associated with field data collection and analysis, budgetary tracking, and monitoring of allocating funding for the San Francisco General Hospital renovation, (2) develop and compile analytical reports for the Sidewalk Inspection & Abatement Program, (3) coordinate, integrate and collect payments across multiple groups such as the Permit Division, Inspection Services Division, and property owners and ensure deposit in the correct sub-object, and (4) assist on administrative tasks related to contract administration and accounting functions for the Business Services division due to the implementation of several new IT projects this fiscal year such as EPayment and Echange Order which require tracking of issues, and coordinating responses. There will be additional deployment of other IT projects in FY 2011-12.
- One Carpenter, one Plumber and two Tile Setters who will be engaged in maintenance and repair tasks related to the \$412,300,000 General Obligation Bond to fund the Earthquake Safety and Emergency Response (ESER) Bond Program, whose purpose is to pay for repairs and improvements that will allow San Francisco to more quickly respond to a major earthquake or other disasters.

2.55 FTEs are proposed for deletion in FY 2011-12, of which all are filled positions, resulting in the layoff of 3 employees. These positions are being deleted by the Department based on efficiencies in and changes in administrative support needs. The Department expects these employees to fill vacancies in other City Departments.

The Department has requested approval of the previously discussed eight positions as an interim budget exception. The Budget and Legislative Analyst recommends disapproval of the interim exceptions for these eight positions that do not perform revenue generating or critical functions. The Budget and Legislative Analyst recommends a start date of August 1, 2011 for these eight positions instead of July 1, 2011.

The Department has begun the selection process in anticipation of filling these positions at the beginning of FY 2011-12 to meet project needs for the Earthquake Safety and Emergency Bond Program and the Cruise Terminal Project.

DEPARTMENT REVENUES:

The Department's revenues of \$106,031,367 in FY 2011-12, are \$34,214,054 or 24.4 percent less than FY 2010-11 revenues of \$140,245,421. General Fund Support of \$23,643,405 in FY 2011-12 is \$1,397,907 or 6.3 percent more than FY 2010-11 revenues of \$22,245,498.

Specific changes in the Department's FY 2011-12 revenues include:

- A reduction in revenue because, unlike in FY 2010-11, no new Certificates of Participation are being proposed for FY 2011-12 for road resurfacing, street structure and sidewalk repair, curb ramp construction and bridge repair. The FY 2011-12 budget proposes to partially fund these costs with the City's General Fund, State and federal monies and other local funds. In addition the Board of Supervisors has approved placing a \$248,000,000 Road Repaving and Street Safety Bond measure on the November 2011 ballot. If the voters approve the bond measure, the funds will be subject to Board of Supervisors appropriation approval.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: DPW – GENERAL SERVICES AGENCY - PUBLIC WORKS

- Additional revenue from the State for road resurfacing, which will allow the Department to repair more roads.
- Increase in General Fund Support due in part to (a) rising fringe benefit costs, (b) loss of one-time revenue sources, (c) increased debt service costs and (d) the renewed investment in the Community Corridors Apprenticeship Program.

Fee Legislation

Projected revenues for FY 2011-12 are based on a proposed fee ordinance as follows:

File No.	Fee Description	FY 2010-11 Amount	Increase in Amount	Annualized Revenue Thereafter
11-0709	Public right-of-way occupancy assessment during building construction operations	\$3,153,877	\$146,123	\$170,477
Total		\$3,153,877	\$146,123	\$170,477

11-0709: The proposed ordinance would increase monthly fees for temporary street occupancy for building construction and daily fees for temporary street occupancy unrelated to construction. Building construction fees would increase from \$14.26 per month to \$15.42 per month, per 20 linear feet based on previously approved Consumer Price Index (CPI) changes. Under the proposed ordinance, the fees for temporary street occupancy for any purpose other than building construction would increase from \$53.28 to \$56.76 per day also based on previously approved CPI changes. The proposed ordinance would also require an increase in public right-of-way occupancy assessment from \$72.74 per month to \$100 per month per 20 linear feet. The proposed ordinance has been determined to be in compliance with the California Environmental Quality Act (CEQA). Non-profit organizations with tax-exempt status under the Internal Revenue Code would be exempt from payment of the fees where street occupancy is necessary for the development of low and moderate income housing as defined by the United States Department of Housing and Urban Development (HUD). The proposed ordinance also includes a stipulation that the subject fees would be allowed to be adjusted to reflect Consumer Price Index (CPI) changes without additional approval by the Board of Supervisors.

Recommendation: Approval of the proposed fee ordinance is a policy matter for the Board of Supervisors.

Additional Legislation

11-0534: The propose ordinance would amend the San Francisco Administrative Code by adding Section 10.100-371 to establish the Department of Public Works Greening Fund as a category six fund, which would allow the Department to accept gifts over \$10,000 for greening projects, projects designed to establish public landscaped areas, gardens and plazas in San Francisco’s streets and public rights-of-way, without obtaining further Board of Supervisors approval. Currently, while the Department may accept gifts for greening projects, Administrative Code Section 10.100-305 requires that the Board of Supervisors approve any gift of cash or goods of a market value over \$10,000 by resolution. All funds received would be used exclusively for implementation and/or maintenance of greening projects and

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: DPW – GENERAL SERVICES AGENCY - PUBLIC WORKS

improvements prescribed in the City’s Better Streets Plan to calm traffic, improve pedestrian and bicycle safety and to manage storm water runoff.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

FIVE YEAR FINANCIAL PLAN:

The Department anticipates a 21.6 percent growth in its budget between FY 2011-12 and FY 2015-16.

Revenues

- The Department assumes overall revenues will increase by approximately 11 percent.
- The Department assumes penalty, debris box and phone booth revenues will decrease over the five year period.
- Street space and right of way assessments are assumed to increase based on construction activity.

Expenditures

- The major cost drivers the Department over the next five years are wages and fringe benefit costs, which are also reflected in the rising overhead costs, workers compensation costs, retiree health, and debt service.

COMMENTS:

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$835,415 in FY 2011-12.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, totaling \$160,046, which would allow the return of \$150,160 to the General Fund.

Together, these recommendations will result in a total reduction of \$995,461 of which \$546,923 are savings to the City’s General Fund.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DPW - General Services Agency - Department of Public Works

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	
	From	To	From	To				From	To	From	To			
BAA - Engineering (1G AGF PWF)														
Temp- Regular -Miscellaneous			\$264,221	\$239,221	\$25,000					\$264,221	\$239,221	\$25,000		
Mandatory Fringe Benefits			\$20,874	\$18,899	\$1,975					\$21,006	\$19,018	\$1,988		
			<i>Total Savings</i>		\$26,975					<i>Total Savings</i>		\$26,988		
	Reduce based on historical expenditures.							Ongoing reduction.						
BAA - Engineering (2S PWF OHF)														
Overtime -Miscellaneous			\$7,111	\$3,111	\$4,000					\$7,111	\$3,111	\$4,000		
Mandatory Fringe Benefits			\$565	\$247	\$318					\$565	\$247	\$318		
			<i>Total Savings</i>		\$4,318					<i>Total Savings</i>		\$4,318		
	Reduce based on historical expenditures.							Ongoing reduction.						
BAG - Construction Management Services (1G AGF PWF)														
Overtime -Miscellaneous			\$153,160	\$30,000	\$123,160					\$153,160	\$30,000	\$123,160		
Mandatory Fringe Benefits			\$12,176	\$2,385	\$9,791					\$12,176	\$2,385	\$9,791		
			<i>Total Savings</i>		\$132,951					<i>Total Savings</i>		\$132,951		
	Reduce based on historical expenditures.							Ongoing reduction.						

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DPW - General Services Agency - Department of Public Works

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
BAM - Bureau of Architecture (1G AGF PWF)													
Overtime -Miscellaneous			\$124,634	\$50,634	\$74,000					\$124,634	\$50,634	\$74,000	
Mandatory Fringe Benefits			\$9,908	\$4,025	\$5,883					\$9,908	\$4,025	\$5,883	
	<i>Total Savings</i>				\$79,883	<i>Total Savings</i>				\$79,883			
	Reduce based on historical expenditures.							Ongoing reduction.					
1823C - Senior Administrative Analyst	2.0	1.8	\$0	\$0	\$0		x						
	The Department has requested 2 off-budget positions as interim exceptions. The B&LA recommends disapproval of the interim exceptions because these positions are not revenue generating or performing functions critical to the Department's programmatic needs. The BLA recommends a hire date of August 1, 2011 instead of July 1, 2011.												
BAM - Bureau of Architecture (2S PWF OHF)													
Overtime -Miscellaneous			\$4,962	\$2,962	\$2,000					\$4,962	\$2,962	\$2,000	
Mandatory Fringe Benefits			\$395	\$236	\$159					\$395	\$236	\$159	
	<i>Total Savings</i>				\$2,159	<i>Total Savings</i>				\$2,159			
	Reduce based on historical expenditures.							Ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DPW - General Services Agency - Department of Public Works

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
Air Travel-Employees			\$2,645	\$1,000	\$1,645					\$2,645	\$1,000	\$1,645	
	Reduce based on historical expenditures.							Ongoing reduction.					
Non-Air Travel-Employees			\$4,587	\$3,232	\$1,355					\$4,587	\$3,232	\$1,355	
	Reduce based on historical expenditures.							Ongoing reduction.					
BAR - Building Repair and Maintenance (1G AGF AAA)													
Services of Other Departments			\$203,332	\$185,732	\$17,600	x				\$203,432	\$185,832	\$17,600	
	Reduce budget for PUC Sewer Service Charges to reflect actual need of Department.							Ongoing reduction.					
BAR - Building Repair and Maintenance (1G AGF PWF)													
Overtime -Miscellaneous			\$238,619	\$200,619	\$38,000					\$238,619	\$200,619	\$38,000	
Mandatory Fringe Benefits			\$18,970	\$15,949	\$3,021					\$18,970	\$15,949	\$3,021	
	<i>Total Savings \$41,021</i>							<i>Total Savings \$41,021</i>					
	Reduce based on historical expenditures.							Ongoing reduction.					

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DPW - General Services Agency - Department of Public Works

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
0922C - Manager I	1.0	0.9	\$0	\$0	\$0		x						
7344C - Carpenter	1.0	0.9	\$0	\$0	\$0		x						
7347C - Plumber	1.0	0.9	\$0	\$0	\$0		x						
7378C - Tile Setter	2.0	1.8	\$0	\$0	\$0		x						
	The Department has requested 6 off-budget positions as interim exceptions. The B&LA recommends disapproval of the interim exceptions because these positions are not revenue generating or performing functions critical to the Department's programmatic needs. The BLA recommends a hire date of August 1, 2011 instead of July 1, 2011.												
BAR - Building Repair and Maintenance (2S PWF OHF)													
Equipment Purchase			\$20,805	\$14,060	\$6,745	x	x						
	Reduce amount budgeted for purchase of one Pipe Bender from \$20,805 to \$14,060 based on Department-supplied quote.												
Equipment Purchase			\$17,520	\$15,035	\$2,485	x	x						
	Reduce amount budgeted for purchase of one Cleat Former from \$17,520 to \$15,035 based on Department-supplied quote.												
Equipment Purchase			\$10,403	\$9,070	\$1,333	x	x						
	Reduce amount budgeted for purchase of one Radius Notcher from \$10,403 to \$9,070 based on Department-supplied quote.												

GF = General Fund

1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DPW - General Services Agency - Department of Public Works

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	
	From	To	From	To				From	To	From	To			
BAT - Street Use Management (1G AGF PWF)														
Overtime -Miscellaneous			\$52,692	\$12,692	\$40,000					\$52,692	\$12,692	\$40,000		
Mandatory Fringe Benefits			\$4,189	\$1,009	\$3,180					\$4,189	\$1,009	\$3,180		
	<i>Total Savings \$43,180</i>							<i>Total Savings \$43,180</i>						
	Reduce based on historical expenditures.							Ongoing reduction.						
BAZ - Street Environmental Services (1G AGF AAA)														
Professional and Specialized Services			\$380,510	\$355,510	\$25,000	x	x							
	Reduce Professional and Specialized Services by \$25,000 to remove funding for Neighborhood Greening Initiatives, because no contractor has been chosen and funding from FY 2010-11 has not been expended.													

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DPW - General Services Agency - Department of Public Works

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
DP/WP Equipment Maintenance			\$17,000	\$12,000	\$5,000	x			\$17,000	\$7,000	\$10,000	x	
	Reduce based on historical expenditures.							Ongoing reduction.					
BAZ - Street Environmental Services (1G AGF AAA)													
Services of Other Departments			\$600,000	\$400,000	\$200,000	x			\$600,000	\$400,000	\$200,000	x	
	Reduce work order to the Department of Environment by \$200,00 for the Community Corridors Apprenticeship Program based on the Department's needs.							Ongoing reduction.					
BAZ - Street Environmental Services (2S GTF GTN)													
Overtime -Miscellaneous			\$287,802	\$267,802	\$20,000				\$287,802	\$267,802	\$20,000		
Mandatory Fringe Benefits			\$22,880	\$21,290	\$1,590				\$22,880	\$21,290	\$1,590		
			<i>Total Savings</i>	\$21,590						<i>Total Savings</i>	\$21,590		
	Reduce based on historical expenditures.							Ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DPW - General Services Agency - Department of Public Works

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	
	From	To	From	To				From	To	From	To			
BAZ - Street Environmental Services (2S PWF OHF)														
Services of Other Departments			\$1,085,600	\$950,000	\$135,600	x				\$1,085,600	\$950,000	\$135,600	x	
	Reduce Services of Other Departments by \$135,600 to match funding for Workers Compensation with need of Department.							Ongoing reduction.						
BA1 - Urban Forestry (1G AGF PWF)														
Overtime - Miscellaneous			\$127,342	\$77,342	\$50,000					\$127,342	\$77,342	\$50,000		
Mandatory Fringe Benefits			\$10,123	\$6,148	\$3,975					\$10,123	\$6,148	\$3,975		
	<i>Total Savings \$53,975</i>							<i>Total Savings \$53,975</i>						
	Reduce based on historical expenditures.							Ongoing reduction.						
BA1 - Urban Forestry (2S GTF GTN)														
Services of Other Departments			\$568,600	\$539,000	\$29,600					\$648,300	\$618,700	\$29,600		
	Reduce PUC Water Charges to accurately reflect need of the Department.							Ongoing reduction.						

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DPW - General Services Agency - Department of Public Works

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	
	From	To	From	To				From	To	From	To			
BA2 - Street and Sewer Repair (2S PWF OHF)														
Training			\$8,000	\$5,000	\$3,000	x				\$8,000	\$5,000	\$3,000		
	Reduce based on historical expenditures.							Ongoing reduction.						

	FY 2011-2012 Total Recommended Reductions		
	One-Time	Ongoing	Total
General Fund Impact*	\$25,951	\$370,812	\$396,763
Non-General Fund Impact*	\$9,612	\$429,039	\$438,652
Total	\$35,563	\$799,852	\$835,415

	Estimated FY 2012-2013 Impact Total Recommended Reductions
General Fund Impact	\$345,600
Non-General Fund Impact	\$459,264
Total	\$804,864

*Note: The fund 2S PWF OHF is an overhead fund, of which Building Repair and Maintenance's portion consists of approximately 9% General Fund and 91% non-General Fund. The Bureau of Architecture and Engineering's funds within 2S PWF OHF consist of no General Fund monies.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DPW - General Services Agency - Public Works

Vendor Name	Subobject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
WEST BAY BUILDERS INC	CONSTRUCTION CONTRACTS	Yes	2007	<u>2/2/2007</u>	23,133.00	144,112.00
YEI ENGINEERS INC	ENGINEERING SERVICES	Yes	<u>2007</u>	11/15/2007	62,006.00	6,048.49
PAULETT TAGGART ARCHITECTS	ARCHITECTURAL SERVICES	No	<u>2007</u>	2/20/2008	57,350.00	4,188.02
NBA ENGINEERING INC/DON TODD ASSOC INC J	ARCHITECTURAL SERVICES	No	<u>2007</u>	8/28/2007	9,050.00	2,894.53
TOM ELIOT FISCH	ARCHITECTURAL SERVICES	No	<u>2007</u>	10/23/2007	20,000.00	2.50
SYNERGY ENTERPRISES INC	ENVIRONMENTAL CONTRACTOR/CONSULTING SVC	No	2008	6/26/2008	2,800.00	<u>2,800.00</u>
					Total Amount Return to Fund Balance	\$160,045.54
					General Fund	\$150,160.49
					Non-General Fund	\$9,885.05

Note: The above encumbrance balances are from budget years prior to FY 2010-11. The Department has indicated that the balances of these encumbrances are no longer needed, therefore the balance can be returned to the General Fund.

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The Board of Supervisors proposed \$10,834,856 budget for FY 2011-12 is \$351,795 or 3.4 percent more than the original FY 2010-11 budget of \$10,483,061.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 62.70 FTEs, which is .69 FTEs more than the 62.01 FTEs in the original FY 2010-11 budget. This represents a 1.1 percent increase in FTEs from the original FY 2010-11 budget.

Revenue Changes

General Fund support for the Department, proposed to be \$10,276,989 in FY 2011-12, is an increase of \$299,178 or 3.0 percent more than the Board of Supervisors FY 2010-11 General Fund allocation of \$9,977,811. The Department’s non-General Fund revenues, proposed to be \$557,867 in FY 2011-12, represent an increase of \$52,617 or 10.4 percent more than the Department’s FY 2010-11 non-General Fund revenues of \$505,250.

RECOMMENDATIONS

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$33,583 in FY 2011-12. These reductions would still allow an increase of \$318,212 or 3.0 percent in the Department’s FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out \$31,649 of prior year General Fund encumbrances.

Together, these recommendations will result in \$65,232 savings to the City’s General Fund.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: BOS – BOARD OF SUPERVISORS

SUMMARY OF PROGRAM EXPENDITURES:

<u>Program</u>	<u>2010-2011 Budget</u>	<u>2011-2012 Proposed</u>	<u>Change From 2010-2011</u>	<u>Pct Change</u>
BOARD - LEGISLATIVE ANALYSIS	\$2,050,000	\$2,050,000	\$0	0.0%
BOARD OF SUPERVISOR	4,857,672	5,004,628	146,956	3.0%
CHILDREN'S BASELINE	159,683	170,182	10,499	6.6%
CLERK OF THE BOARD	3,414,876	3,610,046	195,170	5.7%
LOCAL AGENCY FORMATION	830	0	(830)	-100.0%
BOARD OF SUPERVISORS	\$10,483,061	\$10,834,856	\$351,795	3.4%

The Department's proposed FY 2011-12 budget has increased by \$351,795 largely due to:

- Increases of \$146,956 in the Board of Supervisors Program primarily because of mandated salary and related fringe benefit expenses.
- Increases of \$10,499 in the Children's Baseline Program because of mandated salary and fringe benefit expenses and increased copier costs.
- Increases of \$195,170 in the Clerk of the Board Program primarily because of annualization of substitution of positions from FY 2010-11, reduction in Attrition Savings and related mandated increases to fringe benefits.
- As shown in the Summary of Program Expenditures Table above, there are no funds included in the FY 2011-12 Department's budget for the Local Agency Formation Committee (LAFCO) because large appropriations from prior years are carried forward, including \$626,320 from FY 2010-11.

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 62.70 FTEs, which is 0.69 FTEs more than the 62.01 FTEs in the original FY 2010-11 budget. This represents a 1.1 percent change in FTEs from the original FY 2010-11 budget.

- The 0.69 FTE increase is primarily due to the reinstatement of the Management and Supervisory reductions agreed to in FY 2010-11 and minor reductions in Attrition Savings.

DEPARTMENT REVENUES:

Department revenues have increased by \$52,617 or 10.4 percent. General Fund support for the Department has increased by \$299,178 or 3.0 percent. The primary changes in the Department's FY 2011-12 revenues include:

- Increase of \$90,000 from Other General Government Charges from Assessment Appeals fees due to an increase in the number of Assessment Appeals that have been recently filed.
- Reduction of \$85,000 of General Unallocated Revenues, which is partially offset by new expenditure recoveries of \$28,322 from SFMTA and \$26,541 from the PUC for City annual membership fees.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: BOS – BOARD OF SUPERVISORS

FIVE YEAR FINANCIAL PLAN:

The Department anticipates only cost of living increases in its budget between FY 2011-12 and FY 2015-16.

Revenues

- The Board of Supervisors have a limited number of non-General Fund revenue sources, and over the past several years has increased Assessment Appeals fees, Planning appeal surcharges and increased recoveries from the PUC and SFMTA, and implemented City department recoveries for Board of Supervisors memberships, as appropriate. The Clerk of the Board will continue to monitor such fees and recoveries to allow for cost of living increases over the next five years.

Expenditures

- Continued increases in mandated salaries and related fringe benefit expenses, coupled with the rising costs of operating expenses, such as software licenses and IT replacement equipment, will continue to place financial pressure on the Department over the next five years. At the same time, the Department is being requested to provide additional services to the public, including additional Assessment Appeals and Sunshine Ordinance Task Force hearings and appeals.

Other Issues

In FY 2011-12, the Clerk of the Board will be required to absorb various additional 1492 Committee Clerk position responsibilities, including staffing for (a) a new Joint City and City College Select Committee, (b) additional subcommittees to the Public Utilities Commission Revenue Bond Oversight Committee, (c) Department of Elections Reapportionment Project, (d) new Proof of Mailing requirements, (e) new Public Notices and Proof of Notices requirements, (f) recopying legislation on more durable paper for official file, (g) administration of new process for monthly Mayoral appearances at the Board of Supervisors, and (h) new Ethics Commission Form requirements. In order to fulfill these additional requirements, the Clerk of the Board intends to fill one currently vacant 1492 Committee Clerk position in FY 2011-12.

As shown in the Summary of Expenditures Table above, the Board of Supervisors FY 2011-12 budget includes \$2,050,000, the same amount as in FY 2010-11, for Board – Legislative Analysis to provide Budget and Legislative Analyst services. The existing agreement between the Board of Supervisors and the Budget and Legislative Analyst extends from January 1, 2009 through December 31, 2011, and includes one two-year option to extend the agreement from January 1, 2012 through December 31, 2013. A motion (File 11-0494) is currently pending before the Budget and Finance Committee to exercise this final two-year option extending the agreement to provide Budget and Legislative Analyst services through December 31, 2013.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: BOS – BOARD OF SUPERVISORS

COMMENTS:

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$33,583 in FY 2011-12. All \$33,583, or 100 percent are General Fund reductions and ongoing reductions. These reductions would still allow an increase of \$318,212 or 3.0 percent in the Department’s FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out \$31,649 of prior year unexpended General Fund encumbrances.

Together, these recommendations will result in \$65,232 savings to the City’s General Fund.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

BOS - Board of Supervisors

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FAE - Clerk of the Board (1G AGF AAA)													
Advertising			\$81,583	\$48,000	\$33,583	x			\$81,583	\$48,000	\$33,583	x	
			<i>Total Savings</i>		\$33,583					<i>Total Savings</i>		\$33,583	
	<p>On March 29, 2011, the Board of Supervisors approved an ordinance (File 11-0117; Ordinance 59-11) amending the City's Administrative Code to permit summary public notices to be published in official newspapers to direct the public to the Department's website for further details. Based on this recently approved change in public noticing requirements, the average monthly advertising costs will be significantly reduced in FY 2011-12.</p>							Ongoing savings.					

	FY 2011-2012 Total Recommended Reductions		
	One-Time	Ongoing	Total
General Fund Impact	\$0	\$33,583	\$33,583
Non-General Fund Impact	\$0	\$0	\$0
Total	\$0	\$33,583	\$33,583

	Estimated FY 2012-2013 Impact Total Recommended Reductions
General Fund Impact	\$33,583
Non-General Fund Impact	\$0
Total	\$33,583

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

BOS - Board of Supervisors

Vendor Name	Subject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
DEPARTMENT OF TECHNOLOGY	IS-TIS-ISD SERVICES	Yes	2007	8/20/2010	\$3,000.00	\$6,933.40
MILLER OWEN & TROST	LEGAL SERVICES	Yes	2009	4/6/2011	100,000.00	3,914.75
DEPARTMENT OF PUBLIC WORKS	SR-DPW-BUILDING REPAIR	Yes	2010	4/6/2011	40,000.00	20,000.00
DEPARTMENT OF TECHNOLOGY	TIS-SFGTV SERVICES (AAO)	Yes	2010	6/24/2010	6,429.00	14.65
XTECH	DP/WP EQUIPMENT MAINT	Yes	2010	7/23/2010	3,000.00	1,095.14
CALIFORNIA NEWSPAPER SERVICE BUREAU INC	ADVERTISING	Yes	2010	4/15/2011	150,000.00	-562.87
STAPLES INC & SUBSIDIARIES	OTHER OFFICE SUPPLIES	Yes	2010	5/25/2010	500.00	254.00
Total Amount to be Returned to the General Fund						\$31,649.07

The above unexpended encumbrance balances are from budget years prior to FY 2010-11.

The Department has indicated that these unexpended encumbrances are no longer needed. Therefore the balance can be returned to the General Fund.

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The Mayor’s proposed \$14,397,291 budget for FY 2011-12 is \$329,957 or 2.3 percent more than the original FY 2010-11 budget of \$14,067,334.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 37.51 FTEs, which is 4.33 FTEs less than the 41.84 FTEs in the original FY 2010-11 budget. This represents a 10.3 percent reduction in FTEs from the original FY 2010-11 budget.

Revenue Changes

General Fund support for the Department, proposed to be \$4,726,486 in FY 2011-12, is a decrease of \$74,546 or 1.6 percent less than the Mayor’s FY 2010-11 General Fund allocation of \$4,801,032. The Department’s non-General Fund revenues, proposed to be \$9,670,805 in FY 2011-12, represent an increase of \$404,503 or 4.4 percent more than the Mayor’s FY 2010-11 non-General Fund revenues of \$9,266,302.

RECOMMENDATIONS

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$56,466 in FY 2011-12. These reductions would still allow an increase of \$273,491 or 1.9 percent in the Department’s FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out \$4,610 of prior year unexpended General Fund encumbrances to the General Fund.

Together, these recommendations would result in a total savings of \$61,076, including \$4,610 in savings to the General Fund.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: MYR – MAYOR

SUMMARY OF PROGRAM EXPENDITURES:

<u>Program</u>	<u>2010-2011 Budget</u>	<u>2011-2012 Proposed</u>	<u>Change From 2010-2011</u>	<u>Pct Change</u>
AFFORDABLE HOUSING	\$1,297,537	\$1,813,992	\$516,455	39.8%
CITY ADMINISTRATION	4,226,853	4,227,371	518	0.0%
COMMUNITY INVESTMENT	1,871,671	1,812,453	(59,218)	-3.2%
CRIMINAL JUSTICE	8,052	8,097	45	0.6%
HOMELESS SERVICES	4,927,627	5,063,967	136,340	2.8%
LEAD-BASED PAINT HAZARD CONTROL PROGRAM	0	0	0	N/A
NEIGHBORHOOD SERVICES	519,356	191,995	(327,361)	-63.0%
OTHER PROGRAMS	0	0	0	N/A
PUBLIC FINANCE	0	0	0	N/A
PUBLIC POLICY & FINANCE	1,216,238	1,279,416	63,178	5.2%
MAYOR	\$14,067,334	\$14,397,291	\$329,957	2.3%

The Mayor’s proposed FY 2011-12 budget would increase by \$329,957 largely due to:

- Increases of \$516,455 in the Affordable Housing Program including a (a) \$380,000 grant from the Federal Department of Housing and Urban Development (HUD) toward construction of a 76-unit affordable housing project for homeless veterans at 150 Otis Street, (b) \$100,000 for Professional Services to update the City’s Inclusionary Housing fee methodology, and (c) \$36,455 increased salary, related fringe benefits and operational support for the Inclusionary Housing Program.
- Increases of \$136,340 in the Homeless Services Program to pay for local operating subsidies for additional units of supportive housing for formerly homeless individuals and families.
- Increases of \$63,178 in the Public Policy and Finance Program because of increases in salaries, fringe benefit expenses and reductions in Attrition Savings.
- Offset by reductions of \$327,361 in the Neighborhood Services Program from the proposed deletion of three 0884 Mayoral Staff IV positions, effective September, 2011, or a total reduction of 2.19 FTE positions in FY 2011-12 as well as increased Attrition Savings from four other vacancies in the Neighborhood Services Program. The Mayor’s Office is proposing to consolidate the main functions of the Office of Neighborhood Services into the City’s 311 Call Center.

DEPARTMENT PERSONNEL SUMMARY:

The number of net operating full-time equivalent positions (FTE) budgeted for FY 2011-12 is 37.51 FTEs, which is 4.33 FTEs less than the 41.84 FTEs in the original FY 2010-11 budget. This represents 10.3 percent fewer FTEs from the original FY 2010-11 budget.

- As noted above, most of this reduction is in the Mayor’s Neighborhood Services Program, in which 2.19 FTE positions are being deleted and 1.93 FTE positions are being reduced through Attrition Savings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: MYR – MAYOR

DEPARTMENT REVENUES:

Department revenues have increased by \$404,503 or 4.4 percent. General Fund support for the Department has decreased by \$74,546 or 1.6 percent. Major changes in the Department's FY 2011-12 non-General Fund revenues include:

- Increase of (a) \$642,606 of revenue recovery from Health Services due to additional number of supportive housing units funded in FY 2011-12 (b) \$14,000 of Other non-operating revenue from housing loan administrative fees charged by the Mayor's Office of Housing and (c) \$380,000 in Federal grant funds from Housing and Urban Development (HUD) for the 150 Otis Street project, and (d) \$136,457 change in prior year fund balance for the Mayor's Office of Housing Inclusionary Housing Program.
- Offset by reduction of (a) \$506,266 of revenue recovery from Human Services Agency to reflect adjusted costs and Federal subsidies for the City's supportive housing program, and (b) \$213,966 of unallocated revenues to reflect reduction in Mayor's workorder expenditures and vacancies.

FIVE YEAR FINANCIAL PLAN:

The Department anticipates cost of living increases in its budget between FY 2011-12 and FY 2015-16.

Revenues

- Reductions in Federally funded grant programs that support the Mayor's Office of Housing's community development and housing programs are anticipated over the next five years, such that the Department is seeking to identify new potential grant funds and other revenue sources.
- Modest revenue receipts are anticipated to continue to be received from developer fees to support affordable housing projects.

Expenditures

- The increasing annual costs of employee fringe benefits are the major expenditure pressure on the Mayor's Office.
- In addition, given that there will be a change in Mayoral administration, there are likely to be other policy or programmatic changes that cannot be currently projected.

OTHER ISSUES

There are no new initiatives proposed in the FY 2011-12 Mayor's budget. However, the FY 2011-12 budget includes \$325,000 of General Fund revenues under General City Responsibility to cover potential new costs for the transition of a new Mayor, effective January of 2012. According to the Mayor's Office, the proposed \$325,000 is anticipated to cover administrative and staffing costs to enable the successor Mayor the flexibility needed to assemble their own Mayoral staff and allow a smooth transition of responsibilities.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: MYR – MAYOR

Section 11.24 of the proposed FY 2011-12 Administrative Provisions of the Annual Appropriation Ordinance specifies that “no sooner than January 10, 2012, and upon receipt of a plan that details proposed expenditures in the Mayor’s Transition Plan Project, the Controller shall transfer funding appropriated in FY 11-12 to the Mayor’s Office. Expenditures from this project shall be consistent with the City’s budget and appropriation practices and policies.”

The Budget and Legislative Analyst notes that (a) the plan that details proposed expenditures in the Mayor’s Transition Plan Project regarding how the proposed \$325,000 would be expended would not be subject to Board of Supervisors approval and (b) the proposed \$325,000 would cover costs from January through June of 2012, or approximately six months in FY 2011-12. To the extent that these costs are ongoing expenditures, such as salary and related fringe benefits, these costs would be annualized in the FY 2012-13 budget at approximately \$650,000 of General Fund expenses, subject to approval by the Board of Supervisors. Under the FY 2011-12 General City Responsibility budget, the Budget and Legislative Analyst recommends the reduction of \$25,000 of these General Fund revenues, and considers approval of the balance of \$300,000 to be a policy decision for the Board of Supervisors.

COMMENTS:

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$56,466 in FY 2011-12. Of these recommended reductions, none are General Fund reductions. These reductions would still allow an increase of \$273,491 or 1.9 percent in the Department’s FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out \$4,610 of prior year unexpended General Fund encumbrances to the General Fund.

Together, these recommendations would result in total savings of \$61,076, including \$4,610 in savings to the General Fund.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

MYR - Mayor

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FEA - City Administration (1G AGF WOF)													
Salaries - Misc.			\$666,793	\$626,793	\$40,000				\$666,793	\$626,793	\$40,000		
Mandatory Fringe Benefits			274,483	258,017	16,466				274,483	258,017	16,466		
Expenditure Recoveries - Unallocated			(\$366,773)	(\$310,307)	(\$56,466)				(\$366,773)	(\$310,307)	(\$56,466)		
			<i>Total Savings</i>		\$56,466				<i>Total Savings</i>		\$56,466		
	Savings in workorder funds due to projected vacancies and anticipated hiring of new staff after election of a new Mayor.												

	FY 2011-2012 Total Recommended Reductions		
	One-Time	Ongoing	Total
General Fund Impact	\$0	\$0	\$0
Non-General Fund Impact	\$0	\$56,466	\$56,466
Total	\$0	\$0	\$56,466

	Estimated FY 2012-2013 Impact Total Recommended Reductions
General Fund Impact	\$0
Non-General Fund Impact	\$56,466
Total	\$56,466

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

MYR - Mayor

Vendor Name	Subobject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
XEROX CORPORATION	COPY MACHINE	Yes	2003	3/28/2003	\$696.00	\$360.00
REGENCY	OTHER CURRENT EXPENSES	Yes	2003	6/25/2003	4,000.00	1,410.39
OFFICE DEPOT	OTHER MATERIALS & SUPPLIES	Yes	2007	10/4/2006	1,419.18	0.18
PUBLIC UTILITIES COMMISSION	EF-PUC-WATER	Yes	2010	8/12/2010	5,000.00	1.00
DEPARTMENT OF TECHNOLOGY	TIS-SFGTV SERVICES (AAO)	Yes	2010	8/12/2010	10,000.00	2,371.25
PATRICK & CO	OTHER OFFICE SUPPLIES	Yes	2010	9/16/2010	280.00	34.86
PATRICK & CO	OTHER OFFICE SUPPLIES	Yes	2010	9/16/2010	520.00	8.37
GRM INFORMATION MANAGEMENT SERVICES	OTHER CURRENT EXPENSES	Yes	2010	9/9/2010	300.00	424.16
Total Amount to be Returned to the General Fund						\$4,610.21

The above unexpended encumbrance balances are from budget years prior to FY 2010-11.

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BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The Department of Elections proposed \$15,374,577 budget for FY 2011-12 is \$5,603,767 or 57 percent more than the original FY 2010-11 budget of \$ 9,770,810.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 54.63 FTEs, which is 13.13 FTEs more than the 41.50 FTEs in the original FY 2010-11 budget. This represents 31.6 percent increase in FTEs from the original FY 2010-11 budget.

Revenue Changes

General Fund support for the Department, proposed to be \$14,899,847 in FY 2011-12, is an increase of \$9,802,554 or 192 percent more than the Department's FY 2010-11 General Fund allocation of \$5,097,293. The Department of Elections' non-General Fund revenues, proposed to be \$474,730 in FY 2011-12, represent a decrease of \$4,198,788 or 90 percent less than the Department's FY 2010-11 non-General Fund revenues of \$4,673,517.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$132,628 in FY 2011-12. These reductions would still allow an increase of \$5,471,139 or 56 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$23,575 to the General Fund.

Together, these recommendations will result in \$156,203 savings to the City's General Fund.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: REG - ELECTIONS

SUMMARY OF PROGRAM EXPENDITURES:

<u>Program</u>	<u>2010-2011 Budget</u>	<u>2011-2012 Proposed</u>	<u>Change From 2010-2011</u>	<u>Pct Change</u>
ELECTIONS	\$9,770,810	\$15,374,577	\$5,603,767	57.4%
ELECTIONS	\$9,770,810	\$15,374,577	\$5,603,767	57.4%

The Department's proposed FY 2011-12 budget would increase by \$5,603,767 primarily because:

- Only one election was conducted in FY 2010-11 and two elections are anticipated in FY 2011-12, resulting in significant increases in Temporary Salaries, Overtime expenses and Non-personnel expenditures, such as printing and mailing of ballots.
- The Department also plans to purchase a new automated ballot sorting machine at a cost of \$233,834 to sort and scan signatures on the returned vote-by-mail envelopes and electronically compare such ballot signatures to voter registration card signatures.

DEPARTMENT PERSONNEL SUMMARY:

The FY 2011-12 Budget includes an additional 13.13 FTEs that are Temporary positions. There are no layoffs and no new Permanent positions proposed in FY 2011-12.

DEPARTMENT REVENUES:

The Department's non-General Fund revenues have decreased by \$4,198,788 or 90 percent. General Fund support for the Department has increased by \$9,802,554 or 192 percent. The most significant changes in the Department's non-General Fund FY 2011-12 revenues include:

- Reduction of \$3,395,117 of State reimbursement funds from the May 19, 2009 election that were received in FY 2010-11. The Department does not anticipate receiving any State reimbursement of funds in FY 2011-12.
- Reduction of \$997,000 of revenues received in FY 2010-11 from the San Francisco Unified School District (SFUSD), San Francisco Community College District (SFCCD), Bay Area Rapid Transit (BART), San Francisco Transportation Authority and Retirement Service from providing election services to these non-City public agencies. These revenues will be partially offset by an estimated \$250,000 in FY 2011-12 from the SFUSD to pay for a SFUSD General Obligation bond anticipated for the November 2011 ballot.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: REG - ELECTIONS

FIVE YEAR FINANCIAL PLAN:

The Department anticipates 10 percent growth in its budget between FY 2011-12 and FY 2015-16.

Revenues

- In FY 2011-12, approximately 97 percent of the Department of Elections budget is funded with General Fund revenues. The Department anticipates fluctuating revenue recoveries ranging from approximately \$800,000 in FY 2012-13 and FY 2014-15 to less than \$100,000 in FY 2013-14 and FY 2015-16 from providing Election services to other public agencies, including the SFUSD, SFCCD, the City's Retirement System and the City's Health Services System.
- Other Department revenues, including candidate filing fees, paid ballot arguments and other general government charges are projected to be fairly stable ranging from \$101,000 to \$160,000 annually over the next five years.

Expenditures

- Department expenditures vary considerably depending on the number of elections held each year. In addition, the Department anticipates significant election-reform legislation over the next five years, requiring the implementation of new regulations and procedures, without generally providing funds to reimburse the Department for such costs.
- The Department currently leases Pier 48 from the Port at an annual cost of \$878,000 for storing Election voting equipment, supplies and materials. This lease expires in January of 2013, potentially requiring relocation and/or higher rental costs in the future.
- The Department has an existing agreement with Dominion Voting for the City's current voting system, at a cost of \$497,400 per election plus \$386,300 for annual maintenance and license fees. This four-year agreement extends from December 2007 through December 2011, and has two one-year options to extend, through December 2013. Therefore, at the latest, by 2013, the City must decide on whether to select a new voting system vendor, which may require significant additional funding. The contract award for a new voting system vendor would be subject to Board of Supervisors approval.

Other Issues

In 2009, the Department of Elections consolidated 150 polling sites, reducing the total number of polling locations from 561 to 411 for two elections. Only one election was held in FY 2010-2011, at which the Department increased the number of polling locations from 411 to 567, an increase of 156 sites, because State Elections Code does not permit polling consolidations for primary and general elections. In FY 2011-12, the Department anticipates holding two elections, a Municipal Election on November 8, 2011 and a Presidential Primary Election on June 5, 2012. Therefore, in accordance with the State Elections Code, the Department will consolidate polling locations from 567 to 410, a reduction of 157 locations, or 28 percent for the Municipal November 2011 election, but then again increase the number of polling locations back to 567 for the June 2012 Primary election.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: REG - ELECTIONS

The Department has included \$220,000 in FY 2011-12 to fund a Reapportionment Project, which includes 0.5 FTE support staff, redistricting consulting services, software and outreach expenses. Under this Reapportionment Project, in accordance with Charter Section 13.110(d), nine Election Task Force members, with three members appointed by the Mayor, three members appointed by the Board of Supervisors and three members appointed by the Elections Commission, will work with City staff and outside consultants to hold multiple community hearings in order to redraw the 11 Supervisorial District lines to comply with Federal, State and local requirements. In accordance with the City's Charter, the Election Task Force must complete this Reapportionment Project by April 15, 2012, which is not subject to approval or ratification of any other government body, such that the City Attorney is then responsible for updating the descriptions of each district boundaries in the City's Charter.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$132,628 in FY 2011-12. The entire \$132,628 or 100 percent are General Fund reductions. These reductions would still allow an increase of \$5,471,139 or 56 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year General Fund unexpended encumbrances, which would allow the return of \$23,575 to the General Fund.

Together, these recommendations will result in \$156,203 savings to the City's General Fund.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

REG - Elections

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FCH - Elections (1G AGF AAA)													
Vehicle Rentals			\$117,826	\$107,364	\$10,462	x	x						
			<i>Total Savings</i>		\$0					<i>Total Savings</i>		\$0	
	Department budgeted \$56,724 for rental of vehicles for one election with 576 polling locations in FY 2010-11. The recommended reduction will provide the Department with \$107,364 or \$50,640 more than in FY 2010-11 to conduct two elections in FY 2011-12. However one of the elections will only require 411 polling locations, such that the recommended reduction will provide sufficient funds.							Only one Consolidated General election anticipated in FY 2012-13 on November 6, 2012, such that there are anticipated to be reduced overall costs for the Department of Elections, and rental of vehicles in FY 2012-13.					
Other Office Supplies			\$162,426	\$122,426	\$40,000	x	x						\$0
			<i>Total Savings</i>		\$40,000					<i>Total Savings</i>		\$0	
	Department budgeted \$53,969 for Other Office Supplies in FY 2010-11. The recommended reduction will provide the Department with \$122,426, which will allow for sufficient Other Office Supplies purchases for two elections in FY 2011-12.							Only one Consolidated General election anticipated in FY 2012-13 on November 6, 2012, such that there are anticipated to be reduced overall costs for the Department of Elections in FY 2012-13, including Other Office Supplies.					
Sheriff			\$434,000	\$351,834	\$82,166	x	x						
	The Department budgeted \$180,418 for the Sheriff to provide security services for one election in FY 2010-11. The recommended reduction will enable the Sheriff's Department to expend \$351,834 for security services for two elections. However, in FY 2011-12, one of the elections will have the same number of polling locations as in FY 2010-11 and one election will have 28 fewer polling locations, which will provide salary savings for the Sheriff and the Department of Elections.							Only one Consolidated General election anticipated in FY 2012-13 on November 6, 2012, such that there are anticipated to be reduced overall costs for the Department of Elections in FY 2012-13, including Sheriff expenses.					

	FY 2011-2012 Total Recommended Reductions		
	One-Time	Ongoing	Total
General Fund Impact	\$132,628	\$0	\$132,628
Non-General Fund Impact	\$0	\$0	\$0
Total	\$132,628	\$0	\$132,628

	Estimated FY 2012-2013 Impact Total Recommended Reductions
General Fund Impact	\$0
Non-General Fund Impact	\$0
Total	\$0

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

REG - Elections

Vendor Name	Subsubject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
DEPARTMENT OF TECHNOLOGY	IS-TIS-ISD SERVICES	Yes	2009	8/5/2009	27,648.00	23,032.88
RICOH-REPRODUCTION STORE	REPRODUCTION COPIER STORE PROGRAM	Yes	2010	3/23/2011	5,482.87	542.58
Total Amount to be Returned to the General Fund						\$23,575.46

The above unexpended encumbrance balances are from budget years prior to FY 2010-11.

The Department has indicated that these unexpended encumbrances are no longer needed, therefore the balance can be returned to the General Fund.