

1 Note: Additions are *single-underline italics Times New Roman*;
2 deletions are ~~*strikethrough italics Times New Roman*~~.
3 Board amendment additions are double underlined.
4 Board amendment deletions are ~~strikethrough normal~~.

4 BE IT ORDAINED BY THE PEOPLE OF THE CITY AND COUNTY OF SAN FRANCISCO.

5
6 **SECTION 3. General Authority.**

7 The Controller is hereby authorized and directed to set up appropriate accounts for the
8 items of receipts and expenditures appropriated herein.

9
10 **SECTION 3.1 Two-Year Budget.**

11 For departments for which the Board of Supervisors has authorized, or the Charter requires,
12 a fixed two-year budget, appropriations in this ordinance shall be available for allotment by
13 the Controller on July 1st of the fiscal year in which appropriations have been approved.

14 The Controller is authorized to adjust the two-year budget to reflect transfers and
15 substitutions consistent with City's policies and restrictions for such transfers. The Controller
16 is further authorized to make adjustments to the second year budgets consistent with
17 Citywide estimates for salaries, fringe benefits, and work orders.

18
19 **SECTION 4. Interim Budget Provisions.**

20 All funds for equipment and new capital improvements shall be held in reserve until final
21 action by the Board of Supervisors. No new equipment or capital improvements shall be
22 authorized during the interim period other than equipment or capital improvements that, in
23 the discretion of the Controller, is reasonably required for the continued operation of existing
24 programs or projects previously approved by the Board of Supervisors. Authorization for the
25 purchase of such equipment may be approved by the Board of Supervisors.

1 During the period of the interim annual appropriation ordinance and interim annual salary
2 ordinance, no transfer of funds within a department shall be permitted without approval of
3 the Controller, Mayor's Budget Director and the Chair of the Budget and Finance
4 Committee.

5
6 When the Budget and Finance Committee or Budget and Appropriations Committee
7 reserves selected expenditure items pending receipt of additional information from
8 departments, upon receipt of the required information to the satisfaction of that committee,
9 the Controller may release the previously reserved funds with no further action required by
10 the Board of Supervisors.

11
12 If the Budget and Finance Committee or Budget and Appropriations Committee
13 recommends a budget that increases funding that was deleted in the Mayor's Budget, the
14 Controller shall have the authority to continue to pay these expenses until final passage of
15 the budget by the Board of Supervisors, and approval of the budget by the Mayor.

16
17 **SECTION 4.1 Interim Budget – Positions.**

18 No new position may be filled in the interim period with the exception of those positions
19 which in the discretion of the Controller are critical for the operation of existing programs or
20 for projects previously approved by the Board of Supervisors or are required for emergency
21 operations or where such positions would result in a net increase in revenues or where such
22 positions are required to comply with law. New positions shall be defined as those positions
23 that are enumerated in the Mayor's budget for the current fiscal year but were not
24 enumerated in the appropriation and salary ordinances for the prior fiscal year, as amended,
25 through June 30 of the prior fiscal year. In the event the Mayor has approved the
reclassification of a position in the department's budget for the current fiscal year, the

1 Controller shall process a temporary or "tx" requisition at the request of the department and
2 subject to approval of the Human Resources Director. Such action will allow for the
3 continued employment of the incumbent in his or her former position pending action by the
4 Board of Supervisors on the proposed reclassifications.

5
6 If the Budget and Finance Committee or Budget and Appropriations Committee of the Board
7 of Supervisors recommends a budget that reinstates positions that were deleted in the
8 Mayor's Budget, the Controller and the Human Resources Director shall have the authority
9 to continue to employ and pay the salaries of the reinstated positions until final passage of
10 the budget by the Board of Supervisors, and approval of the budget by the Mayor.

11
12 **SECTION 5. Transfers of Functions and Duties.**

13 Where revenues for any fund or department are herein provided by transfer from any other
14 fund or department, or where a duty or a performance has been transferred from one
15 department to another, the Controller is authorized and directed to make the related transfer
16 of funds, provided further, that where revenues for any fund or department are herein
17 provided by transfer from any other fund or department in consideration of departmental
18 services to be rendered, in no event shall such transfer of revenue be made in excess of the
19 actual cost of such service.

20
21 Where a duty or performance has been transferred from one department to another or
22 departmental reorganization is effected as provided in the Charter, in addition to any
23 required transfer of funds, the Controller and Human Resources Director are authorized to
24 make any personnel transfers or reassignments between the affected departments and
25 appointing officers at a mutually convenient time, not to exceed 100 days from the effective
date of the ordinance transferring the duty or function. The Controller, the Human

1 Resources Director and Clerk of the Board of Supervisors, with assistance of the City
2 Attorney, are hereby authorized and directed to make such changes as may be necessary
3 to conform all applicable ordinances to reflect said reorganization, transfer of duty or
4 performance between departments.

5
6 **SECTION 5.1 Agencies Organized under One Department.**

7 Where one or more offices or agencies are organized under a single appointing officer or
8 department head, the component units can continue to be shown as separate agencies for
9 budgeting and accounting purposes to facilitate reporting. However, the entity shall be
10 considered a single department for purposes of employee assignment and seniority,
11 position transfers, and transfers of monies among funds within the department, and
12 reappropriation of funds.

13
14 **SECTION 5.2 Continuing Funds Appropriated.**

15 In addition to the amount provided from taxes, the Controller shall make available for
16 expenditure the amount of actual receipts from special funds whose receipts are
17 continuously appropriated as provided in the Municipal Codes.

18
19
20 **SECTION 5.3 Multi-Year Revenues.**

21 In connection with money received in one fiscal year for departmental services to be
22 performed in a subsequent year, the Controller is authorized to establish an account for
23 depositing revenues which are applicable to the ensuing fiscal year, said revenue shall be
24 carried forward and become a part of the funds available for appropriation in said ensuing
25 fiscal year.

1 **SECTION 5.4 Contracting Funds.**

2 All money received in connection with contracts under which a portion of the moneys
3 received is to be paid to the contractors and the remainder of the moneys received inures to
4 the City and County shall be deposited in the Treasury.

5
6 (a) That portion of the money received that under the terms of the contract inures to
7 the City and County shall be deposited to the credit of the appropriate fund.

8
9 (b) That portion of the money received that under the terms of the contracts is to be
10 paid to the contractor shall be deposited in special accounts and is hereby
11 appropriated for said purposes.

12
13 **SECTION 5.5 Real Estate Services.**

14 Rents received from properties acquired or held in trust for specific purposes are hereby
15 appropriated to the extent necessary for maintenance of said properties, including services
16 of the General Services Agency.

17
18 Moneys received from lessees, tenants or operators of City-owned property for the specific
19 purpose of real estate services relative to such leases or operating agreements are hereby
20 appropriated to the extent necessary to provide such services.

21
22 **SECTION 5.6 Collection Services.**

23 In any contracts for the collection of unpaid bills for services rendered to clients, patients or
24 both by the Department of Public Health in which said unpaid bills have not become
25 delinquent pursuant to the provisions of Administrative Code Section 10.37 and 10.38, the
Controller is hereby authorized to adjust the estimated revenues and expenditures of the

1 various divisions and institutions of the Department of Public Health to record such
2 recoveries. Any percentage of the amounts, not to exceed 25 percent, recovered from such
3 unpaid bills by a contractor is hereby appropriated to pay the costs of said contract. The
4 Controller is authorized and is hereby directed to establish appropriate accounts to record
5 total collections and contract payments relating to such unpaid bills.

6
7 **SECTION 5.7 Contract Amounts Based on Savings.**

8 When the terms of a contract provide for payment amounts to be determined by a
9 percentage of cost savings or previously unrecognized revenues, such amounts as are
10 actually realized from either said cost savings or unrecognized revenues are hereby
11 appropriated to the extent necessary to pay contract amounts due. The Controller is
12 authorized and is hereby directed to establish appropriate accounts to record such
13 transactions.

14
15 **SECTION 5.8 Collection and Legal Services.**

16 In any contracts between the City Attorney's Office and outside counsel for legal services in
17 connection with the prosecution of actions filed on behalf of the City or for assistance in the
18 prosecution of actions that the City Attorney files in the name of the People, where the fee
19 to outside counsel is contingent on the recovery of a judgment or other monies by the City
20 through such action, the Controller is hereby authorized to adjust the estimated revenues
21 and expenditures of the City Attorney's Office to record such recoveries. A percentage of
22 such recoveries, not to exceed 25 percent plus the amount of any out-of-pocket costs the
23 Controller determines were actually incurred to prosecute such action, is hereby
24 appropriated from the amount of such recoveries to pay the contingent fee due to such
25 outside counsel under said contract and any costs incurred by the City or outside counsel in
prosecuting the action. The Controller is authorized and hereby directed to establish

1 appropriate accounts to record total collections and contingent fee and cost payments
2 relating to such actions. The City Attorney as verified by the Controller shall report to the
3 Board of Supervisors annually on the collections and costs incurred under this provision,
4 including the case name, amount of judgment, the fund which the judgment was deposited,
5 and the total cost of and funding source for the legal action.

6
7 **SECTION 6. Bond Interest and Redemption.**

8 In the event that estimated receipts from other than utility revenues, but including amounts
9 from ad-valorem taxes, shall exceed the actual requirements for bond interest and
10 redemption, said excess shall be transferred to a General Bond Interest and Redemption
11 Reserve account. The Bond Interest and Redemption Reserve is hereby appropriated to
12 meet debt service requirements including printing of bonds, cost of bond rating services and
13 the legal opinions approving the validity of bonds authorized to be sold not otherwise
14 provided for herein.

15
16 Issuance, legal and financial advisory service costs, including the reimbursement of
17 departmental services in connection therewith, for debt instruments issued by the City and
18 County, to the extent approved by the Board of Supervisors in authorizing the debt, may be
19 paid from the proceeds of such debt and are hereby appropriated for said purposes.

20
21 **SECTION 7. Allotment Controls.**

22 Since several items of expenditures herein appropriated are based on estimated receipts,
23 income or revenues which may not be fully realized, it shall be incumbent upon the
24 Controller to establish a schedule of allotments, of such duration as the Controller may
25 determine, under which the sums appropriated to the several departments shall be
expended. The Controller shall revise such revenue estimates periodically. If such revised

1 estimates indicate a shortage, the Controller shall hold in reserve an equivalent amount of
2 the corresponding expenditure appropriations set forth herein until the collection of the
3 amounts as originally estimated is assured, and in all cases where it is provided by the
4 Charter that a specified or minimum tax shall be levied for any department the amount of
5 appropriation herein provided derived from taxes shall not exceed the amount actually
6 produced by the levy made for such department.

7
8 The Controller in issuing payments or in certifying contracts, purchase orders or other
9 encumbrances pursuant to Section 3.105 of the Charter, shall consider only the allotted
10 portions of appropriation items to be available for encumbrance or expenditure and shall not
11 approve the incurring of liability under any allotment in excess of the amount of such
12 allotment. In case of emergency or unusual circumstances which could not be anticipated at
13 the time of allotment, an additional allotment for a period may be made on the
14 recommendation of the department head and the approval of the Controller. After the
15 allotment schedule has been established or fixed, as heretofore provided, it shall be
16 unlawful for any department or officer to expend or cause to be expended a sum greater
17 than the amount set forth for the particular activity in the allotment schedule so established,
18 unless an additional allotment is made, as herein provided.

19
20 Allotments, liabilities incurred and expenditures made under expenditure appropriations
21 herein enumerated shall in no case exceed the amount of each such appropriation, unless
22 the same shall have been increased by transfers or supplemental appropriations made in
23 the manner provided by Section 9.105 of the Charter.

24
25 **SECTION 7.1 Prior Year Encumbrances.**

The Controller is hereby authorized to establish reserves for the purpose of providing funds

1 for adjustments in connection with liquidation of encumbrances and other obligations of prior
2 years.

3
4 **SECTION 7.2 Equipment Purchases.**

5 Funds for the purchase of items of equipment having a significant value of over \$5,000 and
6 a useful life of three years and over shall only be purchased from appropriations specifically
7 provided for equipment or lease-purchased equipment, including equipment from capital
8 projects. Departments may purchase additional or replacement equipment from previous
9 equipment or lease-purchase appropriations, or from citywide equipment and other non-
10 salary appropriations, with approval of the Mayor's Office and the Controller.

11
12 Where appropriations are made herein for the purpose of replacing automotive and other
13 equipment, the equipment replaced shall be surrendered to the General Services Agency
14 and shall be withdrawn from service on or before delivery to departments of the new
15 automotive equipment. When the replaced equipment is sold, in lieu of being traded-in, the
16 proceeds shall be deposited to a revenue account of the related fund. Provided, however,
17 that so much of said proceeds as may be required to affect the purchase of the new
18 equipment is hereby appropriated for the purpose. Funds herein appropriated for
19 automotive equipment shall not be used to buy a replacement of any automobile superior in
20 class to the one being replaced unless it has been specifically authorized by the Board of
21 Supervisors in the making of the original appropriation.

22
23 Appropriations of equipment from current funds shall be construed to be annual
24 appropriations and unencumbered balances shall lapse at the close of the fiscal year.

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SECTION 7.3 Enterprise Deficits.

Funds appropriated herein to meet estimated enterprise deficits shall be made available to each such enterprise only to the extent that an actual deficit shall exist and not to exceed the amount herein provided. Any amount not required for the purpose of meeting an enterprise fund deficit shall be transferred back to the General Fund at the end of each fiscal year unless otherwise appropriated by ordinance.

SECTION 8. Expenditure Estimates.

Where appropriations are made for specific projects or purposes which may involve the payment of salaries or wages, the head of the department to which such appropriations are made, or the head of the department authorized by contract or interdepartmental order to make expenditures from each such appropriation, shall file with the Controller, when requested, an estimate of the amount of any such expenditures to be made during the ensuing period.

SECTION 8.1 State and Federal Funds.

The Controller is authorized to increase Federal and State funds that may be claimed due to new General Fund expenditures appropriated by the Board of Supervisors. The Human Resources Director is authorized to add civil service positions required to implement the programs authorized by these funds. The Controller and the Human Resources Director shall report to the Board of Supervisors any actions taken under this authorization before the Board acts on the Annual Appropriation and Annual Salary Ordinances.

SECTION 8.2 State and Federal Funding Restorations.

If additional State or Federal funds are allocated to the City and County of San Francisco to

1 backfill State reductions, the Controller shall backfill any funds appropriated to any program
2 to the General Reserve.

3
4 **SECTION 8.3 Process for Addressing General Fund Revenue Shortfalls**

5 Upon receiving Controller estimates of revenue shortfalls that exceed the value of the
6 General Reserve and any other allowances for revenue shortfalls in the adopted City
7 budget, the Mayor shall inform the Board of Supervisors of actions to address this shortfall.
8 The Board of Supervisors may adopt an ordinance to reflect the Mayor's proposal or
9 alternative proposals in order to balance the budget.

10
11 **SECTION 9. Interdepartmental Services.**

12 The Controller is hereby authorized and directed to prescribe the method to be used in
13 making payments for interdepartmental services in accordance with the provisions of
14 Section 3.105 of the Charter, and to provide for the establishment of interdepartmental
15 reserves which may be required to pay for future obligations which result from current
16 performances. Whenever in the judgment of the Controller, the amounts which have been
17 set aside for such purposes are no longer required or are in excess of the amount which is
18 then currently estimated to be required, the Controller shall transfer the amount no longer
19 required to the fund balance of the particular fund of which the reserve is a part. Provided
20 further that no expenditure shall be made for personnel services, rent, equipment and
21 capital outlay purposes from any interdepartmental reserve or work order fund without
22 specific appropriation by the Board of Supervisors.

23
24 The amount detailed in departmental budgets for services of other City departments cannot
25 be transferred to other spending categories without prior agreement from both the
requesting and performing departments.

1
2 The Controller, pursuant to the provisions of Charter Section 3.105, shall review and may
3 adjust charges or fees for services that may be authorized by the Board of Supervisors for
4 the administration of the Technology Marketplace. Such fees are hereby appropriated for
5 that purpose.

6
7 **SECTION 10. Positions in the City Service.**

8 Department heads shall not make appointments to any office or position until the Controller
9 shall certify that funds are available.

10
11 Funds provided herein for salaries or wages may, with the approval of the Controller, be
12 used to provide for temporary employment when it becomes necessary to replace the
13 occupant of a position while on extended leave without pay, or for the temporary filling of a
14 vacancy in a budgeted position. The Controller is authorized to approve the use of existing
15 salary appropriations within departments to fund permanent appointments of up to six
16 months to backfill anticipated vacancies to ensure implementation of successful succession
17 plans and to facilitate the transfer of mission critical knowledge. The Controller shall provide
18 a report to the Board of Supervisors every six months enumerating permanent positions
19 created under this authority.

20
21 Appointments to seasonal or temporary positions shall not exceed the term for which the
22 Controller has certified the availability of funds.

23
24 The Controller shall be immediately notified of a vacancy occurring in any position.

25
SECTION 10.1 Positions, Funds, and Transfers for Specific Purposes.

1 Funds for personnel services may be transferred from any legally available source on the
2 recommendation of the department head and approval by the City Administrator, Board or
3 Commission, for departments under their respective jurisdiction, and on authorization of the
4 Controller with the prior approval of the Human Resources Director for:

5
6 (a) Lump sum payments to officers, employees, police officers and fire fighters
7 other than elective officers and members of boards and commissions upon death or
8 retirement or separation caused by industrial accident for accumulated sick leave
9 benefits in accordance with Civil Service Commission rules.

10
11 (b) Payment of the supervisory differential adjustment, out of class pay or other
12 negotiated premium to employees who qualify for such adjustment provided that the
13 transfer of funds must be made from funds currently available in departmental
14 personnel service appropriations.

15
16 (c) Payment of any legal salary or fringe benefit obligations of the City and County
17 including amounts required to fund arbitration awards.

18
19 (d) The Controller is hereby authorized to adjust salary appropriations for
20 positions administratively reclassified or temporarily exchanged by the Human
21 Resources Director provided that the reclassified position and the former position are
22 in the same functional area.

23
24 (e) Positions may be substituted or exchanged between the various salary
25 appropriations or position classifications when approved by the Human Resources
Director as long as said transfers do not increase total departmental personnel

1 service appropriations.

2
3 (f) The Controller is hereby authorized and directed upon the request of a
4 department head and the approval by the Mayor's Office to transfer from any legally
5 available funds amounts needed to fund legally mandated salaries, fringe benefits
6 and other costs of City employees. Such funds are hereby appropriated for the
7 purpose set forth herein.

8
9 (g) The Controller is hereby authorized to transfer any legally available funds to
10 adjust salary and fringe benefit appropriations as required under reclassifications
11 recommended by the Human Resources Director and approved by the Board of
12 Supervisors in implementing the Management Compensation and Classification Plan.

13
14 Amounts transferred shall not exceed the actual amount required including the cost
15 to the City and County of mandatory fringe benefits.

16
17 (h) Pursuant to California Labor Code Section 4850.4, the Controller is authorized
18 to make advance payments from departments' salary accounts to employees
19 participating in CalPERS who apply for disability retirement. Repayment of these
20 advanced disability retirement payments from CalPERS and from employees are
21 hereby appropriated to the departments' salary account.

22
23 (i) For purposes of defining terms in Administrative Code Section 3.18, the
24 Controller is authorized to process transfers where such transfers are required to
25 administer the budget through the following certification process: In cases where
expenditures are reduced at the level of appropriation control during the Board of

1 Supervisors phase of the budget process, the Chair of the Budget and Finance
2 Committee, on recommendation of the Controller, may certify that such a reduction
3 does not reflect a deliberate policy reduction adopted by the Board. The Mayor's
4 Budget Director may similarly provide such a certification regarding reductions during
5 the Mayor's phase of the budget process.
6

7 **SECTION 10.2 Professional Services Contracts.**

8 Funds appropriated for professional service contracts may be transferred to the account for
9 salaries on the recommendation of the department head for the specific purpose of using
10 City personnel in lieu of private contractors with the approval of the Human Resources
11 Director and the Mayor and the certification by the Controller that such transfer of funds
12 would not increase the cost of government.
13
14

15 **SECTION 10.3 Surety Bond Fund Administration.**

16 The Controller is hereby authorized to allocate funds from capital project appropriations to
17 the San Francisco Self-Insurance Surety Bond Fund, as governed by Administrative Code
18 Section 10.100-317 and in accordance with amounts determined pursuant to Administrative
19 Code Section 14B.16.
20

21 **SECTION 10.4 Salary Adjustments, Memoranda of Understanding (MOUs).**

22 The Controller is authorized and directed to transfer from the Salary and Benefits Reserve,
23 or any legally available funds, amounts necessary to adjust appropriations for salaries and
24 related mandatory fringe benefits of employees whose compensation is pursuant to Charter
25 Sections A8.403 (Registered Nurses), A8.404 (Transit Operators), A8.409 (Miscellaneous

1 Employees), A8.405 and A8.590-1 through A8.590-5 (Police and Firefighters), revisions to
2 State Law, and/or collective bargaining agreements adopted pursuant to the Charter or
3 arbitration award. The Controller and Human Resources Director are further authorized and
4 directed to adjust the rates of compensation to reflect current pay rates for any positions
5 affected by the foregoing provisions.

6
7 Adjustments made pursuant to this section shall reflect only the percentage increase
8 required to adjust appropriations to reflect revised salary and premium pay requirements
9 above the funding level established in the adopted budget of the respective departments.

10
11 The Controller is authorized and directed to transfer from reserves or any legally available
12 funds amounts necessary to provide costs of non-salary benefits in ratified Memoranda of
13 Understanding or arbitration awards. The Controller's Office shall report to the Budget and
14 Finance Committee or Budget and Appropriations Committee on the status of the Salary
15 and Benefits Reserve, including amounts transferred to individual City departments and
16 remaining Reserve balances, as part of the Controller's Six and Nine Month Budget Status
17 Reports.

18
19 **SECTION 10.5 MOUs to be Reflected in Department Budgets.**

20 Should the City and County adopt an MOU with a recognized employee bargaining
21 organization during the fiscal year which has fiscal effects, the Controller is authorized and
22 directed to reflect the budgetary impact of said MOU in departmental appropriations by
23 transferring amounts to or from the Salary and Benefits Reserve, or, for self-supporting or
24 restricted funds, to or from the respective unappropriated fund balance account. All amounts
25 transferred pursuant to this section are hereby appropriated for the purpose.

1 **SECTION 10.6 Funding Memoranda of Understanding (MOUs).**

2 Whenever the Board of Supervisors has ratified by ordinance or resolution Memoranda of
3 Understanding with recognized employee organizations or an arbitration award has become
4 effective, and said memoranda or award contains provisions requiring the expenditure of
5 funds, the Controller, on the recommendation of the Human Resources Director, shall
6 reserve sufficient funds to comply with such provisions and such funds are hereby
7 appropriated for such purposes. The Controller is hereby authorized to make such transfers
8 from funds hereby reserved or legally available as may be required to make funds available
9 to departments to carry out the purposes required by the Memoranda of Understanding or
10 arbitration award.

11
12 **SECTION 10.7 Fringe Benefit Rate Adjustments.**

13 Appropriations herein made for fringe benefits may be adjusted by the Controller to reflect
14 revised amounts required to support adopted or required contribution rates. The Controller
15 is authorized and is hereby directed to transfer between departmental appropriations and
16 the General Reserve or other unappropriated balance of funds any amounts resulting from
17 adopted or required contribution rates and such amounts are hereby appropriated to said
18 accounts.

19
20 When the Controller determines that prepayment of the employer share of pension
21 contributions is likely to be fiscally advantageous, the Controller is authorized to adjust
22 appropriations and transfers in order to make and reconcile such prepayments.

23
24 **SECTION 10.8 Police Department Uniformed Positions.**

25 Positions in the Police Department for each of the various ranks that are filled based on the
educational attainment of individual officers may be filled interchangeably at any level within

1 the rank (e.g., Patrol Officer Q2, Q3 or Q4, Sergeant Q50, Q51, Q52). The Controller and
2 Human Resources Director are hereby authorized to adjust payrolls, salary ordinances and
3 other documents, where necessary, to reflect the current status of individual employees;
4 provided however, that nothing in this section shall authorize an increase in the total number
5 of positions allocated to any one rank or to the Police Department.

6
7 **SECTION 10.9 Holidays, Special Provisions.**

8 Whenever any day is declared to be a holiday by proclamation of the Mayor after such day
9 has heretofore been declared a holiday by the Governor of the State of California or the
10 President of the United States, the Controller, with the approval of the Mayor's Office, is
11 hereby authorized to make such transfer of funds not to exceed the actual cost of said
12 holiday from any legally available funds.

13
14 **SECTION 10.10 Litigation Reserve, Payments.**

15 The Controller is authorized and directed to transfer from the Reserve for Litigation Account
16 for General Fund supported departments or from any other legally available funds for other
17 funds, amounts required to make payments required to settle litigation against the City and
18 County of San Francisco that has been recommended by the City Attorney and approved by
19 the Board of Supervisors in the manner provided in the Charter. Such funds are hereby
20 appropriated for the purposes set forth herein.

21
22 Amounts required to pay settlements of claims or litigation involving the Public Utilities
23 Commission are hereby appropriated from the Public Utilities Commission Wastewater
24 Enterprise fund balance or the Public Utilities Commission Water Enterprise fund balance,
25 as appropriate, for the purpose of paying such settlements following final approval of those

1 settlements by resolution or ordinance.

2
3 **SECTION 10.11 Changes in Health Services Eligibility.**

4 Should the Board of Supervisors amend Administrative Code Section 16.700 to change the
5 eligibility in the City's Health Service System, the Controller is authorized and directed to
6 transfer from any legally available funds or the Salary and Fringe Reserve for the amount
7 necessary to provide health benefit coverage not already reflected in the departmental
8 budgets.

9
10 **Section 10.12 Workers' Compensation Alternative Dispute Resolution Program**

11 Resolutions 85-19 and 86-19 authorized the Department of Human Resources to enter
12 Workers' Compensation Alternative Dispute Resolution (ADR) Labor-Management
13 Agreements with the San Francisco Firefighters' Association, Local 798, and San Francisco
14 Police Officers Association, respectively. These Agreements require the City to allocate an
15 amount equal to 50% of the ADR program estimated net savings, as determined by
16 actuarial report, for the benefit of active employees. The Controller is authorized and
17 directed to transfer from any legally available funds the amount necessary to make the
18 required allocations.

19
20 **SECTION 11. Funds Received for Special Purposes, Trust Funds.**

21 The Controller is hereby authorized and directed to continue the existing special and trust
22 funds, revolving funds, and reserves and the receipts in and expenditures from each such
23 fund are hereby appropriated in accordance with law and the conditions under which each
24 such fund was established.

1 The Controller is hereby authorized and directed to set up additional special and trust funds
2 and reserves as may be created either by additional grants and bequests or under other
3 conditions, and the receipts in each fund are hereby appropriated in accordance with law for
4 the purposes and subject to the conditions under which each such fund was established.

5
6 **SECTION 11.1 Special and Trust Funds Appropriated.**

7 Whenever the City and County of San Francisco shall receive for a special purpose from the
8 United States of America, the State of California, or from any public or semi-public agency,
9 or from any private person, firm or corporation, any moneys, or property to be converted into
10 money, the Controller shall establish a special fund or account evidencing the said moneys
11 so received and specifying the special purposes for which they have been received and for
12 which they are held, which said account or fund shall be maintained by the Controller as
13 long as any portion of said moneys or property remains.

14
15 Recurring grant funds which are detailed in departmental budget submissions and approved
16 by the Mayor and Board of Supervisors in the annual budget shall be deemed to have met
17 the requirements of Administrative Code Section 10.170 for the approval to apply for,
18 receive and expend said funds and shall be construed to be funds received for a specific
19 purpose as set forth in this section. Positions specifically approved by granting agencies in
20 said grant awards may be filled as though said positions were included in the annual budget
21 and Annual Salary Ordinance, provided however that the tenure of such positions shall be
22 contingent on the continued receipt of said grant funds. Individual grants may be adjusted
23 by the Controller to reflect actual awards made if granting agencies increase or decrease
24 the grant award amounts estimated in budget submissions.

1 The expenditures necessary from said funds or said accounts as created herein, in order to
2 carry out the purpose for which said moneys or orders have been received or for which said
3 accounts are being maintained, shall be approved by the Controller and said expenditures
4 are hereby appropriated in accordance with the terms and conditions under which said
5 moneys or orders have been received by the City and County of San Francisco, and in
6 accordance with the conditions under which said funds are maintained.

7
8 The Controller is authorized to adjust transfers to the San Francisco Capital Planning Fund,
9 established by Administrative Code Section 10.100-286, to account for final capital project
10 planning expenditures reimbursed from approved sale of bonds and other long term
11 financing instruments.

12
13 **SECTION 11.2 Insurance Recoveries.**

14 Any moneys received by the City and County of San Francisco pursuant to the terms and
15 conditions of any insurance policy are hereby appropriated and made available to the
16 general city or specific departments for associated costs or claims.

17
18 **SECTION 11.3 Bond Premiums.**

19 Premiums received from the sale of bonds are hereby appropriated for bond interest and
20 redemption purposes of the issue upon which it was received.

21
22 **SECTION 11.4 Ballot Arguments.**

23 Receipts in and expenditures for payment for the printing of ballot arguments, are hereby
24 appropriated in accordance with law and the conditions under which this appropriation is
25 established.

1 **SECTION 11.5 Tenant Overtime.**

2 Whenever employees of departments are required to work overtime on account of services
3 required by renters, lessees or tenants of City-owned or occupied properties, or recipients of
4 services from City departments, the cost of such overtime employment shall be collected by
5 the departments from the requesters of said services and shall be deposited with the
6 Treasurer to the credit of departmental appropriations. All moneys deposited therein are
7 hereby appropriated for such purpose.

8
9 **SECTION 11.6 Refunds.**

10 The Controller is hereby authorized and directed to set up appropriations for refunding
11 amounts deposited in the Treasury in excess of amounts due, and the receipts and
12 expenditures from each are hereby appropriated in accordance with law. Where by State
13 statute, local ordinance or court order, interest is payable on amounts to be refunded, in the
14 absence of appropriation therefore, such interest is herewith appropriated from the
15 unappropriated interest fund or interest earnings of the fund involved. The Controller is
16 authorized, and funds are hereby appropriated, to refund overpayments and any mandated
17 interest or penalties from State, Federal and local agencies when audits or other financial
18 analyses determine that the City has received payments in excess of amounts due.

19
20 **SECTION 11.7 Arbitrage.**

21 The Controller is hereby authorized and directed to refund excess interest earnings on bond
22 proceeds (arbitrage) when such amounts have been determined to be due and payable
23 under applicable Internal Revenue Service regulations. Such arbitrage refunds shall be
24 charged in the various bond funds in which the arbitrage earnings were recorded and such
25 funds are hereby appropriated for the purpose.

1 **SECTION 11.8 Damage Recoveries.**

2 Moneys received as payment for damage to City-owned property and equipment are hereby
3 appropriated to the department concerned to pay the cost of repairing such equipment or
4 property. Moneys received as payment for liquidated damages in a City-funded project are
5 appropriated to the department incurring costs of repairing or abating the damages. Any
6 excess funds, and any amount received for damaged property or equipment which is not to
7 be repaired shall be credited to a related fund.

8
9 **SECTION 11.9 Purchasing Damage Recoveries.**

10 That portion of funds received pursuant to the provisions of Administrative Code Section
11 21.33 - failure to deliver article contracted for - as may be needed to affect the required
12 procurement are hereby appropriated for that purpose and the balance, if any, shall be
13 credited the related fund.

14
15 **SECTION 11.10 Off-Street Parking Guarantees.**

16 Whenever the Board of Supervisors has authorized the execution of agreements with
17 corporations for the construction of off-street parking and other facilities under which the
18 City and County of San Francisco guarantees the payment of the corporations' debt service
19 or other payments for operation of the facility, it shall be incumbent upon the Controller to
20 reserve from parking meter or other designated revenues sufficient funds to provide for such
21 guarantees. The Controller is hereby authorized to make payments as previously
22 guaranteed to the extent necessary and the reserves approved in each Annual
23 Appropriation Ordinance are hereby appropriated for the purpose. The Controller shall notify
24 the Board of Supervisors annually of any payments made pursuant to this Section.

1 **SECTION 11.11 Hotel Tax – Special Situations.**

2 The Controller is hereby authorized and directed to make such interfund transfers or other
3 adjustments as may be necessary to conform budget allocations to the requirements of the
4 agreements and indentures of the 1994 Lease Revenue and/or San Francisco
5 Redevelopment Agency Hotel Tax Revenue Bond issues.

6
7 **SECTION 11.12 Local Transportation Agency Fund.**

8 Local transportation funds are hereby appropriated pursuant to the Government Code.

9
10 **SECTION 11.13 Insurance.**

11 The Controller is hereby authorized to transfer to the Risk Manager any amounts indicated
12 in the budget estimate and appropriated hereby for the purchase of insurance or the
13 payment of insurance premiums.

14
15 **SECTION 11.14 Grants to Departments of Aging and Adult Services, Child Support
16 Services, and Homelessness and Supportive Housing**

17 The Department of Aging and Adult Services and the Department of Child Support Services
18 are authorized to receive and expend available federal and state contributions and grant
19 awards for their target populations. The Controller is hereby authorized and directed to
20 make the appropriate entries to reflect the receipt and expenditure of said grant award funds
21 and contributions. The Department of Homelessness and Supportive Housing is authorized
22 to apply surpluses among subgrants within master HUD grants to shortfalls in other
23 subgrants.

24

25

1 **SECTION 11.15 FEMA, OES, Other Reimbursements.**

2 Whenever the City and County recovers funds from any federal or state agency as
3 reimbursement for the cost of damages resulting from earthquakes and other disasters for
4 which the Mayor has declared a state of emergency, such funds are hereby appropriated for
5 the purpose. The Controller is authorized to transfer such funds to the credit of the
6 departmental appropriation which initially incurred the cost, or, if the fiscal year in which the
7 expenses were charged has ended, to the credit of the fund which incurred the expenses.
8 Revenues received from other governments as reimbursement for mutual aid provided by
9 City departments are hereby appropriated for services provided.

10
11 **SECTION 11.16 Interest on Grant Funds.**

12 Whenever the City and County earns interest on funds received from the State of California
13 or the federal government and said interest is specifically required to be expended for the
14 purpose for which the funds have been received, said interest is hereby appropriated in
15 accordance with the terms under which the principal is received and appropriated.

16
17 **SECTION 11.17 Treasurer – Banking Agreements.**

18 Whenever the Treasurer finds that it is in the best interest of the City and County to use
19 either a compensating balance or fee for service agreement to secure banking services that
20 benefit all participants of the pool, any funds necessary to be paid for such agreement are to
21 be charged against interest earnings and such funds are hereby appropriated for the
22 purpose.

23
24 The Treasurer may offset banking charges that benefit all participants of the investment pool
25 against interest earned by the pool. The Treasurer shall allocate other bank charges and

1 credit card processing to departments or pool participants that benefit from those services.
2 The Controller may transfer funds appropriated in the budget to General Fund departments
3 as necessary to support allocated charges.
4

5 **SECTION 11.18 City Buildings–Acquisition with Certificates of Participation (COPs).**

6 Receipts in and expenditures from accounts set up for the acquisition and operation of City-
7 owned buildings including, but not limited to 25 Van Ness Avenue and 1660 Mission Street,
8 are hereby appropriated for the purposes set forth in the various bond indentures through
9 which said properties were acquired.
10

11 **SECTION 11.19 Generally Accepted Principles of Financial Statement Presentation.**

12 The Controller is hereby authorized to make adjustments to departmental budgets as part of
13 the year-end closing process to conform amounts to the Charter provisions and generally
14 accepted principles of financial statement presentation, and to implement new accounting
15 standards issued by the Governmental Accounting Standards Board and other changes in
16 generally accepted accounting principles.
17

18 **SECTION 11.20 Fund Balance Reporting and Government Fund Type Definitions.**

19 The Controller is authorized to establish or adjust fund type definitions for restricted,
20 committed or assigned revenues and expenditures, in accordance with the requirements of
21 Governmental Accounting Standards Board Statement 54. These changes will be designed
22 to enhance the usefulness of fund balance information by providing clearer fund balance
23 classifications that can be more consistently applied and by clarifying the existing
24 governmental fund type definitions. Reclassification of funds shall be reviewed by the City's
25 outside auditors during their audit of the City's financial statements.

1 **SECTION 11.21 State Local Public Safety Fund.**

2 Amounts received from the State Local Public Safety Fund (Sales Taxes) for deposit to the
3 Public Safety Augmentation Fund shall be transferred to the General Fund for use in
4 meeting eligible costs of public safety as provided by State law and said funds are
5 appropriated for said purposes.

6
7 Said funds shall be allocated to support public safety department budgets, but not specific
8 appropriation accounts, and shall be deemed to be expended at a rate of 75% of eligible
9 departmental expenditures up to the full amount received. The Controller is hereby directed
10 to establish procedures to comply with state reporting requirements.

11
12 **SECTION 11.23 Affordable Housing Loan Repayments and Interest Earnings.**

13 Loan repayments, proceeds of property sales in cases of defaulted loans, and interest
14 earnings in special revenue funds designated for affordable housing are hereby
15 appropriated for affordable housing program expenditures, including payments from loans
16 made by the former San Francisco Redevelopment Agency and transferred to the Mayor's
17 Office of Housing and Community Development, the designated the housing successor
18 agency. Expenditures shall be subject to the conditions under which each such fund was
19 established.

20
21 **SECTION 11.24 Development Agreement Implementation Costs.**

22 The Controller is hereby authorized to appropriate reimbursements of City costs incurred to
23 implement development agreements approved by the Board of Supervisors, including but
24 not limited to City staff time, consultant services and associated overhead costs to conduct
25 plan review, inspection, and contract monitoring, and to draft, negotiate, and administer

1 such agreements. This provision does not apply to development impact fees or other
2 payments approved in a development agreement, which shall be appropriated by the Board
3 of Supervisors.

4
5 **SECTION 11.25 Housing Trust Fund.**

6 The Controller is hereby authorized to adjust appropriations as necessary to implement the
7 movement of Housing Trust Fund revenues and expenditures from the General Fund to a
8 special revenue fund.

9
10 **SECTION 12. Special Situations.**

11
12 **SECTION 12.1 Revolving Funds.**

13 Surplus funds remaining in departmental appropriations may be transferred to fund
14 increases in revolving funds up to the amount authorized by the Board of Supervisors if said
15 Board, by ordinance, has authorized an increase in said revolving fund amounts.

16
17 **SECTION 12.2 Interest Allocations.**

18 Interest shall not be allocated to any special, enterprise, or trust fund or account unless said
19 allocation is required by Charter, state law or specific provision in the legislation that created
20 said fund. Any interest earnings not allocated to special, enterprise or trust funds or
21 accounts shall be credited, by the Controller, to General Fund Unallocated Revenues.

22
23 **SECTION 12.3 Property Tax.**

24 Consistent with the State Teeter Plan requirements, the Board of Supervisors elects to
25 continue the alternative method of distribution of tax levies and collections in accordance

1 with Revenue and Taxation Code Section 4701. The Board of Supervisors directs the
2 Controller to maintain the Teeter Tax Losses Reserve Fund at an amount not less than 1%
3 of the total of all taxes and assessments levied on the secured roll for that year for
4 participating entities in the county as provided by Revenue and Taxation Code Section
5 4703. The Board of Supervisors authorizes the Controller to make timely property tax
6 distributions to the Office of Community Investment and Infrastructure, the Treasure Island
7 Development Authority, and City and County of San Francisco Infrastructure Financing
8 Districts as approved by the Board of Supervisors through the budget, through development
9 pass-through contracts, through tax increment allocation pledge agreements and
10 ordinances, and as mandated by State law.

11
12 The Controller is authorized to adjust the budget to conform to assumptions in final
13 approved property tax rates and to make debt service payments for approved general
14 obligation bonds accordingly.

15
16 The Controller is authorized and directed to recover costs from the levy, collection and
17 administration of property taxes.

18
19 **SECTION 12.4 New Project Reserves.**

20 Where this Board has set aside a portion of the General Reserve for a new project or
21 program approved by a supplemental appropriation, any funds not required for the approved
22 supplemental appropriation shall be returned to the General Fund General Reserve by the
23 Controller.

1 **SECTION 12.5 Aid Payments.**

2 Aid paid from funds herein provided and refunded during the fiscal year hereof shall be
3 credited to, and made available in, the appropriation from which said aid was provided.

4
5 **SECTION 12.6 Department of Public Health Transfer Payments, Indigent Health**
6 **Revenues, and Realignment Funding to Offset for Low Income Health Programs.**

7 To more accurately reflect the total net budget of the Department of Public Health, this
8 ordinance shows net revenues received from certain State and Federal health programs.
9 Funds necessary to participate in such programs that require transfer payments are hereby
10 appropriated. The Controller is authorized to defer surplus transfer payments, indigent
11 health revenues, and Realignment funding to offset future reductions or audit adjustments
12 associated with funding allocations for health services for low income individuals.

13
14 **SECTION 12.7 Municipal Transportation Agency.**

15 Consistent with the provisions of Proposition E and Proposition A creating the Municipal
16 Transportation Agency and including the Parking and Traffic function as a part of the
17 Municipal Transportation Agency, the Controller is authorized to make such transfers and
18 reclassification of accounts necessary to properly reflect the provision of central services to
19 the Municipal Transportation Agency in the books and accounts of the City. No change can
20 increase or decrease the overall level of the City's budget.

21
22 **SECTION 12.8 Treasure Island Authority.**

23 Should the Treasure Island property be conveyed and deed transferred from the Federal
24 Government, the Controller is hereby authorized to make budgetary adjustments necessary
25 to ensure that there is no General Fund impact from this conveyance, and that expenditures

1 of special assessment revenues conform to governmental accounting standards and
2 requirements of the special assessment as adopted by voters and approved by the Board of
3 Supervisors.

4
5 **SECTION 12.9 Hetch Hetchy Power Stabilization Fund.**

6 Hetch Hetchy has entered into a long-term agreement to purchase a fixed amount of power.
7 Any excess power from this contract will be sold back to the power market.

8
9 To limit Hetch Hetchy's risk from adverse market conditions in the future years of the
10 contract, the Controller is authorized to establish a power stabilization account that reserves
11 any excess revenues from power sales in the early years of the contract. These funds may
12 be used to offset potential losses in the later years of the contract. The balance in this fund
13 may be reviewed and adjusted annually.

14
15 The power purchase amount reflected in the Public Utility Commission's expenditure budget
16 is the net amount of the cost of power purchased for Hetch Hetchy use. Power purchase
17 appropriations may be increased by the Controller to reflect the pass through costs of power
18 purchased for resale under long-term fixed contracts previously approved by the Board of
19 Supervisors.

20
21 **SECTION 12.10 Closure of Special Funds, Projects, and Accounts**

22 In accordance with Administrative Code Section 10.100-1(d), if there has been no
23 expenditure activity for the past two fiscal years, a special fund or project can be closed and
24 repealed. The Controller is hereby authorized and directed to reconcile and balance funds,
25 projects and accounts. The Controller is directed to create a clearing account for the

1 purpose of balancing surpluses and deficits in such funds, projects and accounts, and
2 funding administrative costs incurred to perform such reconciliations.

3
4 **SECTION 12.11 Charter-Mandated Baseline Appropriations.**

5 The Controller is authorized to increase or reduce budgetary appropriations as required by
6 the Charter for baseline allocations to align allocations to the amounts required by formula
7 based on actual revenues received during the fiscal year. Departments must obtain Board
8 of Supervisors' approval prior to any expenditure supported by increasing baseline
9 allocations as required under the Charter and the Municipal Code.

10
11 **SECTION 12.12 Parking Tax Allocation.**

12 The Controller is authorized to increase or decrease final budgetary allocation of parking tax
13 in-lieu transfers to reflect actual collections to the Municipal Transportation Agency. The
14 Municipal Transportation Agency must obtain Board of Supervisors' approval prior to any
15 expenditure supported by allocations that accrue to the Agency that are greater than those
16 already appropriated in the Annual Appropriation Ordinance.

17
18 **SECTION 12.13 Former Redevelopment Agency Funds.**

19 Pursuant to Board of Supervisors Ordinance 215-12, the Successor Agency to the San
20 Francisco Redevelopment Agency (also known as the Office of Community Investment and
21 Infrastructure, or OCII) is a separate legal entity from the City and its budget is subject to
22 separate approval by resolution of the Board of Supervisors. The Controller is authorized to
23 transfer funds and appropriation authority between and within accounts related to former
24 San Francisco Redevelopment Agency (SFRA) fund balances to serve the accounting
25 requirements of the OCII, the Port, the Mayor's Office of Housing and the City

1 Administrator's office and to comply with State requirements and applicable bond
2 covenants.

3
4 The Purchaser is authorized to allow the OCII and departments to follow applicable
5 contracting and purchasing procedures of the former SFRA and waive inconsistent
6 provisions of the San Francisco Administrative Code when managing contracts and
7 purchasing transactions related to programs formerly administered by the SFRA.

8
9 If during the course of the budget period, the OCII requests departments to provide
10 additional services beyond budgeted amounts and the Controller determines that the
11 Successor Agency has sufficient additional funds available to reimburse departments for
12 such additional services, the departmental expenditure authority to provide such services is
13 hereby appropriated.

14
15 When 100% of property tax increment revenues for a redevelopment project area are
16 pledged based on an agreement that constitutes an enforceable obligation, the Controller
17 will increase or decrease appropriations to match actual revenues realized for the project
18 area.

19
20 The Mayor's Office of Housing and Community Development is authorized to act as the
21 fiscal agent for the Public Initiatives Development Corporation (PIDC) and receive and
22 disburse PIDC funds as authorized by the PIDC bylaws and the PIDC Board of Directors.

23

24 **SECTION 12.14 CleanPowerSF.**

25 CleanPowerSF customer payments and all other associated revenues deposited in the

1 CleanPowerSF special revenue fund are hereby appropriated in the amounts actually
2 received by the City and County in each fiscal year. The Controller is authorized to disburse
3 the revenues appropriated by this section as well as those appropriated yet unspent from
4 prior fiscal years to pay power purchase obligations and other operating costs as provided
5 in the program plans and annual budgets, as approved by the Board of Supervisors for the
6 purposes authorized therein.

7
8 **SECTION 14. Departments.**

9 The term department as used in this ordinance shall mean department, bureau, office,
10 utility, agency, board or commission, as the case may be. The term department head as
11 used herein shall be the chief executive duly appointed and acting as provided in the
12 Charter. When one or more departments are reorganized or consolidated, the former
13 entities may be displayed as separate units, if, in the opinion of the Controller, this will
14 facilitate accounting or reporting.

15
16 (a) The Public Utilities Commission shall be considered one entity for budget
17 purposes and for disbursement of funds within each of the enterprises. The entity
18 shall retain its enterprises, including Water, Hetch Hetchy, Wastewater, and the
19 Public Utilities Commission, as separate utility fund enterprises under the jurisdiction
20 of the Public Utilities Commission and with the authority provided by the Charter. This
21 section shall not be construed as a merger or completion of the Hetch Hetchy
22 Project, which shall not be deemed completed until a specific finding of completion
23 has been made by the Public Utilities Commission. The consolidated agency will be
24 recognized for purposes of determining employee seniority, position transfers,
25 budgetary authority and transfers or reappropriation of funds.

1 (b) There shall be a General Services Agency, headed by the City Administrator,
2 including the Department of Public Works, the Department of Telecommunication and
3 Information Services, and the Department of Administrative Services.
4

5 The City Administrator shall be considered one entity for budget purposes and for
6 disbursement of funds. This budgetary structure does not affect the separate legal
7 status of the departments placed within the entity: Administrative Services, Medical
8 Examiner, Convention and Facilities Management, and Animal Care and Control.
9 Each of these departments shall retain the duties and responsibilities of departments
10 as provided in the Charter and the Administrative Code, including but not limited to
11 appointing and contracting authority.
12

13 (c) There shall be a Human Services Agency, which shall be considered one
14 entity for budget purposes and for disbursement of funds. Within the Human Services
15 Agency shall be two departments: (1) the Department of Human Services, under the
16 Human Services Commission, and (2) the Department of Aging and Adult Services
17 ("DAAS"), under the Aging and Adult Services Commission, includes Adult Protective
18 Services, the Public Administrator/Public Guardian, the Mental Health Conservator,
19 the Department of Aging and Adult Services, the County Veterans' Service Officer,
20 and the In-Home Supportive Services Program. This budgetary structure does not
21 affect the legal status or structure of the two departments, unless reorganized under
22 Charter Section 4.132. The Human Resources Director and the Controller are
23 authorized to transfer employees, positions, and funding in order to effectuate the
24 transfer of the program from one department to the other. The consolidated agency
25 will be recognized for purposes of determining employee seniority, position transfers,
budgetary authority and transfers or reappropriation of funds.

1 The departments within the Human Services Agency shall coordinate with each other and
2 with the Aging and Adult Services Commission to improve delivery of services, increase
3 administrative efficiencies and eliminate duplication of efforts. To this end, they may share
4 staff and facilities. The Aging and Adult Services Commission shall remain the Area Agency
5 on Aging. This coordination is not intended to diminish the authority of the Aging and Adult
6 Services Commission over matters under the jurisdiction of the Commission.

7
8 The Director of the Aging and Adult Services Commission also may serve as the
9 department head for DAAS, and/or as a deputy director for the Department of Human
10 Services, but shall receive no additional compensation by virtue of an additional
11 appointment. If an additional appointment is made, it shall not diminish the authority of the
12 Aging and Adult Services Commission over matters under the jurisdiction of the
13 Commission.

14
15 **SECTION 15. Travel Reimbursement and Cell Phone Stipends.**

16 The Controller shall establish rules for the payment of all amounts payable for travel for
17 officers and employees, and for the presentation of such vouchers as the Controller shall
18 deem proper in connection with expenditures made pursuant to said Section. No allowance
19 shall be made for traveling expenses provided for in this ordinance unless funds have been
20 appropriated or set aside for such expenses in accordance with the provisions of the
21 Charter.

22
23 The Controller may advance the sums necessary for traveling expenses, but proper account
24 and return must be made of said sums so advanced by the person receiving the same
25 within ten days after said person returns to duty in the City and County of San Francisco,

1 and failure on the part of the person involved to make such accounting shall be sufficient
2 cause for the Controller to withhold from such persons pay check or checks in a sum
3 equivalent to the amount to be accounted.

4
5 In consultation with the Human Resources Director, the Controller shall establish rules and
6 parameters for the payment of monthly stipends to officers and employees who use their
7 own cells phones to maintain continuous communication with their workplace, and who
8 participate in a Citywide program that reduces costs of City-owned cell phones.

9
10 **SECTION 16. Contributed Revenue Reserve and Audit and Adjustment Reserve.**

11 The Controller is hereby authorized to establish a Contributed Revenue and Adjustment
12 Reserve to accumulate receipts in excess of those estimated revenues or unexpended
13 appropriations stated herein. Said reserve is established for the purpose of funding the
14 budget of the subsequent year, and the receipts in this reserve are hereby appropriated for
15 said purpose. The Controller is authorized to maintain an Audit and Adjustment Reserve to
16 offset audit adjustments, and to balance expenditure accounts to conform to year-end
17 balancing and year-end close requirements.

18
19 **SECTION 17. Airport Service Payment.**

20 The moneys received from the Airport's revenue fund as the Annual Service Payment
21 provided in the Airline-Airport Lease and Use Agreement are in satisfaction of all obligations
22 of the Airport Commission for indirect services provided by the City and County of San
23 Francisco to the Commission and San Francisco International Airport and constitute the
24 total transfer to the City's General Fund.

1 The Controller is hereby authorized and directed to transfer to the City's General Fund from
2 the Airport revenue fund with the approval of the Airport Commission funds that constitute
3 the annual service payment provided in the Airline - Airport Lease and Use Agreement in
4 addition to the amount stated in the Annual Appropriation Ordinance.

5
6 On the last business day of the fiscal year, unless otherwise directed by the Airport
7 Commission, the Controller is hereby authorized and directed to transfer all moneys
8 remaining in the Airport's Contingency Account to the Airport's Revenue Fund. The
9 Controller is further authorized and directed to return such amounts as were transferred
10 from the Contingency Account, back to the Contingency Account from the Revenue Fund
11 Unappropriated Surplus on the first business day of the succeeding fiscal year, unless
12 otherwise directed by the Airport Commission.

13
14 **SECTION 18. Pooled Cash, Investments.**

15 The Treasurer and Controller are hereby authorized to transfer available fund balances
16 within pooled cash accounts to meet the cash management of the City, provided that
17 special and non-subsidized enterprise funds shall be credited interest earnings on any funds
18 temporarily borrowed therefrom at the rate of interest earned on the City Pooled Cash Fund.
19 No such cash transfers shall be allowed where the investment of said funds in investments
20 such as the pooled funds of the City and County is restricted by law.

21
22 **SECTION 19. Matching Funds for Federal or State Programs.**

23 Funds contributed to meet operating deficits and/or to provide matching funds for federal or
24 State aid (e.g. Medicaid under SB 855 or similar legislation for Zuckerberg San Francisco
25 General Hospital) are specifically deemed to be made exclusively from local property and

1 business tax sources.

2
3 **SECTION 20. Advance Funding of Bond Projects – City Departments.**

4 Whenever the City and County has authorized appropriations for the advance funding of
5 projects which may at a future time be funded from the proceeds of general obligation,
6 revenue, or lease revenue bond issues or other legal obligations of the City and County, the
7 Controller shall recover from bond proceeds or other available sources, when they become
8 available, the amount of any interest earnings foregone by the General Fund as a result of
9 such cash advance to disbursements made pursuant to said appropriations. The Controller
10 shall use the monthly rate of return earned by the Treasurer on City Pooled Cash Fund
11 during the period or periods covered by the advance as the basis for computing the amount
12 of interest foregone which is to be credited to the General Fund.

13
14 **SECTION 21. Advance Funding of Projects – Transportation Authority.**

15 Whenever the San Francisco County Transportation Authority requests advance funding of
16 the costs of administration or the costs of projects specified in the City and County of San
17 Francisco Transportation Expenditure Plan which will be funded from proceeds of the
18 transactions and use tax as set forth in Article 14 of the Business and Tax Regulations
19 Code of the City and County of San Francisco, the Controller is hereby authorized to make
20 such advance. The Controller shall recover from the proceeds of the transactions and use
21 tax when they become available, the amount of the advance and any interest earnings
22 foregone by the City and County General Fund as a result of such cash advance funding.
23 The Controller shall use the monthly rate of return earned by the Treasurer on General City
24 Pooled Cash funds during the period or periods covered by the advance as the basis for
25 computing the amount of interest foregone which is to be credited to the General Fund.

1 **SECTION 22. Controller to Make Adjustments, Correct Clerical Errors.**

2 The Controller is hereby authorized and directed to adjust interdepartmental appropriations,
3 make transfers to correct objects of expenditures classifications and to correct clerical or
4 computational errors as may be ascertained by the Controller to exist in this ordinance. The
5 Controller shall file with the Clerk of the Board a list of such adjustments, transfers and
6 corrections made pursuant to this Section.

7
8 The Controller is hereby authorized to make the necessary transfers to correct objects of
9 expenditure classifications, and corrections in classifications made necessary by changes in
10 the proposed method of expenditure.

11
12 **SECTION 22.1 Controller to Implement New Financial and Interfacing Subsystems.**

13 In order to further the implementation and adoption of the Financial and Procurement
14 System's modules, the Controller shall have the authority to reclassify departments'
15 appropriations to conform to the accounting and project costing structures established in the
16 new system, as well as reclassify contract authority utilized (expended) balances and
17 unutilized (available) balances to reflect actual spending.

18
19 **SECTION 23. Transfer of State Revenues.**

20 The Controller is authorized to transfer revenues among City departments to comply with
21 provisions in the State budget.

22
23 **SECTION 24. Use of Permit Revenues from the Department of Building Inspection.**

24 Permit revenue funds from the Department of Building Inspection that are transferred to
25 other departments as shown in this budget shall be used only to fund the planning,

1 regulatory, enforcement and building design activities that have a demonstrated nexus with
2 the projects that produce the fee revenues.

3
4 **SECTION 25. Board of Supervisors Official Advertising Charges.**

5 The Board of Supervisors is authorized to collect funds from enterprise departments to
6 place official advertising. The funds collected are automatically appropriated in the budget of
7 the Board of Supervisors as they are received.

8
9 **SECTION 26. Work Order Appropriations.**

10 The Board of Supervisors directs the Controller to establish work orders pursuant to Board-
11 approved appropriations, including positions needed to perform work order services, and
12 corresponding recoveries for services that are fully cost covered, including but not limited to
13 services provided by one City department to another City department, as well as services
14 provided by City departments to external agencies, including but not limited to the Office of
15 Community Investment and Infrastructure, the Treasure Island Development Authority, the
16 School District, and the Community College. Revenues for services from external agencies
17 shall be appropriated by the Controller in accordance with the terms and conditions
18 established to perform the service.

19
20 It is the policy of the Mayor and the Board of Supervisors to allocate costs associated with
21 the replacement of the City's financial and purchasing system to all City Departments
22 proportional to the departments' costs and financial requirements. In order to minimize new
23 General Fund appropriations to complete the project, the Controller is authorized and
24 directed to work with departments to identify efficiencies and savings in their financial and
25 administrative operations to be applied to offset their share of the costs of this project, and

1 is authorized to apply said savings to the project.

2
3 **SECTION 26.1 Property Tax System**

4 In order to minimize new appropriations to the property tax system replacement project, the
5 Controller is authorized and directed to apply operational savings from the offices of the Tax
6 Collector, Assessor, and Controller to the project. No later than June 1, 2018 the Controller
7 shall report to the Budget and Legislative Analyst's Office and Budget and Finance
8 Committee on the specific amount of operational savings, including details on the source of
9 such savings, in the budgets of Tax Collector, Assessor, and Controller that are re-allocated
10 to the Property Tax System Replacement Project

11
12 **SECTION 27. Revenue Reserves and Deferrals.**

13 The Controller is authorized to establish fee reserve allocations for a given program to the
14 extent that the cost of service exceeds the revenue received in a given fiscal year, including
15 establishment of deferred revenue or reserve accounts. In order to maintain balance
16 between budgeted revenues and expenditures, revenues realized in the fiscal year
17 preceding the year in which they are appropriated shall be considered reserved for the
18 purposes for which they are appropriated.

19
20 **SECTION 28. Close-Out of Reserved Appropriations.**

21 On an annual basis, the Controller shall report the status of all reserves, their remaining
22 balances, and departments' explanations of why funding has not been requested for
23 release. Continuation of reserves will be subject to consideration and action by the Budget
24 and Finance Committee or Budget and Appropriations Committee. The Controller shall
25 close out reserved appropriations that are no longer required by the department for the

1 purposes for which they were appropriated.

2
3 **SECTION 28.1. Reserves Placed on Expenditures by Controller.**

4 Consistent with Charter Section 3.105(d), the Controller is authorized to reserve
5 expenditures in the City's budget equal to uncertain revenues, as deemed appropriate by
6 the Controller. The Controller is authorized to remove, transfer, and update reserves to
7 expenditures in the budget as revenue estimates are updated and received in order to
8 maintain City operations.

9
10 **SECTION 29. Appropriation Control of Capital Improvement Projects and Equipment.**

11 Unless otherwise exempted in another section of the Administrative Code or Annual
12 Appropriation Ordinance, and in accordance with Administrative Code Section 3.18,
13 departments may transfer funds from one Board-approved capital project to another Board-
14 approved capital project. The Controller shall approve transfers only if they do not materially
15 change the size or scope of the original project. Annually, the Controller shall report to the
16 Board of Supervisors on transfers of funds that exceed 10% of the original appropriation to
17 which the transfer is made.

18
19 The Controller is authorized to approve substitutions within equipment items purchased to
20 equip capital facilities providing that the total cost is within the Board-approved capital
21 project appropriation.

22
23 The Controller is authorized to transfer approved appropriations between departments to
24 correctly account for capitalization of fixed assets.

1 **SECTION 30. Business Improvement Districts.**

2 Proceeds from all special assessments levied on real property included in the property-
3 based business improvement districts in the City and County of San Francisco are hereby
4 appropriated in the respective amounts actually received by the City and County in such
5 fiscal year for each such district.

6
7 The Controller is authorized to disburse the assessment revenues appropriated by this
8 section to the respective Owners' Associations (as defined in Section 36614.5 of the Streets
9 and Highways Code) for such districts as provided in the management district plans,
10 resolutions establishing the districts, annual budgets and management agreements, as
11 approved by the Board of Supervisors for each such district, for the purposes authorized
12 therein. The Tourism Improvement District and Moscone Expansion Business Improvement
13 District assessments are levied on gross hotel room revenue and are collected and
14 distributed by the Tax Collector's Office.

15
16 **SECTION 31. Infrastructure Financing and Infrastructure Revitalization Financing**
17 **Districts.**

18 Pursuant to California Government Code Section 53395 et seq. (IFD Law), the Board of
19 Supervisors has formed Infrastructure Financing (IFD) and Infrastructure Revitalization
20 Financing (IRFD) Districts within the City and County of San Francisco. The Board of
21 Supervisors hereby authorizes the Controller to transfer funds and appropriation authority
22 between and within accounts related to City and County of San Francisco IFDs and IRFDs
23 to serve accounting and State requirements, the latest approved Infrastructure Financing
24 Plan for a District, and applicable bond covenants.

1 When 100% of the portion of property tax increment normally appropriated to the City and
 2 County of San Francisco's General Fund or Special Revenue Fund or to the County's
 3 Educational Revenue Augmentation Fund (ERAF) is instead pledged, based on Board of
 4 Supervisors Ordinance, the Controller may increase or decrease appropriations to match
 5 actual revenues realized for the IFD or IRFD. Any increases to appropriations would be
 6 consistent with the Financing Plan previously approved by the Board of Supervisors.

| IFD/IRFD No / Title | Ordinance | Estimated Tax Increment | |
|--|-----------|-------------------------|--------------|
| | | FY 2020-21 | FY 2021-22 |
| IFD 2 Port Infrastructure Financing District Subproject Area Pier 70 G-1 Historic Core | 27-16 | \$ 733,000 | \$ 749,000 |
| IFD 2 Port Infrastructure Financing District Subproject Areas Pier 70 G-2, G-3, and G-4 | 220-18 | \$ - | \$ - |
| IFD 2 Port Infrastructure Financing District Subproject Area I (Mission Rock) | 34-18 | \$ - | \$ 360,000 |
| IRFD 1 Treasure Island Infrastructure and Revitalization Financing District | 21-17 | \$ 2,931,000 | \$ 4,475,000 |
| IRFD 2 Hoedown Yard Infrastructure and Revitalization Financing District | 348-18 | \$ - | \$ - |

17 **SECTION 32. COVID-19 Response and Economic Loss Contingency Reserve**

18 Five hundred and seven million dollars (\$507,000,000) of unassigned fund balance from
 19 fiscal year 2019-20 is hereby assigned to a budget contingency reserve for the purpose of
 20 managing costs related to the coronavirus public health emergency and revenue shortfalls
 21 caused by the effect of the pandemic on the state and local tax bases, as well as mitigating
 22 uncertainty around future funding from the Federal Emergency Management Agency
 23 (FEMA) and voter approval of November 2020 business tax measures assumed in the fiscal
 24 year 2020-21 and 2021-22 proposed budget. This consolidated reserve is comprised of
 25 unassigned fund balance reserved for other contingencies of three hundred and eight

1 million (\$308,000,000) and the available balances of the Rainy Day One Time Spending
2 Account, the Budget Stabilization Reserve One Time Spending Account, and the Budget
3 Savings Incentive Fund. This assignment shall not be included in the calculations of
4 deposits to the Budget Stabilization Reserve described in Administrative Code Section
5 10.60 (c).

6
7 **SECTION 33. Federal, State and Local Match Sources & Uses Accounting for COVID-**
8 **19 Emergency.**

9 The Controller is authorized to adjust federal and state sources appropriations to reflect
10 eligible costs by authorized spending category, to ensure cost reimbursement recovery
11 revenues are maximized, and to align eligible costs to the appropriate federal or state fund,
12 provided there is no net increase or decrease to COVID-19 emergency response revenues
13 or expenditures. Adjustments may be made across fiscal years 2019-20 and 2020-21, and
14 any balances available on June 30, 2020 are assigned for COVID-19 emergency response
15 uses in fiscal year 2020-21.

16
17 **SECTION 34. Transbay Joint Powers Authority Financing.**

18 Sources received for purposes of payment of debt service for the approved and issued
19 Transbay Community Facilities District special tax bonds and the approved and drawn City
20 bridge loan to the Transbay Joint Powers Authority are hereby appropriated.

21
22 **SECTION 35. Administration of Appropriation Advances to Contested Taxes.**

23 Revenue collected pursuant to three contested taxes approved by voters in 2018 (June
24 2018 Prop C Early Care and Education Commercial Rents Tax ordinance, June 2018 Prop
25 G Living Wage for Educators Parcel Tax, and November 2018 Prop C Homelessness Gross

1 Receipts Tax ordinance) will not be available for appropriation until the conclusion of
2 litigation. General Fund appropriations in the budget for legally eligible expenditures for
3 each of these measures shall be treated as advances to address the policy goals of these
4 measures pending the outcome of this litigation. Should the City prevail in litigation, the
5 General Fund will be reimbursed for these advances. The Controller is authorized to
6 recategorize appropriations to facilitate the administration of this section.

7
8 Measures proposed for the November 2020 ballot would amend the Business and Tax
9 Regulations Code to increase the gross receipts tax on certain taxpayers and impose a new
10 general tax on the gross receipts from the lease of certain commercial space if the
11 contested 2018 tax measures are struck down. Should voters approve these measures, the
12 Controller is authorized to recategorize appropriations to facilitate the administration of this
13 section, and is also directed to establish a Business Tax Stabilization Account for the
14 purpose of equalizing the benefit of the advance repayment assumed in the budget year
15 over future fiscal years.

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