

File No. 140852

Committee Item No. 15

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date September 17 2014

Board of Supervisors Meeting

Date _____

Cmte Board

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

OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong Date September 12, 2014

Completed by: _____ Date _____

1 [Appropriation and De-Appropriation - Surplus Expenditure of \$79,437 Supporting Increased
2 Overtime Expenditures - FY2013-2014]

3 **Ordinance retroactively appropriating \$79,437 to overtime and de-appropriating \$79,437**
4 **in salaries in the Public Utilities Commission Water Enterprise Department Operating**
5 **Budget to support the department's projected increases in overtime as required per**
6 **Ordinance No. 194-11 in FY2013-2014.**

7
8 Note: **Unchanged Code text and uncodified text** are in plain Arial font.
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.
10 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
11 **Board amendment additions** are in double underlined Arial font.
12 **Board amendment deletions** are in ~~strikethrough Arial font~~.
13 **Asterisks (****)** indicate the omission of unchanged Code
14 subsections or parts of tables.

15 Be it ordained by the People of the City and County of San Francisco:

16 Section 1. The uses of funding outlined below are herein de-appropriated to reflect the
17 funding available for FY2013-2014.

18 **Uses De-appropriation**

| Fund | Index/Project Code | Subobject | Description | Amount |
|------------------------------------|--------------------|-----------|--------------------|-------------------|
| 5W AAA AAA | 472012 | 00101 | Salaries – Regular | (\$79,437) |
| Water Enterprise - Non | | | - Miscellaneous | |
| Project Controlled | | | | |
| Total USES De-appropriation | | | | (\$79,437) |

1 Section 2. The uses of funding outlined below are herein re-appropriated in Subobject
 2 01101 (Salaries – Overtime – Misc), and reflect the projected uses of funding to support the
 3 increases in overtime spending in the Public Utilities Commission Water Enterprise
 4 Department for Fiscal Year 2013-2014.

5
 6 **USES Re-appropriation**

| Fund | Index/Project Code | Subobject | Description | Amount |
|------------------------------------|--------------------|-----------|---------------------|-----------------|
| 5W AAA AAA | 472012 | 01101 | Salaries – Overtime | \$79,437 |
| Water Enterprise - Non | | | – Miscellaneous | |
| Project Controlled | | | | |
| Total USES Re-appropriation | | | | \$79,437 |

15 Section 3. The Controller is authorized to record transfers between funds and adjust
 16 the accounting treatment of sources and uses appropriated in this Ordinance as necessary to
 17 conform with Generally Accepted Accounting Principles.

19 APPROVED AS TO FORM:
 20 DENNIS J. HERRERA, City Attorney

FUNDS AVAILABLE
 BEN RONSENFELD, Controller

21 By: 
 22 THOMAS OWEN
 Deputy City Attorney

By: 
 BEN ROSENFELD
 Controller

| | |
|--|--|
| <p>Items 14, 15 and 16 Files 14-0851, 14-0852 & 14-0853</p> | <p>Department: Public Utilities Commission (PUC)</p> |
| <p>EXECUTIVE SUMMARY</p> | |
| <p style="text-align: center;">Legislative Objectives</p> <p>The proposed ordinances (Files 14-0851, 14-0852, and 14-0853¹) would (a) de-appropriate surplus monies in permanent salaries and retirement benefits of \$285,664 in the Public Utilities Commission’s (PUC) FY 2013-14 operating budgets for the Wastewater Enterprise, the Water Enterprise, and the PUC Bureaus, and (b) re-appropriate these funds to overtime expenditures for the three units of the PUC in the prior fiscal year (FY 2013-14).</p> <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The City Administrative Code Section 3.17 states that the operating budgets for the PUC comprised of the Wastewater Enterprise, the Water Enterprise and the PUC Bureaus, must contain a separate line item for overtime expenditures and that the PUC must request a supplemental appropriation from the Board of Supervisors for any additional overtime. • Due to slower than anticipated hiring and a four-fold increase in the service requests from new construction projects throughout the city, the PUC expended \$285,664 more than its approved FY 2013-14 overtime budget. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The proposed ordinances would de-appropriate \$285,664 in surplus salaries and retirement and would re-appropriate these funds to overtime. <p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> • Amend the proposed ordinances to be retroactive to June 30, 2014. • Approve the proposed ordinances as amended. | |

¹ The PUC submitted three separate ordinances since the total PUC operating budget is comprised of three separate budgets for the Water Enterprise, the Wastewater Enterprise, and the PUC Bureaus, which includes management and administration.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

Administrative Code Section 3.17, which was approved by the Board of Supervisors in September 2011, requires that the Annual Appropriation Ordinance contain a separate overtime appropriation within the operating budgets of the following eight City departments: San Francisco International Airport, Department of Emergency Management, Police Department, Department of Public Health, Public Utilities Commission, Department of Public Works, Recreation and Park Department, and the Sheriff.

Administrative Code Section 3.17(b) states that the eight City departments identified above must also request a supplemental appropriation ordinance for any overtime costs in excess of the overtime included in their operating budgets. Such requested ordinances are subject to Board of Supervisors appropriation approval.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinances (Files 14-0851, 14-0852, and 14-0853²) would (a) de-appropriate surplus monies in permanent salaries and retirement benefits of \$285,664 in the Public Utilities Commission's (PUC) FY 2013-14 operating budgets for the Wastewater Enterprise, the Water Enterprise, and the PUC Bureaus, and (b) re-appropriate these funds to overtime expenditures for the three units of the PUC in the prior fiscal year (FY 2013-14).

According to Carlos Jacobo, PUC Budget Director, the PUC incurred overtime costs in excess of the budgeted amounts because of (1) delays in filling vacant positions due to slower than anticipated hiring, and (2) an estimated four-fold increase in service requests for connections to the PUC's water and sewer lines from new construction sites throughout the City.

FISCAL IMPACT

The proposed ordinances would de-appropriate \$285,664 and re-appropriate that same amount for overtime costs in the prior fiscal year (FY 2013-14). Since the proposed ordinance applies to the prior fiscal year (FY 2013-14), the Budget and Legislative Analyst's Office recommends amending the proposed ordinance to be retroactive to June 30, 2014, the last day in FY 2013-14.

Table 1 below shows the sources and uses of funds totaling \$285,664 for the proposed supplemental appropriations for additional overtime in fiscal year 2013-14.

² The PUC submitted three separate ordinances since the total PUC operating budget is comprised of three separate budgets for the Water Enterprise, the Wastewater Enterprise, and the PUC Bureaus, which includes management and administration.

Table 1: Sources and Uses of Funds

| Source of Funds | |
|--|------------------|
| Wastewater Enterprise Surplus Permanent Salaries | 193,935 |
| Water Enterprise Surplus Permanent Salaries | 79,437 |
| PUC Bureaus Surplus Retirement | 12,292 |
| Total Sources of Funds | \$285,664 |
| Uses of Funds | |
| Overtime Expenditures | |
| <u>Wastewater Enterprise</u> | |
| Maintenance | \$282,563 |
| Administration | 24,455 |
| Operations | 2,627 |
| Environmental Engineers | 582 |
| Collection System | (110,891) |
| Wastewater Labs | (5,401) |
| Subtotal, Wastewater Enterprise | \$193,935 |
| <u>Water Enterprise</u> | |
| City Distribution | \$50,927 |
| Water Supply and Treatment | 24,892 |
| Water Quality | 9,896 |
| Natural Resources | (6,278) |
| Subtotal, Water Enterprise | \$79,437 |
| <u>PUC Bureaus</u> | |
| Business Services | \$11,644 |
| General Manager | 648 |
| Subtotal, PUC Bureaus | 12,292 |
| Total Uses of Funds | \$285,664 |

RECOMMENDATIONS

1. Amend the proposed ordinances to be retroactive to June 30, 2014.
2. Approve the proposed ordinances as amended.

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *EL* Mayor Edwin M. Lee *EL*
RE: Appropriation and De-Appropriation - Surplus Expenditure of \$79,437
Supporting Increased Overtime Expenditures - FY2013-2014
DATE: July 22, 2014

Attached for introduction to the Board of Supervisors is the ordinance appropriating \$79,437 to overtime and de-appropriating \$79,437 in salaries in the Public Utilities Commission Water Enterprise Department operating budget to support the department's projected increases in overtime as required per Ordinance 194-11.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

EL
RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
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