

File No. 191298

Committee Item No. 9

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date January 22, 2020

Board of Supervisors Meeting

Date _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong

Date January 17, 2020

Completed by: Linda Wong

Date _____

1 [Adopting a Fixed Two-Year Budget - Multiple City Departments - FYs 2020-2021 and 2021-
2 2022]

3 **Resolution adopting a fixed two-year budgetary cycle for the following various City**
4 **departments: Airport; Port; Public Utilities Commission; defining terms, and setting**
5 **deadlines.**

6
7 WHEREAS, Section 9.101 of the City Charter of the City and County of San Francisco
8 authorizes the Mayor and Board of Supervisors by resolution to determine in an even-
9 numbered fiscal year that the upcoming budgetary cycle shall be a fixed budgetary cycle for
10 some or all City Departments; and

11 WHEREAS, In a fixed budgetary cycle, the Board of Supervisors does not adopt a new
12 budget for the second fiscal year of the cycle, but may adjust the second-year budget if
13 certain conditions are met; and

14 WHEREAS, Section 9.101 of the City Charter of the City and County of San Francisco
15 requires that the resolution declaring that an upcoming budgetary cycle shall be fixed also
16 include a definition of the term "significant increases or decreases in revenues or
17 expenditures" and set deadlines for the Controller to submit a report identifying such
18 increases or decreases and for the Mayor to submit to the Board a proposed amendment to
19 the biennial budget; now, therefore be it

20 RESOLVED, That the upcoming budgetary cycle for these departments: Airport; Port;
21 Public Utilities Commission; shall be a fixed budgetary cycle in which the biennial budget will
22 remain in effect for the two fiscal years ending June 30, 2021 and June 30, 2022; and, be it

23 FURTHER RESOLVED, That "significant increases or decreases in revenues" in the
24 following funds shall be defined as a greater than five percent increase or decrease between
25 the adopted and projected revenues for the second year of each of these departments'

1 biennial budgets: San Francisco International Airport Funds; Port of San Francisco Funds;
2 and San Francisco Public Utilities Commission Funds; and, be it

3 FURTHER RESOLVED, That "significant increases or decreases in revenues" in the
4 General Fund shall be defined as a greater than two and one half percent increase or
5 decrease between the adopted and projected revenues for the second year of each of the
6 departments' biennial budgets; and, be it

7 FURTHER RESOLVED, That "significant increases or decreases in expenditures" shall
8 be defined as those expenditure increases or decreases required to address the significant
9 increases or decreases in revenue as defined above; and, be it

10 FURTHER RESOLVED, That no later than May 1, 2021, the Controller will submit to
11 the Mayor and the Board of Supervisors a report stating whether the Controller projects that
12 the funds for the Airport, Port, and Public Utilities Commission, will experience significant
13 increases or decreases in revenues or expenditures, as defined in this Resolution, during the
14 second year of the budgetary cycle, and will update that report as additional information
15 becomes available; and, be it

16 FURTHER RESOLVED, That no later than June 1, 2021, the Mayor will submit to the
17 Board of Supervisors a proposed budget amendment to the biennial budget responding to the
18 Controller's report.

<p>Item 9 File 19-1298</p>	<p>Department: Mayor Board of Supervisors</p>
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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would adopt a fixed two-year budgetary cycle for three City departments – Airport, Port, Public Utilities Commission, for FY 2020-21 and FY 2021-22.

Key Points

- Under City Charter Section 9.101, the Mayor and Board of Supervisors are authorized to determine in an even-numbered fiscal year that the upcoming budget for some or all City departments should be a fixed two-year budget. The Board of Supervisors only reviews the budget in the second year if there are significant changes in revenues or expenditures.
- Under the proposed resolution, the Board of Supervisors does not adopt a new budget for each of the four departments in FY 2012-22, which is the second year of the fixed two-year budgetary cycle. However, an increase or decrease of more than 5 percent in the revenues or expenditures to the respective departments requires Board of Supervisors approval of a budget amendment.
- The proposed resolution requires (a) the Controller to submit a report on significant increases or decreases in revenues or expenditures to the Board of Supervisors by May 1, 2021; and (b) the Mayor to submit proposed budget amendments responding to the Controller’s report to the Board of Supervisors by June 1, 2021. The proposed budget amendments are subject to Board of Supervisors appropriation approval.

Recommendation

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

MANDATE STATEMENT

City Charter Section 9.101 states that in even-numbered fiscal years, the Mayor and the Board of Supervisors by resolution may determine that the upcoming budgetary cycle or cycles for some or all City departments and offices shall be a fixed budgetary cycle or cycles in which the biennial budget will remain in effect for two fiscal years.

BACKGROUND

In 2009, the voters passed Proposition A, which, among other changes to the budget process, amended the City Charter to adopt rolling two-year budget cycles and allow for the Mayor and the Board of Supervisors to establish fixed two-year budget cycles for some or all departments. Previous to the passage of Proposition A, the City adopted one-year budgets for all departments, except for the San Francisco Municipal Transportation Agency (SFMTA), which has a two-year fixed budget pursuant to City Charter Section 8A.106.

Since the passage of Proposition A, the Board of Supervisors has adopted four resolutions establishing fixed two-year budget cycles for certain City departments, as shown below:

Budget Cycle	FY 2012-13 – FY 2013-14	FY 2014-15 – FY 2015-16	FY 2016-17 – FY 2017-18	FY 2018-19 – FY 2019-20
Resolution	0464-11	0108-14	0049-16	0094-18
Departments	Airport Port Public Utilities Commission	Airport Port Public Utilities Commission Child Support Services Retirement System Library	Airport Port Public Utilities Commission Child Support Services	Airport Port Public Utilities Commission

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would adopt a fixed two-year budgetary cycle for three City departments – Airport, Port, and Public Utilities Commission, – for FY 2020-21 and FY 2021-22.

Under the proposed resolution, the Board of Supervisors does not adopt a new budget for each of the three departments in FY 2021-22, which is the second year of the fixed two-year budgetary cycle. However, an increase or decrease of more than 5 percent in the revenues or expenditures to the respective departments requires a budget amendment subject to Board of Supervisors approval.

The proposed resolution requires (a) the Controller to submit a report on significant increases or decreases in revenues or expenditures to the Board of Supervisors by May 1, 2021 and (b) the Mayor to submit proposed budget amendments responding to the Controller's report to the Board of Supervisors by June 1, 2021. The proposed budget amendments are subject to Board of Supervisors appropriation approval.

RECOMMENDATION

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



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Kanishka Cheng *kc*
RE: Adopting a Fixed Two-Year Budget in Multiple City Departments, Fiscal
Years 2020-2021 and 2021-2022
DATE: Tuesday, December 17, 2019

Resolution adopting a fixed two-year budgetary cycle for the following various City departments: Airport; Port; Public Utilities Commission; defining terms, and setting deadlines.

Please note that Supervisor Fewer is a co-sponsor of this legislation.

Should you have any questions, please contact Kanishka Cheng at 415-554-6696.

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