



City and County of San Francisco

Master Report

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 000979	File Type: Motion	Status: Passed
Enacted:		Effective:
Version: 3	Reference:	In Control: Board of Supervisors
File Name: Annual Budget, FY 2000-2001		Introduced: 5/22/2000
Requester: Mayor	Cost:	Date Passed: 7/17/2000
Comment	Title: Motion approving Annual Budget for City and County of San Francisco for Fiscal Year 2000-2001, as amended.	

Indexes:	Sponsors:
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History of Legislative File 000979

Ver	Acting Body	Date	Action	Sent To	Due Date	Pass/Fail
1	President	6/5/2000	RECEIVED AND ASSIGNED	Finance and Labor Committee		

Scheduled for public testimony on Saturday, June 24, 2000, at 9:00 a.m. (See Files 00982, 000983, and 000995 for departmental budget hearings and review.)

Heard in Committee. Speakers: Supervisor Yee; Sister Bernie Galvin, Director, Religious Witness with Homeless People; Rev. Norman Fong, Presbyterian Church; Stephen Matchett, Clerk, S.F. Friends Meeting; Rev. Adissa Arnon-Miller, Lutheran Community; Rev. Lou Hartman, Buddhist Priest, S.F. Zen Center; Farther Louie Vitale, St. Boniface Church; Sister Marian Donohue; Father Kirk Ullery; Our Lady of Lourdes; Rev. Arturo Capuli, Grace United Methodist Church; Rev. Bob Foresberg, Noe Valley Ministry; Rev. Doug Donley, Dolores Street Baptist Church; Rev. Karen Oliveto, Bethany United Methodist Church; Pastor Phillis Zillhart, Lutheran Church; Joan Benoit, Native American AIDS Project; Ron; Darren English; Neil Gendel, Healthy Children Collaborate; Octavia Jolley; Claire Van Leren; Isabel Wade; Montford Cadwell; Jennifer Friedenbach, Coalition on Homelessness; Rosemary Dady, Attorney, Legal Aid; Michael Wise; James LePoint; Darren Lewis; Bruce Windlem; Paul Bolden, Coalition on the Homelessness; Joyce Miller, Family Rights; Benny Jainer, People's Budget; Lisa Garcia, Poor Magazine; Joseph Bolten; Leroy Moore; Liana Fahaloni; Bray Moore; Scott Clark; Anthony Jamagon; Mark Adonek; Nora Roman; Arla Ertz, Religious Witness; Traci Debronravova, Self Help for the Elderly; Jane Kahan, Haight Ashbury Senior Center #9; Barbara Thomason, Westside Mental Health Center; Tom Nolan; Jammie Ross; Pat Smith OMI Senior Center; Kenneth Harper, Native American AIDS Project; Danny; John Waddie; Gail Burns; Mary Ann Careycloud, Talkline Family Center; Juanita Bryant, OMI Senior Center; Rachael Waters; Phillis Bauman, Foster Grandparent and Senior Companion Family Services; Roland Demarais, OMI Senior Center; Duha Blandine, Talkline; Terry, Infusion One; Gaylan Logan, Executive Director, infusion One; Camilla Watson, Yusef Shakuur; Ann Anderson, League of Women Voters; Mara Raider; Adam Marks, Attorney; Ronald Rucker; Kathleen Gray; Judy Appel, Attorney; Elisa Della-Pena, Coalition on Homelessness; Maya Nordberg; Binta Leighton, Bayview Opera House; Bernie Rush; Ivory McFarland; Iris Biblountz, Nurse; Rusty Brown; Christine Ortiz; Margaret Baren; John Darmanin, S.F. Firefighter; Ruth Miller, Health Care Action Team; Debbie Macklein; Monique Collier; Luis Calderon; Helen Meyer, Compus Community Services; Anna Maria Loya; Renee Saucedo, Director, Day Labor Program; Dennis Kruger, Firefighter; Clemencia Cardova; Martha Hernandez; Barbara Ruben; Ella Miyamoto, Coleman Advocates; Teresa Gallegos; Mary Harris, Parent Advocate for Youth; Claudia Media, Talkline; Carlena Hanson; Marcella Leland; Marybeth Wallace; Joan Pierson, Parent Advocate; Lenore Hamilton; Jeanette Tabbara, Talkline; Andrea Kahn; David Maltz; Erica Duval; Teresa Kwan; Rosie Kennedy; Nancy Record; Jessica Lynn; Joe Lowery, Phillis M., Talkline; Magna, In-Home Health Care; Meg Madden, School Arts Program; Art Tapia, Coleman Advocates; Mable Hussan, Spiritmenders; Michael Lyon; Larry Bradshaw, Paramedic; Laura Beth, Paramedic; Susan Jeong; Sherry Rosenberg, PTA President; Roger Basley, School Arts Program; Tanya Mayo, Loco Bloco; Female, Loco Bloco; Marie Garcia; Erica Baldwin, Talkline; Judith Baker; Cassandra Jackson, Bayview Club House; Paula Cohen, Talkline; Tracy Falkner, Talkline; Carol Frank; Christopher Bowman, Citizens Advisory Committee on Elections; Susan H., Citizens Advisory Committee On Elections; Daria Bishop, Talkline; Dr. Talmadge King, San Francisco General Hospital; Katherine Gado, Central American Resource Center; Linda Brown, Talkline; Karen Patterson-Mathew, Bayview Foundation; Edna Hazard, Talkline; Martina Gills, Cal Works Program; Lateefah Simon, Center for Young Women; Matt Rayes, Coleman Advocates; Latara Reed, Talkline; Richmond Loewinsohn; John Waddie, Native American AIDS Program; Roger Kat, Coalition on Homelessness; Jan Oscherwitz, Local 790; Linda Zaretsky, Tenderloin Clinic; Roy Harrison, Bayview Club House Foundation; Steve Barcalonia, Treasure Island Job Center; Bill Hallabaugh, Commission on Aging; Philip Carlton; David Miguire, Mission SRO Collaborative. Continued to June 29, 2000.

1 Finance and Labor Committee 6/29/2000 PREPARED IN
COMMITTEE AS A
MOTION

Heard in Committee. Speakers: Supervisor Yee. Recommendations of the Finance and Labor Committee concerning Files 000982, 000983, and 000995 combined herein, see original files for details of recommendations for each day. The final Budget Analyst Report showing recommendations of the Finance and Labor Committee are in this file; also see Committee's Budget Modifications (addbacks and reserves); to Board July 10, 2000.

2 Finance and Labor Committee 6/29/2000 RECOMMENDED AS
AMENDED

BY SUPERVISOR LELAND YEE
CHAIR OF THE FINANCE AND LABOR COMMITTEE

July 10, 2000

The Finance and Labor Committee, consisting of Vice-Chair Sue Bierman, President of the Board of Supervisors Tom Ammiano and myself, present to the Board of Supervisors its recommended budget for the City and County of San Francisco for FY 2000-01. The Committee is pleased to submit its recommendations to the Board of Supervisors with unanimity.

The committee's recommended budget is a culmination of months of work by City departments, commissions, the Mayor's Office and the Finance and Labor Committee. Continuing the effort to open the budget process that I began last year, the Finance Committee began its deliberations with six community budget hearings in neighborhoods throughout San Francisco. The committee held additional hearings at City Hall. In-depth workshops were held with the Department of Public Health, the Department of Human Services, the Police Department, the Fire Department, the Sheriff, Juvenile Probation and the Department of Children, Youth and Their Families. The committee was well informed of about major budget issues when it began two weeks of review of the Mayor's proposed budget for Fiscal Year 2000-2001.

The Finance and Labor Committee's recommended budget emphasizes services to children and families, public safety, and fiscal responsibility.

The committee understands the challenges that families and children face in San Francisco. The cost of living is extremely high and parents are working many hours and sometimes multiple jobs to make ends meet. The budget enhances and improves child care for working parents in a number of ways, including increased wages for child care workers, funding for family day care operators to renovate and expand their play areas and child care spaces, and support for family day care providers to build their peer support group. In addition, the budget includes funding for school-based clinics, a children's mental health parent help line, and a youth talk line, among other programs.

The recommended budget provides funding for the hiring of 200 new Police Officers. In addition, the committee provided extra reserve funding as a challenge to the Police Department to hire additional police officers to bring the Police Department to the full staffing level mandated by voters in 1994. These additional officers will be assigned to district police stations.

This committee has been concerned over the past two years about the growing increase in overtime and workers compensation costs, and the impact these increases have had on the City's budget. Every dime that is spent on workers compensation is money that could be spent on city services. To better control and monitor these expenditures, the committee reserved one-third of departments' overtime and workers compensation budgets.

The Finance and Labor Committee continues to feel that it is crucial that the City strengthen its fiscal condition now, during prosperous times, in order to prepare for a potential slowdown in the economy. The Mayor's budget proposed a healthy \$30 million general fund reserve. The committee added over 1/2 million to this amount, making it the largest general fund reserve in the city's history.

The committee reviewed the budget thoroughly and with the expertise and experience of the Budget Analyst, made recommendations to cut unnecessary spending in departments. The Finance and Labor Committee's recommendations to reduce the budget have resulted in cutting unnecessary expenditures of \$7,507,629. These funds were then used to fund other vital city services, which are detailed in the budget message.

The President announced, pursuant to Charter Section 9.100, this matter will be continued to July 17, 2000. There being no objection, the roll was called on the question of continuance.

- 2 Board of Supervisors 7/17/2000 AMENDED P
Supervisor Bierman moved to amend to reflect technical adjustments from the Mayor submitted by the Mayor's Budget Director by letter dated July 17, 2000 to create a \$5 million Wage and Health Care Accessibility Reserve (a copy of which is on file in the Office of the Clerk of the Board).
- 2 Board of Supervisors 7/17/2000 AMENDED P
Supervisor Newsom moved to amend the budget by releasing from reserve Recreation and Park funds in the amount of \$710,400.
- 2 Board of Supervisors 7/17/2000 AMENDED P
Supervisor Kaufman moved to release from reserve Department of Children, Youth and their Families funds in the amount of \$466,000 for School-Based Wellness Centers.
- 2 Board of Supervisors 7/17/2000 AMENDED P
Supervisor Kaufman moved to amend the budget by removing from Finance and Labor Committee reserve and placing on Board of Supervisors reserve \$25,000 for the Sunset Family Daycare Newtwork Development (DHS) and \$100,000 for the Chinatown Youth Center (CYC).

- 2 Board of Supervisors 7/17/2000 AMENDED P
Supervisor Kauman moved to amend the budget by placing on Board of Supervisors reserve \$500,000 for Sunset Infrastructure Improvement (DPW).
- 2 Board of Supervisors 7/17/2000 AMENDED F
Supervisor Kaufman moved to amend the budget by placing on Board of Supervisors reserve \$250,000 for RadCo Eviction Defense Collaborative and \$400,000 for Family Eviction Prevention (DPH).
- 2 Board of Supervisors 7/17/2000 AMENDED P
Supervisor Kaufman moved to amend the budget by reallocating the Finance and Labor Committee's add back of \$65,000 designated as General Fund reserve to the Elections Department to fund a Deputy Director position.
- 2 Board of Supervisors 7/17/2000 AMENDED P
*Supervisor Kaufman moved to amend the budget as follows:
 Reallocating the Finance and Labor Committee's add back of \$435,000 designated as General Fund reserve to the following: Walden House - \$70,000; OMI Senior Center - \$70,000; Ocean Beach - \$100,000; North Beach Citizens Advisory Committee - \$50,000; Commission on Aging Homecare Services and Advocacy - \$75,000; Senior Central (Inner Sunset) - \$25,000; Project Open Hand - \$45,000.*
- 3 Board of Supervisors 7/17/2000 APPROVED AS AMENDED P
 AMENDED

File 000979

OFFICE OF THE MAYOR
SAN FRANCISCO



WILLIE LEWIS BROWN, JR.

July 17, 2000

Tom Ammiano, President
Members of the Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear President Ammiano and Members:

In accordance with Charter Section 9.103, I have attached technical adjustments to the 2000-2001 proposed budget currently pending at the full Board.

As you are aware, legislation is pending before the Board to guarantee a minimum level of wages and health care coverage for City contract workers. To ensure the successful and rapid implementation of these groundbreaking measures, the Mayor proposed to create a \$5 million Wage and Health Care Accessibility Reserve. This reserve will minimize any potential draw on the City's General Fund Reserve that may result from this legislation.

These costs are offset by increased reimbursement from the State for services provided at Laguna Honda Hospital. The Governor signed the budget into law on June 30, 2000. The Controller has accordingly certified this additional revenue, and reserved it pending confirmation of the final allocation from the State.

Details of these technical adjustments are attached. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Kawa".

Steve Kawa
Mayor's Finance Director

cc: Edward Harrington
Gloria Young
Harvey Rose

NO.	DEPT	FUND	INDEX CODE	SUBJECT	CURRENT BUDGET			CORRECTED BUDGET			CHANGE FROM CURRENT			COMMENTS
					POSITION COUNT	CLASS	AMOUNT	POSITION COUNT	CLASS	AMOUNT	VARIANCE	GF IMPACT	FTE	
1	HPH	5L AAA AAA	hlb448704	65202	-	-	112,118,775	-	-	117,188,775	5,070,000	5,070,000	-	Projected distinct part Medi-CAL revenue allocation.
2	GEN	1G AGF AAA		097XX	-	-	-	-	-	5,070,000	(5,070,000)	(5,070,000)	-	Establish Wage and Health Care Accessibility Reserve
											General Fund Impact =	-		
* Unless otherwise noted, fund balance is used to balance special fund corrections.														

余胤良博士



Leland Y. Yee, Ph.D.
Board of Supervisors
City and County of San Francisco

三藩市市參事

File 000979

Chair, Finance and Labor Committee
Vice-Chair, Public Utilities and Deregulation Committee
Member, Transportation and Land Use Committee

財政及勞工委員會主席
公共事務及法例刪減委員會副主席
交通及土地運用委員會委員

**BUDGET STATEMENT TO THE BOARD OF SUPERVISORS
ON BEHALF OF THE FINANCE AND LABOR COMMITTEE
EXECUTIVE SUMMARY**

**BY SUPERVISOR LELAND YEE
CHAIR OF THE FINANCE AND LABOR COMMITTEE**

July 10, 2000

The Finance and Labor Committee, consisting of Vice-Chair Sue Bierman, President of the Board of Supervisors Tom Ammiano and myself, present to the Board of Supervisors its recommended budget for the City and County of San Francisco for FY 2000-01. The Committee is pleased to submit its recommendations to the Board of Supervisors with unanimity.

The committee's recommended budget is a culmination of months of work by City departments, commissions, the Mayor's Office and the Finance and Labor Committee. Continuing the effort to open the budget process that I began last year, the Finance Committee began its deliberations with six community budget hearings in

neighborhoods throughout San Francisco. The committee held additional hearings at City Hall. In-depth workshops were held with the Department of Public Health, the Department of Human Services, the Police Department, the Fire Department, the Sheriff, Juvenile Probation and the Department of Children, Youth and Their Families. The committee was well informed of about major budget issues when it began two weeks of review of the Mayor's proposed budget for Fiscal Year 2000-2001.

The Finance and Labor Committee's recommended budget emphasizes services to children and families, public safety, and fiscal responsibility.

The committee understands the challenges that families and children face in San Francisco. The cost of living is extremely high and parents are working many hours and sometimes multiple jobs to make ends meet. The budget enhances and improves child care for working parents in a number of ways, including increased wages for child care workers, funding for family day care operators to renovate and expand their play areas and child care spaces, and support for family day care providers to build their peer support group. In addition, the budget includes funding for school-based clinics, a children's mental health parent help line, and a youth talk line, among other programs.

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The Finance and Labor Committee continues to feel that it is crucial that the City strengthen its fiscal condition now, during prosperous times, in order to prepare for a potential slowdown in the economy. The Mayor's budget proposed a healthy \$30 million general fund reserve. The committee added over ½ million to this amount, making it the largest general fund reserve in the city's history.

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余胤良博士



三藩市市參事

Leland Y. Yee, Ph.D.
Board of Supervisors
City and County of San Francisco

Chair, Finance and Labor Committee
Vice-Chair, Public Utilities and Deregulation Committee
Member, Transportation and Land Use Committee

財政及勞工委員會主席
公共事務及法例刪減委員會副主席
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**BUDGET STATEMENT TO THE BOARD OF SUPERVISORS
ON BEHALF OF THE FINANCE AND LABOR COMMITTEE**

BY SUPERVISOR LELAND YEE

CHAIR OF THE FINANCE AND LABOR COMMITTEE

July 10, 2000

The Finance and Labor Committee, consisting of Vice-Chair Sue Bierman, President of the Board of Supervisors Tom Ammiano and the undersigned, present to the Board of Supervisors its recommended budget for the City and County of San Francisco for FY 2000-01. The Committee is pleased to submit its recommendations to the Board of Supervisors with unanimity.

GENERAL FUND FINANCIAL CONDITION

The Mayor's recommended FY 2000-01 budget, as submitted to the Board of Supervisors, was balanced. However, the committee remains concerned about the level of expenditures for workers compensation even though the Mayor's Office has represented that workers compensation expenditures have been fully funded. In addition, the committee has ongoing concerns about overtime expenditures. Because of the past annual problems experienced with the budgeting of overtime and workers compensation for major city departments, the committee has recommended, in general, that one third of overtime expenditures be reserved and

that one third of workers compensation expenditures be reserved for departments that have continuously demonstrated high spending levels for such purposes. The recommended reserves will enable the Committee and the full Board of Supervisors to closely monitor these expenditures by requiring departments to report back to the Committee as expenditure trends emerge during FY 2000-01 on the level of such overtime and workers compensation expenditures.

For the past several years, strong revenue growth in the City, including Property, Hotel, Business and Real Estate Transfer Taxes, has enabled the Mayor to submit annual budgets with increased service levels and improved wage and compensation packages for City employees. This trend continues for FY 2000-01.

The Mayor's recommended \$4.498 billion budget for FY 2000-01, after accounting for technical adjustments added during the budget process, is 6.8 percent or \$285.3 million in excess of the FY 1999-00 budget and the General Fund portion of the budget has increased by 10.0 percent or \$198.9 million. When compared to the original FY 1999-00 budget, the Mayor's recommended FY 2000-01 budget contains an increase of 638 funded positions, of which 387, or 60.7 percent, represent new General Fund positions.

OVERALL RESULTS OF THE COMMITTEE'S ACTIONS

The Committee has been concerned that recent Federal Reserve Board actions resulting in interest rate increases and the behavior of other economic indicators, suggests that overall economic growth will slow down. Inevitably, continued strong growth in City revenues can be expected to end at some point in the future. Recognizing that the economy across the Country, as well as San Francisco's economy, could at any future time be adversely impacted by an overall economic downturn, the Committee has carefully and thoroughly reviewed and analyzed each and every line item in the Mayor's recommended budget.

The budget, as recommended by the Finance and Labor Committee, includes total reductions of over \$26 million from the budget recommended by the Mayor. Of the \$26 million in total budget reductions, \$7,507,629 has been reduced from General Fund appropriations. Additionally, the budget, as recommended by the Finance and Labor Committee, includes reserves on appropriations of approximately \$33.0 million.

GENERAL FUND RESERVE

The Committee commends the Mayor for including a \$30 million General Fund Reserve. However, the Committee is especially pleased that its review of the budget has resulted in an additional \$529,520 being added to that General Fund Reserve, resulting in a total General Fund Reserve of \$30,529,520. This \$30,529,520 General Fund Reserve is the highest level in years.

PROPOSED ALLOCATIONS OF THE FINANCE AND LABOR COMMITTEE'S RECOMMENDED REDUCTIONS FROM THE MAYOR'S RECOMMENDED BUDGET

As previously noted, the Finance and Labor Committee's recommendations to reduce the budget have resulted in General Fund savings of \$7,507,629. Also noted above, the Committee has recommended that \$529,520 be added to the General Fund Reserve. The Committee further recommends that \$6,978,109 of the \$7,507,629 in total General Fund reductions be reallocated for the following proposed programs and projects which had not been recommended in the Mayor's FY 2000-01 budget:

<u>Proposal</u>	<u>Amount</u>	<u>Department</u>
Excelsior Group Clinic for Women & Children	\$ 150,000	Public Health
Balboa Park Station Area Plan	300,000	City Planning
Lake Merced Project	150,000	Public Utilities
District Elections Education	155,000	Elections
NICOS Chinese Health Coalition	65,000	Public Health
Sunnyside Conservatory	30,000	Recreation and Park
Community Health Institute Acupuncture Clinic	237,000	Public Health
Neighborhood Parks Councils	150,000	Recreation and Park
Three Guineas Fund, Women Technology Cluster	125,000	Economic Development
Ark of Refuge	100,000	Child, Youth and Families
Project Open Hand	50,000	Public Health
Bar Association of SF Legal Services to Prevent Homelessness	35,000	Human Services
New Conservatory Theater	5,000	Child, Youth and Families

<u>Proposal</u>	<u>Amount</u>	<u>Department</u>
Dolores Street Community Services	10,000	Human Services
Hospitality House	20,000	Public Health
Gay Lesbian Bisexual Transgender Historical Society	60,000	Mayor
Job Network	50,000	Human Services
Randall Museum, part-time Museum Specialist	25,000	Recreation and Park
Richmond Area Multi-Services Inc.	63,000	Public Health
Back On Track	25,000	Child, Youth and Families
Treatment on Demand for dually diagnosed Asian Pacific Islander Women	70,000	Public Health
Peer-based mental health treatment	100,000	Public Health
San Francisco Conservation Corp	150,000	Recreation and Park
Lombard Street Master Plan	35,000	City Planning
Performance and Review Ordinance Pilot	97,000	Human Services
Women's Inc. Domestic Violence Program	25,000	Status of Women
Telegraph Hill Neighborhood Center	50,000	Child, Youth and Families
Pioneer Park	110,000	Recreation and Park
Chinatown Community Development Alleyway Youth Tour Program	45,000	Child, Youth and Families
Chinatown YWCA Girls Now Collaborative	5,000	Child, Youth and Families
Mission Girls YWCA Year round and summer programs	30,000	Child, Youth and Families
Pathways for Kids	10,000	Child, Youth and Families
Homeless Queer Young Adult Services	200,000	Public Health
Community United Against Violence	40,000	District Attorney
Circle of Care Collaborative	75,000	Public Health
New Leaf Mental Health	75,000	Public Health
Peaceful Streets	20,000	Police
RadCo Eviction Defense Collaborative	400,000	Human Services
Enrichment Activities for Girls in Public Housing	10,000	Human Services
Treatment on Demand for Samoans-Family Focused Multi-Service Outpatient	100,000	Public Health
Tenderloin Housing Development Center	50,000	Human Services
Compass Community Services Tenderloin Childcare Center	20,734	Human Services
Women's Community Clinic	50,000	Public Health
Sunset Infrastructure Improvement Package	500,000	Public Works
Computer Replacements at Parkside and Ortega Branch Libraries	20,000	Library
Sunset Family Daycare Network Development	25,000	Human Services
Sava Pool	200,000	Recreation and Park
American Asian Elderly Humanitarian Society	15,000	Adult & Aging
Philippino Resource Center Art Program	100,000	Art
Chinatown Youth Center: Asian Youth Program	100,000	Child, Youth and Families
South of Market Teen and Family Center ASPIRE Program (After School Program to Integrate and Rejuvenate Education)	47,325	Child, Youth and Families
Legal Assistance to Property Owners of Limited Means	100,000	Economic Development
Child's Mental Health Parent Helpline	67,000	Public Health
Mission Neighborhood Centers	58,750	Community Development
Central American Resource Center Health and Dental Clinic	90,300	Public Health
Central American Resource Center Legal Assistance for Immigrants	75,000	Public Health
Mobile Assistance Program Homeless Program	65,000	Public Health

<u>Proposal</u>	<u>Amount</u>	<u>Department</u>
SF AIDS Foundation Rent Subsidies	200,000	Public Health
Jamestown Community Center	69,000	Child, Youth and Families
Family Eviction Prevention	250,000	Human Services
Native American AIDS program	150,000	Public Health
Bernal Heights Neighborhood Association	50,000	Adult & Aging
San Francisco Day Laborer Program	90,000	Mayor
Mission SRO (Single Room Occupancy Hotel) Collaborative	245,000	Public Health
San Francisco Family Day Care Association	75,000	Child, Youth and Families
CHALK (Communities in Harmony Advocating for Learning and Kids) Youthline	50,000	Child, Youth and Families
San Francisco Child Abuse Prevention Center TALK Line	200,000	Human Services
Chinatown SRO (Single Room Occupancy Hotel) Collaborative	250,000	Public Health
Friends of the Urban Forest	75,000	Recreation and Park
Center on Juvenile & Criminal Justice Homeless Release Project	228,000	Sheriff
Ethics Commission	<u>10,000</u>	Ethics
Total	\$ 6,978,109	

FINANCE AND LABOR COMMITTEE RECOMMENDED RESERVES

The Finance and Labor Committee is recommending that the following projects and programs be placed on reserve pending release by the Finance and Labor Committee (“Committee Reserves”) of the Board of Supervisors.

<u>Committee Reserve</u>	<u>Amount</u>	<u>Department</u>
Reserve of Permanent Salaries and Professional Services for Acute Care Psychiatry	\$1,200,000	Community Health Network San Francisco General Hospital
Sunset Family Daycare Network Development Funding	25,000	Department of Human Services
Chinatown Youth Center – Asian Youth Program	100,000	Department of Children Youth and Families;

The reserves shown in the table above are in addition to Committee directed reserves of overtime and workers compensation expenditures for specific departments and specific reserves placed on departmental budget items as itemized in the Committee's detailed recommendations.

HIGHLIGHTS OF COMMITTEE ACTIONS ON DEPARTMENTAL BUDGETS

Specific recommended reductions of the Finance and Labor Committee have been provided separately to the Board of Supervisors. The total reduced amounts resulting from these recommendations on each City and County department's budget is shown in the Attachment to this report.

A summary of the highlights and major amendments to the Mayor's recommended FY 2000-01 budget by the Finance and Labor Committee follows.

PUBLIC PROTECTION

POLICE DEPARTMENT

The Police Department's proposed \$275.2 million budget for FY 2000-01 is \$13.93 million more than the original FY 1999-00 budget.

The Mayor's proposed budget states that the Police Department had been allocated sufficient funding to hire 200 new Police Officers in Fiscal Year 2000-01.

For FY 2000-01, the SFPD proposed budget provides funding for the hiring of 200 new Police Officers, with expected attrition of 90 Police Officers throughout the year. At the end of FY 2000-01, the SFPD projects total sworn staffing of 2,250 Police Officers, including 160 Airport Police Officers and 130 Police Officers on Modified Duty, including temporary disability. The remaining 1,960 "full duty" Police Officers would be 11 fewer Police Officers than the 1,971 "full duty sworn officers" specified under Police Staffing provisions included in Charter Section 4.127. This is the reason the committee provided extra reserve funding as a challenge to the Police Department to hire as many new police officers as possible, therefore bringing itself to full staffing, and assign these officers to the district stations.

The committee is concerned with the use of overtime by the Police Department, as it is with overtime usage in other departments. The committee therefore recommends reserves of \$4.2 million, or one third, of the Police overtime budget and \$2.0 million or one third of the Police Department's workers compensation budget.

FIRE DEPARTMENT

The Fire Department's proposed \$204.0 million budget for FY 2000-01 is \$29.6 million more than the original FY 1999-00 budget. The major increases in the Department's budget are the addition of 13 new positions to staff a new "ladder truck" company at Treasure Island, and 9 new Fire Rescue Paramedics for the new International Terminal at the Airport. To continue the merger of the Emergency Medical Services into the Fire Department, the budget includes funding to convert 137 Firefighter positions to Firefighter/Paramedics. The Department has begun the first step in civilianization of administrative positions with the addition of 4 Personnel Clerks to take the place of Uniformed Staff in the Department's Assignment Desk. The Department will conduct four new cadet classes during the year with the intent of hiring 144 new Firefighters. The Overtime budget for the Department has increased from \$5.5 million to \$8.9 million. This increase reflects the expected retirement of over 100 Firefighters during the year and the funds necessary to replace these staff to meet minimum staffing levels at all fire stations.

The committee felt strongly that every firefighter have sufficient protective equipment when fighting fires, and that the Fire Department's budget include enough resources to begin the process of providing a second set of Personnel Protective Equipment for all firefighters. The committee therefore supported a \$1.9 million increase in the budget for this effort. The Finance and Labor Committee recommends reductions in the amount of \$1,760,466. In addition, the Committee recommends reserves of \$1.87 million, or one third, of the Fire Department's overtime budget and \$2.1 million or one third of the Fire Department's workers compensation budget. Total recommended reserves are \$6,838,765.

SHERIFF

The Sheriff's proposed \$96.7 million budget for FY 2000-01 is \$16.4 million greater than the original FY 1999-00 budget. The \$16.4 million increase is primarily due to a \$4.8 million increase in mandatory fringe benefits reflecting reinstatement of an employer contribution required by the State PERS, a \$2.7 million increase in overtime, \$3.3 million in one time costs for an exercise area at County Jail No. 8, \$3.3 million for the services of other departments, most of which is for the Department of Telecommunications and Information Systems for development of a new criminal justice computer system, approximately \$327,900 for salaries and benefits for six new Deputy Sheriff positions, and approximately \$644,750 for negotiated employee salary increases.

The Finance and Labor Committee recommends expenditure reductions to the Sheriff's Department budget totaling \$616,000 and reserves of \$1.8 million or one third of the Sheriff's total overtime and workers compensation budget.

TRIAL COURTS

The Trial Courts proposed \$39.7 million budget for FY 2000-01 is \$2.5 million greater than the original FY 1999-00 budget. This amount represents only the portion of the Trial Courts budget paid for from the General Fund and excludes an addition of approximately \$36.2 million provided from the State Trial Court Agency Fund. The proposed \$2.5 million increase is due to: a proposed increase of \$1.3 million for indigent defense costs based on a proposed increase in the hourly rate paid to private attorneys who represent indigent defendants when the Public Defender's Office has a conflict of interest; \$715,000 for one-time improvements for the Drug Court facility not eligible for State Trial Court funding; increases in staff for the Office of Family Law Facilitator; increases in Alternative Dispute Resolution services; and, miscellaneous other increases in court services.

The Finance and Labor Committee recommends expenditure reductions to the Trial Court's budget totaling \$1,143,247 and reserves of \$715,000 for capital projects that can be funded from available funds in the Court Construction Fund.

DISTRICT ATTORNEY

The District Attorney's proposed operating budget for FY 2000-01 of \$27.5 million is \$491,458 or 1.8 percent more than the original FY 1999-00 budget. The proposed budget contains 6.43 new FTE positions, 5.88 of which are either grant funded or work ordered by other departments. An additional new position would be reimbursed by State SB-90 monies. The Department is reducing the number of senior personnel on staff, through eleven downward substitutions.

At the direction of the Finance and Labor Committee, the District Attorney's budget includes additional funding for prosecution of quality of life infractions. The District Attorney had authorized the City Attorney to perform this function in FY 1999-00 but as of August 1, 2000, that authorization is being withdrawn and the function will be transferred to the District Attorney. The District Attorney's additional staffing costs for FY 2000-01 for the function will be \$133,771. The City Attorney's FY 2000-01 budget is being reduced by \$275,640, for the costs it would incur for staffing this function in FY 2000-01. Because the District Attorney will be using less costly staff for this function than the City Attorney used, there is a difference in FY 2000-01 staffing costs of \$141,869 (\$275,640 less \$133,771). The Finance and Labor Committee recommends that the \$141,869 difference also be transferred to the District Attorney's budget and reserved to cover the expected costs of the pre-trial services program (\$55,000) and other expenses that may result from this new function.

The Committee recommends no reductions to the District Attorney's budget.

GENERAL ADMINISTRATION AND FINANCE

CITY ATTORNEY

The City Attorney's proposed budget for FY 2000-01 of \$40.6 million is \$4.4 million greater than the original FY 1999-00 budget. The \$4.4 million increase is due to the addition of eleven new positions and a \$1.2 million reduction in attrition savings to provide additional legal services staff primarily to the Airport and Public Utilities Commission, with their costs offset by an increase in recoveries from those departments. The department is increasing its budget by

another \$1.9 million for judgements, claims, and outside counsel, by \$380,000 for a local area network upgrade, and by approximately \$200,000 for a rent increases for its office space at Fox Plaza.

The Finance and Labor Committee recommends expenditure reductions to the City Attorney's budget totaling \$969,721. This includes a reduction of \$275,640 for deletion of three positions now assigned to prosecution of quality of life infractions, which, as previously noted, is being transferred to the District Attorney's Office as of August 1, 2000.

CITY PLANNING

The proposed FY 2000-01 budget for the Department of City Planning of \$13.6 million is \$986,284 or 9.7 percent more than the FY 1999-00 budget.

The Department's budget includes \$70,000 for new equipment purchases to support the Department's computer replacement program to retire and replace one-sixth the Department's existing personal computer stock by the end of FY 2000-01. According to the Department, the computers to be replaced are out-of-date and insufficient for their needs.

In Long-Range Planning, the Department's budget includes \$1,191,390 for the Better Neighborhoods 2002 Program, which was initiated in 1999 and is estimated to cost \$1.3 million per year for four years. In FY 2000-01, the program is developing neighborhood profiles and area plans for two City neighborhoods: Upper Market/Octavia and the Central Waterfront. The \$1,191,390 budget for this project includes \$900,000 for outside consultants.

The Finance and Labor Committee is recommending reductions to the Planning Department's budget in the amount of \$122,577.

HUMAN RESOURCES DEPARTMENT

The Human Resources Department's proposed budget for FY 2000-01 of \$87.1 million is \$8.6 million greater than the original FY 1999-00 budget. The \$8.6 million increase is due to an increase of \$5.3 million in workers compensation costs (recovered from other City departments), an increase of \$1.9 million for the PeopleSoft Human Resources Information System, an increase of \$1.0 million for services to be performed by the City Attorney (primarily related to collective

bargaining negotiations) and the Department of Telecommunication and Information Services, and an increase of \$0.4 million for other operating costs. The addition of one new, limited-tenure position to implement the workers compensation 'Best Practices' project and two new clerk positions to expedite claims processing in the Health Service System program have also been recommended by the Finance and Labor Committee.

The Finance and Labor Committee recommends expenditure reductions to the Human Resources Department's budget totaling \$329,183.

TREASURER/TAX COLLECTOR

The Treasurer/Tax Collector's operating budget for FY 2000-01 of \$20.8 million is \$4.7 million more than the FY 1999-00 budget. This primarily reflects the following increases: (a) \$2.1 million in professional and specialized services for the acquisition, customization, and implementation of a new Business Tax System; (b) \$1.1 million in services from the City Attorney related to anticipated pending litigation for the lawsuits filed by seven corporate plaintiffs against the City pertaining to the imposition of the City's Business Taxes; and, (c) \$1.1 million for the services of the Department of Telecommunications and Information Services.

The Finance and Labor Committee is recommending reductions to the Treasurer/Tax Collector's budget in the amount of \$105,911 and reserves of \$1,162,050.

COMMUNITY HEALTH

- **COMMUNITY HEALTH NETWORK**
- **PUBLIC HEALTH**

Combined department revenues of the Community Health Network (HCN) and Public Health (HPH) have decreased by \$152.4 million or approximately 14.7 percent, although General Fund support has increased by \$18.2 million or 7.9 percent.

COMMUNITY HEALTH NETWORK EXPENDITURES

The Community Health Network's \$525.5 million budget for FY 2000-01 is \$19.5 million or 3.57 percent less than its original FY 1999-00 budget.

Major expenditure changes in the FY 2000-01 budget, as compared to the original FY 1999-00 budget, include: (a) a \$3.1 million funding decrease for salaries due to the net decrease of 86.60 FTE positions; (b) a \$5.0 million funding decrease for materials and supplies due primarily to reduced San Francisco General Hospital (SFGH) pharmaceutical expenditures as a result of the proposed transfer of outpatient pharmacy services from SFGH to community pharmacies; (c) a \$0.8 million funding decrease for equipment rental and lease, facilities maintenance, and utilities; and (d) a \$30.0 million funding decrease for other fixed charges. These decreases are offset by funding increases of (a) \$12.4 million for professional and specialized services, (b) \$0.8 million for Laguna Honda Hospital (LHH) and Forensic Services hospital, clinic, and laboratory supplies, (c) \$2.6 million for new medical and computing equipment purchases, and (d) \$3.3 million for building improvements to ensure the seismic safety of SFGH and its Plant Building, and to improve patient care facilities at SFGH and LHH.

The Finance and Labor Committee recommends (a) total reductions of \$53,094 to the Community Health Network budget, and (b) reserves in the total amount of \$4,528,477 comprised of the following:

- \$2,309,684 which is one-third of the workers compensation budget;
- \$1,200,000 for SFGH Acute Care Psychiatry in relation to a budget initiative to retain 22 psychiatric beds at SFGH;
- \$939,976 which is one-third of the SFGH overtime budget; and
- \$78,817 which is one-third of the LHH overtime budget.

PUBLIC HEALTH EXPENDITURES

Public Health's \$334.7 million budget for FY 2000-01 is \$12.9 million or 4.03 percent more than its original FY 1999-00 budget.

Major expenditure changes in the FY 2000-01 budget, as compared to the original FY 1999-00 budget, is the \$1.7 million additional funding for salaries and mandatory fringe benefits

due to (a) the higher cost of the 46.48 FTE new positions in the FY 2000-01 budget than the cost of the 65.83 FTE positions being eliminated, (b) increased salary savings resulting in a reduction in some salary funds, (c) work order adjustments due to a changed mix of positions, (d) conversion of former grant-funded positions to General Fund positions, and (e) personnel transfers from the Community Health Network. There is an additional \$12.9 million in funding for professional and specialized services due to cost of living adjustments for contractors' employees, and new grant and work order funding. Concurrently, there is a \$1.8 million reduction in funding for overhead costs, training, building rents and leases, equipment purchases, other current expenses, and services provided by other departments.

The Finance and Labor Committee recommends (a) total reductions of \$62,584 to the Public Health budget, and (b) total reserves of \$363,417 for one-third of the department's workers compensation budget.

HUMAN WELFARE

DEPARTMENT OF HUMAN SERVICES

The Department of Human Services (DHS) proposed \$434.7 million operating budget for FY 2000-01 is \$27.6 million more than the original FY 1999-00 budget. Federal revenues have increased by \$6.6 million and State revenues have increased by \$20 million. General Fund support has decreased by \$5.7 million. Major increases in expenditures include (a) \$7.1 million in personnel costs, including 59.5 new positions; (b) \$4.5 million for In-home Support Services (IHSS), including costs for increased caseload and annualized costs of increasing the hourly wage for IHSS workers by \$0.70 per hour from \$9.00 to \$9.70 per hour; (c) \$4.1 million to provide childcare providers at licensed daycare centers serving more than 25 percent low-income children with a wage of \$9 an hour; (d) \$1.1 million for the Community Jobs Initiative, which provides community service for clients reaching their 24-month limits (e) \$3.4 million for rental subsidies for CalWORKS families; (f) \$1.9 million for expanded programs to the homeless population, including additional homeless supportive services, increased services and increased coordination of existing homeless programs, additional master leased hotel space for homeless

clients, and replacement of lost Federal McKinney grant revenue for services for formerly homeless families; and (g) \$1.3 million for new leases for relocation, expansion, or implementation of DHS programs. Aid payments for CalWORKS, General Assistance, and Foster Care were reduced by approximately \$20 million due to declining caseload.

The Finance and Labor Committee is recommending total reductions of \$796,021. The Finance and Labor Committee is also recommending total reserves of \$2,735,535, which include (a) \$250,000 for the new Homeless Services program to coordinate homeless shelter services; (b) \$700,000 for a proposed new hotel master lease for homeless clients; (c) \$1,309,200 for proposed new leases for relocation, expansion, or implementation of new programs; and (d) \$476,335 for Worker's Compensation.

CULTURE AND RECREATION

RECREATION AND PARK DEPARTMENT (RPD)

The Recreation and Park Department's operating budget for FY 2000-01 of \$124 million is \$34.1 million more than the FY 1999-00 budget. This primarily reflects the following increases: (a) Zoo Facility improvements of \$17,337,277 funded by Zoo Facilities 2000 bonds, (b) Golden Gate Park improvements of \$8,697,633 funded by Golden Gate Park Irrigation 1997 bonds, (c) Neighborhood Recreation and Park Facility improvements of \$6,143,599 funded by Recreation and Park Facility 2000 bonds, and (d) Park Facility Improvements of \$1,000,000 funded by Park Improvement 1987 bonds. A \$1.6 million decrease in revenues related to the loss of the San Francisco Giant's baseball games in 3Com Park (only related to the games played in the summer and fall of 1999) and declining golf revenues related to the closing of both Harding and Fleming golf courses in October 2000 for approximately one year for renovation, was offset by a \$2.2 million increase in General Fund revenues.

The Recreation and Park Department is seeking to create its own project management office for its capital programs. The committee supports the efforts of the department to successfully and expeditiously complete its ten-year capital plan. However, the committee was

concerned that that city responsibilities are not duplicated across departments. Therefore the complete build out of this office has been placed on reserve until further discussions between the Recreation and Parks Department and the Department of Public Works.

The Finance and Labor Committee is recommending reductions to RPD's budget in the amount of \$875,122.

PUBLIC LIBRARY

The Public Library's operating budget for FY 2000-01 of \$49.4 million is \$3.36 million or 7.29 percent more than the original FY 1999-00 budget. The proposed budget includes (1) \$600,000 for new technology improvements, (2) an increase of \$353,000 or 8.5 percent in the book budget and (3) an allocation of \$500,000 for electrical upgrades for the Branch Libraries. In addition, due to an overall increase of 13.51 FTE, along with reclassifications, substitutions, annualization of previously authorized positions, step adjustments and cost of living increases, the costs for personnel are increasing by \$975,943. On June 19, 2000, the Board of Supervisors approved a resolution of public interest and necessity for the November 7, 2000 ballot for a \$105,865,000 General Obligation Bond Measure to rehabilitate and modernize 19 Branch Libraries and construct five new Branches.

The Finance and Labor Committee is recommending total reductions of \$471,779 and total reserves of \$250,000 for Buildings, Structures & Improvements funds for Branch Electrical Upgrades.

PUBLIC WORKS, TRANSPORTATION AND COMMERCE

DEPARTMENT OF PARKING AND TRAFFIC

The Department of Parking and Traffic's proposed \$57.2 million budget for FY 1999-00 is \$7.5 million more than the original FY 1999-00 budget. The FY 2000-01 budget includes 27 new positions to provide continuous enforcement of the Residential Permit Parking Program. This increased enforcement will be offset with additional parking fine revenues to Muni of \$2.0 million. The budget provides \$2.4 million to continue the Red Light/Livable Streets Program

which is intended to improve the safety of pedestrians and avoid the loss of life in traffic accidents. Three new positions are included in the budget for this program. One position is included in the budget to implement a citywide parking plan. The budget also includes \$6.5 million to complete funding for new North Beach Parking Garage.

The Finance and Labor Committee recommends reductions in the amount of \$531,359.

TELECOMMUNICATIONS AND INFORMATION SERVICES

The Department of Telecommunications and Information Services proposed \$71.6 million budget for FY 2000-01 is \$11.4 million more than the original FY 1999-00 budget. During FY 1999-00, the Department updated its rate schedule to reflect actual costs of service provision to client departments. Based on client department demand for services for FY 2000-01, the increase of \$11.4 million in the Department's budget, which is recovered from other City departments, is the result of primarily increasing personnel costs of \$4.4 million, increasing professional and specialized services costs of \$2.5 million and increasing equipment costs of \$4.3 million.

The Finance and Labor Committee recommends total reductions of \$412,015 in the Department of Telecommunications and Information Services budget.

AIRPORT COMMISSION

The Airport Commission's proposed \$487.0 million budget for FY 2000-01 is \$44.6 million or 9.8 percent more than the original FY 1999-00 budget.

The Airport has budgeted a \$28.3 million revenue transfer to the City's General Fund from the Airport's concession revenues for FY 2000-01, which is \$4.3 million more than the \$24.0 million transferred in FY 1999-00.

The number of full-time equivalent positions budgeted for FY 2000-01 is 1,701 FTEs, which is 184 FTEs more than the 1,517 FTEs in the original FY 1999-00 budget.

According to the Airport, the new International Terminal is scheduled to begin operations on September 26, 2000, or approximately four months later than the originally estimated date of

May 21, 2000. The Airport reports that the new International Terminal is more than 93 percent complete.

The Finance and Labor Committee is recommending the following changes to the Airport's budget, pending Airport Commission approval:

- Reserve \$1.6 million for a competitive grant program to operators holding permits for access to the Airport who agree to purchase ultra-low emission vehicles.
- Reserve \$850,000 for a welfare-to-work training program at the Airport.
- Reserve \$425,000 for a study to analyze increased passenger travel out of the Airport, including potential revenues to the Airport resulting from construction of high-speed rail connecting Central Valley and Central Coast residents with the Airport.
- Release \$275,000 to match funding for feeder and off-hour transit service to and from the Southeast sector for Airport jobs.

The Finance and Labor Committee is recommending total reductions to the Airport budget in the amount of \$9,435,225 and reserves in the amount of \$3,426,211.

DEPARTMENT OF BUILDING INSPECTION (DBI)

The proposed FY 2000-01 budget of \$28.6 million for the Department of Building Inspection (DBI) is \$5.5 million or 19.3 percent greater than the FY 1999-00 budget.

The Department has budgeted \$2,368,367 for a capital project to enlarge five existing floors of space to the City-owned 1660 Mission Street building. The Department's budget includes \$350,000 to obtain additional office space while the Department's 1660 Mission Street building is under construction.

DBI is requesting an additional 24 new permanent positions to improve permit processing and inspection services. The Department's budget also includes funding requests of \$350,000 for the second phase of the Community Action Program for Seismic Safety and \$300,000 to continue the Code Enforcement Outreach Program.

The Finance and Labor Committee is recommending that the Department of Building Inspection reserve \$250,000 to work-order to the City Attorney's Office to fund a new City Attorney and a new Investigator to prosecute severe building code violations. The committee also directed the department to seek approval from its commission to fund the Chinatown SRO Collaborative, which seeks to protect and improve housing in Chinatown through increased code compliance.

The Finance and Labor Committee is recommending total reductions to the Department of Building Inspection budget in the amount of \$591,997 and reserved funds in the amount of \$250,000 for increased prosecution of severe building code violations.

DEPARTMENT OF PUBLIC WORKS (DPW)

The Department of Public Works (DPW) budget for FY 2000-01 of \$126.1 million is \$7.7 million or 6.53 percent greater than the FY 1999-00 budget of \$118.4 million.

Program changes include a major expansion of manual street cleaning and litter removal services throughout the City. The expansion will permit an operational change in the Bureau of Street Environmental Services increasing services to 24 hours per day, seven days per week operation and a reorganization of street cleaning and litter removal services from four to 11 districts. The Bureau's goals for the expanded litter removal operations are to decrease the response time required to identify and clean problem areas, increase frequency of street cleaning activities, increase responsiveness to requests for services and strengthen relationships with neighborhood groups. In addition, a reserve of \$476,000 will allow the President of the Board of Supervisors, the Department and Local 261 to come to a consensus on a program to provide training and transitional employment opportunities for General Assistance welfare recipients to qualify for some of the positions identified with the expanded street cleaning program operations.

In addition, the Bureau will use parking revenues associated with the Embarcadero Roadway to cover costs of maintaining the newly completed Embarcadero Roadway. Other changes include greater security at Hallidie Plaza provided by the DPW Bureau of Building Repair, and the reassignment of the City Architect's Office from the DPW Bureau of Architecture to the City Administrator's Office.

The Finance Committee is recommending reductions to the Department of Public Works budget in the amount of \$1,520,132 and establishment of reserves of \$1,044,725.

PUBLIC UTILITIES COMMISSION (PUC)

The Public Utilities Commission (PUC) budget for FY 2000-01 of \$83.8 million is \$6.3 million or 8.2 percent more than the FY 1999-00 budget.

The PUC's budget request for FY 2000-01 includes 60 new positions on an annualized basis, 29 of which are bond-funded Utilities Engineering Bureau (UEB) positions and offset by recoveries in the budget. Also included in the new position count are 15 positions in the PUC's Management Information Systems Bureau for an "Information Technology Improvement Program," designed to enhance services to the PUC's retail and wholesale customers, improve services to PUC staff, and to enhance the efficiency of PUC divisions and bureaus.

The PUC's FY 2000-01 budget also includes three new financial positions that would be used to improve the department's performance in long-range planning, capital improvement program planning, and debt management.

The Finance Committee is recommending reductions to the Public Utilities Commission budget in the amount of \$1,855,842.

WATER DEPARTMENT

The Water Department's proposed \$270.2 million budget for FY 2000-01 is \$7.1 million or 2.7 percent more than the original FY 1999-00 budget.

The PUC intends to continue its \$2.8 billion, ten-year Capital Improvement Program to replace its aging water infrastructure system, according to the General Manager of the PUC. For FY 2000-01, the PUC plans to issue up to \$100 million in commercial paper or bonds to fund the FY 2000-01 Capital Improvement Program.

As with the Clean Water Program, the Water Department must find ways to the challenge of containing costs, in compliance with Proposition "H," which has frozen water rates until June 20, 2006.

The Finance Committee has recommended various reductions in the amount of \$613,417 and reserves in the amount of \$474,765.

HETCH HETCHY

Hetch Hetchy's proposed budget of \$118.8 million for FY 2000-01 is \$1.2 million or 0.98 percent less than the original FY 1999-00 budget of \$120.0 million.

Hetch Hetchy's FY 2000-01 transfer of funds to the General Fund has decreased by \$10 million, from \$39.85 million in FY 1999-00 to \$29.85 million in FY 2000-01. Excluding this transfer, the Department's budget has increased by \$8.9 million, or 11.1 percent, from \$80 million in FY 1999-00 to \$88.9 in FY 2000-01. Much of this increase results from the increased cost of electricity and increased consumption of electricity by Hetch Hetchy customers.

As a result of the deregulation of the electrical power industry, Hetch Hetchy is pursuing expanded business opportunities in order to compensate for loss in revenues. The Department's budget includes \$1,007,820 for a new Energy Services Program intended to increase Hetch Hetchy's revenues.

The Finance and Labor Committee is recommending that \$146,244 be reduced from the Hetchy Hetchy budget and reserved for a work-order to the Department of the Environment to fund two energy conservation specialist positions.

CLEAN WATER PROGRAM

The Clean Water Program budget for FY 2000-01 is \$167.7 million, which is \$292,123 or 0.17 percent more than the FY 1999-00 budget.

The Clean Water Program faces the challenge of accomplishing its performance goals while containing costs, in compliance with Proposition "H," approved by the electorate in June of 1998, which froze the sewer service charge rates until July 1, 2006.

The Clean Water Program budget request includes \$1,947,500 in chemical costs and approximately \$250,000 in staff costs to address the problem of odors caused by sewage collection and treatment in the City. The Division Manager of the Clean Water Program reports that a total of \$85 million in capital improvements would be required to mitigate the problem of sewage collection treatment odors in the Southeast portion of the City, where the problem is most acute. The Division Manager reports that no funding source has been identified for

mitigating the odors in the Southeast portion of the City and that there are no plans for initiating such work in the near term.

The Finance Committee is recommending reductions to the Clean Water Program's budget in the amount of \$1,225,482 and reserves in the amount of \$199,357.

PORT

The Port's \$50.7 million budget for FY 2000-01 is \$1.4 million or 2.9 percent more than the original FY 1999-00 budget.

According to the Port, FY 2000-01 goals are to support and enhance a diversity of maritime industries; to achieve integrated, well-planned, and fiscally sound property re-development; to earn sufficient revenue to remain self-supporting; and to fund improvements, maintenance, and prudent reserves. Further, according to the Port, in FY 2000-01 ten shipping lines will be calling on the Port.

The Finance Committee is recommending reductions to the Port budget in the amount of \$1,004,000 and reserves in the amount of \$215,448.

REDEVELOPMENT AGENCY (SFRA)

The San Francisco Redevelopment Agency's proposed \$173.5 million budget for FY 2000-01 is \$45.8 million or approximately 35.9 percent greater than the original FY 1999-00 budget of \$127.7 million. Major increases to the FY 2000-01 budget include \$31.3 million for the Mission Bay South Project Area for public improvements, \$3.9 million for the Mission Bay North Project Area for housing production and assistance, \$3.2 million for the Rincon Point – South Beach Project Area for public improvements, \$2.8 million for preservation of existing housing and housing grants and loans, \$2.7 million for the Bayview Hunters Point Survey Area for public improvements, and a net increase of \$1.9 million for other project area, survey area and program expenditures.

The Finance and Labor Committee recommends expenditure reductions to the Redevelopment Agency's budget totaling \$529,886. The expenditure reductions include a

reduction of \$138,061 in the administration and personnel budget and a reduction of \$391,825 in various project area budgets.

EXCLUSIONS

The budget data for the Unified School District and the Community College District are not included in the Finance and Labor Committee's recommendations on the 2000-01 budget because these budgets, by law, are not subject to either review or action by the Board of Supervisors. Also excluded from its recommendations are Federal Community Development Block Grant funds and various other non-recurring grant programs. These budgets and programs are all considered by the Board of Supervisors at other times of the year.

ACKNOWLEDGMENTS

The Chair of the Finance and Labor Committee would like to take this opportunity to express his appreciation to Vice-Chair Sue Bierman and President of the Board of Supervisors Tom Ammiano. I cannot thank them enough for their dedicated work in reviewing the City's annual budget over the past two years.

The Committee would also like to thank Budget Analyst Harvey Rose and Ken Bruce as well as the entire staff of the Budget Analyst's Office, Controller Ed Harrington, Matthew Hymel, Ann Carey, Peg Stevenson and their staff from the Controller's Office, the Mayor's Director of Finance Steve Kawa and the Mayor's Budget Office staff, and our Clerk Mary Red for their outstanding work and dedication. The legislative assistants to the Committee members also deserve special recognition for their hard work. We therefore wish to thank Michele Olson, Colleen Crowley and Patricia Castillo from my Office, June Gutfleisch, Eleanor Livingston and Scott Ruble from Supervisor Bierman's Office and Bradford Benson, Tomas Lee and Angela Calvillo from President Ammiano's Office. Lastly, I would particularly like to commend Ken Bruce whose leadership role throughout the budget process, during the recent illness of Harvey Rose, was outstanding.

BOARD ACTION

At the regular meeting of the Board of Supervisors on July 17, 2000, I will move that the budget, as amended in accordance with the recommendations of the Finance and Labor Committee, be adopted.



Supervisor Leland Yee
Chair, Finance and Labor Committee

OFFICE OF THE MAYOR
SAN FRANCISCO



WILLIE LEWIS BROWN, JR.

June 29, 2000

Honorable Leland Yee, Finance Committee Chair
Honorable Sue Bierman, Finance Committee Vice Chair
Honorable Tom Ammiano, Board of Supervisors President
Board of Supervisors
City Hall Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 941002

Dear Chairman Yee, Vice Chair Bierman, and President Ammiano:

The Controller has certified \$3.9 million in additional revenue for use in the 2000-2001 budget, based on updated projections of local and state revenues. Our office has worked with Supervisor Bierman to prepare further technical adjustments to the Mayor's 2000-2001 budget.

Additional wage increases for non-profit contract workers	\$2.5 million
Community mental health program enhancements	\$1.0 million
Family child care capacity improvements	\$0.4 million
<hr/>	
Total	\$3.9 million

These corrections have no General Fund impact, and details are attached for your review. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "SK", with a long horizontal flourish extending to the right.

Steve Kawa
Mayor's Finance Director

Attachment

NO.	DEPT	FUND	INDEX CODE	SUBJECT	CURRENT BUDGET			CORRECTED BUDGET			CHANGE FROM CURRENT			COMMENTS		
					POSITION COUNT	CLASS	AMOUNT	POSITION COUNT	CLASS	AMOUNT	VARIANCE	GF IMPACT	FTE			
1	UNA	1G AGF AAA	995031	99999B	-	-	116,100,000	-	-	127,500,000	11,400,000	11,400,000	-	Revised 1999-2000 year-end surplus assumption.		
2	UNA	1G AGF AAA	995031	10110	-	-	377,737,189	-	-	375,637,189	(2,100,000)	(2,100,000)	-	Revised 2000-2001 property tax assumption.		
3	HPH	5L AAA AAA	hlh448704	65202	-	-	117,418,775	-	-	112,118,775	(5,300,000)	(5,300,000)	-	Revised distinct part Medi-CAL revenue assumption.		
4	HPH	5H AAA AAA	lgh1hfi00101	65202	-	-	100,000	-	-	-	(100,000)	(100,000)	-	Revised distinct part Medi-CAL revenue assumption.		
5	HPH	1G AGF AAA	hmlmcc730515	00101	36.27	2232	4,350,026	37.07	2232	4,442,378	(92,352)	(92,352)	0.80	Mental health enhancement		
6	HPH	1G AGF AAA	hmlmcc730515	00101	0.90	2548	62,481	1.90	2548	120,617	(58,136)	(58,136)	1.00	Mental health enhancement		
7	HPH	1G AGF AAA	hmlmcc730515	00101	10.10	2587	477,002	11.10	2587	518,004	(41,002)	(41,002)	1.00	Mental health enhancement		
8	HPH	1G AGF AAA	lmlmem731141	00101	-	2930	-	1.00	2930	56,758	(56,758)	(56,758)	1.00	Mental health enhancement		
9	HPH	1G AGF AAA	hmlmcb731943	00101	-	2930	-	1.00	2930	56,758	(56,758)	(56,758)	1.00	Mental health enhancement		
10	HPH	1G AGF AAA	hmlmcc730515	00101	16.80	2574	1,278,809	17.55	2574	1,328,086	(49,277)	(49,277)	0.75	Mental health enhancement		
11	HPH	1G AGF AAA		013XX	-	-	-	-	-	76,252	(76,251.50)	(76,252)	-	Mental health enhancement		
12	AGE	1G AGF AAA	263001	00101	9.40	2930	556,607	10.40	2930	613,365	(56,758)	(56,758)	1.00	Mental health enhancement		
13	AGE	1G AGF AAA		013XX	-	-	-	-	-	14,190	(14,189.50)	(14,190)	-	Mental health enhancement		
14	HPH	1G AGF AAA	hmlmcc730515	02700	-	-	44,327,907	-	-	44,810,532	(482,625)	(482,625)	-	Mental health enhancement		
15	REC	7E GIF GIF	recgiftmisc	78101	-	-	-	-	-	501,000	501,000	-	-	Appropriates gift for improvements to the west end of GGP		
16	REC	7E GIF GIF	recgiftmisc	06F	-	-	-	-	-	501,000	(501,000)	-	-	Appropriates gift for improvements to the west end of GGP		
17	Various	Various	Various	Various	-	-	-	-	-	2,515,893	(2,515,893)	(2,515,893)	-	Wage increases for non-profit contract worker		
18	CHF	1G AGF AAA	235084	02799	-	-	-	-	-	400,000	(400,000)	(400,000)	-	Family child care capacity expansion		
											General Fund					
											Impact =					

* Unless otherwise noted, fund balance is used to balance special fund corrections.

SEC. 9.101. PROPOSED ANNUAL AND MULTI-EAR BUDGETS.

The Mayor shall submit to the Board of Supervisors each year an annual proposed budget, ordinances and resolutions fixing wages and benefits for all classifications and related appropriation ordinances.

The annual proposed budget shall include:

1. Estimated revenues and surpluses from whatever sources, to the extent feasible, for the forthcoming fiscal year and the allocation of such revenues and surpluses to various departments, functions and programs to support expenditures. Proposed expenditures may include such necessary and prudent reserves as recommended by the Controller; and

2. A summary of the annual proposed budget with a narrative description of priorities, services to be provided and economic assumptions used in preparing the revenue estimates. The summary shall also contain a discussion of trends and projections of revenues and expenditures of the City and County for the subsequent four years.

The annual proposed budget and appropriation ordinances shall be balanced so that the proposed expenditures of each fund do not exceed the estimated revenues and surpluses of that fund. If the proposed budget contains new revenue or fees, the Mayor shall submit to the Board of Supervisors the relevant implementing ordinances at the same time the annual budget is submitted.

Until the appropriation ordinances are adopted by the Board of Supervisors, the Mayor may submit to the Board of Supervisors revisions to the annual proposed budget, appropriation ordinances, and ordinances and resolutions fixing wages and benefits.

The Mayor may instruct the Controller to prepare the draft appropriation ordinances.

The Mayor shall file a copy of the annual proposed budget at the Main Library and shall give notice of the budget summary, including making copies available to the public. Upon final approval of the budget by both the Board and the Mayor, notice shall be given of the final budget summary.

The Board of Supervisors by ordinance may require multi-year budget plans and other budget planning strategies to be performed by the several departments and offices of the City and County.

SEC. 9.102. CERTIFICATION OF REVENUE ESTIMATES.

The Mayor shall submit to the Controller for review the estimated revenues contained in the annual proposed budget and any subsequent revisions. The Controller shall then provide the Board of Supervisors with an opinion regarding the accuracy of economic assumptions underlying the revenue estimates and the reasonableness of such estimates and revisions.

SEC. 9.103. ADOPTION OF APPROPRIATION ORDINANCES.

The Board of Supervisors may amend the annual proposed budget and appropriation ordinances as follows:

1. After review of the Controller's analysis of the Mayor's revenue estimates, the Board of Supervisors may reduce estimated revenues;

2. The Board of Supervisors may increase or decrease any proposed expenditure in the General Fund or any special, sequestered or other fund so long as the aggregate changes do not cause the expenditures from each fund to exceed the amount proposed for expenditures by the Mayor from any such fund; and

3. The Board of Supervisors may increase or decrease any proposed expenditure for Capital Improvements.

SEC. 9.104. VETO OF APPROPRIATIONS.

The Mayor may reduce or reject any expenditure authorized by the Board of Supervisors, except appropriations for bond interest, redemption or other fixed charges, within ten days after the adoption of a final annual or supplemental appropriations ordinance. Within ten days of receipt of the Mayor's veto message, the Board of Supervisors may reinstate, in whole or in part, any expenditure reduced or rejected by the Mayor by a vote of two-thirds of its members. In overriding any Mayoral veto, the Board of Supervisors shall not cause the aggregate expenditures for the General Fund or any special, sequestered or other fund in the appropriation ordinances to exceed the Mayor's revenue estimate as allocated to such funds.

SEC. 9.105. MODIFICATIONS.

The Board of Supervisors may authorize the Controller, upon the request of the Mayor, other

officials, boards or commissions of the City and County to transfer previously appropriated amounts within the same fund within the same governmental unit without approval of the Board of Supervisors.

Amendments to the appropriations ordinance, as finally adopted, may be initiated by the Mayor or a member of the Board of Supervisors and adopted in the same manner as other ordinances. No amendment to the appropriations ordinance may be adopted unless the Controller certifies availability of funds.

Any appropriation contained in an emergency ordinance shall be deemed to be an amendment to the final appropriations ordinance.

SEC. 9.106. GENERAL OBLIGATION BONDS.

The Board of Supervisors is hereby authorized to provide for the issuance of general obligation bonds in accordance with the Constitution of the State of California. General obligation bonds may be issued and sold in accordance with state law or any local procedure adopted by ordinance. There shall be a limit on outstanding general obligation bond indebtedness of three percent of the assessed value of all taxable real and personal property, located within the City and County.

SEC. 9.107. REVENUE BONDS.

The Board of Supervisors is hereby authorized to provide for the issuance of revenue bonds. Revenue bonds shall be issued only with the assent of a majority of the voters upon any proposition for the issuance of revenue bonds, except that no voter approval shall be required with respect to revenue bonds:

1. Approved by three-fourths of all the Board of Supervisors if the bonds are to finance buildings, fixtures or equipment which are deemed necessary by the Board of Supervisors to comply with an order of a duly constituted state or federal authority having jurisdiction over the subject matter;

2. Approved by the Board of Supervisors prior to January 1, 1977;

3. Approved by the Board of Supervisors if the bonds are to establish a fund for the purpose of financing or refinancing for acquisition, construction or rehabilitation of housing in the City and County;

4. Authorized and issued by the Port Commission for any Port-related purpose and secured solely by Port revenues, or authorized and issued for

any Airport-related purpose and secured solely by Airport revenues;

5. Issued for the proposes of assisting private parties and not-for-profit entities in the financing and refinancing of the acquisition, construction, reconstruction or equipping of any improvement for industrial, manufacturing, research and development, commercial and energy uses or other facilities and activities incidental thereto, provided the bonds are not secured or payable from any monies of the City and County or its commissions.

6. Issued for the purpose of the reconstruction or replacement of existing water facilities or electric power facilities or combinations of water and electric power facilities under the jurisdiction of the Public Utilities Commission, when authorized by resolution adopted by a three-fourths affirmative vote of all members of the Board of Supervisors.

7. Approved and authorized by the Board of Supervisors and secured solely by an assessment imposed by the City.

Except as expressly provided in this Charter, all revenue bonds may be issued and sold in accordance with state law or any procedure provided for by ordinance.

SEC. 9.108. LEASE FINANCING.

The City and County may enter into lease financing agreements only with the assent of the majority of the voters voting upon any proposition for the authorization of the lease financing. As used in this section, lease financing shall mean any lease or sublease made between the City and County and any public agency or authority, a non-profit corporation or a retirement system for the purpose of financing the acquisition, construction or improvement by the City and County of real property or equipment.

The requirements of this section do not apply to:

1. Any lease financing which was approved in fact or in principle by a resolution or ordinance adopted by the Board of Supervisors prior to April 1, 1977; provided, that if the resolution or ordinance approved the lease financing only in principle, the resolution or ordinance must describe in general terms the public improvements or equipment to be financed; or

2. The amendment or the refunding of a lease financing which is expected to result in net savings in rental payments to the City and County on a present

Finance and Labor Committee Budget Modifications

Proposal	Gen. Fund Amt.	Code
Excelsior Group Clinic for Women & Children	\$150,000	
Balboa Park Station Area Plan	\$300,000	
Lake Merced	\$150,000	
District Elections Education	\$155,000	
NICOS Chiinese Health Coalition	\$65,000	
Sunnyside Conservatory	\$30,000	
Community Health Institute Acupuncture Clinic	\$237,000	
Neighborhood Parks Councils	\$150,000	
Cluster	\$125,000	
Ark of Refuge	\$100,000	
Project Open Hand	\$50,000	
BASF Legal Services to Prevent Homelessness	\$35,000	
New Conservatory Theater	\$5,000	
Dolores Street Community Services	\$10,000	
Hospitality House	\$20,000	
GLBT Historical Society	\$60,000	
Job Network	\$50,000	
Randall Museum, to fund a part-time Museum Specialist that will be hired by the museum	\$25,000	
RAMS	\$63,000	
Back On Track	\$25,000	
Treatment on Demand for dually diagnosed API Women	\$70,000	
Peer-based mental health treatment	\$100,000	
San Francisco Conservation Corp	\$150,000	
Lombard Street Master Plan	\$35,000	
Performance and Review Ordinance Pilot	\$97,000	
Women's Inc. Domestic Violence Program	\$25,000	
Telegraph Hill Neighborhood Center	\$50,000	
Pioneer Park	\$110,000	
Chinatown Community Development Alleyway Youth Tour Program	\$45,000	
Chinatown YWCA Girls Now Collaborative	\$5,000	

Finance and Labor Committee Budget Modifications

Mission Girls YWCA Year round and summer programs	\$30,000	
Pathways for Kids	\$10,000	
Homeless Queer Youth Adult Services	\$200,000	
Community United Against Violence	\$40,000	
Circle of Care Collaborative	\$75,000	
New Leaf Mental Health	\$75,000	
Peaceful Streets	\$20,000	
RadCo Eviction Defense Collaborative	\$250,000	
Enrichment Activities for Girls in Public Housing	\$10,000	
Treatment on Demand for Samoans Family Focussed Multi-Service Outpatient	\$100,000	
Tenderloin Housing Development Center	\$50,000	
Compass Community Services Tenderloin Childcare Center	\$20,734	
Women's Community Clinic	\$50,000	
General Fund Reserve	\$500,000	
Sunset Infrastructure Improvement Package	\$500,000	
Computer Replacements at Parkside and Ortega Branch Libraries	\$20,000	
Sunset Family Daycare Network Development funding	\$25,000	
Sava Pool	\$200,000	
Chinese Elderly Program	\$15,000	
Philippino Resource Center Art Program	\$100,000	
CYC: Asian Youth Program	\$100,000	
South of Market Teen and Family Center ASPIRE Program	\$47,325	
Legal Assistance to Property Owners of Limited Means	\$100,000	
Children's Mental Health Parent Helpline	\$67,000	
Mission Neighborhood Centers	\$58,750	

Finance and Labor Committee Budget Modifications

Central American Resource Center Health and Dental Clinic	\$90,300	
Central American Resource Center Legal Assistance for Immigrants	\$75,000	
Mobile Assistance Program Homeless Program	\$65,000	
SF AIDS Foundation Rent Subsidies	\$200,000	
Jamestown Community Center	\$69,000	
Family Eviction Prevention	\$400,000	
Native American AIDS program	\$150,000	
Bernal Heights Neighborhood Association	\$50,000	
San Francisco Day Laborer Program	\$90,000	
Mission SRO Collaborative	\$245,000	
Family Day Care Association	\$75,000	
CHALK Youthline	\$50,000	
San Francisco Child Abuse Prevention Center TALK Line	\$200,000	
Chinatown SRO Collaborative	\$250,000	
Friends of the Urban Forest	\$75,000	
Center on Juvenile & Criminal Justice Homeless Release Project	\$228,000	
Ethics Commission	\$10,000	
Subtotal	\$7,478,109	
Technical Adjustments		
Wage increase for non-profit workers	\$2,500,000	
Community Mental Health Program Enhancements	\$1,000,000	
Family Child Care Facility Improvement Fund	\$400,000	
Total Technical Adjustments	\$3,900,000	
Total	\$11,378,109	
Rounding goes to general fund reserve		



Edward Harrington
Controller

Matthew Hymel
Chief Assistant Controller

June 20, 2000

The Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
San Francisco, California 94102

Re: Controller's Discussion of Fiscal Year 2000-01 Budget

Dear Members of the Board:

The Controller's Office has prepared a review of the Mayor's proposed budget for fiscal year 2000-01. This letter addresses the following issues:

- Provides an analysis of budgeted revenues and expresses the Controller's opinion that the Mayor's revenue estimates for the General Fund and General Fund-supported departments are reasonable;
- Presents our findings of the required baselines for Children's and Library funds and shows the budget exceeds those requirements;
- Discloses the new baseline requirement for the Municipal Transportation Agency and indicates that the Agency has balanced its own budget within the definition of Proposition E, which means that the Board of Supervisors cannot modify that budget, but can only reject it by a two-thirds vote, should the Board so desire; and
- Indicates that several items have arisen since the Mayor proposed his budget on June 1 that could affect the amount of revenues in the budget. However, until the state budget is completed we cannot certify that additional funds will be available over and above what is contained in the budget.

The Controller's discussion of the Mayor's proposed budget is organized as follows:

- I. General Fund Revenues
- II. General Fund Subsidized Departments
- III. Municipal Transportation Agency Base Budget
- IV. Baseline Contributions
- V. Self-Supporting Enterprise Departments
- VI. Controller's Reserves

I. GENERAL FUND REVENUES

Charter Section 9.102 requires that the Controller “provide the Board of Supervisors with an opinion regarding the accuracy of economic assumptions underlying the revenue estimates [in the Mayor’s proposed budget] and the reasonableness of such estimates and revisions.” My office and the Mayor’s Budget Office have worked very closely to prepare the proposed 2000-01 budget revenue estimates. **In my opinion, the proposed revenue estimates contained in the Mayor’s 2000-01 budget are based on a reasonable assumption of moderate economic growth.** For the \$1.3 billion in General Fund revenues, the projected growth rates generally range from 4.0% to 7.5%.

The General Fund revenue estimates are based on the three-year budget projection developed jointly by the Mayor’s Budget Office, the Controller’s Office, and the Board of Supervisors Budget Analyst, as updated by the Controller’s nine-month report and other information. The Controller’s nine-month report provides year-end estimates of General Fund revenues for 1999-2000. These amounts are combined with the projected growth rates from the three-year budget projection to determine the revenue estimates for the 2000-01 budget. Growth rates were developed in consultation with economic advisors of the Municipal Fiscal Advisory Committee.

Chart A presents historical and projected estimates for major General Fund revenue sources. These revenue sources represent the city’s discretionary revenue base of approximately \$1.3 billion. In general, the city has experienced strong growth in most general city revenues, with total growth of 6.9% and 8.1% in the past two years, respectively. Overall, in the 2000-01 budget these General Fund revenue sources are projected to increase 4.6% over the current year-end revenues. Without the projected decrease in the property transfer tax, the growth in General Fund revenues would be 5.3%.

Chart A: Major General Fund Revenues
 (figures in thousands of dollars)

	FY98-99 Actual	FY199-2000		FY200-01
		Original Budget	Year-End Projection (1)	Proposed Budget (2)
Property Taxes	\$370,632	\$388,826	\$401,019 8.2%	\$428,295 6.8%
Business Taxes	229,171	246,450	259,099 13.1%	269,877 4.2%
Sales Tax	116,760	119,074	124,105 6.3%	130,311 5.0%
Utility Users Tax	58,907	54,574	58,564 -0.6%	58,365 -0.3%
Property Transfer Tax	56,133	42,000	59,039 5.2%	52,766 -10.6%
Hotel Tax (3)	161,518	169,041	171,303 6.1%	179,525 4.8%
Parking Tax (General Fund)	17,998	18,411	19,333 7.4%	20,577 6.4%
Public Safety Sales Tax	60,588	63,500	65,207 7.6%	68,467 5.0%
Motor Vehicle In-Lieu	81,287	81,047	88,637 9.0%	95,284 7.5%
Total - Major Revenues	\$1,152,994	\$1,182,923	\$1,246,306	\$1,303,467
			\$93,312	\$57,161
			8.09%	4.59%

Notes:

- (1) Percentage increase represents the increase in 1999-2000 year-end projection over 1998-99 actual revenues. The 1999-2000 year-end projections are from the Controller's nine-month report, dated May 5, 2000.
- (2) Percentage increase represents the increase in 2000-01 budget over 1999-00 year-end projected revenues.
- (3) City ordinance allocates a portion of the hotel tax to specific purposes, such as cultural centers, arts, and low-income housing. The unallocated amount available to the General Fund is \$93.1 million in 2000-01.

Discussion of Budget Estimates for Major Revenues

Property tax estimates are based in part on the Assessor's projected tax roll for 2000-01. According to the Assessor's estimates, the tax roll will increase by 9.0% from the 1999-2000 roll to the 2000-01 roll. For purposes of projecting the General Fund portion of property taxes, we take several other factors into consideration as well. First, some of the increase in the Assessor's tax roll is already reflected in the 1999-2000 year-end revenue projection, due to mid-year reassessments and other transactions. As a result, the percentage increase in property tax revenues in 2000-01 is less than the percentage increase in the value of the tax roll. In addition, we factor in likely appeals, reassessments, and major property transactions. Finally, we take into account changes in the allocation of the property tax to other non-General Fund departments. Overall, the General Fund share of property taxes is projected to increase by 6.8% over 1999-2000 year-end estimates.

Business taxes are projected to increase by 4.2% in the budget year after adjustments. Payroll and gross receipts activities are projected to increase by 6.0%, reflecting continuing growth in business and employment in San Francisco. Revenues from the business license fee are projected to remain constant at \$10.1 million. However, because business taxes in the current year (1999-2000) are very likely to increase by more than 7.5% over prior year revenues, businesses will once again be entitled to the surplus business tax credit of \$500 each. As a result, we have factored the estimated \$4.0 million credit into the revenue projection for 2000-01.

Sales tax receipts have continued to increase in the current year, and at a faster rate than in the past several years. For fiscal year 2000-01, we are increasing the projected growth rate to 5.0%.

Utility users tax receipts have been relatively flat over the last three years. While some utility taxes are increasing (primarily telephone services) others are declining, particularly gas and electric utilities. Further, deregulation in the electric utility industry is likely to affect tax revenues. As a result, we are projecting little change in utility taxes for 2000-01.

Real property transfer tax revenues have increased substantially in the last five years, as illustrated in the table below. These increases are due to higher property values, a large volume of sales transactions, and the sale of several large commercial properties. Because of the uncertainty and fluctuation in real estate transactions, the projection for the 2000-01 budget is based on the average revenues for the past three years, after adjusting for extraordinary transactions.

Chart B: Real Property Transfer Tax Revenues
(figures in thousands of dollars)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>% Change</u>
1995-96	\$22,968	---
1996-97	33,573	46.2%
1997-98	44,007	31.1%
1998-99	56,133	27.6%
1999-00 (est.)	59,039	5.2%

Hotel taxes have shown significant growth in the past three years, reflecting higher occupancy rates and higher room prices. The rate of growth, however, has slowed in the last year, reflecting natural limits such as short-term capacity constraints. We project that hotel tax receipts will increase by 4.8% in 2000-01. Because a portion of the hotel tax is designated for specific purposes, as specified by ordinance, the unallocated portion of hotel tax revenues that is available to the General Fund is \$93.1 million.

Parking tax revenues have increased over the past two years due to continuing strong economic activity and enhanced enforcement activity. In 2000-01, we project continued growth of 6.4% in receipts. The amount in Chart A reflects only the portion of parking tax revenues that remains in the General Fund; the Municipal Transportation Agency and the Commission on Aging also receive a portion of parking tax revenues.

Public safety sales tax (Proposition 172) is expected to grow at the same rate as statewide sales, which is projected to be 5.0%.

Motor vehicle in lieu subventions are experiencing substantial growth in the current fiscal year because of a boom in vehicle sales and registration. We expect these revenues to increase at a rate of 7.5% in the 2000-01 fiscal year, based on information from the State Board of Equalization.

Current Year-End Surplus

Each year, the budget includes the city's estimated year-end surplus from the prior year as a source of revenues. The final reconciliation of the 1999-2000 year-end surplus won't be known until the independent audit is completed in the fall. As a result, the Mayor and the Board of Supervisors must rely on an estimate of the available surplus. In a budget of more than \$4.2 billion, there are many things that can change on a daily basis that will affect the surplus estimate. Generally, the Mayor's Office relies on the Controller's nine-month report for the projected value of the surplus. At the same time, the Controller's Office advises the Mayor and the Board of significant changes since that report was published in May so that any new information can be factored into the budget process. The estimate of the 1999-2000 year-end surplus, and changes in that estimate, are described in greater detail below.

Mayor's budget assumed \$116.1 million surplus. The proposed budget includes a projected current year surplus of \$116.1 million. The Controller's nine-month report initially estimated the year-end surplus for 1999-2000 at \$113.7 million. Subsequent to the publication of that report, we identified an additional \$2.4 million in state realignment revenues that will be allocated to the city by year-end, for a total year-end surplus of \$116.1 million.

As noted in the Controller's nine-month report, the 1999-2000 year-end surplus is a result of three factors. First, prior year (1998-99) actual revenues were higher than projected, increasing the balance available at the beginning of the current year (1999-2000). Second, current year revenues continue to be strong, and are projected to be \$90 million higher than originally budgeted. Third, current year expenditures are somewhat lower than budgeted. The resulting year-end balance of \$116.1 million will be carried forward into the 2000-01 budget.

Changes since the Mayor's budget was submitted. For your information, we reviewed the year-end projections of major General Fund revenues for significant changes since the Mayor's budget was completed. We identified three changes of significance that could affect the projected year-end surplus and revenues in the 2000-01 budget.

First, in the month of May the Assessor's Office recorded property transfer tax payments of \$5.4 million on four large transactions primarily in the South-of-Market area. These payments, together with continued strong real estate activity, lead us to increase our year-end projection for property transfer taxes by \$8.0 million. We have not, however, factored the anticipated increase in year-end revenues into the projection for the 2000-01 budget. As illustrated in Chart B, the rate of growth in real property transfer tax revenues has decreased in the last few years. Given higher interest rates and the recent cooling off in housing sales, we are reluctant to project continued growth in property transfer tax revenues.

Second, the City Attorney's Office has advised us that we owe refunds of business tax payments based on a court ruling in the General Motors II case, in which the city's gross receipts tax as it was structured prior to 1997 was found to be unconstitutional. According to records from the Tax Collector's Office, the amount of the refunds from 1995 and 1996 (the two tax years in question) is \$2.1, which would reduce projected business tax receipts for 1999-2000.

Third, a portion of the city's property taxes is based on the state Board of Equalization's assessment roll for utility properties. On May 30, the Board of Equalization voted to change the methodology for determining the value of utility properties. The effect of this change could reduce utility property taxes by \$24 million state-wide in 2000-01. While the Board of Equalization is still determining the allocation of the revised property values to local governments, the loss to San Francisco's General Fund could be \$2.1 million. This potential adjustment is not yet reflected in the projected property tax estimates for 2000-01.

State Budget Estimates

The city's budget includes funding from the state for a number of new and existing programs. At this time, the state's budget is still pending before the legislature, and is subject to revision or line-item veto by the governor. Nevertheless, two significant items have changed since the Mayor's budget was submitted on June 1; both changes are reflected in the Mayor's technical corrections submitted to the Board.

In 1999-2000, the state budget included \$150 million in so-called "local government relief" (AB1661). San Francisco received \$5.0 million using the state's allocation formula that was based on population and the amount of local property taxes transferred to schools under the Educational Revenue Augmentation Fund (ERAF). At the time the Mayor's budget was prepared, the governor had earmarked \$250 million for local government relief using the same formula as AB1661. As a result, the Mayor's Budget Office estimated that the city would receive \$8.3 million in 2000-01. Now, however, the budget before the legislature includes only \$200 million for local government relief, and may change the allocation formula to be based on population only. Under these new terms, San Francisco would receive \$6.0 million, a reduction of \$2.3 million from the original budget estimate. This revenue reduction is reflected in the Mayor's technical corrections to the 2000-01 budget.

The state budget also includes a provision that would increase Medi-Cal reimbursement levels for the city's hospitals by approximately \$10.2 million, of which \$4.8 million was recognized in the Mayor's June 1 budget. A portion of the increase would be dedicated to increase the salaries of nurses at Laguna Honda. Given provisions of the recent labor negotiations with nurses, the city will pass through this dedicated revenue to nurses in the form of a premium. The Mayor's technical corrections include an increase in the salary reserve to cover this anticipated expense. The remaining \$5.4 million is a one-time allocation from the state to compensate for frozen reimbursement rates over the last several years, and has also been included in the Mayor's technical corrections. The one-time funding of \$5.4 million was added by the legislature but was not part of the governor's May budget proposal; as such, it is potentially subject to veto by the governor.

Until the state legislature passes the budget and the governor signs it, these and other provisions of the state budget are still subject to change. We recognize that some allocations may be increased while others may be reduced, depending on final negotiations in Sacramento. As additional information becomes available, and as we are able to verify state revenue allocations, we will advise the Board of those changes.

II. GENERAL FUND SUBSIDIZED DEPARTMENTS

Several departments, in addition to receiving General Fund support, have revenue sources specific to their functions. Departments with significant non-General Fund revenues include the Department of Public Health, which operates the city's two hospitals, San Francisco General and Laguna Honda; and the Department of Human Services. Increases or decreases in their revenue sources may directly affect the General Fund support to these departments. Revenue projections were developed individually by the departments and reviewed by the Controller's Office for reasonableness. These departments' non-General Fund revenue sources are presented below.

Public Health

The Department of Public Health, which consists of both the Community Health Network Division and the Public Health Division, has a total budget of \$860.2 million in 2000-01 and expects to receive more than \$612.5 million in non-General Fund revenues, primarily from federal and state sources. In the past two years, the department suffered serious erosion in its revenue base, primarily as a result of reductions in reimbursements and an increase in indigent and uninsured cases. As a result, the department is projecting almost no change in revenues from non-General Fund sources, as illustrated in Chart C.

Chart C: Health Department Revenue Sources
 (figures in thousands of dollars)

<u>Revenue Source</u>	<u>FY1999-2000 Budget</u>	<u>FY2000-01 Budget</u>	<u>FY2000-01 v. FY1999-2000</u>
Federal Intergovernmental	\$55,987	\$57,246	\$1,259
State Intergovernmental	216,245	218,545	2,300
Service Charges	21,467	15,425	(6,042)
Patient Revenues	277,283	279,856	2,573
Other Revenue	36,271	41,458	5,187
General Fund Support	229,468	247,668	18,200
 Total Revenues	 <u>\$836,721</u>	 <u>\$860,198</u>	 <u>\$23,477</u>

The General Fund support to the two Health Department divisions is projected to increase by \$18.2 million in the 2000-01 budget. In addition, funds will be transferred to the Health Department from the General Fund salary reserve once all remaining contract negotiations are completed and the value of the agreements has been calculated. As a result, while other revenue sources remain relatively flat, the General Fund will absorb much of the salary and other increases in the Health Department's budget.

Human Services

The Department of Human Services expects to receive more than \$319 million in non-General Fund revenues in 2000-01, primarily federal and state funding for specified programs, as illustrated in Chart D. These programs include child care and children's services, foster care, adult services, food stamps, temporary assistance for needy families (TANF), in-home supportive services (IHSS), California Work Opportunities and Responsibility to Kids (CalWORKs), Medi-Cal, Cash Assistance Program to Indigents (CAPI), and other public assistance.

**Chart D: Department of Human Services Revenue Sources
 (figures in thousands of dollars)**

Revenue Source	FY1999-2000 Budget	FY2000-01 Budget	FY2000-01 v. FY1999-2000
State Intergovernmental	\$33,300	\$37,568	\$4,268
Federal Administrative	66,197	79,957	13,760
Federal Aid	56,489	50,151	(6,338)
State Administrative	82,386	95,500	13,114
State Aid	41,701	52,363	10,662
Other Revenue	4,614	3,909	(705)
General Fund Support	120,942	115,280	(5,662)
Total Revenues	\$405,629	\$434,728	\$29,099

The department's non-General Fund revenues are projected to increase by nearly \$35 million in 2000-01. In particular, the department anticipates receiving an additional \$21.2 million for its Welfare-to-Work program and \$10.6 million for CAPI. At the same time, the department is anticipating receiving \$6.5 million less for the CalWORKs program because of a decrease in caseload. Actual program funding is expenditure driven, so 2000-01 receipts will be dependent on program expenditures. With the exception of \$20.2 million (which is being placed on reserve), these revenue projections are supported by allocation letters from the granting federal or state agency.

The department's expenditures for General Fund supported programs are anticipated to decrease by nearly \$5.7 million in the 2000-01 budget. This reduction reflects a continuing decline in the city's general assistance program (CAAP). The department's savings in general assistance payments are partially offset by a wage increase to childcare workers.

III. MUNICIPAL TRANSPORTATION AGENCY BASE BUDGET

In November 1999, voters approved Proposition E to create a Municipal Transportation Agency. The proposition requires the Controller's Office to determine whether the Agency has satisfied the requirements of Proposition E with respect to its annual budget submission.

Requirements for the Base Amount

The proposition specifies that beginning in fiscal year 2000-01, there would be set aside for the Municipal Transportation Fund a "base amount" no less than the amount of all of the appropriations from the General Fund, including all supplemental appropriations, for the fiscal year 1998-99 or 1999-2000, whichever is higher. The base amount would include amounts for

the Municipal Railway and other city departments providing services to the Municipal Railway. Proposition E also provides that when new parking revenues increase due to policy changes (including an increase in staffing levels), the base amount will be reduced by 50% of the increase to reduce the Municipal Transportation Agency's reliance on the General Fund.

Determination of the Base Amount

The General Fund appropriation to the Municipal Transportation Agency is \$97.3 million in the 2000-01 budget. Chart E lists the adjustments that were made to the 1999-2000 appropriation to reach the base amount. Each of the adjustments is explained below.

**Chart E: Municipal Transportation Agency Base Amount
(figures in thousands of dollars)**

<u>Item</u>	<u>Amount</u>
FY1999-2000 General Fund Support (per AAO)	\$84,433
FY99-00 Platform COLA and fringe adjustments	8,660
FY2000-01 Services of Other City Departments	5,228
FY2000-01 Adjustment for Parking Fines	<u>(1,000)</u>
FY2000-01 General Fund Support (per AAO)	<u>97,321</u>

Salary and fringe adjustments. The 1999-2000 General Fund appropriation to the Municipal Railway was \$84.4 million, as shown in the Final Consolidated Budget and Annual Appropriations Ordinance (AAO) for the fiscal year ending June 30, 2000. At the time the AAO was published, the city had not concluded negotiations with the Transport Workers Union and others. During the year, the Controller's Office calculated the additional value of the salary and fringe benefit adjustments of \$8.7 million, and this amount was transferred to the Municipal Railway's budget from the salary reserve.

Services of other city departments. Subsequent to the passage of Proposition E, the Municipal Transportation Agency worked with several departments to determine the value of services performed on behalf of the agency but budgeted directly in those departments. At this time, the agency has reached agreement with departments on the value of two service areas: the claims functions performed by the City Attorney's office and the employee relations functions performed by the Department of Human Resources. These two services are valued at \$5.2 million. The Municipal Transportation Agency is continuing to work with city departments, such as Purchasing and Health Services, to determine the value of services performed for the agency. As those negotiations are completed, the Controller will make adjustments to the Municipal Transportation Agency's base amount to reflect the full cost of the current level of services in the agency's budget.

Policy changes affecting revenues. The Parking and Traffic Commission proposes to increase the number of parking control officers to expand enforcement of neighborhood residential parking violations. The Commission estimates that this expansion will generate \$2.0 million in parking ticket revenues, which are dedicated to the Municipal Transportation Agency. As a result, we have reduced the General Fund support by 50%, or \$1.0 million.

Satisfaction of Proposition E Requirements

Based on this analysis, we conclude that the requirements of Proposition E are satisfied. The Agency has submitted a base budget that is balanced without the need for additional funds over the base amount, as identified above. Per Proposition E, the Board of Supervisors *may reject but not modify* the agency's base budget by a two-thirds' vote.

IV. BASELINE CONTRIBUTIONS

The Charter specifies that the Children's Fund and the Library Preservation Fund shall receive at least a minimum level of funding from the General Fund (Sections 16.108 and 16.109). This minimum funding level is adjusted by any change in aggregate city appropriations from the base year. As a result, as General Fund expenditures increase, the minimum funding levels for the Children's Fund and the Library Preservation Fund also increase. Chart F identifies the minimum funding level (baseline) for each fund based on projected aggregate City expenditures in the 2000-01 budget and the actual funding levels in the proposed budget.

**Chart F: Baseline Funding Levels
(figures in thousands of dollars)**

	<u>Required Baseline</u>	<u>Actual G.F. Contribution</u>	<u>Excess G.F. Contribution</u>
Children's Fund	\$63,742	\$65,730	\$1,988
Library Fund	28,735	29,334	599

In determining the 2000-01 baseline requirements, the Controller's Office removed Municipal Transportation Fund revenues from the calculation of "aggregate city appropriations" because these revenues are no longer discretionary under Proposition E. In making this change, we ensured that the baseline funding requirements were not reduced from the previous methodology. In the proposed 2000-01 budget, the General Fund contributions to both funds exceed the baseline requirements. The Controller's Office monitors changes to aggregate city expenditures and the corresponding impact on the baseline requirements to these two funds, and reports those changes during the course of the year to ensure that the baseline requirements are satisfied.

V. SELF-SUPPORTING ENTERPRISE DEPARTMENTS

Enterprise departments such as Water, Clean Water, Hetch Hetchy, the Port and the Airport are supported by user fees and are not supported by the City's General Fund. Overall, these enterprise revenues and expenditures are projected to increase by \$33.4 million in 2000-01, as illustrated in Chart G. The underlying assumptions of the 2000-01 proposed revenues for these departments are highlighted below.

Chart G: Enterprise Revenues
(figures in thousands of dollars)

Enterprise	FY98-99 Actual	FY1999-2000 Revised Budget	FY2000-01 Proposed Budget	FY2000-01 v. FY1999-2000
Clean Water Program	\$227,838	\$169,468	\$167,772	(\$1,696)
Water Department	146,967	278,616	270,279	(8,337)
Hetch Hetchy	101,325	120,708	118,834	(1,874)
Airport Commission	318,357	452,456	496,611	44,155
Port	41,745	49,586	50,786	1,200
Total	\$836,232	\$1,070,834	\$1,104,282	\$33,448

- The Clean Water Program will continue to operate at roughly the same level as last year. The budget includes a modest capital program funded with \$9.5 million in previously-approved revenue bonds and a repair and replacement program funded with \$12.5 million in operating revenues. The program will draw \$7.4 million from fund balances to support continuing operations. The program does not include an increase in sewer service charges for San Francisco residents.
- The Water Department also does not include a rate increase for San Francisco residents, but it has increased water rates for suburban customers by 4.4% for 2000-01. The department is planning a \$131 million capital program, which is slightly smaller than last year's appropriation. The capital program is funded with \$103 million in voter-approved revenue bonds and \$28 million in operating revenues. The department will also draw \$14 million from fund balances to support continuing operations.
- Hetch Hetchy revenues are projected to decline slightly; the transfer from the power utility to the General Fund will be reduced from \$39.9 million to \$29.9 million in 2000-01. The utility has a \$19 million capital plan for 2000-01.
- The Airport's budget includes increases in almost every revenue category, including landing fees, concessions, facility rentals, and parking fees. These increases are attributable to expanded airport facilities. In addition, the department intends to use \$16.7 million from fund balances to support operations. The Airport's budget increase over the prior year is attributable to both the continuing capital program as well as expanded operations in its new facilities.
- The Port will continue operations at the same level as the prior year.

VI. CONTROLLER'S RESERVES

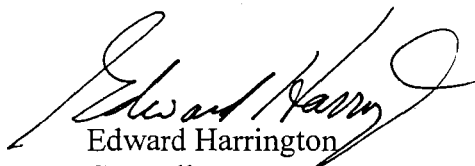
Occasionally, departments will include a revenue source where some additional action is required in order to secure the revenues. In those cases, the Controller will reserve expenditures equal to revenues until the required action is taken and the revenues are secured. In the 2000-01 budget, the Controller has reserved \$118.7 million in expenditures. Chart H lists those reserves and the action required to secure the revenues.

Chart H: Controller's Reserves
(figures in thousands of dollars)

<u>Department</u>	<u>Reserve</u>	<u>Explanation for Reserve and Required Action</u>
Adult Probation	\$961	Awaiting final approval of state grant
Community Health Network	1,200	Reimbursement for acute psychiatric care
Economic Development	7,000	State grant for Ocean Avenue light rail project
Human Services	20,200	Awaiting final state allocation for expanded programs
Water	<u>89,300</u>	Commercial paper sales (pending approvals)
Total Reserves	<u>\$118,661</u>	

In preparing this report, the Controller's Office has attempted to conduct a thorough review of budgeted revenues. As additional information becomes available, and as we are able to verify state revenue allocations, we will advise the Board of those changes. If you have any questions or concerns regarding the information presented in this report please feel free to contact me or Ann Carey of my staff at 554-7500.

Sincerely,


Edward Harrington
Controller

cc: Mayor Willie L. Brown, Jr.
Steve Kawa, Mayor's Budget Office
Harvey Rose, Board of Supervisors Budget Analyst

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS
BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

June 19, 2000

TO: Finance and Labor Committee
FROM: Budget Analyst
SUBJECT: Mayor's Recommended FY 2000-2001 Budget

The Budget Analyst has conducted a detailed review of the Mayor's recommended FY 2000-2001 budget and has prepared reports and recommendations to reduce the Mayor's recommended budget. Our reports (a) describe the service impacts resulting from the Mayor's recommended budget when services are affected (b) contain recommendations to reduce various budgeted items and (c) contain recommendations to reserve various budgeted items only if insufficient data has been submitted to support the budget requests. The recommendations of the Budget Analyst to reduce the Mayor's budget, to be considered by the Finance and Labor Committee over the next two weeks, would not result in any existing service level reductions.

SUMMARY OF CHANGES IN EXPENDITURES AND POSITIONS

The Mayor's recommended FY 2000-2001 budget of \$4,442,032,235 is \$229,129,099 or approximately 5.4 percent more than the FY 1999-2000 budget of \$4,212,903,136 as finally approved in the FY 1999-2000 Annual Appropriation Ordinance.

The Mayor's recommended FY 2000-2001 total General Fund budget, including General Fund Department expenditures and General Fund contributions to General Fund Supported Departments, of \$2,161,565,650 is \$183,675,982 more than the FY 1999-2000 General Fund budget of \$1,977,889,668, an increase of approximately 9.3 percent.

The table below provides comparative expenditure data for the total City budget between the original FY 1999-2000 budget and the Mayor's Recommended 2000-2001 budget.

Total City Budget Comparison of Expenditures and Other uses

Uses of Funds	FY 1999-2000 Original	FY 1999-2000 Revised	FY 2000-2001 Proposed	Increase	Percent
				(Decrease) from FY 1999-2000 Original	Increase (Decrease) from Original
Regular Expenditures:					
Gross Expenditures	\$ 4,364,822,006	\$ 4,405,767,660	\$ 4,649,964,730	\$ 285,142,724	6.5%
Less Interdepartmental Recoveries	<u>(515,621,796)</u>	<u>(548,221,603)</u>	<u>(586,172,085)</u>	<u>(70,550,289)</u>	13.7%
Net Regular Expenditures	\$ 3,849,200,210	\$ 3,857,546,057	\$ 4,063,792,645	\$ 214,592,435	5.6%
Capital/Facilities Maintenance	305,545,681	304,460,591	288,454,000	(17,091,681)	-5.6%
Total Reserves	26,469,223	17,954,790	51,835,106	25,365,883	95.8%
Available Surplus Funds	<u>31,688,022</u>	<u>30,045,377</u>	<u>37,950,484</u>	<u>6,262,462</u>	<u>19.8%</u>
Total Uses of Funds	\$ 4,212,903,136	\$ 4,210,006,815	\$ 4,442,032,235	\$ 229,129,099	5.4%

The Mayor's recommended FY 2000-2001 budget includes 27,985 funded full time equivalent positions or 638 more positions than the 27,347 funded positions shown in the original FY 1999-2000 budget approved by the Mayor and the Board of Supervisors. The 27,985 positions in the Mayor's recommended FY 2000-2001 budget is 610 positions more than the 27,375 positions in the revised FY 1999-2000 budget, after adjusting for supplemental appropriations approved subsequent to the approval of the FY 1999-2000 budget.

A net total of 387 or 60.7 percent of the 638 total new full time equivalent positions are funded from General Fund and General Fund-Supported departments.

GENERAL FUND EXPENDITURES AND RESERVES

The table below provides comparative data, for General Fund Expenditures, Contributions to General Fund Supported Departments and Reserves, between the original FY 1999-2000 budget and the Mayor's Recommended 2000-2001 budget.

**General Fund
 Comparison of Expenditures and Other Uses**

Uses of Funds	FY 1999-2000	FY 1999-2000	FY 2000-2001	Increase	Percent
	Original	Revised	Proposed	(Decrease) from FY 1999-2000 Original	Increase (Decrease) from Original
Regular Expenditures:					
Gross Expenditures	\$ 1,882,436,544	\$ 1,909,950,106	\$ 2,019,453,450	\$ 137,016,906	7.3%
Less Interdepartmental Recoveries	(173,789,845)	(186,890,067)	(200,320,166)	(26,530,321)	15.3%
Net Regular Expenditures	\$ 1,708,646,699	\$ 1,723,060,039	\$ 1,819,133,284	\$ 110,486,585	6.5%
Capital/Facilities Maintenance	22,019,110	20,523,177	24,756,379	2,737,269	12.4%
Contribution Transfers to General Fund Supported Departments	192,254,636	198,436,492	237,316,331	45,061,695	23.4%
Reserves	26,469,223	17,954,790	50,359,656	23,890,433	90.3%
General Fund Reserve	28,500,000	24,910,322	30,000,000	1,500,000	5.3%
Total Uses of Funds	\$ 1,977,889,668	\$ 1,984,884,820	\$ 2,161,565,650	\$ 183,675,982	9.3%

As can be seen from the table above, total General Fund expenditures, including Contribution Transfers to General Fund Supported Departments, has increased by \$183,675,982 or 9.3 percent. The largest percentage increases in General Fund expenditures are for reserves, including the Salary and Benefits Reserve discussed later in this report, and Contribution Transfers to General Fund Supported Departments, which increased by \$45,061,695 or 23.4 percent. Such Contribution Transfers are used to subsidize, primarily, the Public Transportation Commission (Muni), San Francisco General Hospital (SFGH) and Laguna Honda Hospital (LHH).

The table on the following page provides an itemization of General Fund supported Departments.

**General Fund Supported Departments
Expenditure Comparisons**

General Fund Supported Departments	FY 1999-2000 Original	FY 1999-2000 Revised	FY 2000-2001 Proposed	Increase (Decrease) from FY 1999- 2000 Original	Percent Increase (Decrease) from Original
Commission on Aging	\$ 1,597,632	\$ 1,597,632	\$ -	\$ (1,597,632)	-100.0%
San Francisco General Hospital	36,654,092	36,654,092	73,913,696	37,259,604	101.7%
Laguna Honda Hospital	32,380,038	32,380,038	29,979,454	(2,400,584)	-7.4%
Public Library	26,270,161	26,270,161	27,418,587	1,148,426	4.4%
Parking and Traffic Commission					
- Offstreet Parking	1,321,501	1,321,501	624,168	(697,333)	-52.8%
- Road Fund	6,194,562	6,194,562	4,152,535	(2,042,027)	-33.0%
Municipal Railway	84,433,308	90,565,164	97,321,671	12,888,363	15.3%
DPW - Gas Tax Fund	<u>3,403,342</u>	<u>3,403,342</u>	<u>3,906,220</u>	<u>502,878</u>	<u>14.8%</u>
Totals	\$ 192,254,636	\$ 198,386,492	\$ 237,316,331	\$ 45,061,695	23.4%

The Commission on Aging special fund expenditures previously supported by the General Fund are now included in the General Fund budget as part of new the Aging and Adult Services Department.

As can be seen in the table above, the General Fund subsidy of San Francisco General Hospital (SFGH) has more than doubled from the original FY 1999-2000 budget. The SFGH required a supplemental appropriation of \$9,940,757 in FY 1999-2000 (File 00-0779, finally approved by the Board of Supervisors on June 12, 2000). The need for this supplemental appropriation was a combination of an overall Department of Public Health (DPH) revenue deficit of \$12,772,694, due largely to a \$10,000,000 reduction in SB 855 Medi-CAL disproportionate share revenue, offset by net DPH expenditure savings of \$2,831,937. The FY 2000-2001 SFGH budget has reduced the budgeted revenue for SB 855 Medi-CAL funds by \$10,000,000 consistent with the revenue shortfall in the current, 1999-2000 Fiscal Year.

The Public Library General Fund subsidy shown in the table above is dictated by Charter Section 16.109 which requires that Property Tax revenue equal to \$0.025 per one hundred dollars of total assessed valuation be set aside for the

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Library Preservation Fund. However, the amount shown in the table above for the General Fund contribution to the Public Library exceeds the amount of the Charter required General Fund subsidy for FY 2000-2001 by \$598,575, according to the Controller. Therefore, any reductions made to the Public Library budget, up to the amount of \$598,575 would represent a General Fund savings.

The Municipal Railway General Fund subsidy was to remain unchanged from the base amount of General Fund support in FY 1999-2000 in accordance with the requirements of Proposition E which amended the Charter in November of 1999. The base amount was to include the cost to City General Fund Departments that provide services to the Municipal Railway. Therefore, the base amount for FY 1999-2000 includes the \$90,565,164 revised General Fund subsidy shown in the table above (which included the original General Fund subsidy of \$84,433,308 plus \$6,131,856 transferred from the General Fund Salary and Benefits reserve to the Municipal Railway following approval of collective bargaining agreements for Muni employees). In addition the cost of services provided to the Muni by General Fund Departments are now budgeted directly in Muni. The table below, prepared by the Controller's Office shows the recalculation of the Muni's FY 2000-01 baseline General Fund support.

RECONCILIATION OF MUNICIPAL RAILWAY BASELINE CALCULATION

<u>Item</u>	<u>Amount</u>
FY 1999-00 General Fund Support as shown in the Final 1999-00 Annual Appropriation Ordinance	\$84,433,308
Muni Operator Salary increases from the 1999-00 Salary and Benefits reserve	6,131,856
FY 1999-00 fringe adjustment for cost of Health coverage	2,528,024
Adjustment for 50 percent of new Parking fine revenue allocated to the General Fund	(1,000,000)
Services of City Attorney claims unit	4,935,884
Services of Department Human Resources Employee Relations Division	292,599
	<hr/>
FY 2000-2001 General Fund Support (per Interim Annual Appropriation Ordinance)	\$97,321,671

Article VIII A - Sec. 8A.105 of the Charter, regarding the Municipal Transportation Fund states that, as long as the Municipal Railway's General Fund

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subsidy does not exceed the baseline amount, the Board of Supervisors may allow the Muni's base budget to take effect without any action on the part of the Board of Supervisors, or it may reject but not modify the Agency's base budget by a two-thirds' vote. Therefore, because the Muni's base budget does not exceed the adjusted baseline amount as calculated by the Controller, the Board of Supervisors can only approve, adopt without any action, or reject the Muni proposed budget for FY 2000-2001.

RESERVES

The Mayor's recommended FY 2000-2001 budget contains an undesignated General Fund Reserve of \$30,000,000 which is \$1,500,000 more than the General Fund Reserve of \$28,500,000 as finally approved in the FY 1999-2000 Annual Appropriation Ordinance.

In addition, the City has an Emergency Reserve Fund balance of \$4,198,046 carried forward from FY 1999-2000 into FY 2000-2001.

Designated Reserves

In addition to the undesignated General Fund Reserve of \$30,000,000, the Mayor's Recommended FY 2000-2001 budget contains five designated General Fund Reserves as follows:

Audit/Year-End Closing Adjustments	\$4,500,000
Human Rights Commission Task Force Recommendations	1,000,000
Systems Infrastructure Reserve	1,000,000
Litigation Reserve	9,000,000
Salary and Benefits	<u>34,859,656</u>
Total Designated Reserves	\$50,359,656

The Litigation Reserve is established every year to set aside funds for lawsuits and related expenses anticipated by the City Attorney for the 2000-2001 Fiscal Year. The Salary and Benefits Reserve is calculated by the Controller and the Mayor's Office to provide funding for pending labor agreements that have not yet been approved by the Board of Supervisors. The Year-End Closing Audit Adjustments Reserve is established to provide funds for necessary expenditure adjustments that are required during the closeout of the 1999-2000 Fiscal Year and preparation of the Consolidated Annual Financial Report.

With the exception of the Audit/Year-End Closing Adjustments reserve and the Salary and Benefits reserve, reserves shown in the table above will require a

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supplemental appropriation, approved by both the Mayor and the Board of Supervisors prior to release of such reserves for expenditure.

Controller's Reserves

The Controller has established total reserves for expenditures included in departmental budgets in the amount of \$2,861,019 for various expenditures as described below:

Adult Probation Department – reserve pending Receipt of Grant Funds	\$961,019
San Francisco General Hospital – reserve for Acute Care Psychiatry and Department of Public Health – expenditures for Alternatives to Hospitalization	<u>1,900,000</u>
Total Controller's Reserve	\$2,861,019

The San Francisco General Hospital (SFGH) Acute Psychiatry and Department of Public Health expenditures for alternative to hospitalization both relate to a budget initiative to retain 22 psychiatric inpatient beds at SFGH and developing alternatives to hospitalization in the Department of Public Health (DPH) budget for psychiatric patients. The Controller has reserved approximately eight months of expenditures during FY 2000-2001 to evaluate the success of the new approach to psychiatric inpatient care. The Budget Analyst will recommend, in our budget report on DPH, that the Finance and Labor Committee also place these funds on reserve so that the DPH can report to the Finance and Labor Committee on the program prior to continuing funding for the remainder of FY 2000-2001.

**SOURCES OF FUNDS: REVENUES AND CONTRIBUTION
TRANSFERS**

FY 1999-2000 General Fund Year End Surplus

The March 3, 2000 Joint Report prepared by the Mayor's Director of Finance, the Controller and the Budget Analyst projected a General Fund revenue shortfall \$24,400,000 for Fiscal Year 2000-2001. At that time, the Controller had estimated that the FY 1999-2000 General Fund year end surplus, which would be available as a source of funds for the Fiscal Year 2000-2001 budget, would amount to \$90,200,000. Subsequently, on May, 5 2000, the Controller issued his Nine-Month

Budget Status report which included a \$113,700,000 estimate of the FY 1999-2000 General Fund year end surplus.

The Mayor's Recommended 2000-2001 budget includes General Fund prior year surplus funds in the amount of \$116,100,000, or \$2,400,000 over the Controller's May 5, 2000 estimate for the FY 1999-2000 surplus. and an increase of \$9,280,000 over the \$106,820,000 FY 1999-2000 estimated surplus which was used as a source of funds for the original FY 1999-2000 budget. According to the Controller, the increase in the General Fund prior year surplus funds of \$2,400,000 over the Controller's May 5, 2000 estimate is the result of an increased allocation of State Health Realignment funds for Fiscal Year 1999-2000.

Regular Revenues

The Budget Analyst has reviewed the major budgeted General Fund revenues in the Mayor's Recommended FY 2000-2001 budget and found that such major revenues reflect the Controller's Nine-Month Budget Status report adjusted for revenue growth rates that are consistent with the assumptions utilized in the March 3, 2000 Joint Report prepared by the Mayor's Director of Finance, the Controller and the Budget Analyst.

Contribution Transfers to the General Fund from the Airport Annual Service Payment and Hetch Hetchy Surplus Revenues

The table below summarizes the Contribution Transfers to the General Fund.

<u>Contribution Transfer</u>	<u>FY 1999-2000 Original Budget</u>	<u>FY 2000-2001 Recommended Budget</u>	<u>Increase (Decrease)</u>
Airport Annual Service Payment	\$24,000,000	\$28,327,877	\$4,327,877
Hetch Hetchy Surplus Revenue Transfer	<u>39,850,000</u>	<u>29,850,000</u>	<u>(10,000,000)</u>
Totals	\$ 63,850,000	\$58,177,877	\$(5,672,123)

The increased contribution transfer from the Airport reflects continued growth in Airport concession revenues in FY 2000-2001. In September of 2000, the Airport will begin operation of the new International Terminal. New concession

revenue resulting from the opening of the International Terminal are included in the Mayor's Recommended Airport Contribution Transfer of \$28,327,877.

The March 3, 2000 Joint Report estimated that the General Fund Contribution Transfer from Hetch Hetchy Surplus Revenues would be reduced by \$6.35 million, from \$39.95 million in FY 1999-2000 to \$33.6 million in FY 2000-2001. However, Hetch Hetchy revenue decreases resulting from the deregulation and increased capital spending requirements have, according to the Mayor's proposed budget, further decreased the available Hetch Hetchy Contribution Transfer to \$29,850,000.

UNDERFUNDED ITEMS

In past Fiscal Years, the Budget Analyst has reported to the Board of Supervisors that certain General Fund expenditures in the Mayor's recommended budget have been significantly underbudgeted. Typically, such items include Police Overtime and Workers Compensation. In FY 1999-2000, the Police Department has exceeded its overtime budget by an estimated \$3,900,000 according to the latest expenditure projections. This overexpenditure has been offset by Uniform salary savings and savings from other non-salary fringe benefit accounts. For the FY 2000-2001 budget, the Mayor has recommended an increase in the General Fund Police Overtime budget of \$1,650,000. Based on current year spending therefore, Police Overtime may be underbudgeted by \$2,250,000.

The Controller's Nine-Month budget status report estimated a General Fund deficit in Workers Compensation amounting to approximately \$3,200,000 for FY 1999-2000. The Budget Analyst has reviewed the Mayor's Recommended FY 2000-2001 budget for the adequacy of Workers Compensation budgeted expenditures. We have found that the Mayor's Recommended budget has increased budgeted expenditures for Workers Compensation in General Fund and General Fund supported departments to levels that approximate current year spending levels. However, the Budget Analyst notes that amounts for Workers Compensation expenditures in the Mayor's Recommended Budget do not allow for growth in spending over the current 1999-2000 Fiscal Year. According to Mr. Steve Kawa, Mayor's Director of Finance, the Mayor's proposed budget provides adequate funding for Workers Compensation after adjustments for certain high cost cases that have contributed heavily to Workers Compensation expenditures in FY 1998-99 and FY 1999-2000. Also, the Workers Compensation Council's recommendations will be addressed during FY 2000-2001 which will provide additional improvements in Workers Compensation management practices.

**EQUIPMENT PURCHASE IN LIEU OF LEASE FINANCING –
 GENERAL FUND DEPARTMENTS**

The Mayor's proposed FY 2000-2001 budget includes substantial increases in outright equipment purchases rather than using lease financing for purchase of equipment. The table below provides a comparison between the FY 1999-2000 and FY 2000-2001 budget for such equipment purchases for General Fund and General Fund supported departments.

General Fund and General Fund Supported Departments Equipment Purchase

	FY 1999-2000 Original	FY 1999-2000 Revised	FY 2000-2001 Proposed	Increase (Decrease) from FY 1999-2000 Original	Percent Increase (Decrease) from Original
General Fund Departments	\$3,372,372	\$3,581,893	\$15,587,698	\$12,215,326	362.2%
San Francisco General Hospital	275,190	275,190	2,669,169	2,393,979	869.9%
Laguna Honda Hospital	150,500	79,394	248,810	98,310	65.3%
Public Library	528,308	487,448	710,000	181,692	34.4%
Parking and Traffic Commission					
- Offstreet Parking	-	-	47,500	47,500	n/a
DPW - Gas Tax Fund	-	-	<u>94,500</u>	<u>94,500</u>	<u>n/a</u>
Totals	\$4,326,370	\$4,423,925	\$19,357,677	\$15,031,307	347.4%

As shown above, the proposed General Fund equipment purchase budget for FY 2000-2001 of \$19,357,677 is \$15,031,307 or 347.4 percent greater than the original FY 1999-2000 equipment purchase budget of \$4,326,370

The advantage of making equipment purchases outright, instead of lease financing such purchases, is that substantial savings can be realized in interest payments over subsequent fiscal years. According to the Mayor's Office of Public Finance, the maximum General Fund equipment lease financing authorization for FY 2000-2001 is sufficient to lease purchase \$9,200,000. Therefore, if the City were to lease finance such equipment in FY 2000-2001, the General Fund appropriation for such equipment purchases could be reduced by \$9,000,000 (the \$9,200,000 value

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BUDGET ANALYST

of equipment that could be lease purchased less approximately \$200,000 for the initial payment in the first year).

However, if the City were to lease finance \$9,200,000 in equipment for FY 2000-2001, total debt service for the equipment lease financing would amount to approximately \$13,165,000 over the next five years. The increased cost due to interest payments over five-years of lease financing \$9,200,000 in equipment would be \$3,965,000, or 43.1 percent of the value of the equipment actually purchased. Clearly, therefore, the City will realize substantial savings over the next five years by purchasing equipment outright instead of by using available lease financing capacity.

DEPARTMENT BUDGETS NOT SUBJECT TO AMENDMENT BY THE BOARD OF SUPERVISORS

Besides the Municipal Railway budget discussed above, two new departments have been created for FY 2000-2001 which, according to State law, are not subject to amendment by the Board of Supervisors. The two new City Department's are the Children and Families Commission, funded by new tobacco tax funds transferred from the State, and the Department of Child Support Services, formerly a division within the District Attorney's office. Because the Municipal Railway as well as these two department budgets are not subject to amendment by the Board of Supervisors, the Budget Analyst will not be issuing reports and recommendations on these three proposed budgets for FY 2000-2001.

BUDGET ANALYST RECOMMENDATIONS

Over the next two weeks, the Budget Analyst will be presenting recommendations to reduce expenditures in the Mayor's recommended FY 2000-2001 budget without reducing services below current levels. For example, the Budget Analyst has found that many City Departments are now requesting upward substitutions of new positions for existing positions, resulting in increased salary and fringe benefit costs. Based on the fact that such substitutions were made during previous years without budgetary approval by the Board of Supervisors, the Budget Analyst will recommend, where appropriate, increased attrition savings to enable the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit cost, but eliminate increased expenditures as a result of such a substitution of positions.

Significant recommendations will be presented for the following City Departmental budgets to be considered by the Finance and Labor Committee at its

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BUDGET ANALYST

Memo to Finance and Labor Committee
June 19, 2000

meeting of June 20, 2000, with various other recommended reductions to be reported subsequent to the issuance of this report:

<u>Department</u>	<u>Budget Analyst's Recommended Expenditure Reductions</u>
Administrative Services	\$956,796
City Attorney	513,751
Human Resources	1,370,174
Trial Courts*	1,208,088
Fire	5,091,319
Police	2,264,405
Sheriff	<u>733,000</u>
Total	\$12,137,533

* The budget of the Trial Courts is not subject to review by the Mayor. Only the Board of Supervisors can reduce the budget of the Trial Courts.

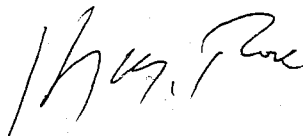
The recommendations of the Budget Analyst are subject to change over the next two weeks based on new information provided by City Departments.

The results of the Budget Analyst's review are detailed in three separate reports to the Finance and Labor Committee. Each report contains the recommendations of the Budget Analyst, along with explanations supporting those recommendations. These reports are as follows:

- General Administration and Finance and Public Protection (June 20, 2000, 1:00 p.m.)
- Human Welfare and Neighborhood Development and Community Health (June 21, 2000, 1:00 p.m.)
- Culture and Recreation, Public Works, Transportation and Commerce (June 22, 2000, 1:00 p.m.)

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance and Labor Committee
June 19, 2000



Harvey M. Rose

cc: Supervisor Yee
Supervisor Bierman
President Ammiano
Supervisor Becerril
Supervisor Brown
Supervisor Katz
Supervisor Kaufman
Supervisor Leno
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Controller
Clerk of the Board
Controller
Steve Kawa

BOARD OF SUPERVISORS
BUDGET ANALYST



PLANNING DEPARTMENT

City and County of San Francisco 1660 Mission Street, Suite 500 San Francisco, CA 94103-2414


(415) 558-6376 PLANNING COMMISSION FAX: 558-6409 ADMINISTRATION FAX: 558-6426 CURRENT PLANNING/ZONING FAX: 558-6409 LONG RANGE PLANNING FAX: 558-6426

MEMORANDUM

DATE: July 12, 2000

TO: Members of the San Francisco Board of Supervisors

FROM: Gerald Green
Director
San Francisco Planning Department

THROUGH: Diane Lim 
Manager of Finance and Administration
San Francisco Planning Department

RE: 1430 Transcriber - Administration

BACKGROUND

The Planning Department's budget proposal for Fiscal Year 2000-2001 forwarded to the Board of Supervisor's Budget Analyst, added one position to its staff count. This was a 1430 Transcriber to accommodate requirements mandated by the new Prop. G, Sunshine Ordinance.

In the report brought to the Finance Committee by the Budget Analyst related to the Planning Department's budget there was a recommendation to not approve the additional position. The Finance Committee chose to accept this recommendation. However, with all due respect to members of the Finance Committee, the Department still feels a case should be made to include the 1430 position in its Fiscal Year 2000-2001 budget. This correspondence presents the case for the 1430 Transcriber.

ISSUE

The passing of Proposition G, Sunshine Ordinance has brought forth new mandates on the Planning Department. The major mandates are:

- Public comment minutes must be taken at Commission hearings. All public comment and action minutes must be summarized and finalized within seven days. Prior to Prop G only taped action minutes were required within 10 days.
- Public comments and action minutes need to be transcribed, reviewed, summarized and finalized for distribution and Internet access within seven days.

Some of the immediate impacts of this new ordinance are listed below:

- Requests for commission tapes has increased from the average of two weekly to five weekly
- The typical weekly Commission hearing begins at 1pm and ends at 10pm. The Planning Commission hearings are in session for longer durations due to the greater complexity of cases and public interactions (very recently a hearing ended at 1am). Given this schedule as a

typical event the Commission Secretary and her present assistant are required to put in 14 hours on Thursday and return to work Friday morning to meet the seven day turnaround requirement. This work schedule results in 6 hours of overtime paid at time and a half for the assistant and comp time credit to the Commission Secretary. However, the workload effected by the new Sunshine Ordinance does not allow for the use of the accrued Comp time nor does it afford vacation for the Commission Secretary and assistant to relieve work related burnout.

- The average length of weekly commission minutes has increased to an average of 12 pages from the previous 5 pages to include public comments and action minutes. This increase in minutes is the result of the addition of public comments to the standard action minutes. All testimony must be included in the minutes.
- Various Departments have requested copies of the weekly Commission minutes for public review
- Information must be made public through distribution on the Internet

ITEM

To handle this new mandate and the impacts associated with it the Planning Department requests that the Commission Secretary be accompanied to each weekly meeting by the 1430 Transcriber that has been added to the Department's budget for Fiscal Year 2000-2001. If any further information is needed in regard to this matter please contact my Chief of Finance and Administration, Diane Linn at 558-6547.

**OUTER MISSION RESIDENTS ASSOCIATION
116 DRAKE STREET
SAN FRANCISCO, CALIFORNIA 94112**

*Steven R. Currier, President
Catherine Pacheco, Vice-President
Lynn Aurelio, Secretary
Kenneth Kalani, Treasurer
Jeanne Anberg, Sergeant-at-Arms
Karen Hemer, Member-at-Large
Marion Aird, Member-at-Large*

*Members of Organizations:
Coalition for San Francisco Neighborhoods
Committee to Save the Geneva Car Barn and Powerhouse
Crocker-Amazon Park Advisory Council
District 11 Council*

June 17, 2000

The Honorable Leland Yee
One Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Budget Hearings and Testimony –Fiscal Year 2001

Dear Supervisor Yee:

On behalf of our Association and the Community Advisory Committee to Save the Geneva Office Building, I am writing to you regarding input concerning the Budget for the Fiscal Year 2001.

As you are well aware, the Community Advisory Committee to Save the Geneva Office Building have been meeting ongoing for the past two years after the successful fight with MUNI in saving this 100 year old building. These meetings turned into a bigger issue which now has evolved in the Planning Department's "*Better Neighborhoods 2002*" which include the Balboa Park Bart Station. The relevant issue or issues are major capital projects that will make this station pedestrian friendly along with traffic calming devices and a safer BART station. These plans may also include a transit village.

I am requesting that \$550,000 be set aside to begin the study which the Planning Department will oversee before talks can begin and work initiated at that station. BART has promised \$250,000 and we are short the figure above. This "*Better Neighborhoods 2002*" is part of a three prong approach relating to transit corridors. The other two are the Central Waterfront, and the Market and Octavia Project, which are funded for the study.

The Honorable Leland Yee

June 17, 2000

Page Two

At your convenience, I would like to meet with you at a time specified by yourself and your staff to discuss this matter further. I look forward to hearing from you.

Very truly yours,



Steven R. Currier

President

415.587.9150

CC: The Honorable Tom Ammiano, Finance and Labor Committee
The Honorable Sue Bierman, Finance and Labor Committee
Mary Red, Clerk, Finance and Labor Committee
Dan Weaver
Dee Dee Workman, Executive Director
San Francisco Beautiful
Committee to Save the Geneva Office Building
Chuck Rich
S.F. Planning Department
David Alumbaugh
S.F. Planning Department

OFFICE OF THE MAYOR
SAN FRANCISCO



Willie Lewis Brown, Jr.

June 1, 2000

San Francisco Board of Supervisors
City Hall, rm 244
San Francisco, CA 94102

Honorable Members of the Board of Supervisors,

I hereby submit for your review my proposed budget for fiscal year 2000-01. In accordance with City Charter sections 4.132 and 18.105, please note that the budget includes three departmental reorganizations:

1) Department of Child Support Services

In accordance with section 17304(f) of the State Family Code, the functions previously performed by the Family Support Bureau of the District Attorney's Office must be performed by an independent entity. The mission of the new Department of Child Support Services (CSS) is to collect support for children from their parents, to achieve cost savings to the taxpayers by reducing dependence on public assistance, and to improve the quality of life for affected San Francisco children who are not on assistance.

2) Department of Adult and Aging Services

The proposed budget consolidates the functions of the Commission on the Aging, the Public Administrator/Public Guardian, and the Mental Health Conservator division of the Department of Public Health into a new Department of Adult and Aging Services. By creating a single department, the City will improve intake coordination and access to services for clients with multiple needs.

3) Department of the Environment

My proposed budget also moves the Clean Air Program, currently under the Department of Administrative Services, into the Department of the Environment (DOE). In addition, DOE will receive funds from the Public Utilities Commission to hire a new energy policy analyst. These changes will allow the department to improve delivery of environmental services and information regarding alternate modes of transportation and resource efficiency to the public and city agencies.

I look forward to working with you to continually improve the delivery of public services in the City and County of San Francisco.

Sincerely,

A handwritten signature in black ink that reads "Willie L. Brown, Jr.".

WILLIE L. BROWN, JR.
Mayor

00 JUN - 1 11 15
RECEIVED
CITY CLERK'S OFFICE
SAN FRANCISCO