

File No. 180444

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date May 24, 2018

Board of Supervisors Meeting

Date _____

Cmte Board

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

OTHER (Use back side if additional space is needed)

- Mayor's May Proposed Budget 2018-2019 & 2019-2020
- PowerPoint Presentations
- _____
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Completed by: Linda Wong

Date May 18, 2018

Completed by: Linda Wong

Date _____

CITY & COUNTY OF SAN FRANCISCO, CALIFORNIA

MAYOR'S 2018-2019 & 2019-2020

MAY PROPOSED BUDGET

MAYOR MARK E. FARRELL



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MAYOR'S LETTER

May 1st, 2018

Dear Residents of San Francisco,

I am proud to present you with my May 1 Budget, which is the first step toward creating a balanced budget for the next two years. It will be followed by my full budget on June 1.

The May 1 budget supports the work of 12 City departments, including our four enterprise agencies—the San Francisco Municipal Transportation Agency, the Port of San Francisco, the Public Utilities Commission, and the San Francisco International Airport—and includes \$8.2 billion of revenues and expenditures over the next two years.

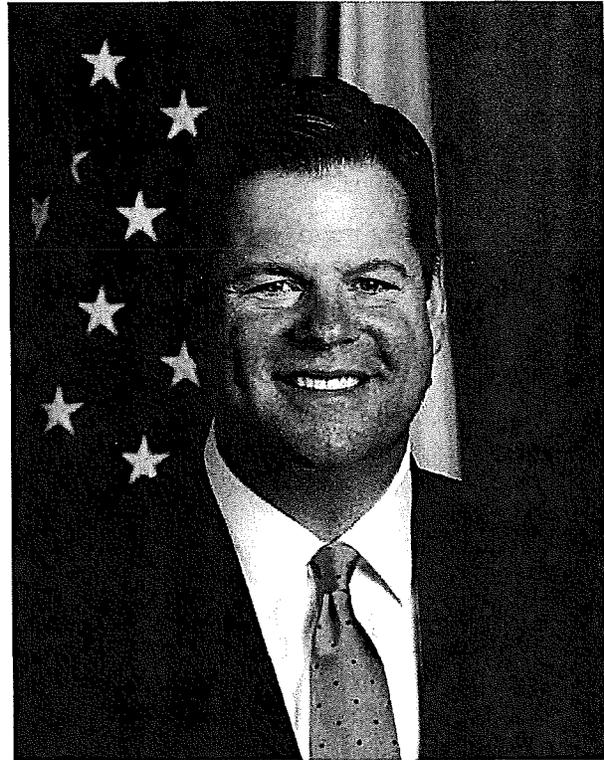
Additionally, this budget funds the operations of eight City departments—the Board of Appeals, Building Inspection, Child Support Services, Environment, Law Library, Public Library, Rent Arbitration Board, and Retirement System—and provides support to the San Francisco Unified School District. These departments provide critical services to all San Francisco residents and neighborhoods. This budget ensures that their baseline levels of service will be maintained.

CAPITAL PROJECTS

My May 1 budget also includes \$3.2 billion in funding for capital projects to expand our transportation network, protect the Embarcadero Seawall, renovate and remodel neighborhood library branches and improve our local and regional water system. The capital budget will also expand and renovate terminals at San Francisco International Airport, create safer streets for pedestrians and cyclists, and achieve a state of good repair for our City's capital assets.

PORT INFRASTRUCTURE

Working with the Port of San Francisco, the City has made plans to reinforce our waterfront infrastructure so that it can withstand the twin dangers of seismic instability and sea level rise. This budget includes \$5 million in funding to implement seismic improvements to the Embarcadero Seawall in advance of a planned \$425 million General



Obligation Bond measure that is slated to go before the voters in November 2018. The Embarcadero Seawall stretches more than three miles, from Fisherman's Wharf to Mission Creek, and protects critical utilities, transportation networks (including both the BART and Muni Metro underground network), emergency response infrastructure and buildings along the Embarcadero. The funding in this budget will ensure that our City is able quickly and cost effectively address the most critical safety improvements to the Seawall.

TRANSPORTATION PRIORITIES

San Francisco is growing and the City needs its transportation network and infrastructure to grow with it. This budget will increase the level of transit service to meet increased demand from population and job growth. In the next two years, the San Francisco Municipal Transportation Agency will fund \$135 million in combined capital and operating dollars to expand its Muni Light Rail fleet by 40 new vehicles. The agency will also include more than \$95 million in capital funding to support the completion

of the Central Subway, and \$95 million in bicycle, pedestrian, and traffic calming measures along with other streets improvements, which will help the City achieve its Vision Zero goal of eliminating deaths from traffic accidents. The budget also includes \$11 million in funding, which will be matched by state, regional, and private sources, to deliver a new ferry landing in Mission Bay and provide regional transportation access to UCSF Mission Bay, the Golden State Warriors arena and the surrounding neighborhoods.

ENVIRONMENTAL LEADERSHIP

San Francisco has long been a pioneer of innovative and responsible environmental policies and this budget enables the City to take bold steps towards its commitment to achieve net-zero greenhouse gas emissions by 2050. We are funding the citywide roll out of CleanPowerSF, which delivers cost-effective, cleaner energy alternatives for City homes and businesses. This will enable the Public Utilities Commission to achieve its adopted goal of completing the program by July 2019 and ensure high-quality service to an estimated 350,000 CleanPowerSF customers. This budget also funds a comprehensive outreach program to inform the public about impactful changes to the Citywide recycling program, enabling residents to recycle more materials, including paper cups, cartons and plastic bags. Funding for LED bulb installations, a zero emissions vehicles strategy, and making further progress towards our City's goal of zero waste has also been included.

LIBRARY INVESTMENTS

This budget invests significantly in our City's libraries. It includes nearly \$20 million to fully fund the Mission branch library renovation, as well as nearly \$4 million to continue scoping and design for the Chinatown and Ocean View branch projects. Other investments will improve and maintain library facilities throughout the City. We are also continuing to make sure that all San Francisco residents

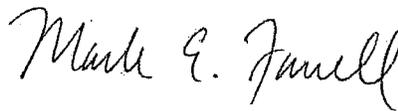
have access to free educational and recreational opportunities at our libraries by providing funding to increase programming and ensuring public access to technology and the internet.

CHALLENGES AND NEXT STEPS

We are fortunate to have experienced good economic times in recent years. In spite of this, we still face short term deficits and long term structural challenges to our City's fiscal health. Growing personnel and healthcare costs, increases in pension obligations, the rising cost of voter-mandated baselines and set-asides, and a number of challenges from the federal government mean we are still facing a general fund shortfall of \$137 million over the next two years. My staff and I will work over the following weeks to close this deficit while creating smart, effective policies for addressing challenges around public safety, homelessness, housing and clean streets.

I served as the chair of the Board of Supervisors Budget and Finance Committee for four years, working with my predecessor, the late Mayor Edwin M. Lee, to craft and deliver strategic, balanced budgets. As budget chair, I shared Mayor Lee's vision of a safe and resilient City prepared for the future. As Mayor, I continue to work tirelessly to be a responsible steward of the City's finances while making strategic, long term investments to keep San Francisco a resilient, safe and livable city. I look forward to working with the Board of Supervisors, residents, businesses and all stakeholders to meet these challenges and craft a balanced budget by June 1.

Sincerely,



Mark E. Farrell, Mayor

BUDGET SUMMARY TABLES



USES BY DEPARTMENT

Department	2017-2018 Budget	2018-2019 Budget	Chg From 2017-2018	2019-2020 Budget	Chg From 2018-2019
Airport Commission	\$987,785,877	\$1,112,872,807	\$125,086,930	\$1,223,801,702	\$110,928,895
Board Of Appeals - PAB	\$1,038,570	\$1,071,849	\$33,279	\$1,102,681	\$30,832
Building Inspection	\$76,533,699	\$77,782,063	\$1,248,364	\$76,547,087	(\$1,234,976)
Child Support Services	\$13,662,238	\$13,564,119	(\$98,119)	\$13,564,119	\$0
Environment	\$23,081,438	\$21,965,767	(\$1,115,671)	\$22,045,518	\$79,751
Law Library	\$1,855,758	\$1,982,273	\$126,515	\$2,121,171	\$138,898
Municipal Transprtn Agency	\$1,183,468,406	\$1,211,224,576	\$27,756,170	\$1,270,668,075	\$59,443,499
Port	\$133,202,027	\$174,354,417	\$41,152,390	\$147,698,264	(\$26,656,153)
Public Library	\$137,850,825	\$159,376,732	\$21,525,907	\$150,509,345	(\$8,867,387)
Public Utilities Commissn	\$1,052,841,388	\$1,300,058,462	\$247,217,074	\$1,402,330,591	\$102,272,129
Rent Arbitration Board	\$8,074,900	\$8,545,317	\$470,417	\$8,608,765	\$63,448
Retirement System	\$97,622,827	\$112,141,309	\$14,518,482	\$124,166,473	\$12,025,164
Expenditure Subtotals	\$3,717,017,953	\$4,194,939,691	\$477,921,738	\$4,443,163,791	\$248,224,100
Less Interdepartmental Recoveries And Transfers	(\$188,928,779)	(\$199,203,588)	(\$10,274,809)	(\$210,630,196)	(\$11,426,608)
Net Uses	\$3,528,089,174	\$3,995,736,103	\$467,646,929	\$4,232,533,595	\$236,797,492

FUNDED POSITIONS BY SERVICE AREA AND DEPARTMENT

Service Area: B Public Works, Transportation & Commerce

	2017-2018 Original Budget	2018-2019 Proposed Budget	Change From 2017-2018	2019-2020 Proposed Budget	Change From 2018-2019
AIRPORT COMMISSION	1,585.95	1,598.70	12.75	1,598.56	(0.14)
BOARD OF APPEALS	5.00	5.00	0.00	5.00	0.00
BUILDING INSPECTION	275.80	273.48	(2.32)	273.33	(0.15)
MUNICIPAL TRANSPRTN AGENCY	5,177.90	5,338.42	160.52	5,468.62	130.20
PORT	242.64	246.51	3.87	246.95	0.44
PUBLIC UTILITIES COMMISSN	1,648.13	1,684.39	36.26	1,687.71	3.32
Service Area: B Total	8,935.42	9,146.50	211.08	9,280.17	133.67

Service Area: C Human Welfare & Neighborhood Development

	2017-2018 Original Budget	2018-2019 Proposed Budget	Change From 2017-2018	2019-2020 Proposed Budget	Change From 2018-2019
CHILD SUPPORT SERVICES	79.30	75.25	(4.05)	75.26	0.01
ENVIRONMENT	66.90	66.04	(0.86)	65.96	(0.08)
RENT ARBITRATION BOARD	36.45	36.67	0.22	36.66	(0.01)
Service Area: C Total	182.65	177.96	(4.69)	177.88	(0.08)

Service Area: E Culture & Recreation

	2017-2018 Original Budget	2018-2019 Proposed Budget	Change From 2017-2018	2019-2020 Proposed Budget	Change From 2018-2019
LAW LIBRARY	3.00	3.00	0.00	3.00	0.00
PUBLIC LIBRARY	697.60	697.14	(0.46)	694.57	(2.57)
Service Area: E Total	700.60	700.14	(0.46)	697.57	(2.57)

Service Area: F General Administration & Finance

	2017-2018 Original Budget	2018-2019 Proposed Budget	Change From 2017-2018	2019-2020 Proposed Budget	Change From 2018-2019
RETIREMENT SYSTEM	105.97	107.96	1.99	108.18	0.22
Service Area: F Total	105.97	107.96	1.99	108.18	0.22
Report Grand Total:	9,924.64	10,132.56	207.92	10,263.80	131.24

DEPARTMENT BUDGETS



AIRPORT

MISSION

The San Francisco International Airport (SFO or “the Airport”) strives to be an exceptional airport in service to its communities.

SFO is the Bay Area’s largest airport, with 39 international and 13 domestic airline carriers offering non-stop links to 83 U.S. cities and more than 45 international destinations.

SERVICES

The Airport provides services through the following divisions:

ADMINISTRATION AND POLICY creates and enhances partnerships within the City and with the Airport’s neighbors; recruits and maintains a competent workforce; oversees internship programs for workforce development; develops SFO’s federal and state policy agenda; develops environmental sustainability plans; and coordinates sustainability efforts throughout the Airport.

BUSINESS AND FINANCE ensures that airport property and facilities achieve cost-efficiency; provides the proper environment for existing and new businesses; develops and implements innovative fiscal policies and solutions; manages the Airport’s financial performance; and oversees medical services at the Airport.

PLANNING, DESIGN, AND CONSTRUCTION plans and implements capital improvement projects and programs. The Planning team prepares long-range facility development planning studies and analyzes projects to support the development of the Airport’s Capital Improvement Program (CIP). The Design and Construction teams oversee new construction projects, as well as improvements to buildings, utilities, and other airport systems.

FACILITIES MAINTENANCE keeps the airport facilities clean, safe, and running efficiently.

INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS is a telecom, network, internet, and hosting service provider to all entities operating at the Airport, including airlines, concession tenants, and government agencies. It is also a corporate technology provider to the Airport Commission.

EXTERNAL AFFAIRS provides timely and accurate information regarding the Airport to the public, media, airlines, and neighboring communities; markets opportunities for new or expanded airline services, on-site parking, and concessions to increase airport revenue; and oversees customer service programs.

MUSEUMS provide a broad range of attractions for the traveling public and display exhibitions that reflect the cultural diversity of San Francisco.

OPERATIONS AND SECURITY manages the airfield, public transportation, terminals, airport security program, and emergency procedures to provide the public with a safe, secure, efficient, and customer-friendly airport.

BUDGET DATA SUMMARY

	2017-18	2018-19		2019-20	
	Original Budget	Proposed Budget	Change from 2017-18	Proposed Budget	Change from 2018-19
Total Expenditures	987,785,877	1,112,872,807	125,086,930	1,223,801,702	110,928,895
Total FTE	1,586	1,599	13	1,599	0



STRATEGY

- Revolutionize the Passenger Experience
- Achieve Net Zero Energy and Zero Waste by 2021
- Be the Industry Leader in Safety and Security
- Nurture a Highly Competitive and Robust Air Service Market
- Be a World Class Dream Team
- Deliver Exceptional Business Performance
- Care for and Protect Airport Communities



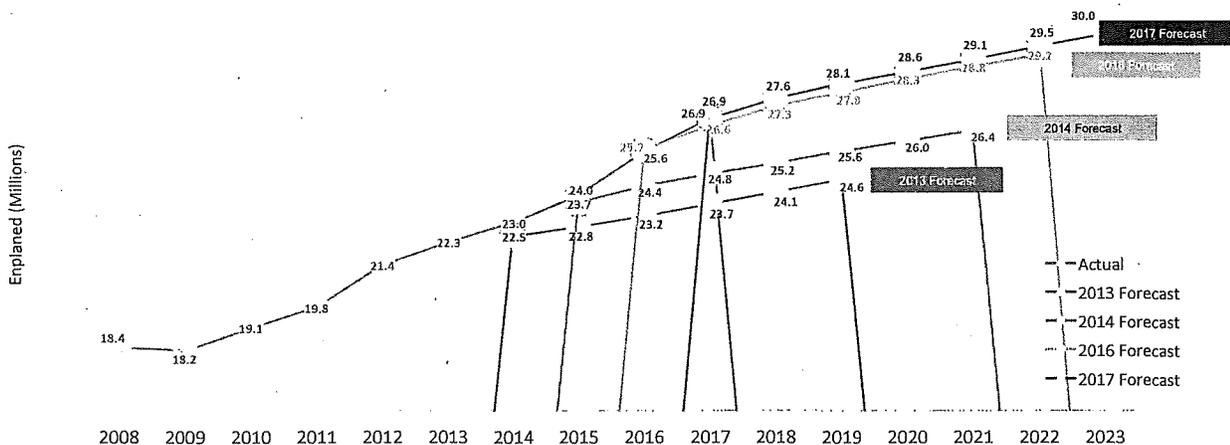
BUDGET ISSUES AND DETAILS

The FY 2018-19 proposed budget of \$1.11 billion for the Airport is \$125 million, or 12.7 percent, higher than the FY 2017-18 approved budget of \$987 million. This increase is primarily due to increased operating expenses from the completion of several capital improvement projects including the first nine gates of Terminal 1 and the new airport hotel. There is also increased funding toward safety and security measures, including the addition of two Airport dedicated police academies. The budget includes a \$46.6 million annual service payment to the City's General Fund.

The FY 2019-20 proposed budget of \$1.22 billion is \$111 million, or 10 percent higher than the FY 2018-19 proposed budget. This increase is primarily due to rising debt service costs to support the Airport Capital Improvement Plan and the annualization of new positions added in the prior year. The budget includes a \$50.6 million annual service payment to the City's General Fund.

Airport priorities continue to be driven by record passenger growth – a trend that increases revenues, but also puts pressure on Airport safety, operations, and customer service. Over the past five years, SFO has been one of the fastest growing airports nationwide. In FY 2016-17, the Airport continued its long run of passenger growth, reaching a record 53.9 million passengers – a 58 percent increase since FY 2006-07. Growth is expected to continue over the next two years due to new and increased airline service. As such, the Airport will remain focused on ensuring new service can be accommodated and service levels keep pace with demand.

The Airport will remain focused on growth over the coming years, ensuring new service can be accommodated and service levels keep pace with demand. By attracting new and expanded airline service, the Airport supports tourism and international trade while promoting competition



▲ AIR TRAFFIC FORECAST VS. HISTORICAL FORECAST. Air traffic continues to grow at record levels, surpassing projections.

that benefits travelers. Increased service also bolsters local business activity, creates new jobs, and increases revenues. An overview of major budget priorities is below.

ENHANCING SAFETY AND SECURITY

Passengers, employees, airlines, and tenants depend on airport systems and processes to provide a safe and secure travel environment. The Airport is committed to exceeding all aviation safety and security regulations. Through the use of advanced technology, implementation of best practices, and industry expert assessments, the Airport continues to advance its safety and security profile.

REVOLUTIONIZING THE GUEST EXPERIENCE

The Airport strives to enhance its guest experience by offering services and amenities that provide a seamless “door-to-door” passenger journey. One of the Airport’s strategic goals is to earn the highest satisfaction ratings from guests among peer airports, as measured by the Airport Council International’s “Airport Service Quality” (ASQ) survey and benchmarking program. Satisfaction levels with essential services in Terminals 2 and 3E continue to be among the highest in North America. A major priority for the Airport is to ensure those levels of hospitality can be found throughout all terminals.

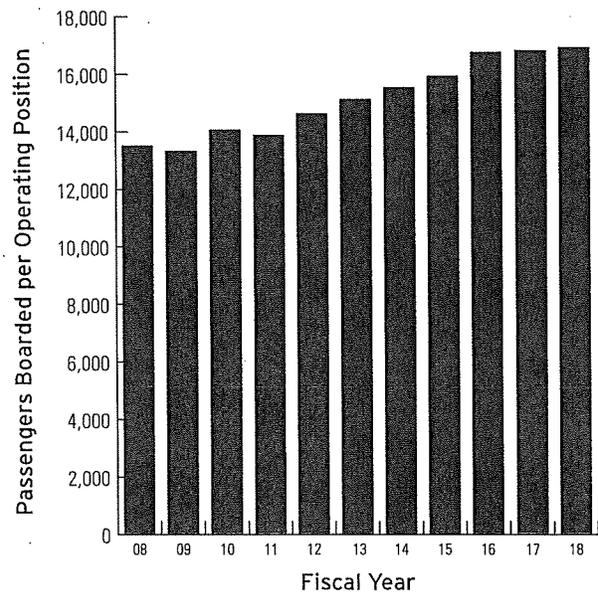
An enhanced guest experience benefits the traveling public and supports SFO concessionaires—nearly 70 percent of which are locally-owned. Continued investment in hospitality has resulted in SFO being one of the nation’s top performing airports for retail, food, and beverage concessions. This investment also provides valuable opportunities for local businesses. The Airport’s innovative pop-up retail program facilitates small local business participation by providing opportunities for short-term permits with minimal start-up costs and ready-to-move-in facilities.

INVESTING IN CAPITAL

This year’s budget continues to support the implementation of the Airport’s Capital Improvement Program. The \$7.4 billion plan focuses on accommodating growth and nurturing a competitive and robust air service market. Highlights include terminal improvements, such as the renovations of Terminal 1 and the western portion of Terminal 3, a new in-airport hotel, a second long-term parking garage, an extension of the AirTrain System, airfield repairs, and seawall improvements.

INCREASING SUSTAINABILITY

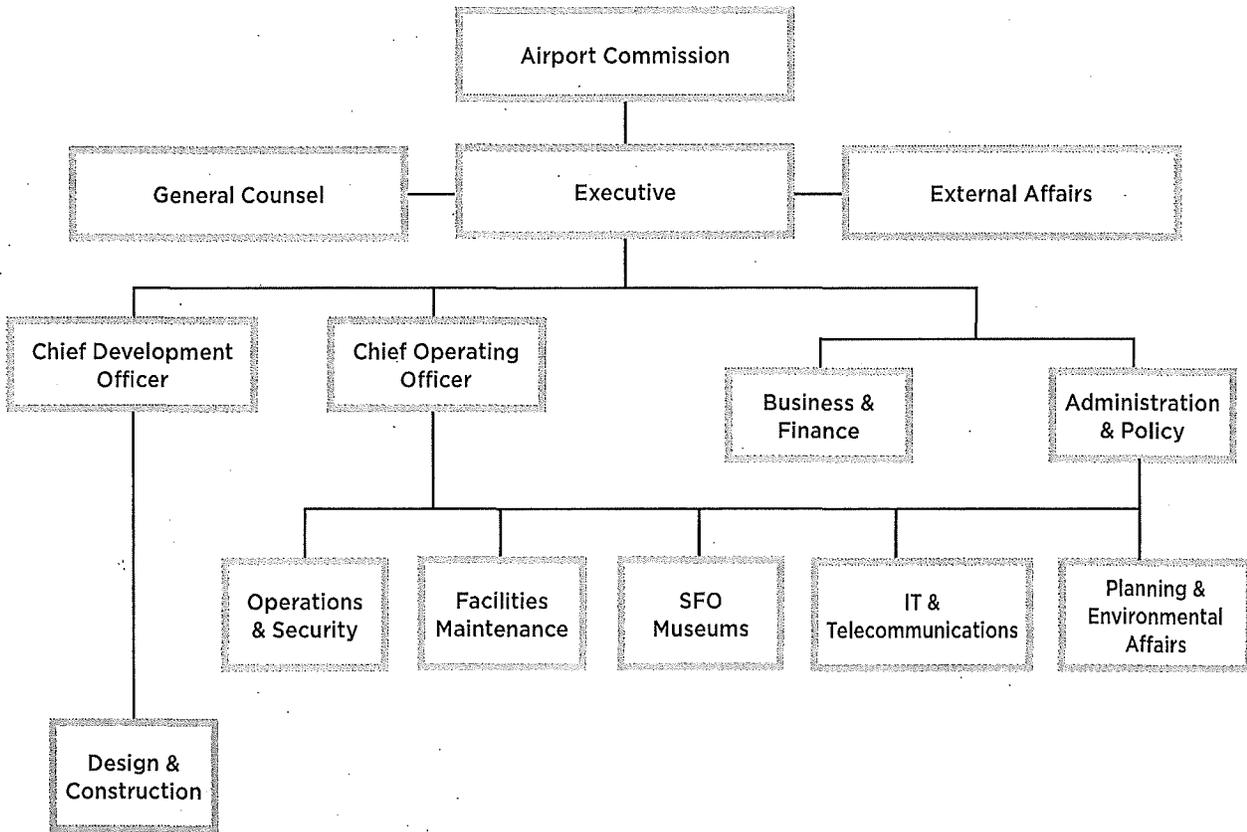
The Airport strives to be a leader in sustainability by developing guidelines and implementing initiatives to achieve long-term goals, including Airport-wide zero-waste generation, carbon-neutrality for Airport Commission-controlled operations, a 15 percent reduction in water usage per passenger, and net zero energy buildings, among others.



▲ ANNUAL PASSENGER BOARDINGS PER OPERATING POSITION BY FISCAL YEAR. *Airport staffing needs are driven largely by passenger demand and safety & security needs.*



AIRPORT ORGANIZATIONAL STRUCTURE



TOTAL BUDGET - HISTORICAL COMPARISON

Authorized Positions	2017-2018 Original Budget	2018-2019 Proposed Budget	Chg From 2017-2018	2019-2020 Proposed Budget	Chg From 2018-2019
Total Authorized	1,808.66	1,838.78	30.12	1,842.56	3.78
Non-Operating Positions (cap/other)	(222.71)	(240.08)	(17.37)	(244.00)	(3.92)
Net Operating Positions	1,585.95	1,598.70	12.75	1,598.56	(0.14)

Sources

Charges for Services	629,375,500	711,115,000	81,739,500	762,470,000	51,355,000
Expenditure Recovery	(66,812)	80,000	146,812	80,000	
Fines: Forfeitures/Penalties	1,207,000	799,000	(408,000)	799,000	
InterGovernmental Rev - Federa	21,510,000	24,510,000	3,000,000	23,010,000	(1,500,000)
Interest & Investment Income	11,099,000	21,833,675	10,734,675	28,937,245	7,103,570
Intergovernmental Rev-State	20,000	3,010,000	2,990,000	3,010,000	
Intergovernmental Revenue-Othe		6,250,000	6,250,000		(6,250,000)
IntraFund Transfers In	63,882,299	102,176,945	38,294,646	93,844,000	(8,332,945)
Other Financing Sources		2,000,000	2,000,000		(2,000,000)
Other Revenues	46,464,000	51,091,000	4,627,000	52,694,000	1,603,000
Rents & Concessions	327,152,000	334,705,000	7,553,000	366,126,000	31,421,000
Transfer Adjustment-Source	(148,063,558)	(191,577,765)	(43,514,207)	(198,201,514)	(6,623,749)
Unappropriated Fund Balance	35,206,448	46,879,952	11,673,504	91,032,971	44,153,019

General Fund Support

Sources Total	987,785,877	1,112,872,807	125,086,930	1,223,801,702	110,928,895
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Uses - Operating Expenditures

Salaries	160,304,645	164,957,801	4,653,156	168,980,215	4,022,414
Mandatory Fringe Benefits	84,318,522	89,794,012	5,475,490	94,125,165	4,331,153
Non-Personnel Services	133,084,124	153,500,102	20,415,978	158,358,973	4,858,871
Capital Outlay	27,395,362	44,810,190	17,414,828	35,314,648	(9,495,542)
Debt Service	433,023,815	494,785,646	61,761,831	585,173,634	90,387,988
Facilities Maintenance	15,000,000	15,000,000		15,500,000	500,000
Intrafund Transfers Out	63,882,299	102,176,945	38,294,646	93,844,000	(8,332,945)
Materials & Supplies	17,961,400	21,438,236	3,476,836	20,595,903	(842,333)
Operating Transfers Out	45,659,463	46,629,063	969,600	51,549,363	4,920,300
Overhead and Allocations	(5,642,098)	(5,235,514)	406,584	(6,407,223)	(1,171,709)
Services Of Other Depts	76,680,644	87,193,271	10,512,627	90,111,024	2,917,753
Unappropriated Rev-Designated				10,500,000	10,500,000
Transfer Adjustment - Uses	(63,882,299)	(102,176,945)	(38,294,646)	(93,844,000)	8,332,945

Uses Total	987,785,877	1,112,872,807	125,086,930	1,223,801,702	110,928,895
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Uses - Division Description

AIR Airport Director	9,142,722	9,499,295	356,573	9,703,515	204,220
AIR Bureau Of Admin & Policy	33,448,422	35,200,837	1,752,415	35,958,193	757,356
AIR Business & Finance	503,118,278	567,182,307	64,064,029	669,761,866	102,579,559
AIR Capital Projects	26,230,799	42,555,945	16,325,146	33,110,000	(9,445,945)
AIR Chief Operating Officer	36,245,112	43,585,802	7,340,690	43,647,615	61,813
AIR Communications & Mrktng	19,761,808	20,696,363	934,555	20,879,208	182,845
AIR Design & Construction	9,225,780	12,517,097	3,291,317	13,966,034	1,448,937
AIR Facilities	191,209,247	198,408,230	7,198,983	202,624,318	4,216,088
AIR Facilities; Maintenance	15,000,000	15,000,000		15,500,000	500,000
AIR Fire Bureau	864,921	772,752	(92,169)	714,185	(58,567)
AIR General	53,159,463	56,129,063	2,969,600	61,049,363	4,920,300
AIR Operations & Security	80,145,963	88,631,479	8,485,516	92,597,398	3,965,919
AIR Planning Division	6,201,317	8,750,694	2,549,377	8,454,732	(295,962)
AIR Police Bureau	4,032,045	13,942,943	9,910,898	15,835,275	1,892,332

Uses by Division Total	987,785,877	1,112,872,807	125,086,930	1,223,801,702	110,928,895
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BOARD OF APPEALS

MISSION The Board of Appeals (BOA or PAB) provides the public with a final administrative review process for the issuance, denial, suspension, revocation, and modification of city permits as well as for certain decisions of the Zoning Administrator, Planning Commission, and Historic Preservation Commission.

SERVICES

The Board of Appeals provides services through the following program areas:

APPEAL PROCESSING assists members of the public who want to learn about the appeal process, and those who want to file or respond to an appeal. BOA staff ensure that appeals are processed in conformance with the requirements of the City Charter and relevant codes, that appeals are decided at duly noticed public hearings, and that the BOA issues timely decisions to uphold, overrule, or modify departmental decisions.

CUSTOMER SERVICE provides notification of and information regarding public hearings on appeals, and strives to create a fair and impartial forum within which appeals may be considered and decided. Information about the appeal process is available through a variety of means, including the Department's website, its office, and meetings at City Hall. Written materials are available in English, Spanish, Chinese, and Tagalog, and staff members are available to assist limited English speaking clients in Spanish. The benchmarks used to assess the quality of customer service include clearly articulated timelines for assigning hearing dates, established briefing schedules, and hearing protocols that create a fair and accessible process, allowing all parties an equal opportunity to present their case. To ensure the appeals process is carried out in a timely manner, the BOA also benchmarks the timeliness of its determinations and issuance of written decisions.



STRATEGY

- Support Residents to Engage in City Decisions
- Measure Service Quality & Performance
- Deliver Consistent, Convenient, and High-Quality Services

BUDGET DATA SUMMARY

	2017-18	2018-19		2019-20	
	Original Budget	Proposed Budget	Change from 2017-18	Proposed Budget	Change from 2018-19
Total Expenditures	1,038,570	1,071,849	33,279	1,102,681	30,832
Total FTE	5	5	0	5	0



BUDGET ISSUES AND DETAILS

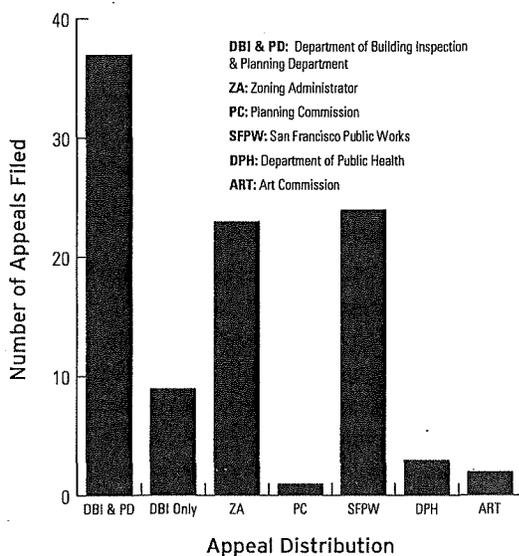
The Board of Appeals has a proposed budget of \$1.1 million in FY 2018-19 and \$1.1 million in FY 2019-20. This is roughly the same as the FY 2017-18 budget of \$1 million. The small increase in FY 2018-19 is driven by salary and benefit cost increases.

STRIVING FOR EXCELLENT AND ACCESSIBLE CITY SERVICES

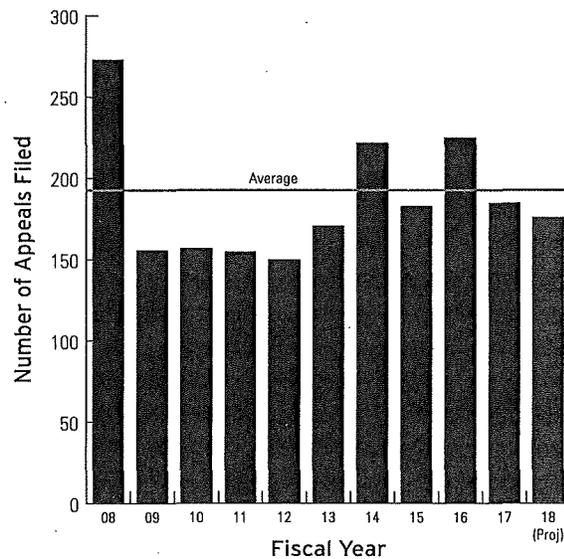
The BOA continues to improve the accessibility of the appeal process by developing new resource materials for the public and by providing written and telephonic information in different languages. In an effort to maximize public access to Board decisions, the Board posts all decisions dating

back to its inception in 1932 on its website. To encourage the public's participation in the matters heard by the Board, the briefs, exhibits, and written public comment submitted to the Board for each case scheduled for hearing are also posted on the Board's website.

The Board continues to cross-train its staff to ensure consistency and quality service provision at all times. The ongoing enhancement of the department's internal appeal management database continues to improve both the appeal filing experience and the Department's ability to report on appeal trends and outcomes.



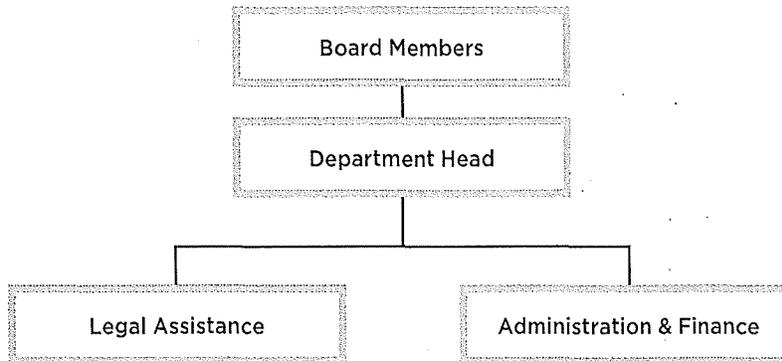
APPEAL DISTRIBUTION. *The distribution of appeals filed based on the department issuing the determination being appealed.*



APPEAL VOLUME. *The volume of appeals filed in each of the last ten fiscal years, the projected volume for FY 2017-18, and the ten-year average.*



BOARD OF APPEALS ORGANIZATIONAL STRUCTURE



TOTAL BUDGET - HISTORICAL COMPARISON

Authorized Positions	2017-2018 Original Budget	2018-2019 Proposed Budget	Chg From 2017-2018	2019-2020 Proposed Budget	Chg From 2018-2019
Total Authorized	5.00	5.00		5.00	
Non-Operating Positions (cap/other)					
Net Operating Positions	5.00	5.00	0.00	5.00	0.00

Sources

Charges for Services	1,038,570	1,069,987	31,417	1,069,987	
General Fund Support		1,862	1,862	32,694	30,832
Sources Total	1,038,570	1,071,849	33,279	1,102,681	30,832

Uses - Operating Expenditures

Salaries	466,961	480,251	13,290	483,756	3,505
Mandatory Fringe Benefits	249,337	259,129	9,792	271,191	12,062
Non-Personnel Services	74,192	74,192		74,192	
Materials & Supplies	9,398	9,398		9,398	
Services Of Other Depts	238,682	248,879	10,197	264,144	15,265
Uses Total	1,038,570	1,071,849	33,279	1,102,681	30,832

Uses - Division Description

BOA Board Of Appeals - PAB	1,038,570	1,071,849	33,279	1,102,681	30,832
Uses by Division Total	1,038,570	1,071,849	33,279	1,102,681	30,832

BUILDING INSPECTION

MISSION The Department of Building Inspection (DBI) ensures that life and property within the City and County of San Francisco are safeguarded and provides a public forum for community involvement in that process. DBI oversees the effective, efficient, fair, and safe enforcement of Building, Housing, Plumbing, Electrical, and Mechanical Codes, along with Disability Access Regulations.

SERVICES

PERMIT SERVICES is responsible for all permit processes from permit application submittal to permit issuance. The functions include screening, routing permits and plans for review, coordinating of building permit review, approving and issuing of construction permits including electrical, plumbing, and street space permits for public and private buildings within the City and County of San Francisco. Permit Services also assesses and collects fees for all structures, building enlargements, and changes of use. Additionally, it provides technical support for the Department in the areas of code development and information.

INSPECTION SERVICES is responsible for inspecting buildings, structures, and sites within the City for compliance with applicable laws regulating construction, quality of materials, use of occupancy, location, and maintenance. Inspection Services also responds to complaints and is responsible for code enforcement. Inspection Services includes Building, Electrical, Plumbing, Housing, and Code Enforcement.

ADMINISTRATIVE SERVICES is responsible for fiscal management, purchasing, payroll and personnel, business analysis, records management, and information technology. Administrative services also includes the Development Impact Fee Collection Unit.



STRATEGY

- Review Plans & Issue Building Permits
- Ensure Safety & Quality of Life
- Deliver the Highest Level of Customer Services
- Utilize Efficient & Effective Administrative Practices
- Educate the Public on Services, Functions & Programs

BUDGET DATA SUMMARY

	2017-18	2018-19		2019-20	
	Original Budget	Proposed Budget	Change from 2017-18	Proposed Budget	Change from 2018-19
Total Expenditures	76,533,699	77,782,063	1,248,364	76,547,087	(1,234,976)
Total FTE	276	273	(3)	273	0



BUDGET ISSUES AND DETAILS

The Fiscal Year (FY) 2018-19 proposed budget of \$77.8 million for DBI is \$1.2 million, or 1.6 percent, higher than the FY 2017-18 budget of \$76.5 million. This increase is driven by strong demand for plan review services.

The FY 2019-20 proposed budget decreases to \$76.5 million, a 1.6 percent reduction, as the department projects a slight decline in plan review revenues and expenditures.

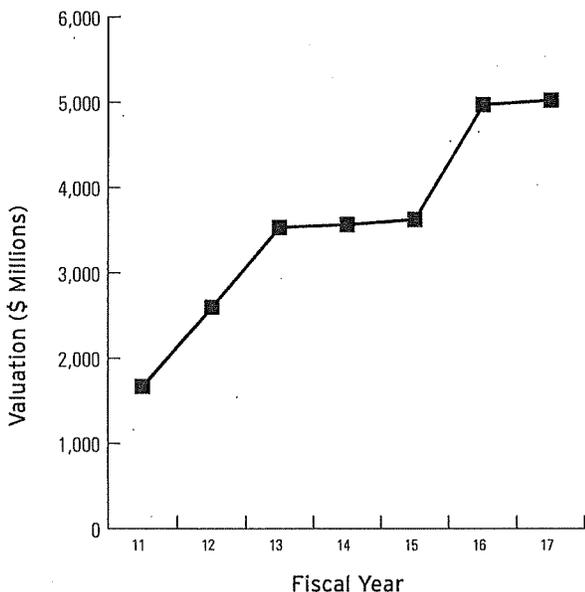
DELIVERING THE HIGHEST LEVEL OF CUSTOMER SERVICE

Delivering the highest level of customer service is DBI's primary strategic plan goal. The Department's FY 2018-19 budget provides funds to continue to improve customer service in a number of ways. The Department has implemented a robust hiring plan to ensure adequate staff to meet customer demand. Continued strength in the construction industry requires a continued focus on recruitment. Over the next year, DBI will complete a succession plan to ensure adequate staff to meet customer demand. While

the proposed budget does not include net new positions, the Department will continue to quickly fill vacancies. DBI will conduct several recruitments with a focus on enhancing staff to meet the Mayor's Executive Housing Directive (17-02).

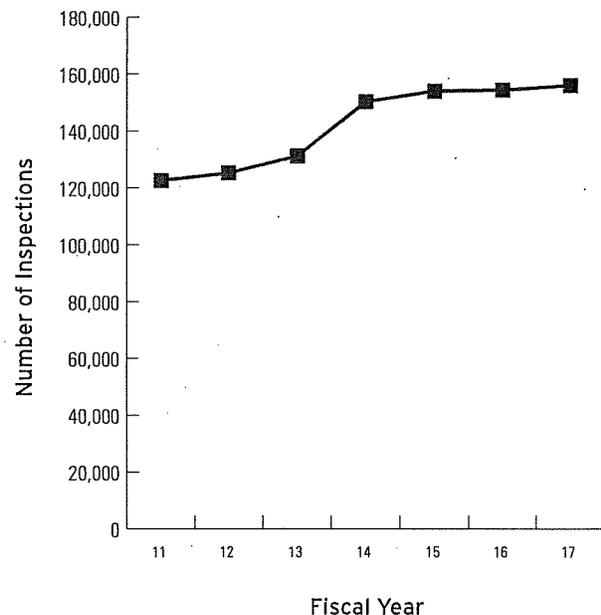
In addition to recruitment, the proposed budget provides funding for training to enhance DBI staff skills. Over the next two budget cycles, DBI staff will receive a variety of internal and external trainings related to disaster preparedness, software, technical inspections, and customer service.

The proposed budget also funds code enforcement and seismic safety education and outreach programs. These programs assist the Department in meeting its goal of providing equitable services throughout the City, with a focus on low income, non-English speaking, and other underserved communities. For code enforcement programs, the Department works in collaboration with community based organizations to address residential rental housing issues. For seismic safety programs, the Department works in collaboration with community based organizations to provide emergency preparedness training.



▲ TOTAL CONSTRUCTION VALUATIONS.

Construction valuation remains at an all-time high reflecting an increase in high value construction projects.

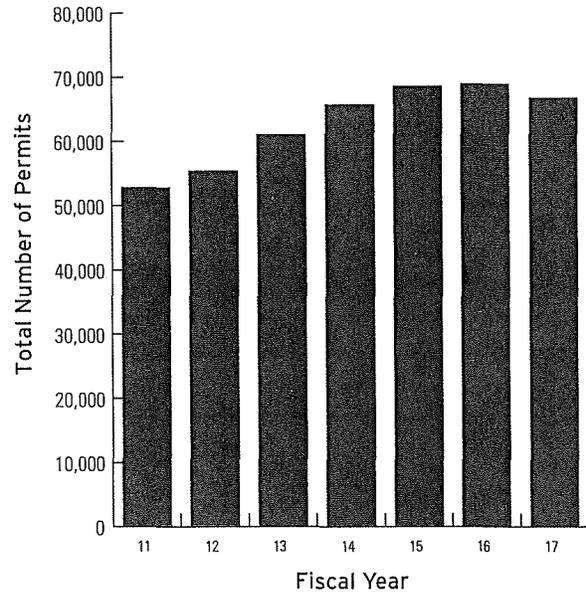


▲ TOTAL INSPECTIONS PERFORMED.

Total number of inspections remain high, reflecting continued high volumes of construction activity.

IMPLEMENTING THE ACCESSIBLE BUSINESS ENTRANCE PROGRAM (ABE)

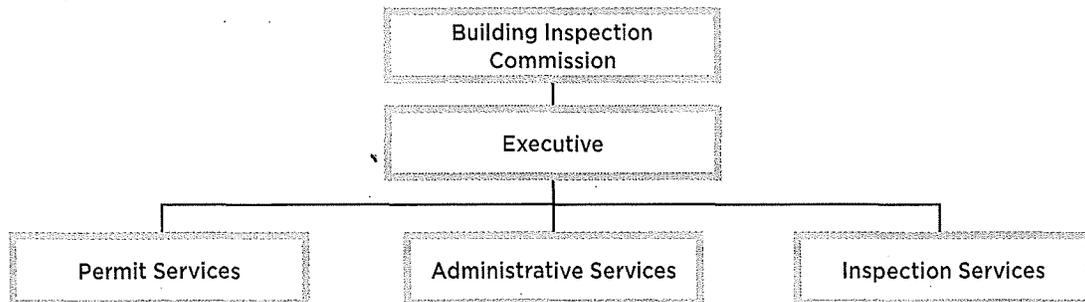
The Accessible Business Entrance Ordinance, passed by the Board of Supervisors in 2016, requires existing buildings with a place of “public accommodation” to have all primary entrances accessible to people with disabilities. The Department established a Disability Access Compliance Unit to implement the Ordinance. The Disability Access Compliance Unit works with the Department of Public Works, Planning Department, and Office of Small Business to assist property owners comply with the ABE. Approximately 27,000 properties may be impacted by the Ordinance. To date, ABE is the largest citywide program implemented by DBI. The large number of properties requires an extensive outreach program. The proposed budget includes increased funds to provide multi-lingual outreach throughout the City to educate property owners about program requirements and deadlines. The final deadline for permits is February 2021.



^ TOTAL NUMBER OF PERMITS ISSUED. While showing a slight decrease from the prior year, the total number of permits issued remains quite high relative to historic levels.



BUILDING INSPECTION COMMISSION ORGANIZATIONAL STRUCTURE



TOTAL BUDGET - HISTORICAL COMPARISON

Authorized Positions	2017-2018 Original Budget	2018-2019 Proposed Budget	Chg From 2017-2018	2019-2020 Proposed Budget	Chg From 2018-2019
Total Authorized	299.80	297.48	(2.32)	297.33	(0.15)
Non-Operating Positions (cap/other)	(24.00)	(24.00)		(24.00)	
Net Operating Positions	275.80	273.48	(2.32)	273.33	(0.15)

Sources

Charges for Services	58,491,770	63,456,649	4,964,879	61,826,149	(1,630,500)
Expenditure Recovery	173,340	171,840	(1,500)	171,840	
Interest & Investment Income	559,214	559,214		559,214	
IntraFund Transfers In	2,479,339	3,423,225	943,886	2,223,225	(1,200,000)
Licenses: Permits/Franchises	6,696,009	6,696,009		6,696,009	
Transfer Adjustment-Source	(2,479,339)	(3,423,225)	(943,886)	(2,223,225)	1,200,000
Unappropriated Fund Balance	10,613,366	6,898,351	(3,715,015)	7,293,875	395,524
General Fund Support					
Sources Total	76,533,699	77,782,063	1,248,364	76,547,087	(1,234,976)

Uses - Operating Expenditures

Salaries	31,195,933	32,048,673	852,740	32,283,470	234,797
Mandatory Fringe Benefits	14,044,916	14,590,052	545,136	15,165,042	574,990
Non-Personnel Services	6,856,086	5,549,966	(1,306,120)	5,349,966	(200,000)
City Grant Program	4,991,314	5,230,314	239,000	5,230,314	
Capital Outlay	1,130,000	780,000	(350,000)		(780,000)
Carry-Forward Budgets Only	(2,562,240)		2,562,240		
Intrafund Transfers Out	2,479,339	3,423,225	943,886	2,223,225	(1,200,000)
Materials & Supplies	826,300	751,300	(75,000)	676,300	(75,000)
Overhead and Allocations	742,252	989,644	247,392	989,644	
Services Of Other Depts	19,309,138	17,842,114	(1,467,024)	16,852,351	(989,763)
Transfer Adjustment - Uses	(2,479,339)	(3,423,225)	(943,886)	(2,223,225)	1,200,000
Uses Total	76,533,699	77,782,063	1,248,364	76,547,087	(1,234,976)

Uses - Division Description

DBI Administration	18,574,055	19,822,979	1,248,924	19,429,409	(393,570)
DBI Inspection Services	42,044,690	41,095,784	(948,906)	40,070,636	(1,025,148)
DBI Permit Services	15,914,954	16,863,300	948,346	17,047,042	183,742
Uses by Division Total	76,533,699	77,782,063	1,248,364	76,547,087	(1,234,976)

CHILD SUPPORT SERVICES

MISSION The Department of Child Support Services (CSS) works to empower parents to provide economic support for their children, thereby contributing to the well-being of families and children.

SERVICES

The Department of Child Support Services provides services through the following divisions:

CASE MANAGEMENT manages child support caseload and works with families to ensure that children are financially, medically, and emotionally supported. The Department delivers direct services to clients through the provision of a variety of programs focused on the economic security of the family and the safety of the child(ren).

LEGAL SERVICES provides initial and on-going support to parents in the areas of paternity establishment, locating parents, requests for child and medical support orders from the court, enforcement and modification of support orders, and the collection and distribution of child support.

ADMINISTRATION provides policy direction and acts as the conduit to all federal, state, and local government agencies. Administration ensures compliance with personnel management regulations and all related memoranda of understanding and labor contracts, and assures the fiscal integrity of the Department as it relates to reporting, record-keeping, and procurement.

BUDGET DATA SUMMARY

	2017-18	2018-19		2019-20	
	Original Budget	Proposed Budget	Change from 2017-18	Proposed Budget	Change from 2018-19
Total Expenditures	13,662,238	13,564,119	(98,119)	13,564,119	0
Total FTE	79	75	(4)	75	0



STRATEGY

- Increase Support for California Children
- Deliver Excellent and Consistent Customer Services
- Enhance Program Performance and Sustainability
- Develop and Strengthen Collaborative Partnerships
- Be Innovative in Meeting the Needs of Families



BUDGET ISSUES AND DETAILS

The Fiscal Year (FY) 2018-19 proposed budget of \$13.6 million for the Department of Child Support Services is \$0.1 million, or 0.7 percent, lower than the FY 2017-18 budget of \$13.7 million.

The FY 2019-20 proposed budget of \$13.6 million for the Department of Child Support Services is essentially unchanged from the FY 2018-19 budget.

SUPPORT FOR FAMILIES

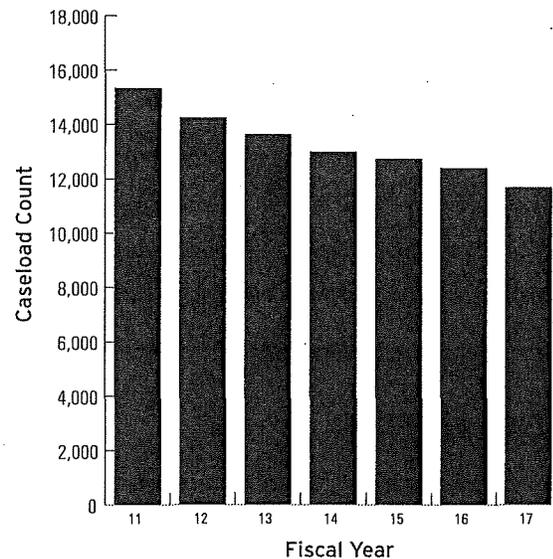
Although the Department's caseload has dropped by 18 percent over the last four years, collections have remained strong, only declining by two percent. Despite the decreasing caseload, the percentage of collections distributed to families has increased by five percent between 2012 and 2017. For FY 2016-17 the Department collected approximately \$26 million, \$24.7 million or 95 percent of which went directly to families.

CHILD SUPPORT AND PARENTING TIME

CSS continues to expand its collaborative partnership with Project 500, an anti-poverty initiative introduced by Mayor Ed Lee and administered through Human Services Agency, to provide intensive wrap-around services and case management to San Francisco families. The Department, in collaboration with the Superior Court, has successfully established a pathway to broader parental involvement by offering family-centered child support services that include a single path to the Superior Court for parenting time orders and child support orders. The Department helps to empower and encourage stronger parental and family-structured relationships between parents and their children.

CHILD SUPPORT DEBT RELIEF

CSS and the Treasurer Tax Collectors Financial Justice Project developed a pilot program to



▲ CSS CASELOAD COUNT. Cases managed by CSS have decreased over the last five years, totalling 11,689 in FY 2016-17.

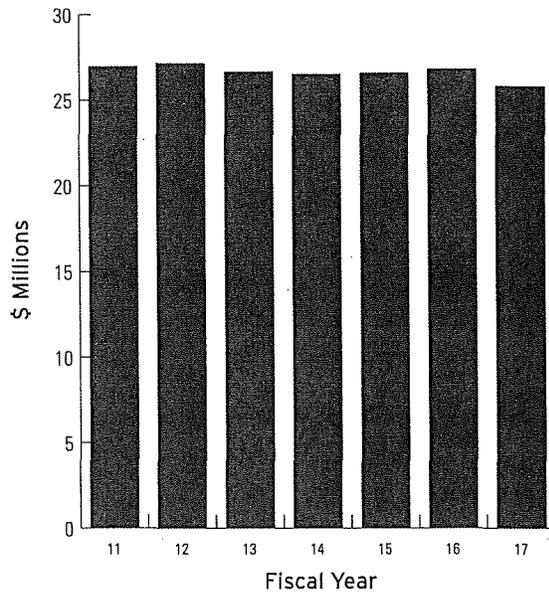
allow parents to reduce delinquent child support debt owed to the government, so that parents responsible for paying child support can focus their financial attention on their children. The pilot will test approaches that can relieve financial debt barriers that are inhibiting families' financial prospects and damaging family relationships. Lifting families affected by poverty requires a concerted effort that assists both parents. In San Francisco, 98 percent of non-custodial parents are fathers who are impoverished, lacking permanent housing, unemployed or underemployed, and face considerable barriers to gainful employment in the San Francisco economy.

This pilot program aims to help parents by building their financial capability and propelling key improvements to child support policy.

CONVENIENT WAYS PARENTS CAN SUPPORT THEIR CHILDREN

Parents can make their child support payments using a self-service TouchPay kiosk installed in March 2017 within the CSS office. With easy to follow step-by-step instructions, payments can be made in minutes. The payment kiosk accepts cash, credit and debit card, and eCheck payments and provides customers with another convenient option for making their child support payments.

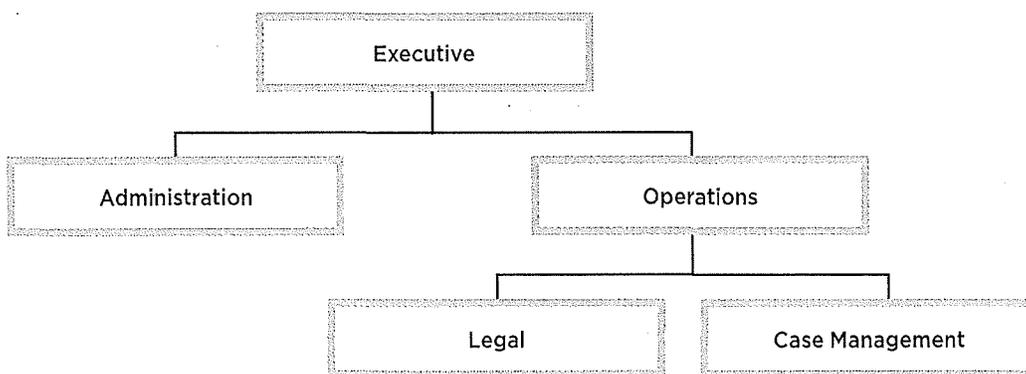
As of January 2018, CSS received nearly \$900,000 in child support collections via the payment kiosk. The CACHildSup mobile application allows parents to make electronic payments, check their account, search the SF local agency, and research FAQs using their smartphone. Parents can download the CACHildSup app free of cost.



▲ CSS DISTRIBUTED COLLECTIONS. *Despite fewer cases, CSS has distributed similar amounts of collections each of the last five years.*



CHILD SUPPORT SERVICES ORGANIZATIONAL STRUCTURE



TOTAL BUDGET - HISTORICAL COMPARISON

Authorized Positions	2017-2018 Original Budget	2018-2019 Proposed Budget	Chg From 2017-2018	2019-2020 Proposed Budget	Chg From 2018-2019
Total Authorized	79.30	75.25	(4.05)	75.26	0.01
Non-Operating Positions (cap/other)					
Net Operating Positions	79.30	75.25	(4.05)	75.26	0.01

Sources

Expenditure Recovery	604,532	786,837	182,305	786,837	
InterGovernmental Rev-Federal	8,713,430	8,433,006	(280,424)	8,433,006	
Intergovernmental Rev-State	4,344,276	4,344,276		4,344,276	
General Fund Support					
Sources Total	13,662,238	13,564,119	(98,119)	13,564,119	

Uses - Operating Expenditures

Salaries	7,232,977	7,131,892	(101,085)	7,019,345	(112,547)
Mandatory Fringe Benefits	3,852,112	3,454,233	(397,879)	3,518,877	64,644
Non-Personnel Services	1,724,630	2,160,887	436,257	2,188,199	27,312
Materials & Supplies	49,322	89,459	40,137	100,363	10,904
Services Of Other Depts	803,197	727,648	(75,549)	737,335	9,687
Uses Total	13,662,238	13,564,119	(98,119)	13,564,119	0

Uses - Division Description

CSS Child Support Services	13,662,238	13,564,119	(98,119)	13,564,119	
Uses by Division Total	13,662,238	13,564,119	(98,119)	13,564,119	0

COUNTY EDUCATION

MISSION Funding for support staff at the San Francisco Unified School District's (SFUSD) County Education Office is legally required of San Francisco under the California Constitution.

SUMMARY

In Fiscal Year (FY) 2002-03, funding for programs and services at the County Education Office was diverted to the Department of Children, Youth & Their Families (DCYF), which administers funds in conjunction with the San Francisco Unified School District (SFUSD).

In March 2004, voters approved Proposition H, creating the Public Education Enrichment Fund (PEEF) and requiring that the City allocate General Fund revenue each year to support the Preschool for All program and programs at SFUSD. More information about the Preschool for All program, formerly housed at the Children and Families Commission (First 5) and now fully transitioned to the Office of Early Care and Education in the Human Services Agency, can be found in those respective department sections within the forthcoming June 1 Budget Book.

In November 2014, with the passage of Proposition C (Prop C) voters reauthorized PEEF for another 26 years. The total provisional PEEF allocation to SFUSD in FY 2017-18 was \$79.4 million, a 7.5 percent increase from the FY 2016-17 contribution, and another \$81.4 million in FY 2018-19 projected at this time.

Notable changes to PEEF under Prop C include the removal of the emergency "trigger" option which allowed the City to defer a portion of the allocation during years of financial hardship, the ability to count in-kind services as a component of the allocation, and the restructuring of the reserve funds. Prop C revised the structure of the Rainy Day reserve, dissolving the single reserve structure and creating two new, separate reserves—a City Reserve and School Reserve. Withdrawal from the School Reserve is now allowed by a majority vote of the School Board. Through the new structure of the School Reserve there is an additional \$42.1 million available to SFUSD.

ENVIRONMENT

MISSION The mission of the San Francisco Department of the Environment (ENV) is to provide solutions that advance climate protection and enhance the quality of life for all San Franciscans. ENV implements change-making environmental policies and delivers programs and services directly to residents and businesses that help promote zero waste, protect human health, improve energy efficiency, prevent pollution, enhance biodiversity, and reduce personal vehicle trips. ENV also works in partnership with city agencies and the public to implement San Francisco’s ambitious Climate Action Strategy (0-50-100-ROOTS) to reduce greenhouse gas emissions and strengthen community resilience.

SERVICES

The Department of the Environment provides services through the following program areas:

CLEAN TRANSPORTATION promotes alternatives to driving for residents, businesses, and city employees; encourages clean fuel technology and adoption; and monitors the renewable fuel composition of the city fleet.

CLIMATE tracks greenhouse gas emissions of citywide and municipal operations, and designs and coordinates policies to reduce the City’s carbon footprint to align with San Francisco’s climate action goals.

ENERGY provides technical and policy support, including professional energy-efficiency auditing, upgrade services, and incentives, to the residential and commercial sectors. This also includes facilitation of rooftop solar installations throughout the City, creation of codes and standards that achieve zero-net carbon buildings, and strategic program development for energy storage and zero emission vehicles that results in market transformation.

GREEN BUILDING furthers resource conservation in the construction, demolition, and maintenance of municipal building projects, and enhances the environmental performance of residential and commercial buildings in San Francisco.

GREEN BUSINESS helps San Francisco businesses adopt environmental practices that are sustainable as well as profitable, and recognizes partners with sustainable business practices for their efforts with the San Francisco Green Business seal.

ENVIRONMENTAL JUSTICE addresses air quality, energy infrastructure, and health concerns in communities that bear a disproportionate environmental burden, and helps to build healthier, more sustainable neighborhoods.

Services (continued on next page)

BUDGET DATA SUMMARY

	2017-18	2018-19		2019-20	
	Original Budget	Proposed Budget	Change from 2017-18	Proposed Budget	Change from 2018-19
Total Expenditures	23,081,438	21,965,767	(1,115,671)	22,045,518	79,751
Total FTE	67	66	(1)	66	0

Services (continued)

OUTREACH educates the public, including residents, businesses, visitors, and schools, about the City's environmental programs and policies to inspire and promote sustainable behavior change across neighborhoods, communities, and languages.

TOXICS REDUCTION promotes proper use and disposal of toxic products, and educates municipal, commercial, and residential clients on safer alternatives.

ZERO WASTE promotes waste prevention, recycling, and composting in the municipal, commercial, and residential sectors to bring the City closer to its goal of zero waste.



STRATEGY

- Promoting Healthy Communities and Ecosystems
- Leading on Climate Action
- Strengthening Community Resilience
- Eliminating Waste
- Amplify Community Action



BUDGET ISSUES AND DETAILS

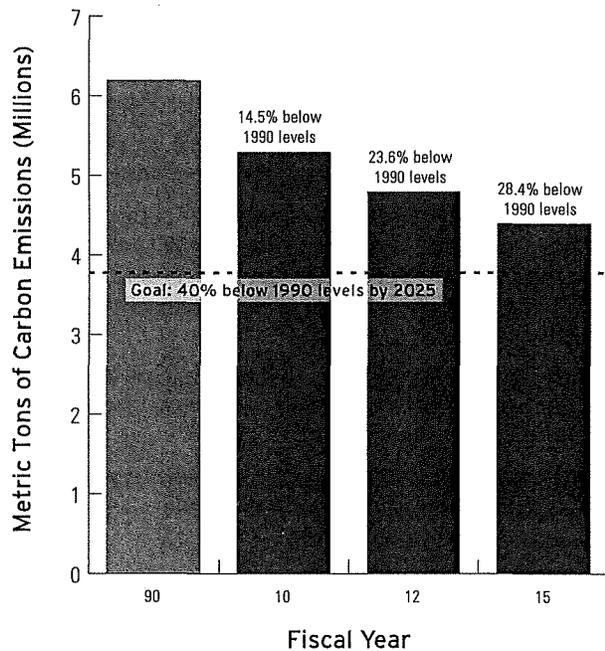
The Fiscal Year (FY) 2018-19 proposed budget of \$22 million for ENV is \$1.1 million, or 4.8 percent, lower than the FY 2017-18 budget of \$23.1 million. This is largely due to the expiration of grant funding.

The FY 2019-20 proposed budget of \$22 million is essentially unchanged from the FY 2018-19 proposed budget.

On an annual basis, the Department of Environment's budget fluctuates depending on the timing and size of external grants.

CITYWIDE ROLL-OUT OF RECYCLING PROGRAM CHANGES

In October 2017, ENV and Recology announced the most impactful change to the City's recycling program in over 15 years, which will significantly reduce the amount of material sent to landfill. The City's "Fantastic Three" bin system for recyclables, compostables, and landfill-bound material has been updated to allow San Franciscans to recycle more materials, including paper cups, cartons, plastic bags, and wrap. In 2018, ENV will implement a comprehensive, multilingual neighborhood outreach program to directly educate businesses and residents about the changes. Carried out by ENV staff, the two-year outreach program includes in-person engagements such as door-to-door



REDUCTION IN GREENHOUSE GAS EMISSIONS SINCE 1990. *San Francisco greenhouse gas emissions for energy, transportation, fuel, and waste dropped 28 percent below 1990 levels in 2015. That puts San Francisco two years ahead of its goal to reduce emissions by 25 percent by 2017 and on track to meet its 40 percent reduction goal by 2025. The 28 percent reduction is equivalent to taking 380,000 cars off the road.*

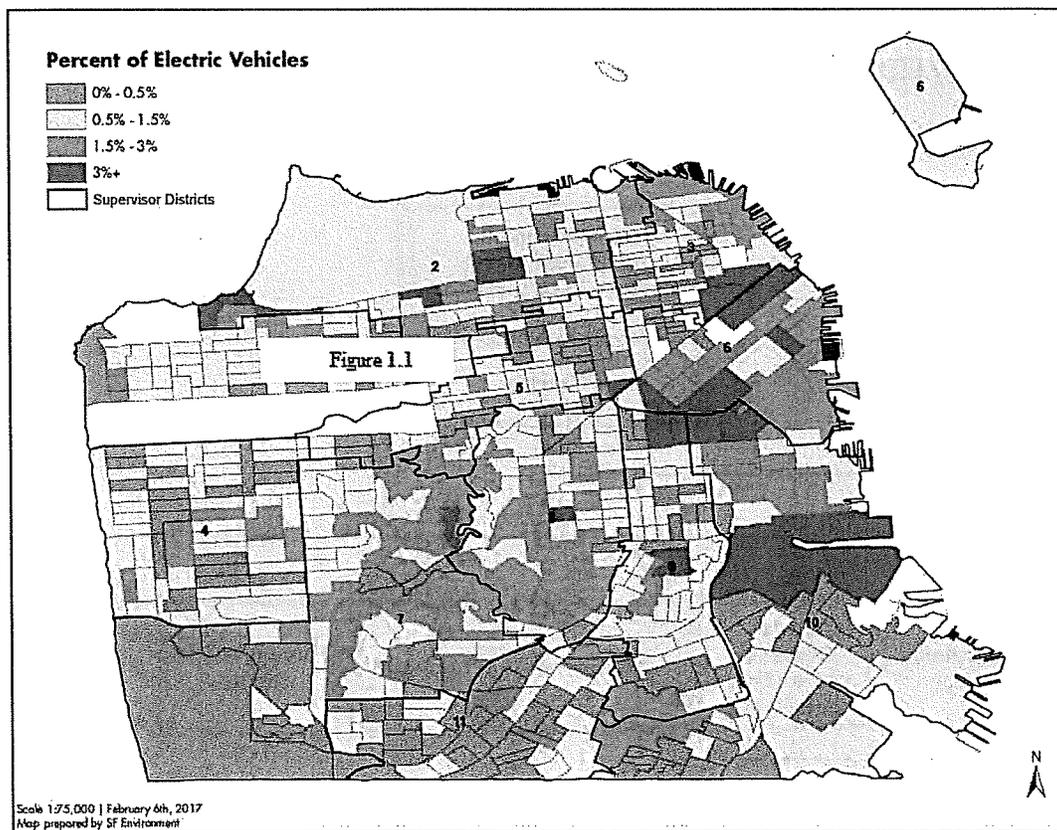
outreach, trainings, and tabling at community events. It will also feature targeted multilingual digital and print advertising (e.g. bus shelter ads).

REDUCING DISPOSAL

Making further progress toward the City's goal of zero waste continues to be a priority for FY 2018-19. ENV works with Recology, Public Works, and Public Health to ensure residents and businesses have adequate refuse service, which reduces overflow, contamination, and landfilling. ENV staff provide ongoing technical assistance to large generators (commercial and multi-family properties) and continue addressing non-compliance through regulatory processes. ENV will also pursue policy and regulatory opportunities that address single-use disposable products, construction and demolition debris, source separation, and waste prevention.

ZERO EMISSION VEHICLES (ZEV)

ENV is leading a subcommittee of the Mayor's Electric Vehicle (EV) Working Group that has been tasked with the development of a citywide Electric Mobility Strategy, or EV Blueprint, for private sector transportation for FY 2018-19 and beyond. The goal of the Blueprint is to help reduce air pollutants and improve human health, especially for residents disproportionately affected by fossil fuel emissions in the City. The Blueprint will focus on the following seven opportunity areas: 1) Charging and Fueling Infrastructure, 2) Electricity Supply and Grid Integration, 3) Affordability, 4) Awareness, 5) Emerging Mobility, 6) Medium and Heavy-Duty Vehicles, and 7) Fossil Fuel Free Streets. ENV continues to identify funding for this critical priority, which is key to fulfilling the City's Climate Action Strategy (0-50-100-ROOTS).



▲ PERCENT OF ELECTRIC VEHICLE (EV) REGISTRATIONS IN SAN FRANCISCO BY NEIGHBORHOOD. *Electric vehicle (EV) adoption is accelerating rapidly—in 2017, more than six percent of new cars sold in San Francisco were EVs. San Francisco is now recognized as one of 20 EV Capitals responsible for 40 percent of global EV stock.*

HEALTHIER HOMES FOR LOW-INCOME RESIDENTS THROUGH INTEGRATED PEST MANAGEMENT

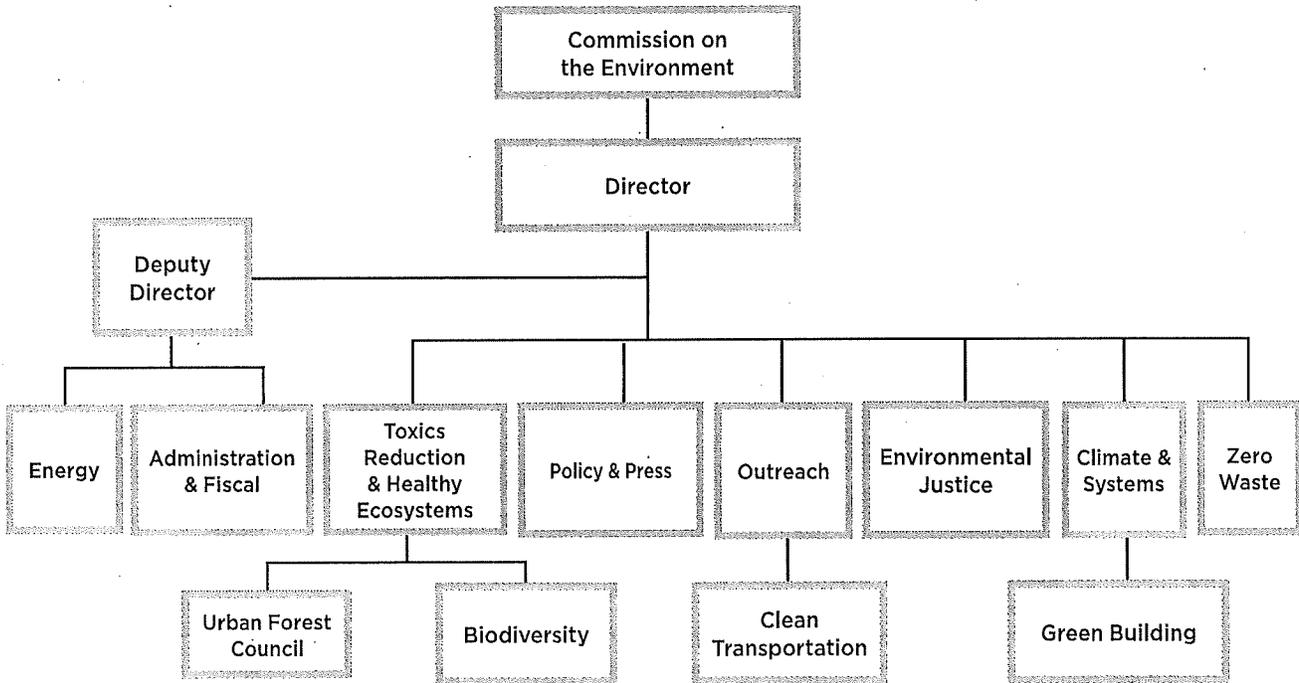
ENV's programs mitigate environmental burdens and improve the health and quality of life for residents facing the greatest disparities. As leaders of the Citywide Integrated Pest Management (IPM) Program, ENV staff deliver quality of life and sustainability improvements directly to low-income residents living in affordable and public housing. At rehabilitated SF Housing Authority properties, as well as at new HOPE SF housing sites, ENV works to reduce reliance on toxic chemicals while eradicating pest infestations through a combination of preventative design, one-on-one education, and technical assistance. To date, the program has treated 857 cockroach-infested units and 174 bedbug-infested units, completed pest inspections at 30 housing facilities, and incorporated pest preventative design elements in 3,450 units.

LARGEST LED BULB GIVEAWAY IN HISTORY

ENV is committed to preparing San Francisco for the future while improving quality of life conditions today. ENV is currently partnering with over 40 San Francisco organizations to facilitate the installation of 100,000 LED bulbs in the homes of senior, low-income, and disabled San Franciscans. This is the single largest LED bulb giveaway in history and is funded entirely by a grant award from Pacific Gas & Electric (PG&E). LED's are longer lasting and reduce maintenance needs, which will help improve lighting and safety for residents who need it the most. Once fully installed, the new LEDs will reduce energy use and is projected to collectively save residents over \$1 million per year in electricity costs.



ENVIRONMENT ORGANIZATIONAL STRUCTURE



TOTAL BUDGET - HISTORICAL COMPARISON

Authorized Positions	2017-2018 Original Budget	2018-2019 Proposed Budget	Chg From 2017-2018	2019-2020 Proposed Budget	Chg From 2018-2019
Total Authorized	87.38	87.24	(0.14)	87.16	(0.08)
Non-Operating Positions (cap/other)	(20.48)	(21.20)	(0.72)	(21.20)	
Net Operating Positions	66.90	66.04	(0.86)	65.96	(0.08)

Sources

Charges for Services	15,985,880	16,825,839	839,959	16,848,883	23,044
Expenditure Recovery	2,126,466	2,419,463	292,997	2,413,206	(6,257)
Intergovernmental Rev-State	828,940	986,000	157,060	986,000	
Intergovernmental Revenue-Othe	93,258		(93,258)		
IntraFund Transfers In	4,156,634	3,894,840	(261,794)	3,967,895	73,055
Operating Transfers In	33,975		(33,975)		
Other Revenues	3,662,919	1,734,465	(1,928,454)	1,797,429	62,964
Transfer Adjustment-Source	(4,156,634)	(3,894,840)	261,794	(3,967,895)	(73,055)
Unappropriated Fund Balance	350,000		(350,000)		

General Fund Support

Sources Total	23,081,438	21,965,767	(1,115,671)	22,045,518	79,751
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Uses - Operating Expenditures

Salaries	6,355,679	6,438,647	82,968	6,486,480	47,833
Mandatory Fringe Benefits	3,125,529	3,328,088	202,559	3,516,153	188,065
Non-Personnel Services	5,190,412	3,996,633	(1,193,779)	4,137,414	140,781
City Grant Program	360,000	360,000		360,000	
Intrafund Transfers Out	4,156,634	3,894,840	(261,794)	3,967,895	73,055
Materials & Supplies	447,440	425,091	(22,349)	425,091	
Overhead and Allocations	346,458	236,551	(109,907)	240,751	4,200
Programmatic Projects	1,005,381	825,528	(179,853)	825,528	
Services Of Other Depts	6,189,438	6,344,909	155,471	6,054,101	(290,808)
Unappropriated Rev-Designated	61,101	10,320	(50,781)		(10,320)
Transfer Adjustment - Uses	(4,156,634)	(3,894,840)	261,794	(3,967,895)	(73,055)
Uses Total	23,081,438	21,965,767	(1,115,671)	22,045,518	79,751

Uses - Division Description

ENV Environment	23,081,438	21,965,767	(1,115,671)	22,045,518	79,751
Uses by Division Total	23,081,438	21,965,767	(1,115,671)	22,045,518	79,751

LAW LIBRARY

MISSION The Law Library (LLB) provides the people of San Francisco free access to legal information and specialized reference assistance in the use of those materials so they may preserve their rights and conduct their legal affairs.

SERVICES

The Law Library provides services through the following program areas:

MAINTAINS A COMPREHENSIVE LEGAL COLLECTION in electronic and print formats, including federal, state, and local laws, ordinances, regulations, and cases; court and legal forms; legal treatises, periodicals, texts, and encyclopedias; practice manuals, legal finding aids, and reference tools; legal materials and guides to meet the needs of both the public and legal professionals; legal resources and databases; and comprehensive archives of precedential cases, laws, regulations, and other essential materials.

ASSISTS PROFESSIONALS AND THE PUBLIC in navigating the law and finding the information they need by providing legal research assistance; instruction on the use of complex legal databases; orientation in how to find and use legal resources; library-created reference guides; seminars and legal educational programs; one-on-one legal information services; and by continuously refining, enhancing, and developing new services to meet emerging technologies.

ENSURES THE CURRENCY AND ACCURACY OF THE LEGAL COLLECTION by continuing to update codes and regulations, new case law reports, and current practice materials in print and electronic formats; processing, cataloging, and updating incoming materials daily to ensure their availability in the LLB's database system; deleting outdated materials; adding, maintaining, and regularly updating modules to the specialized library software systems; enhancing and adding databases as essential new legal products are developed; monitoring the range of legal information materials, both in print and in electronic formats, to determine what will best serve Law Library patrons; and periodically replacing public computers and legal reference software.



STRATEGY

- Ensure Public has Access to Current Legal Information
- Provide Comprehensive and Readily Accessible Legal Information Resources and Services

BUDGET DATA SUMMARY

	2017-18	2018-19		2019-20	
	Original Budget	Proposed Budget	Change from 2017-18	Proposed Budget	Change from 2018-19
Total Expenditures	1,855,758	1,982,273	126,515	2,121,171	138,898
Total FTE	3	3	0	3	0



BUDGET ISSUES AND DETAILS

The Fiscal Year (FY) 2018-19 proposed budget of \$2 million for the Law Library is \$0.1 million, or 6.8 percent, higher than the FY 2017-18 budget of \$1.9 million. The FY 2018-19 proposed budget of \$2.1 million is \$0.1 million, or 7 percent, higher than the FY 2017-18 budget of \$2 million. Increases in both years are largely driven by real estate lease costs.

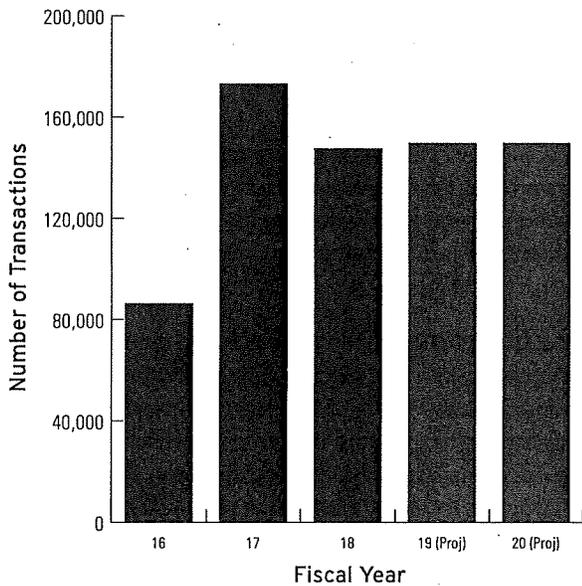
ELECTRONIC RESOURCES

The Law Library continues to provide comprehensive services, including free legal database subscriptions, to the community. The Law Library is working with the Department of Technology to improve and align technology systems to city standards and practices, which will

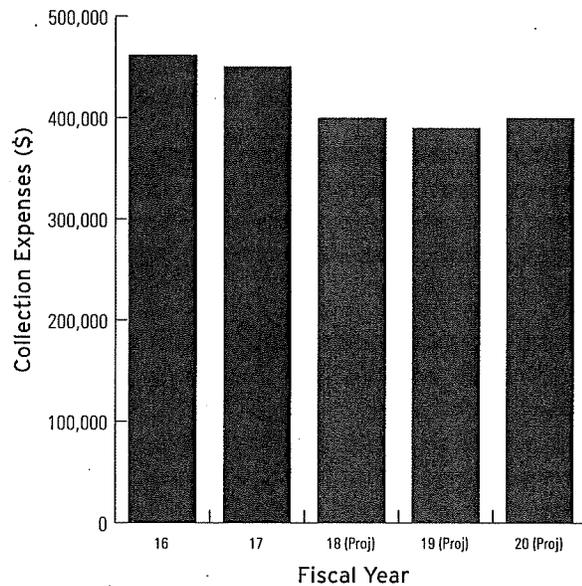
increase efficiency and provide better service to the community.

PROFESSIONAL SERVICES

The Law Library provides free, equal, authoritative, and professional legal information resources and services to the diverse citizens and legal community of San Francisco. In addition to print and electronic resources and a professional team of law librarians, the Law Library collaborates with other city departments and agencies, such as the Office of Civic Engagement and Immigrant Affairs and the SF Public Library, to help citizens navigate important life issues including immigration, family law, employment, evictions and landlord-tenant disputes, elder law, and small business processes.



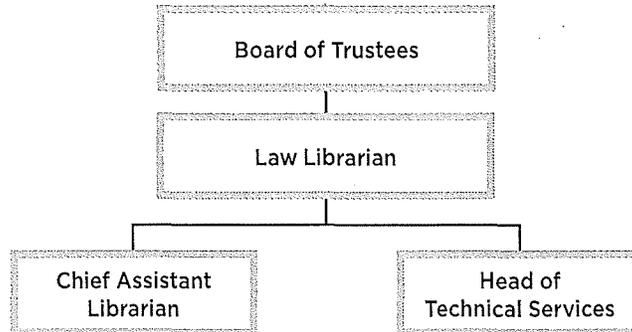
^ USE OF MAJOR LEGAL DATABASES. *Legal database transactions are predicted to remain steady over the next two fiscal years.*



^ COLLECTION EXPENSES (DATABASES AND PRINT). *Collection expenses are expected to decrease slightly in the near future.*



LAW LIBRARY ORGANIZATIONAL STRUCTURE



TOTAL BUDGET - HISTORICAL COMPARISON

Authorized Positions	2017-2018 Original Budget	2018-2019 Proposed Budget	Chg From 2017-2018	2019-2020 Proposed Budget	Chg From 2018-2019
Total Authorized	3.00	3.00		3.00	
Non-Operating Positions (cap/other)					
Net Operating Positions	3.00	3.00	0.00	3.00	0.00

General Fund Support	1,855,758	1,982,273	126,515	2,121,171	138,898
Sources Total	1,855,758	1,982,273	126,515	2,121,171	138,898

Uses - Operating Expenditures

Salaries	434,244	435,139	895	438,485	3,346
Mandatory Fringe Benefits	193,861	197,112	3,251	202,424	5,312
Non-Personnel Services	17,275		(17,275)		
Materials & Supplies	443	10,000	9,557	6,000	(4,000)
Services Of Other Depts	1,209,935	1,340,022	130,087	1,474,262	134,240
Uses Total	1,855,758	1,982,273	126,515	2,121,171	138,898

Uses - Division Description

LLB Law Library	1,855,758	1,982,273	126,515	2,121,171	138,898
Uses by Division Total	1,855,758	1,982,273	126,515	2,121,171	138,898

MUNICIPAL TRANSPORTATION AGENCY

MISSION The San Francisco Municipal Transportation Agency (SFMTA) plans, designs, builds, operates, regulates, and maintains one of the most diverse transportation networks in the world.

The SFMTA operates five modes of public transit, including bus, trolleybus, light rail trains, historic streetcars and the city's iconic cable cars, and provides infrastructure for safe walking, bicycling, and driving. In addition, the SFMTA manages traffic engineering and enforcement, on-and off-street public parking, paratransit services and permitting, and regulates private transit vehicles, including taxis.

SERVICES

The SFMTA provides services through various divisions:

MUNI provides over three million hours of service each year and operates 24 hours a day. The nation's eighth largest public transit system covers 80 different routes and delivers 720,000 average daily trips to 3,551 stops across the City. This level of services means there is a Muni stop within a quarter mile of every residence in San Francisco. San Francisco operates one of the greenest fleets in the nation, providing more than 26 percent of the daily trips in the City while generating less than two percent of the transportation sector's greenhouse gas emissions.

PARKING manages 441,950 publicly available parking spaces, 19 parking garages, 19 metered lots, and 28,000 on-street meters.

TRANSPORTATION ENGINEERING oversees traffic control devices such as signs, signals, and striping to improve the safety and operation of city streets for all modes of transportation. Transportation Engineering also provides traffic routing support for public and private construction projects.

Services (continued on next page)

BUDGET DATA SUMMARY

	2017-18	2018-19		2019-20	
	Original Budget	Proposed Budget	Change from 2017-18	Proposed Budget	Change from 2018-19
Total Expenditures	1,183,468,406	1,211,224,576	27,756,170	1,270,668,075	59,443,499
Total FTE	5,178	5,338	161	5,469	130

Services (continued)

PLANNING plans and designs capital and infrastructure improvement projects, including: transit vehicles, fleet, facilities, and transportation related right-of-way infrastructure in the City.

SECURITY AND ENFORCEMENT enhances safety and security of Muni, enforces parking regulations, and manages traffic flow on city streets.

BICYCLING AND WALKING facilitates access for bicyclists and pedestrians through safe, citywide infrastructure and conducts public education and community-based projects and programs. The network includes 447 miles of bikeways, more than 4,717 sidewalk bicycle racks, 195 school crossing guards, 960 pedestrian countdown signals, 1,212 signalized intersections, and 200,000 traffic and parking signs.

ACCESSIBLE SERVICES manages contracted paratransit services and 148 paratransit vehicles to serve customers with disabilities who cannot independently use regular Muni service. This division also ensures that Muni services and other SFMTA services and programs are accessible to seniors and people with disabilities.

TAXI SERVICES regulates over 8,000 licensed taxi drivers in the City and works with drivers, taxi companies, and medallion holders to improve services for residents and visitors to San Francisco. San Francisco has one of the greenest taxi fleets in the United States.



STRATEGY

- Create a Safer Transportation Experience for Everyone
- Make Transit and Other Sustainable Modes of Transportation the Most Attractive and Preferred Means of Travel
- Improve the Quality of Life and Environment in San Francisco and the Region
- Create a Workplace that Delivers Outstanding Services



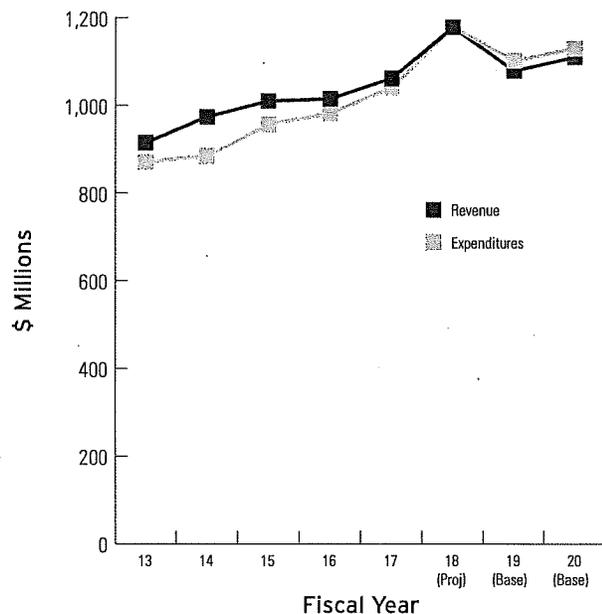
BUDGET ISSUES AND DETAILS

The MTA has two-year fixed operating and capital budgets. The proposed Operating Budget for Fiscal Year (FY) 2018-19 is \$1,211.2 million, a \$27.7 million, or 2.3 percent, increase from the FY 2017-18 amended budget. The proposed operating budget for FY 2019-20 is \$1,270.7 million, a \$59.4 million, or 4.9 percent, increase from FY 2018-19. These increases are driven by service expansions, staffing growth, and increasing personnel costs.

The proposed SFMTA FY 2018-19 and FY 2019-20 Capital Budget includes expenditure authority of \$514 million in FY 2018-19 and \$631 million in FY 2019-20. The two-year Capital Budget funds a variety of capital projects addressing infrastructure needs related to transit reliability, street safety, state of good repair, facilities, taxi, system safety, and accessibility.

BALANCING REVENUES AND EXPENDITURES

The SFMTA continues to see a trend of expenses outpacing revenues. Revenues are essentially flat



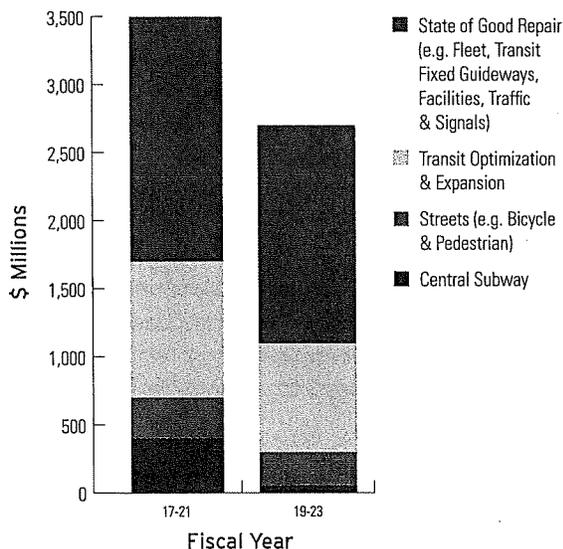
▲ **MTA REVENUES AND EXPENDITURES FY 2013-20.** Expenditure growth has been outpacing revenues. This requires careful tradeoffs in order to balance the budget while providing increased services.

in spite of increasing baseline contributions from the City's General Fund. The shortfall is the result of declining SFMTA fare and fee revenues, as well as rising expenditures stemming from service increases and the increasing cost of employee health and pension benefits.

The FY 2018-19 and FY 2019-20 fixed two year budget therefore required tradeoffs in order to close the revenue/expenditure shortfall while continuing existing service levels and strategically expanding services for the City's growing population. Steps taken include non-service impacting expenditure reductions of 2.5 percent across the SFMTA's divisions and drawing down funding reserves to pay for one-time operating expenses.

EQUITY AND INCLUSION

The FY 2018-19 and FY 2019-20 budget continues to fund key programs to meet the needs of historically disadvantaged neighborhoods and populations. These programs include the Free Muni Program for low and moderate income youth aged 5-18, seniors, and people with disabilities as well as the adult Lifeline Program. The Muni Equity Strategy funds operating and capital improvement projects to ensure that Muni service levels for



▲ CURRENT AND PROPOSED 5-YEAR CAPITAL IMPROVEMENT PROGRAMS (CIP). *The FY 2019-23 CIP includes \$2.8 billion in total investment, as compared to \$3.4 billion from FY 2017-21. The reduction is primarily due to the completion of the Central Subway.*

eight historically disenfranchised neighborhoods are equal to or exceed those in other areas of the City. Based on a strategy developed by housing and transportation equity advocates, it uses a neighborhood-based approach to improve transit routes deemed most critical to households with low incomes, people of color, seniors, and people with disabilities. These neighborhoods include: Chinatown, Western Addition, Tenderloin/ SOMA, Mission, Bayview, Visitacion Valley, Outer Mission/ Excelsior, and Oceanview Ingleside.

OPERATIONAL SUSTAINABILITY AND RELIABILITY

This two-year fixed budget will also see the completion of a number of projects that will substantially improve operations and reliability across the City. These include bringing online 68 new light rail trains, which will expand rail service by 45 percent, opening the Islais Creek bus maintenance facility, and perhaps most notably, opening the Central Subway. As these Muni-focused initiatives become operational, other efficiencies, including service realignments, will help offset the increased costs to the transit system.

CAPITAL INVESTMENTS

In addition to its Operating Budget, the SFMTA submits a fixed two-year Capital Budget. On August 15, 2017, the SFMTA Board of Directors approved the 20-Year Capital Plan for FY 2016-17 through FY 2035-36. The Capital Plan represents the SFMTA's fiscally unconstrained capital needs for the next 20 years. The 20-Year Capital Plan serves as the basis for developing the fiscally constrained five-year Capital Improvement Program (CIP), the first two years of which comprise the two-year Capital Budget presented here.

The proposed SFMTA FY 2018-19 and FY 2019-20 Capital Budget includes expenditure authority of \$513.5 million in FY 2018-19 and \$630.8 million in FY 2019-20. The two-year Capital Budget funds a variety of capital projects addressing infrastructure needs related to transit reliability, street safety, state of good repair, facilities, taxi, system safety, and accessibility. These projects continue to reflect the SFMTA Board of Directors' adopted policies and plans, including Vision Zero, Transit First, the San Francisco Pedestrian Strategy, the SFMTA Bicycle Strategy, the City and County of San Francisco Adopted Area Plans,

the SFMTA Strategic Plan, and the San Francisco County Transportation Plan.

POTENTIAL RISKS

There are inherent risks in the operating and capital budgets, including uncertainty related to a possible repeal of the landmark 2017 SB1 transportation funding package, the most significant state commitment to public transit in more than 40 years. SFMTA is slated to receive \$37 million per year in new revenue to support operations and capital projects from SB1. A proposed statewide ballot measure in November 2018 would repeal this voter-approved funding source.

VISION AREAS

Vision Zero: Making the City Safe and Livable by Eliminating Traffic Fatalities

Every year, hundreds of people are seriously injured or killed in traffic collisions in San Francisco. In Calendar Year (CY) 2014, the City adopted the Vision Zero policy with the goal of eliminating all traffic fatalities on San Francisco streets.

As part of Vision Zero, the SFMTA, in collaboration with the Department of Public Health and San Francisco Police Department, developed the High Injury Network, which applies a data-driven process to prioritize upgrades on the City's most dangerous streets. The SFMTA is committed to achieving more than 13 miles of safety improvements each year.

The SFMTA's work to achieve Vision Zero also includes traffic enforcement and education. In CY 2017, the SFMTA made significant progress toward Vision Zero, achieving the lowest number of traffic fatalities (20) since the City began keeping records in 1915. Learn more at visionzerosf.org.

Fostering a Diverse and Equitable City by Keeping Muni Affordable and Accessible

An affordable Muni is essential to the mobility and economic vitality of the City, especially for the 53 percent of Muni customers who live in households earning less than \$50,000 per year.

The SFMTA's Free Muni Program for low and moderate income youth aged 5-18, seniors, and people with disabilities, coupled with 50 percent discounted fares through the Lifeline Program for low income adults, helps to ensure diversity and

equity by keeping Muni service affordable and accessible for all.

In addition, the SFMTA is recommending changes to its fare structure to incentivize transit use, encourage prepayment of fares, and make Muni more affordable for regular users and visitors. These fare changes include: an expansion of the institutional pass program, a new bulk sales discount for multiple fare purchases, adding a single-ride low income fare, implementing a new one-day pass (without cable car fares), and reducing the visitor passport fare. Fare prices will continue to discount electronic payments by Clipper or Muni Mobile and increase the cost for rides paid by cash.

Making Muni More Reliable with a Modernized Fleet of the Future

Reliability and frequency are of primary importance to Muni riders. In 2017, for the second year in a row, 70 percent of Muni riders rated the service as good or excellent. Because operating a modern fleet helps Muni ensure reliability, Muni has been undergoing a systematic replacement of the entire transit fleet. Over the past two years, Muni has gone from operating the oldest fleet in the nation to one of the newest by committing to replace vehicles and expand capacity.

In 2017, 138 new hybrid diesel buses were accepted. In the coming two years, the trolleybus fleet will be replaced, along with 68 new light rail trains that are slated to go into service, expanding the rail fleet by 45 percent.

Making Public Parking Easier to Find with Less Circling

An estimated one third of congestion can be attributed to cars circling looking for parking. The SFMTA implements several parking programs to make it easier to park and to manage the demand for limited curb space.

San Francisco's innovative demand-responsive pricing program is being expanded to parking meters citywide. Based on the SFpark pilot, demand-responsive pricing helps achieve the appropriate level of parking availability by periodically adjusting meter and garage prices to match demand. This encourages people to park in underutilized blocks and garages and opens up spaces in busy areas and at busy times, ensuring

that metered parking spots turn over more frequently.

Low Income Fee Reduction Programs Make it Easier for Residents and Families to Thrive

The SFMTA has a number of programs designed to minimize the fee burden on low income families and individuals. This includes reductions to the towing administrative fee for low income families or individuals who participate in eligible programs. Participants may also receive up to a three-day storage fee waiver.

The SFMTA also provides options for eligible customers to perform community service in lieu of payment for various parking and transit violations (up to \$1,000).

Central Subway: Connecting People. Connecting Communities.

The Central Subway is the largest single investment in San Francisco's transportation system in generations.

Phase One of the 6.8-mile Muni Metro line began revenue service along the Third Street corridor in

April 2007. The Central Subway (Phase Two) is an extension of this important connection that will extend the T Third by 1.7 miles, making it San Francisco's first north-south subway service to SoMa, downtown, Union Square, and Chinatown. The project features three new subway stations and one new surface station that will improve access to Visitacion Valley, the Bayview, the Dogpatch, and other communities in the eastern part of the City. Learn more at centralsubwaysf.com.

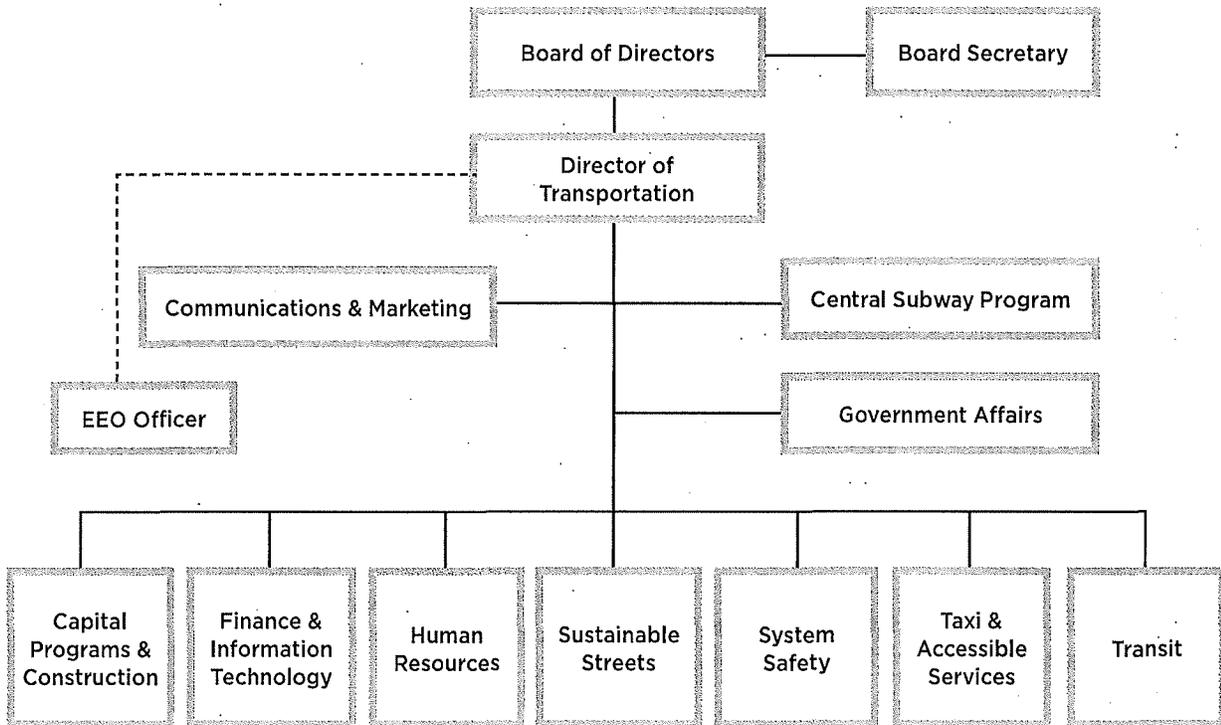
Van Ness Bus Rapid Transit

The Van Ness Bus Rapid Transit (BRT) project will create rail-like bus service along the Van Ness Avenue corridor between Mission and Lombard streets. Van Ness Avenue will be the City's first bus rapid transit route, serving customers on Muni's 47 Van Ness and 49 Van Ness-Mission lines as well as serving nine Golden Gate Transit routes.

Transit travel times are expected to decrease by more than 30 percent, improving Muni service for 60,000 projected customers daily. Construction is expected to be completed in 2019.



MUNICIPAL TRANSPORTATION AGENCY ORGANIZATIONAL STRUCTURE



TOTAL BUDGET - HISTORICAL COMPARISON

Authorized Positions	2017-2018 Original Budget	2018-2019 Proposed Budget	Chg From 2017-2018	2019-2020 Proposed Budget	Chg From 2018-2019
Total Authorized	5,691.90	5,842.42	150.52	5,972.62	130.20
Non-Operating Positions (cap/other)	(514.00)	(504.00)	10.00	(504.00)	
Net Operating Positions	5,177.90	5,338.42	160.52	5,468.62	130.20

Sources

Charges for Services	262,375,508	255,416,129	(6,959,379)	263,619,581	8,203,452
Expenditure Recovery	2,618,600	3,001,200	382,600	3,056,933	55,733
Fines: Forfeitures/Penalties	91,338,770	103,465,933	12,127,163	106,565,468	3,099,535
InterGovernmental Rev-Federal	3,800,000	4,062,514	262,514	4,062,514	
Interest & Investment Income	1,984,200	8,935,750	6,951,550	4,568,823	(4,366,927)
Intergovernmental Rev-State	48,740,000	52,068,400	3,328,400	53,366,452	1,298,052
Intergovernmental Revenue-Othe	92,717,051	110,810,149	18,093,098	113,844,353	3,034,204
IntraFund Transfers In	61,130,429	29,870,616	(31,259,813)	38,081,073	8,210,457
Licenses: Permits/Franchises	21,670,889	19,224,248	(2,446,641)	19,797,319	573,071
Operating Transfers In	300,259,699	311,271,716	11,012,017	332,210,723	20,939,007
Other Revenues	17,349,952	11,509,463	(5,840,489)	15,837,483	4,328,020
Rents & Concessions	137,245,228	144,059,649	6,814,421	148,326,441	4,266,792
Transfer Adjustment-Source	(288,155,603)	(267,623,807)	20,531,796	(295,270,161)	(27,646,354)
Unappropriated Fund Balance	77,713,683	42,382,616	(35,331,067)	63,081,073	20,698,457
General Fund Support	352,680,000	382,770,000	30,090,000	399,520,000	16,750,000
Sources Total	1,183,468,406	1,211,224,576	27,756,170	1,270,668,075	59,443,499

Uses - Operating Expenditures

Salaries	473,350,748	501,039,073	27,688,325	512,667,018	11,627,945
Mandatory Fringe Benefits	239,411,284	248,103,397	8,692,113	290,468,212	42,364,815
Non-Personnel Services	218,887,472	227,940,107	9,052,635	234,669,701	6,729,594
Capital Outlay	112,875,675	92,349,463	(20,526,212)	85,617,483	(6,731,980)
Debt Service	24,784,287	25,913,315	1,129,028	25,915,831	2,516
Intrafund Transfers Out	61,130,429	29,870,616	(31,259,813)	38,081,073	8,210,457
Materials & Supplies	80,163,356	72,535,798	(7,627,558)	78,393,941	5,858,143
Operating Transfers Out	227,025,174	237,753,191	10,728,017	257,189,088	19,435,897
Overhead and Allocations	(36,563,771)	(35,656,670)	907,101	(35,729,204)	(72,534)
Services Of Other Depts	70,213,892	76,630,093	6,416,201	78,665,093	2,035,000
Unappropriated Rev-Designated	345,463	2,370,000	2,024,537		(2,370,000)
Transfer Adjustment - Uses	(288,155,603)	(267,623,807)	20,531,796	(295,270,161)	(27,646,354)
Uses Total	1,183,468,406	1,211,224,576	27,756,170	1,270,668,075	59,443,499

Uses - Division Description

MTAAW Agency-wide	172,368,761	136,995,566	(35,373,195)	169,301,567	32,306,001
MTABD Board Of Directors	656,021	729,654	73,633	739,601	9,947
MTACC CV-Capitl Progr & Constr	56,533,984	77,161,948	20,627,964	66,878,030	(10,283,918)
MTACO Communications	7,328,616	6,982,959	(345,657)	7,072,317	89,358
MTAED Executive Director	1,753,760	837,254	(916,506)	842,913	5,659
MTAFA Fit Finance & Info Tech	110,614,956	105,616,870	(4,998,086)	106,553,005	936,135
MTAGA Government Affairs	1,428,288	1,319,137	(109,151)	1,334,304	15,167
MTAHR Human Resources	24,574,054	36,451,857	11,877,803	36,797,755	345,898
MTASA Safety	4,350,775	4,273,013	(77,762)	4,314,256	41,243
MTASM Street Management	155,975,749	162,301,388	6,325,639	166,921,285	4,619,897
MTATS Transit Svc Division	615,090,042	646,361,513	31,271,471	676,190,550	29,829,037
MTATZ Taxi & Accessible Svc	32,793,400	32,193,417	(599,983)	33,722,492	1,529,075
Uses by Division Total	1,183,468,406	1,211,224,576	27,756,170	1,270,668,075	59,443,499

PORT

MISSION

The Port of San Francisco (PRT) manages the waterfront as a gateway to a world-class city and advances environmentally and financially sustainable maritime, recreational, and economic opportunities to serve the City, Bay Area region, and California.

SERVICES

The Port provides services through the following divisions:

ENGINEERING provides project and construction management, engineering design, facility inspection, contracting, code compliance review, and permit services for all port facilities.

MARITIME manages and markets cruise and cargo shipping, ship repair, commercial and sport fishing, ferry and excursion operations, visiting military and ceremonial vessels, and other harbor services.

MAINTENANCE repairs piles, piers, roofs, plumbing and electrical systems, and street cleaning along the Port's 7½ miles of waterfront property.

PLANNING shepherds the use of port lands consistent with the goals and policies of the Waterfront Land Use Plan, maintains and amends Plan policies, leads community planning projects for specified waterfront areas, provides environmental review and stewardship, plans for sea level rise, and administers land use regulatory review of projects on port property.

REAL ESTATE oversees all property and lease development and management for the Port's commercial and industrial property.

ADMINISTRATION directs port resources to meet strategic goals, guides capital planning, and manages the Port's support services including human resources, accounting, finance and procurement, business services, and information systems.

EXECUTIVE leads the implementation of the Port's strategic goals and objectives, develops policy with the Port Commission, and provides for cross divisional collaboration and communication.

BUDGET DATA SUMMARY

	2017-18	2018-19		2019-20	
	Original Budget	Proposed Budget	Change from 2017-18	Proposed Budget	Change from 2018-19
Total Expenditures	133,202,027	174,354,417	41,152,390	147,698,264	(26,656,153)
Total FTE	243	247	4	247	0



STRATEGY

- Ensure the Waterfront is a Treasured Destination
- Promote Education & Strong Relationships
- Advance Environmental & Social Equity
- Limit the Impacts of Climate Change & Address Threats
- Ensure the Long-Term Viability of the Port and the City



BUDGET ISSUES AND DETAILS

The Port's proposed Fiscal Year (FY) 2018-19 budget is \$174.3 million, a \$41.1 million (30.9 percent) increase from FY 2017-18. The increase from prior year is largely driven by one-time sources to fund the capital budget, including over \$16 million to implement the San Francisco Seawall Program and Mission Bay Ferry Landing projects.

The proposed FY 2019-20 budget is \$161.3 million, a \$31.3 million (-16.2 percent) decrease from the proposed FY 2018-19 budget. This decrease is largely the result of a decline in one-time capital investments from the prior year.

SEAWALL EARTHQUAKE SAFETY PROGRAM

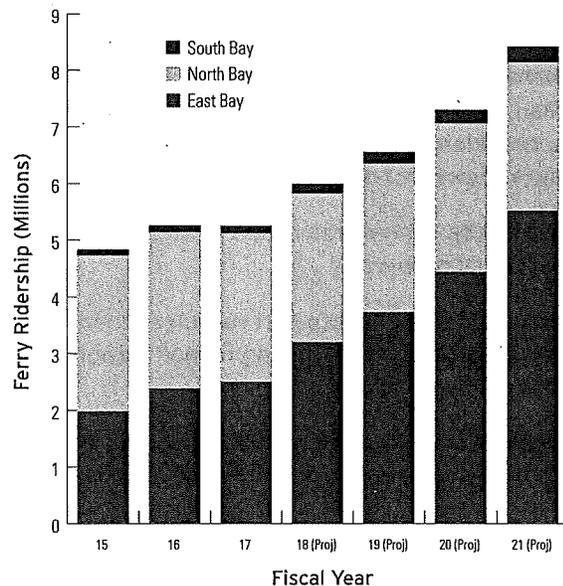
San Francisco's Embarcadero Seawall was constructed over a century ago and is the foundation of three miles of the City's northeastern waterfront, stretching from Fisherman's Wharf to Mission Creek. After significant research and analysis to understand the Seawall's vulnerability to both earthquakes and sea level rise, the Port has initiated the Seawall Earthquake Safety Program to create a more sustainable and resilient waterfront. The Port estimates that completing immediate life safety upgrades to the Seawall will cost \$500 million over ten years, while full infrastructure improvements are estimated to cost up to \$5 billion and take 30 years to implement.

To support the first phase of the Seawall Program, the City has proposed to place a \$425 million General Obligation bond on the November 2018 ballot. The bond measure would require two-thirds voter approval and would not raise tax rates. Additionally, the Port is seeking federal funds through the Army Corps of Engineers and

is working with state legislators to identify state funding sources, including the State's general fund, a general obligation bond, or by amending state law to allow the Port to collect growth in state taxes from properties along the waterfront.

MISSION BAY FERRY LANDING

The Port is working to build a new ferry landing in Mission Bay. The facility will berth two ferry boats simultaneously and provide regional access for UCSF Mission Bay, the Golden State Warriors arena, and the surrounding neighborhoods



ANNUAL FERRY RIDERSHIP BY ORIGIN, ACTUALS AND PROJECTED. *The Port and its partners will accommodate a projected 74 percent increase in ferry ridership through the expansion of the Downtown Ferry Terminal and the new Mission Bay Ferry Landing.*

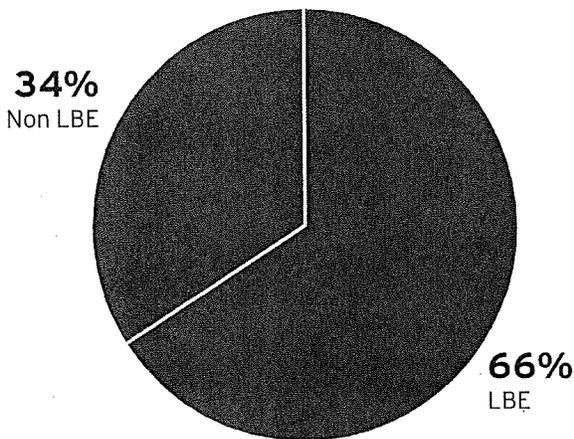
to and from the East and North bays. With significant growth in the Southern Bayfront, including from port development projects, this essential transportation infrastructure will alleviate transportation overcrowding and provide transportation resiliency in the event of an earthquake, BART, or Bay Bridge related failure.

With \$7 million in funding committed to-date, the Port requires an additional \$35.7 million to complete project construction. A proposed \$11 million capital contribution in this budget provides

a one-for-one match to a pending grant request to the State of California's Local Partnership Program. Other potential sources of project funds include private contributions, Developer Impact Fees, and the proposed Regional Measure 3 bridge toll increase, which is set to go before voters in June 2018. The Port is actively partnering with the Office of Economic and Workforce Development and the Water Emergency Transportation Authority (WETA) to secure these additional funding sources and aims to complete the project by 2021.

DEVELOPMENT PROJECTS

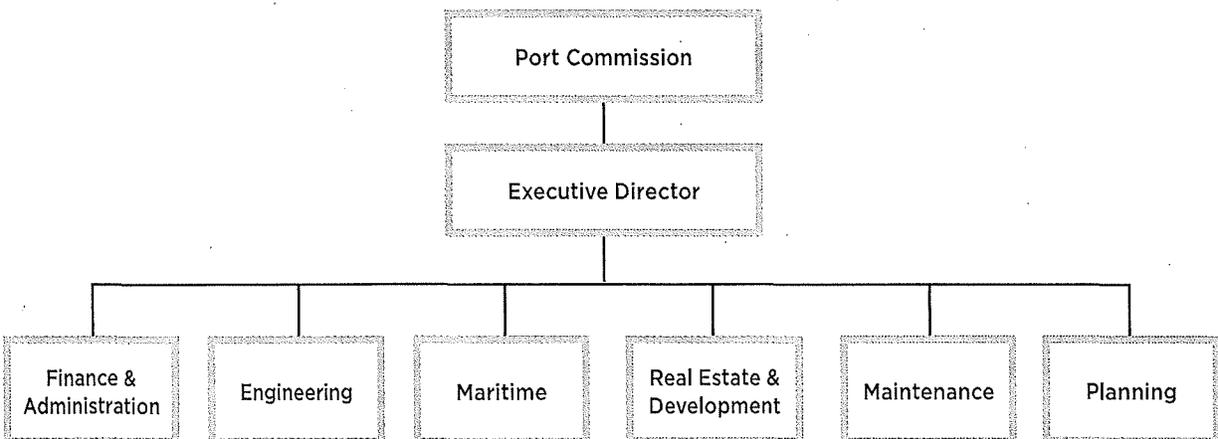
The Port is finalizing Development and Disposition Agreements with Forest City and the San Francisco Giants for projects to create new neighborhoods at Pier 70 and Seawall Lot 337. As development begins, the Port must provide support and oversight to the financing and construction of these projects. The proposed budget includes funding for staff, professional services, and work orders to oversee project implementation. These expenses are eligible for reimbursement by the developers, keeping the impact on the Port's operating budget neutral. The waterfront development projects will contribute up to 4,000 new housing units, including units affordable to low- and middle-income households, enhance the City's open space and recreational opportunities, and create space for businesses and cultural establishments, including an artist community currently located on Pier 70.



LOCAL BUSINESS ENTERPRISE (LBE) CONTRACT PAYMENTS. *In FY 2016-17, the Port far exceeded the Mayor's citywide Local Business Enterprise participation goal of 40 percent.*



PORT ORGANIZATIONAL STRUCTURE



TOTAL BUDGET - HISTORICAL COMPARISON

Authorized Positions	2017-2018 Original Budget	2018-2019 Proposed Budget	Chg From 2017-2018	2019-2020 Proposed Budget	Chg From 2018-2019
Total Authorized	298.14	299.83	1.69	302.95	3.12
Non-Operating Positions (cap/other)	(55.50)	(53.32)	2.18	(56.00)	(2.68)
Net Operating Positions	242.64	246.51	3.87	246.95	0.44

Sources

Charges for Services	22,341,000	18,404,800	(3,936,200)	18,927,300	522,500
Expenditure Recovery	4,400,000	670,100	(3,729,900)	170,100	(500,000)
Fines: Forfeitures/Penalties	3,797,000	3,275,000	(522,000)	3,341,000	66,000
Interest & Investment Income	600,000	600,000		600,000	
Intergovernmental Rev-State		650,000	650,000		(650,000)
Intergovernmental Revenue-Othe		9,760,000	9,760,000		(9,760,000)
IntraFund Transfers In	25,415,572	38,638,200	13,222,628	25,162,694	(13,475,506)
Other Financing Sources		1	1		(1)
Other Revenues	3,457,000	8,957,000	5,500,000	11,057,000	2,100,000
Rents & Concessions	81,297,525	98,417,971	17,120,446	102,182,168	3,764,197
Transfer Adjustment-Source	(25,415,572)	(38,638,200)	(13,222,628)	(25,162,694)	13,475,506
Unappropriated Fund Balance	20,960,494	33,619,545	12,659,051	11,420,696	(22,198,849)
General Fund Support	(3,650,992)		3,650,992		
Sources Total	133,202,027	174,354,417	41,152,390	147,698,264	(26,656,153)

Uses - Operating Expenditures

Salaries	27,565,637	28,811,920	1,246,283	29,082,999	271,079
Mandatory Fringe Benefits	13,054,257	13,720,243	665,986	14,264,405	544,162
Non-Personnel Services	13,073,671	13,444,460	370,789	12,214,810	(1,229,650)
Capital Outlay	35,229,172	50,245,850	15,016,678	19,872,645	(30,373,205)
Debt Service	7,718,362	7,720,811	2,449	7,714,231	(6,580)
Intrafund Transfers Out	25,415,572	38,638,200	13,222,628	25,162,694	(13,475,506)
Materials & Supplies	1,581,784	1,633,150	51,366	1,648,255	15,105
Operating Transfers Out	1,081,713	1,081,713		1,081,713	
Overhead and Allocations	209,476		(209,476)		
Programmatic Projects	1,777,064	15,465,512	13,688,448	15,979,706	514,194
Services Of Other Depts	15,701,710	20,958,557	5,256,847	21,108,478	149,921
Unappropriated Rev-Designated	16,209,181	21,272,201	5,063,020	24,731,022	3,458,821
Transfer Adjustment - Uses	(25,415,572)	(38,638,200)	(13,222,628)	(25,162,694)	13,475,506
Uses Total	133,202,027	174,354,417	41,152,390	147,698,264	(26,656,153)

Uses - Division Description

PRT Engineering	5,639,683	6,265,262	625,579	6,326,244	60,982
PRT Executive	5,645,064	6,514,306	869,242	6,541,973	27,667
PRT Finance And Administration	58,444,068	22,477,354	(35,966,714)	26,363,499	3,886,145
PRT Maintenance	34,197,080	40,116,034	5,918,954	42,891,967	2,775,933
PRT Maritime	10,037,197	13,769,016	3,731,819	14,026,978	257,962
PRT Operations	9,451,083		(9,451,083)		
PRT Planning & Development	3,651,018	4,355,634	704,616	3,307,715	(1,047,919)
PRT Port Commission (Portwide)	1,050,000	68,563,024	67,513,024	35,782,694	(32,780,330)
PRT Real Estate	5,086,834	2	(5,086,832)	1	(1)
PRT Real Estate & Development		12,293,785	12,293,785	12,457,193	163,408
Uses by Division Total	133,202,027	174,354,417	41,152,390	147,698,264	(26,656,153)

PUBLIC LIBRARY

MISSION The Public Library (LIB or “the Library”) is dedicated to providing free and equal access to information, knowledge, independent learning, and reading for the community. The Library consists of the Main Library at Civic Center, 27 branch libraries geographically distributed throughout San Francisco, four Bookmobiles that travel around the City, and the digital library presence via sfpl.org. In addition to the Library’s collection of over 3.78 million items in various formats and more than 50 languages, the Library offers high speed internet through free wireless and public access computers as well as educational, cultural, and literary programming.

SERVICES

The Public Library provides services through the following strategic areas:

LITERACY AND LEARNING initiatives provide robust collections, resources, services, and programs that support reading and address the changing literacy and learning needs of the 21st century.

DIGITAL STRATEGIES ensure equitable access to public technology and resources.

PARTNERSHIPS FOR EXCELLENCE with city agencies and community-based organizations leverage the Library’s resources, strengthen the services and programs offered, and help reach a larger audience.

YOUTH ENGAGEMENT enriches the City’s youth with early literacy programs, summer learning activities, homework help, outreach to schools, and expanded teen services with emphasis on technology access and media literacy.

PREMIER URBAN LIBRARY fosters a connected community through shared experiences, equitable access to quality resources, an inclusive environment.

BUDGET DATA SUMMARY

	2017-18	2018-19		2019-20	
	Original Budget	Proposed Budget	Change from 2017-18	Proposed Budget	Change from 2018-19
Total Expenditures	137,850,825	159,376,732	21,525,907	150,509,345	(8,867,387)
Total FTE	698	697	(1)	694	(3)



STRATEGY

- Be the Premier Public Library in the Nation
- Provide Facilities to Meet 21st Century Needs
- Support & Celebrate Reading and Learning
- Engage Youth in Learning, Workforce, and Personal Growth
- Provide Access to Innovative Information Services
- Develop Strong Community Partnerships
- Excel in Operational and Fiscal Management and Professional Development



BUDGET ISSUES AND DETAILS

The proposed Fiscal Year (FY) 2018-19 budget of \$159.4 million for the Library is \$21.5 million, or 15.6 percent higher than the FY 2018-2019 budget of \$137.9 million. These increases are primarily due to investments in capital, library collections, information technology (IT), equipment, and partnerships with other city agencies.

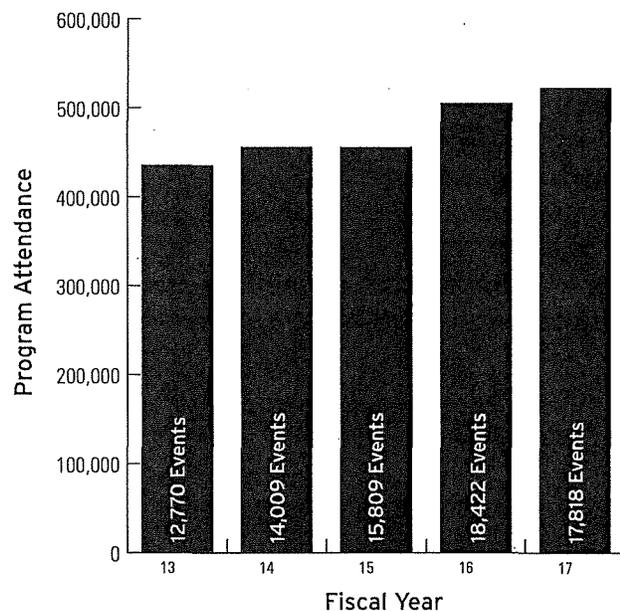
The FY 2019-20 proposed budget of \$150.5 million for the Library is \$8.9 million, or 5.6 percent lower than the proposed FY 2018-19 budget of \$159.4 million. The reduction is primarily due to fewer planned capital investments in FY 2019-20. However, the Library plans to continue making enhancements to its collections, technology, and building infrastructure in both fiscal years.

INVESTING IN THE FUTURE

In FY 2016-17, the Library began its planning process to renovate the Chinatown, Mission, and Ocean View branch libraries with a feasibility study to provide an initial needs assessment. The completed feasibility study recommended a phased renovation program beginning with the Mission branch library, given the building's systems are at the end of their service life. The study also recommended additional exploration of project scope for Chinatown and Ocean View branch libraries through community meetings. As such, the Library's FY 2018-19 budget includes monies to fully fund the Mission branch library renovation at an estimated \$19.8 million. The next step in the Mission renovation will be to engage the community in a service needs assessment and design development, incorporating user-experience analysis into the project. The FY 2019-20 budget allocates \$3.8 million to continue

scoping and design efforts to further develop the budgets for the Chinatown and Ocean View branch library projects. Other capital investments refresh and maintain library facilities system wide.

Another key investment is the modernization of the Library's collection management system to radio frequency identification technology (RFID). RFID will enhance patron experience by improving how library materials move throughout the system so that collections will be shelved faster and holds will arrive at patrons' branches sooner. Patrons



▲ LIBRARY EVENT ATTENDANCE, FIVE-YEAR TREND. *Library programming is responsive to growing demand.*

will also enjoy a quicker checkout process as they will be able to scan multiple items simultaneously. In addition, with RFID the Library will capture operational efficiencies, freeing up staffing capacity for more direct public service. With the full implementation of RFID by 2020 the Library will join 75 percent of Bay Area libraries that use RFID technology.

SERVICE EXCELLENCE AND PARTNERSHIP INVESTMENTS

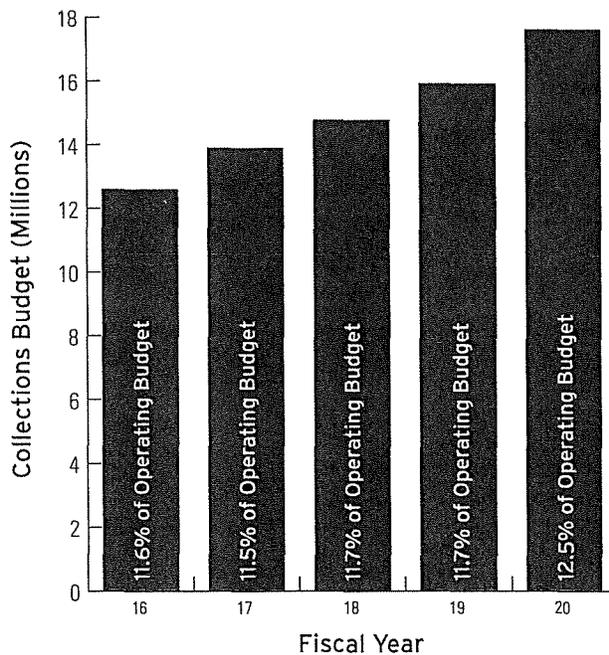
The Library’s proposed budget continues its commitment to providing welcoming facilities and meeting community service needs through staffing investments in library services, custodial services, security services, translation services, and administrative capacity for the Library’s 30-facility campus. The proposed budget also maintains the Library’s commitment to the Civic Center Commons, a multi-agency effort to improve the public space linking Market Street to City Hall. It also includes a new investment in safety, partnering with the Sheriff’s Department to provide additional security services at the Main

Library, and reallocating library security staff system wide.

The Library’s partnership with the Department of Homelessness and Supportive Housing supports a patron-focused social services team that consists of one social worker and seven health and safety associates (HASA). This team also partners with Lava Mae to provide access to mobile showers and Pop-Up Care Villages outside the Main Library, a gathering place for citizens to get free medical care, haircuts, clothing, food, and more.

STRONG LIBRARY COLLECTIONS

The Library commits approximately 12 percent of its operating budget each fiscal year to collections in various formats and multiple languages to support our diverse community. Enhancements are responsive to usage data and community requests. In fact, FY 2017-18 witnessed the reintroduction of a vinyl records collection, aptly called the Vinyl Destination at the Main Library. Patrons can have the albums delivered to their local branches or check out the vinyl collections at the Marina, Eureka Valley, and Park branches. Since September 2017, patrons have checked out or renewed the 1,751 albums over 6,100 times. Print books remain the primary material format for patrons; however, the Library has experienced more than 20 percent growth in its eCollection circulation. In response, the Library’s budget includes a 25 percent increase in eCollections budget for FY 2019-20. This is in addition to a 15 percent increase built into the FY 2018-19 budget last year. The Library also continues to invest in youth collections, growing that budget by five percent in FY 2018-19 and another four percent in FY 2019-20.



▲ COLLECTIONS TOTAL BUDGET AND PERCENTAGE OF OPERATING BUDGET, FISCAL YEARS 2016-20. A strong collections budget meets format demands and inflation.

EQUITY, INCLUSION, AND SHARED PROSPERITY

Starting in mid-June 2017 the Library added 85 weekly hours to the system, allowing all public libraries to be open seven days per week, improving access for citizens. With all the extra hours, there is increased opportunity to meet community demands for programming. Programming is the lifeblood of the Library, offering author talks, story times, craft workshops, computer classes, financial and other literacy services, workshops on immigrant services, heritage celebrations, and more. In response to

growing demand, the Library built another \$75,000 into its budget for system-wide programming and \$100,000 to create learning and work experience pathways for youth via expanded STEM programming, the Scholar Card program to connect SFUSD students to the Library, and the Library's award-winning Summer Stride learning program. The proposed budget continues funding the upgrade to the Library's audio-visual (AV) equipment to address the growing demand for AV services in public programming, expanding access to members of the public who cannot attend programming in person.

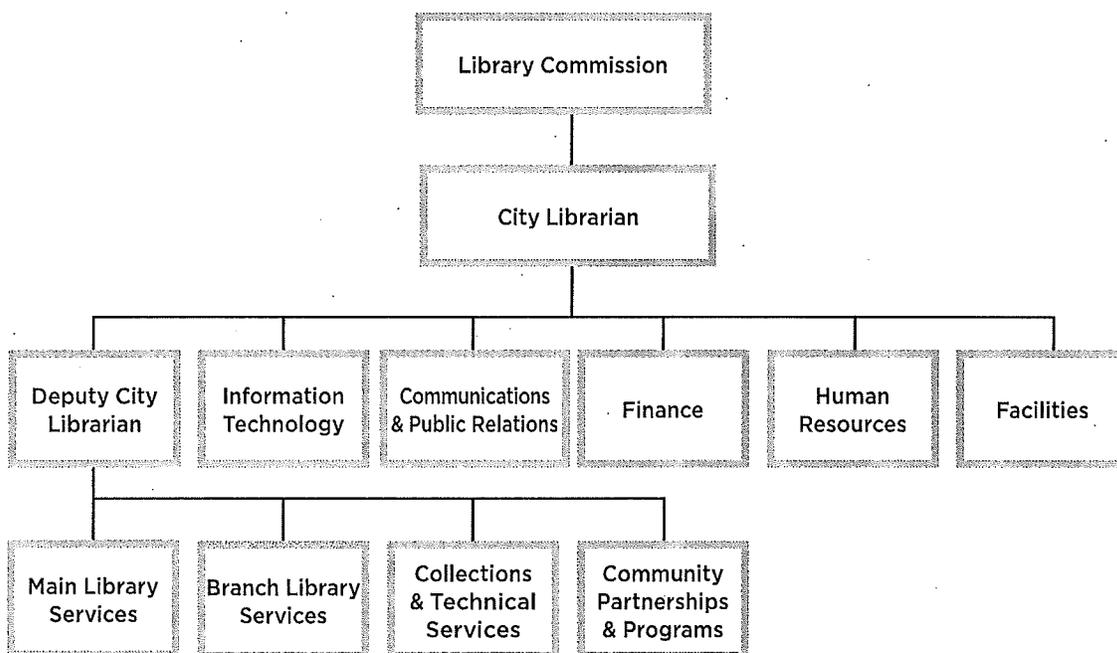
Additionally, the Library's digital strategy priority focuses on ensuring public access to technology

and the Internet. In FY 2017-18 the Library introduced the Tech'd Out program that allows patrons to check out a laptop and mobile hotspot (MiFi device) for three weeks. The proposed budget expands on the Tech'd Out program by funding an additional 170 MiFi devices and Internet services for the public, helping address access and bridge the digital divide.

The City's continued investment in a strong library system ensures that San Franciscans not only have equal access to information, but also have free educational and recreational opportunities that make San Francisco a more affordable place to live.



PUBLIC LIBRARY ORGANIZATIONAL STRUCTURE



TOTAL BUDGET - HISTORICAL COMPARISON

Authorized Positions	2017-2018 Original Budget	2018-2019 Proposed Budget	Chg From 2017-2018	2019-2020 Proposed Budget	Chg From 2018-2019
Total Authorized	697.60	697.14	(0.46)	694.57	(2.57)
Non-Operating Positions (cap/other)					
Net Operating Positions	697.60	697.14	(0.46)	694.57	(2.57)

Sources

Charges for Services	590,800	690,800	100,000	690,800	
Expenditure Recovery	66,169	68,520	2,351	71,603	3,083
Interest & Investment Income	237,400	237,400		237,400	
Intergovernmental Rev-State	220,000	220,000		220,000	
IntraFund Transfers In	11,452,249	27,042,095	15,589,846	15,341,342	(11,700,753)
Operating Transfers In	120,000	170,000	50,000	170,000	
Other Revenues	20,000	20,000		20,000	
Property Taxes	57,581,000	61,896,000	4,315,000	63,329,000	1,433,000
Rents & Concessions	126,115	26,115	(100,000)	26,115	
Transfer Adjustment-Source	(11,452,249)	(27,042,095)	(15,589,846)	(15,341,342)	11,700,753
Unappropriated Fund Balance	909,341	12,677,897	11,768,556	74,427	(12,603,470)
General Fund Support	77,980,000	83,370,000	5,390,000	85,670,000	2,300,000
Sources Total	137,850,825	159,376,732	21,525,907	150,509,345	(8,867,387)

Uses - Operating Expenditures

Salaries	56,942,834	58,559,649	1,616,815	58,805,541	245,892
Mandatory Fringe Benefits	30,495,837	31,979,051	1,483,214	33,284,848	1,305,797
Non-Personnel Services	8,324,690	8,745,939	421,249	8,826,105	80,166
Capital Outlay	12,960,459	28,560,495	15,600,036	16,322,242	(12,238,253)
Intrafund Transfers Out	11,452,249	27,042,095	15,589,846	15,341,342	(11,700,753)
Materials & Supplies	18,038,923	19,567,394	1,528,471	21,095,975	1,528,581
Overhead and Allocations	465	1,022	557	1,022	
Services Of Other Depts	11,087,617	11,963,182	875,565	12,173,612	210,430
Transfer Adjustment - Uses	(11,452,249)	(27,042,095)	(15,589,846)	(15,341,342)	11,700,753
Uses Total	137,850,825	159,376,732	21,525,907	150,509,345	(8,867,387)

Uses - Division Description

LIB Public Library	137,850,825	159,376,732	21,525,907	150,509,345	(8,867,387)
Uses by Division Total	137,850,825	159,376,732	21,525,907	150,509,345	(8,867,387)

PUBLIC UTILITIES COMMISSION

MISSION The Public Utilities Commission (PUC) provides customers with high quality, efficient, and reliable water, power, and wastewater services in a manner that values environmental and community interests and sustains the resources entrusted in their care.

SERVICES

The San Francisco Public Utilities Commission provides services through the following enterprises and bureaus:

WATER ENTERPRISE is responsible for collecting, treating, and distributing 197 million gallons of water per day to 2.6 million people in the Bay Area. Two unique features of the system stand out: the drinking water provided is among the purest in the world and the system for delivering that water is almost entirely gravity-fed, requiring little to no fossil fuel consumption. Since 2010, the enterprise has also managed the City's Auxiliary Water Supply System for firefighting and disaster response.

WASTEWATER ENTERPRISE collects, transmits, treats, and discharges sanitary and stormwater flows generated within the City for the protection of public health and environmental safety. San Francisco is one of only two cities in California with a combined sewer system. The system offers significant environmental benefits because it captures and treats both stormwater and urban street runoff, in addition to sewage from homes and businesses. This protects public health, the San Francisco Bay, and the Pacific Ocean.

HETCH HETCHY WATER AND POWER is comprised of the Power Enterprise and the upcountry operations of the Water Enterprise. This includes the collection and conveyance of approximately 85 percent of the City's water supply and the generation and transmission of electricity from that source.

Services (continued on next page)

BUDGET DATA SUMMARY

	2017-18	2018-19		2019-20	
	Original Budget	Proposed Budget	Change from 2017-18	Proposed Budget	Change from 2018-19
Total Expenditures	1,052,841,388	1,300,058,462	247,217,074	1,402,330,591	102,272,129
Total FTE	1,648	1,684	36	1,687	3

Services (continued)

The Hetch Hetchy Power System is the clean energy backbone for the City and County of San Francisco, powering municipal facilities and the City's retail electricity customers. The City's diverse energy portfolio of hydroelectric, solar, and biogas generation has a zero greenhouse gas-emission (GHG) profile.

CLEANPOWERSF is San Francisco's Community Choice Aggregation (CCA) program, launched in May 2016 with a mission of providing a cleaner electricity alternative at affordable rates. CleanPowerSF offers two products: the "Green" product comprised of 40 percent renewable energy and priced competitively with PG&E's default electricity service, and the "SuperGreen" product comprised of 100 percent renewable energy, priced at a small premium over the CleanPowerSF "Green" product rate. CleanPowerSF now serves approximately 75,000 customers, or about 20 percent of the total eligible customers in San Francisco.

PUC BUREAUS provide infrastructure planning as well as managerial and administrative support to the PUC.



STRATEGY

- Provide Reliable Service and Well-Managed Assets
- Achieve Organizational Excellence
- Build an Effective Workforce Reflecting the Communities We Serve
- Maintain Financial Sustainability
- Foster Trust and Engagement with Stakeholders
- Lead as Environmental Stewards



BUDGET ISSUES AND DETAILS

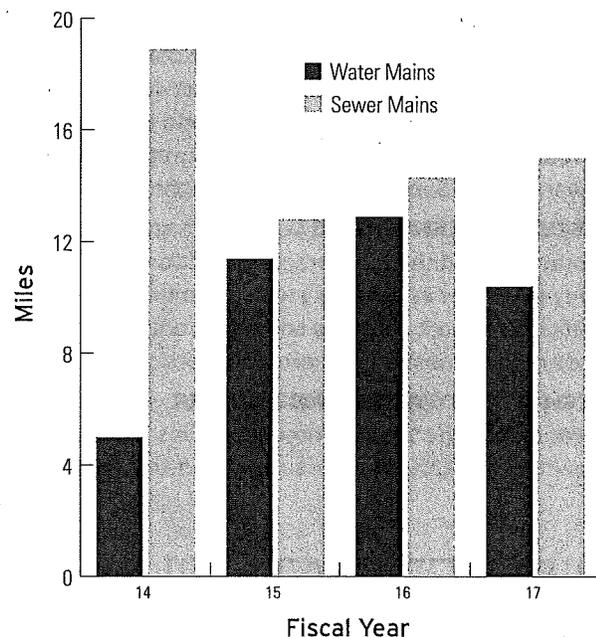
The Fiscal Year (FY) 2018-19 proposed budget of \$1,300.1 million for the Public Utilities Commission (PUC) is \$247.2 million, or 23.5 percent, higher than the FY 2017-18 budget of \$1,052.8 million. The change is mostly due to the expansion of the CleanPowerSF program, and the purchasing and selling of power for customers.

The FY 2019-20 proposed budget for the PUC of \$1,402.3 million is \$102.3 million, or 7.9 percent, higher than the proposed FY 2018-19 budget. This increase is largely due to continued expansion of CleanPowerSF, as well as the use of operating funds to support high-priority capital projects.

PUC's FY 2018-19 and FY 2019-20 budget continues to address the demands for redevelopment utility service connections and the citywide expansion of CleanPowerSF. The budget supports new commercial needs and the expansion of the retail power distribution network to serve new electric retail customers.

CLEANPOWERSF

Expansion of CleanPowerSF, which provides San Franciscans with clean energy alternatives, is



^ MILES OF SEWER AND WATER MAINS REPLACED. On average, the PUC has replaced approximately 10 miles of sewer mains and 15 miles of water mains in each of the last four years.

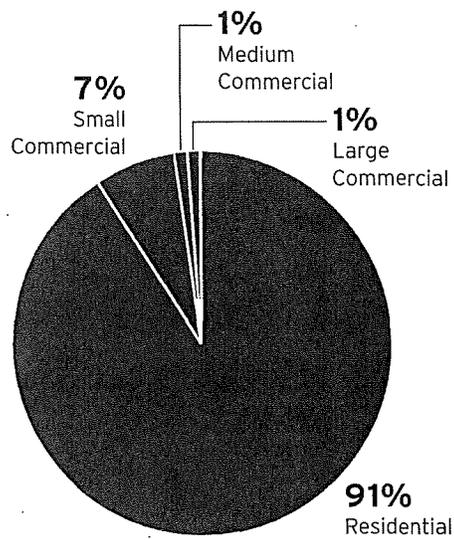
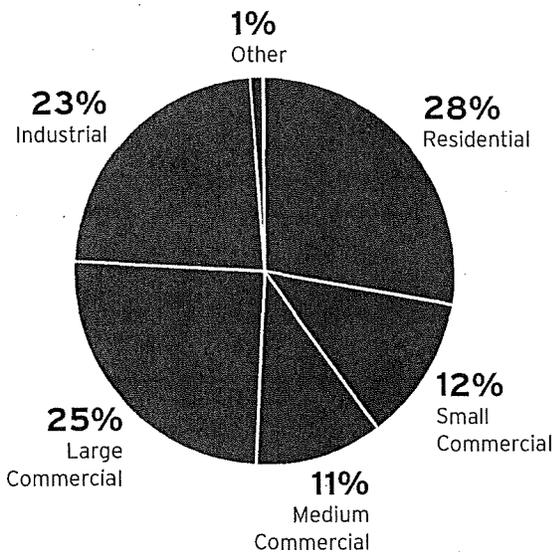
one of the Commission's highest priorities. The citywide roll out CleanPowerSF, which will meet the Commission's adopted goal of completion by July 2019 and ensure high quality service to an estimated 350,000 CleanPowerSF customers, accounts for 50 percent of the Department's overall budget increase over the two years.

CAPITAL INVESTMENTS

PUC's largest capital investments are the Water Systems Improvement Project (WSIP), which is over 95 percent completed, and Wastewater's Sewer System Improvement Program (SSIP), which includes 70 projects with 19 percent completed.

The current development boom and growing population has increased the demand for new service installations and the replacement of water and sewer mains. PUC continues to invest in the diversification of water resources, including completing the San Francisco groundwater supply project and advancing the regional groundwater storage and recovery project.

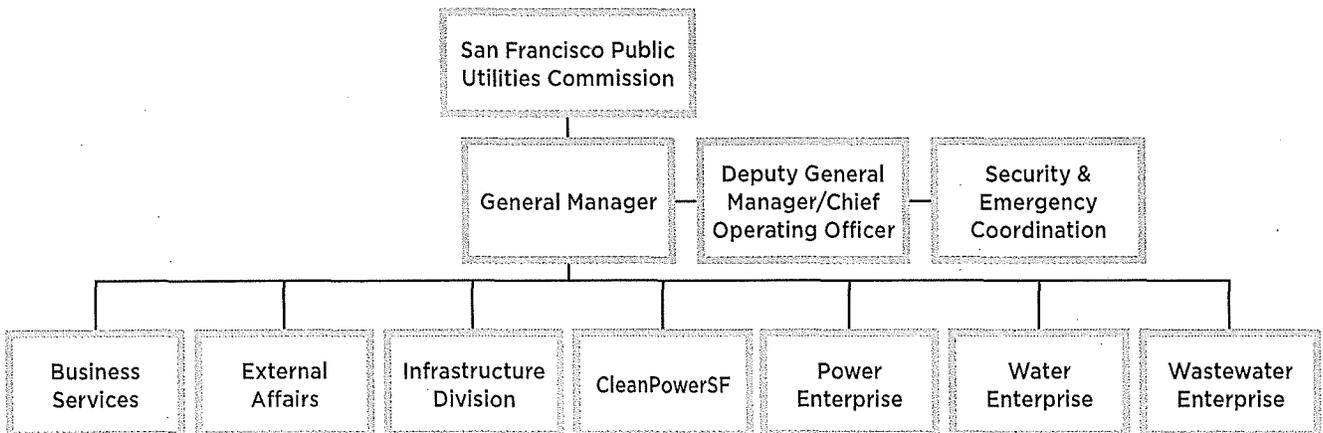
These significant capital investments are funded by increases to revenue and the issuance of revenue bonds. As a consequence, a major portion of the overall budget increase is to pay the debt service costs associated with bonds.



DEMAND FOR ELECTRICITY. 91 percent of all electricity accounts in San Francisco are residential, but these customers only make up 28 percent of the demand for electricity.



PUBLIC UTILITIES COMMISSION ORGANIZATIONAL STRUCTURE



TOTAL BUDGET - HISTORICAL COMPARISON

Authorized Positions	2017-2018 Original Budget	2018-2019 Proposed Budget	Chg From 2017-2018	2019-2020 Proposed Budget	Chg From 2018-2019
Total Authorized	2,309.18	2,366.83	57.65	2,379.06	12.23
Non-Operating Positions (cap/other)	(661.05)	(682.44)	(21.39)	(691.35)	(8.91)
Net Operating Positions	1,648.13	1,684.39	36.26	1,687.71	3.32

Sources

Charges for Services	853,331,265	1,067,784,894	214,453,629	1,171,039,957	103,255,063
Expenditure Recovery	132,120,171	144,039,715	11,919,544	150,993,464	6,953,749
Interest & Investment Income	4,612,474	5,154,535	542,061	5,671,759	517,224
IntraFund Transfers In	153,860,616	262,121,096	108,260,480	271,880,680	9,759,584
Operating Transfers In	32,700,000	34,778,000	2,078,000	35,785,000	1,007,000
Other Revenues	41,616,086	40,704,615	(911,471)	40,834,809	130,194
Rents & Concessions	14,368,072	13,605,858	(762,214)	13,940,064	334,206
Transfer Adjustment-Source	(186,766,716)	(295,699,096)	(108,932,380)	(306,465,680)	(10,766,584)
Unappropriated Fund Balance	6,999,420	27,568,845	20,569,425	18,650,538	(8,918,307)

General Fund Support

Sources Total	1,052,841,388	1,300,058,462	247,217,074	1,402,330,591	102,272,129
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Uses - Operating Expenditures

Salaries	234,909,063	249,489,854	14,580,791	253,236,921	3,747,067
Mandatory Fringe Benefits	99,102,068	103,972,199	4,870,131	108,322,969	4,350,770
Non-Personnel Services	154,512,972	271,379,285	116,866,313	322,722,588	51,343,303
City Grant Program	2,606,694	2,855,121	248,427	3,006,480	151,359
Capital Outlay	13,029,934	20,780,384	7,750,450	24,283,448	3,503,064
Debt Service	350,301,648	364,429,747	14,128,099	394,503,882	30,074,135
Facilities Maintenance	36,531,000	38,873,200	2,342,200	37,374,480	(1,498,720)
Intrafund Transfers Out	153,860,616	262,121,096	108,260,480	271,880,680	9,759,584
Materials & Supplies	28,883,782	30,279,048	1,395,266	31,980,281	1,701,233
Operating Transfers Out	32,695,137	33,673,137	978,000	34,680,137	1,007,000
Overhead and Allocations	(92,747,778)	(94,465,405)	(1,717,627)	(94,928,139)	(462,734)
Programmatic Projects	3,050,000		(3,050,000)		
Services Of Other Depts	91,088,924	94,263,923	3,174,999	95,915,015	1,651,092
Unappropriated Rev Retained	105,830,000	201,037,752	95,207,752	203,304,397	2,266,645
Unappropriated Rev-Designated	25,954,044	17,068,217	(8,885,827)	22,513,132	5,444,915
Transfer Adjustment - Uses	(186,766,716)	(295,699,096)	(108,932,380)	(306,465,680)	(10,766,584)
Uses Total	1,052,841,388	1,300,058,462	247,217,074	1,402,330,591	102,272,129

Uses - Division Description

HHP CleanPowerSF	40,257,512	157,032,754	116,775,242	212,909,309	55,876,555
HHP Hetch Hetchy Water & Power	203,621,881	228,769,554	25,147,673	229,565,912	796,358
PUB Public Utilities Bureaus		259,600	259,600	259,600	
WTR Water Enterprise	501,665,106	570,616,001	68,950,895	599,664,036	29,048,035
WWE Wastewater Enterprise	307,296,889	343,380,553	36,083,664	359,931,734	16,551,181
Uses by Division Total	1,052,841,388	1,300,058,462	247,217,074	1,402,330,591	102,272,129

RENT ARBITRATION BOARD

MISSION The Residential Rent Stabilization and Arbitration Board's (RNT) mission is to protect tenants from excessive rent increases and unjust evictions while assuring landlords fair and adequate rents; to provide fair and even-handed treatment for both tenants and landlords through efficient and consistent administration of the rent law; to promote the preservation of sound, affordable housing; and to maintain the ethnic and cultural diversity that is unique to San Francisco.

SERVICES

The Rent Arbitration Board provides services through the following program areas:

PUBLIC INFORMATION AND COUNSELING provides information to the public regarding the Rent Ordinance and rules and regulations, as well as other municipal, state, and federal ordinances in the area of landlord/tenant law.

HEARINGS AND APPEALS consist of Administrative Law Judges (ALJs) who are supervised by two Senior Administrative Law Judges. The ALJs conduct arbitrations and mediations to resolve disputes between landlords and tenants, and issue decisions in accordance with applicable laws.



STRATEGY

- Process Tenant and Landlord Petitions Efficiently
- Provide Effective Information to Tenants and Landlords
- Support Limited English Proficient Communities
- Increase Collaboration with other City Agencies

BUDGET DATA SUMMARY

	2017-18	2018-19		2019-20	
	Original Budget	Proposed Budget	Change from 2017-18	Proposed Budget	Change from 2018-19
Total Expenditures	8,074,900	8,545,317	470,417	8,608,765	63,448
Total FTE	37	37	0	37	0



BUDGET ISSUES AND DETAILS

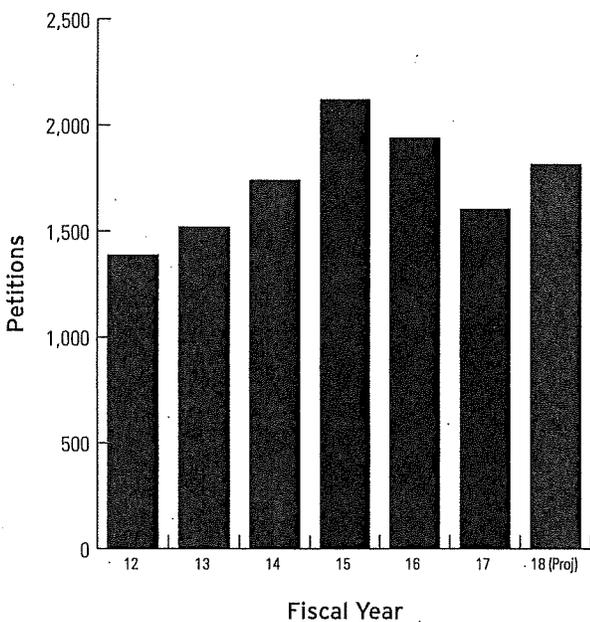
The Fiscal Year (FY) 2018-19 proposed budget of \$8.5 million for RNT is \$0.4 million, or 5.8 percent, higher than the FY 2017-18 budget of \$8.1 million. This increase is primarily due the filling of vacant positions. The FY 2019-20 proposed budget of \$8.6 million is \$0.1 million, or 0.7 percent, higher than the FY 2018-19 proposed budget. This increase is primarily due to salary and benefit cost increases.

INCREASED COLLABORATION WITH OTHER CITY DEPARTMENTS

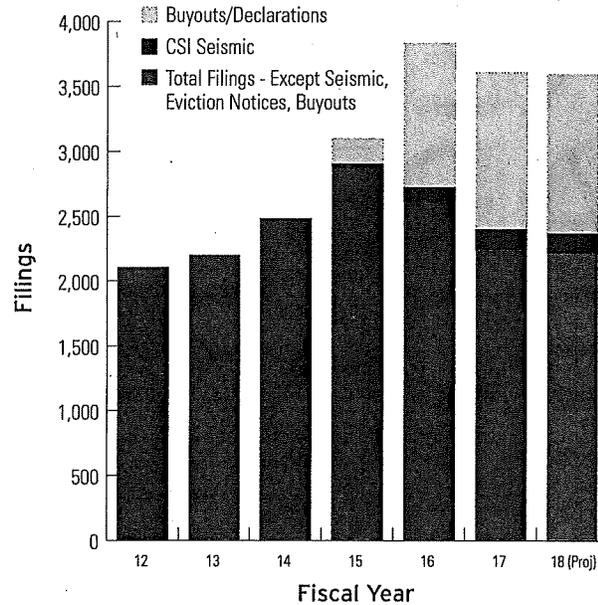
The Rent Board is continuing to participate in cross-departmental collaboration by pursuing a strategy of sharing data in more streamlined and standardized ways. By working with other city departments to increase data sharing when work presents mutual data dependencies, the Department is aiming to increase its effectiveness.

ENSURING SAN FRANCISCO'S DIVERSE COMMUNITY CAN ACCESS THE DEPARTMENT'S SERVICES

The Department is continuing to improve its service delivery to San Francisco's diverse community. To ensure everyone can access the services it provides,



▲ TOTAL PETITIONS. Total petitions filed in the last six fiscal years and projected filings for the current fiscal year.



▲ VARIOUS FILINGS PLUS SEISMIC AND BUYOUTS. Various filings plus capital improvement soft story seismic retrofit and buyout filings in the last six fiscal years and projected filings for the current fiscal year.

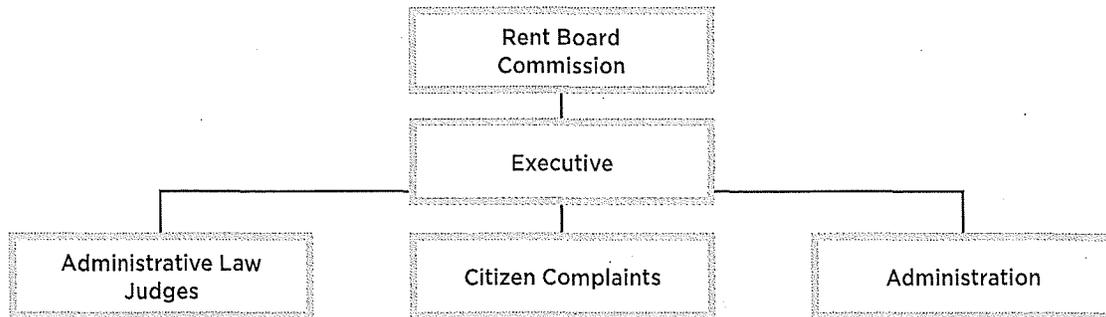
the Department translates its materials and provides interpreters for many of the hearings it conducts. In order to continue these efforts, the Department is increasing its budget for interpreters this year.

LEGISLATIVE CHANGES

A significant number of changes to the law the Department regulates and other related laws will result in structural increases to the Department's workload over the coming years. These changes include mandatory seismic upgrades to over 5,000 buildings with approximately 50,000 units, for which a portion of the cost can be passed through to tenants by filing a petition with the Department, as well as increases in related hardship applications filed by tenants who can't afford the capital improvement passthroughs. New requirements for filing buyout agreements with the Department have also resulted in workload increases. The soft-story seismic retrofit capital improvement petitions and the related hardship applications will result in projected increases of about 300 petitions per year by FY 2018-19, and currently account for an increase of almost 200 petitions per year.



RENT ARBITRATION BOARD ORGANIZATIONAL STRUCTURE



TOTAL BUDGET - HISTORICAL COMPARISON

Authorized Positions	2017-2018 Original Budget	2018-2019 Proposed Budget	Chg From 2017-2018	2019-2020 Proposed Budget	Chg From 2018-2019
Total Authorized	36.45	36.67	0.22	36.66	(0.01)
Non-Operating Positions (cap/other)					
Net Operating Positions	36.45	36.67	0.22	36.66	(0.01)

Sources

Charges for Services	8,074,900	7,795,317	(279,583)	8,608,765	813,448
Unappropriated Fund Balance		750,000	750,000		(750,000)
General Fund Support					
Sources Total	8,074,900	8,545,317	470,417	8,608,765	63,448

Uses - Operating Expenditures

Salaries	4,831,825	5,042,980	211,155	5,086,237	43,257
Mandatory Fringe Benefits	2,016,563	2,113,580	97,017	2,193,367	79,787
Non-Personnel Services	189,558	301,558	112,000	249,558	(52,000)
City Grant Program	120,000	120,000		120,000	
Materials & Supplies	37,749	57,749	20,000	37,749	(20,000)
Services Of Other Depts	879,205	909,450	30,245	921,854	12,404
Uses Total	8,074,900	8,545,317	470,417	8,608,765	63,448

Uses - Division Description

RNT Rent Arbitration Board	8,074,900	8,545,317	470,417	8,608,765	63,448
Uses by Division Total	8,074,900	8,545,317	470,417	8,608,765	63,448

RETIREMENT SYSTEM

MISSION The Retirement System (RET) works to secure, protect, and prudently invest the City’s pension trust accounts, administer mandated benefit programs, and provide promised benefits.

SERVICES

The Retirement System provides services through the following divisions:

ADMINISTRATION directs the overall administration of the Retirement System, including implementation of Retirement Board policies and directives; implementation of legislative changes to the Retirement System; legal and procedural compliance of all activities of the Retirement System; administration of member retirement counseling and pension payment processing; administration of the disability application and hearing officer process; and management of the Retirement System’s information technology, budget, and financial systems.

RETIREMENT SERVICES provides retirement counseling for more than 41,000 active and inactive members and more than 29,000 retired members; maintains historical employment data and retirement accounts for both active and retired members; calculates and processes all benefits payable as a result of a member’s retirement, death, or termination of employment; disburses monthly retirement allowances to retirees and beneficiaries; and maintains Retirement System financial records and reporting in compliance with all applicable legal and regulatory requirements.

INVESTMENT manages and invests the San Francisco Employee Retirement System (SFERS) Trust in accordance with the investment policy of the Retirement Board; monitors the performance of external investment managers; and maintains information and analysis of capital markets and institutional investment opportunities.

Services (continued on next page)

BUDGET DATA SUMMARY

	2017-18	2018-19		2019-20	
	Original Budget	Proposed Budget	Change from 2017-18	Proposed Budget	Change from 2018-19
Total Expenditures	97,622,827	112,141,309	14,518,482	124,166,473	12,025,164
Total FTE	106	108	2	108	0

Services (continued)

DEFERRED COMPENSATION oversees and administers the City's \$3 billion Deferred Compensation Plan (SFDCP). The City's Deferred Compensation Plan and Trust are established separately from, and are independent of, the Retirement System's Defined Benefit Plan.



STRATEGY

- Educate City Employees about Retirement Planning & Options
- Enhance Member Experience Through a Self-Service Website
- Enhance Service Quality & Responsiveness
- Support a Qualified & Sustainable Workforce



BUDGET ISSUES AND DETAILS

The Fiscal Year (FY) 2018-19 proposed budget of \$112.1 million for the Retirement System is \$14.5 million or 14.9 percent higher than the FY 2017-18 budget of \$97.6 million. The FY 2019-20 proposed budget of \$124.2 million is \$12 million, or 10.7 percent, higher than the FY 2018-19 proposed budget of \$112.1 million.

These budget increases are largely driven by increases in the Retiree Health Care Trust Fund, and the costs related to the management of this fund. In addition, the budget includes increases in salary and benefit costs, including the cost of two new positions for Socially Responsible Investment.

SOCIALLY RESPONSIBLE INVESTING

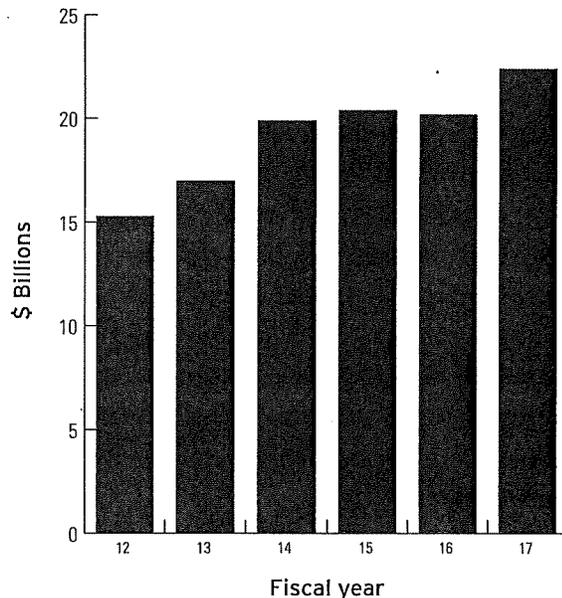
First, the Department is enhancing its ability to support the integration of ESG (Environmental, Social, and Governance) considerations, including engagement activities, in its investment decisions. The Department will bring on a new team in charge of socially responsible investments to achieve these goals.

CONTINUING TO ENHANCE MEMBER SERVICES

Second, the Department is continuing its efforts to enhance member services. This budget reflects a structural change to create a new Member Services Division that can accommodate the new initiative focusing on retirement readiness, in addition to its retirement counseling activities.

RETIREE HEALTHCARE TRUST FUND

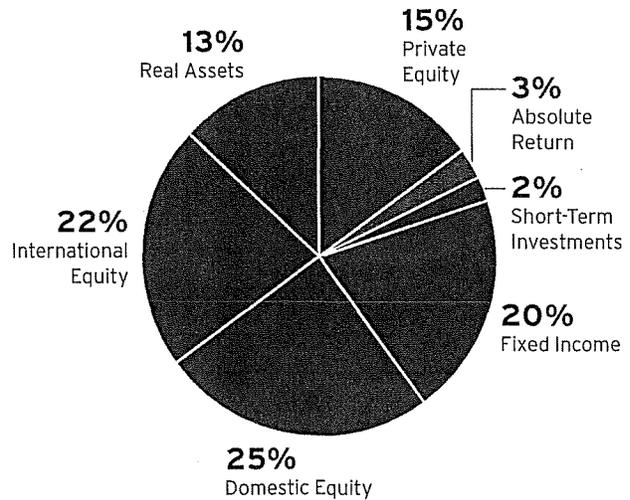
The largest piece of the Retirement System's budget is the Retiree Healthcare Trust Fund. In FY 2016-17, this was managed by the Controller's Office. On May 8, 2017, the Retiree Health Care Trust Fund Board terminated the appointment



▲ PLAN NET POSITION AS OF JUNE 30 (\$ BILLIONS). *The City's retirement fund has grown steadily since 2012.*

of the City Controller as the Trust Administrator and appointed the SFERS Executive Director as Trust Administrator effective as of July 1, 2017. This change was driven by the Trust's need for staff with investment expertise to manage an increasingly complex investment strategy. The change also brings the administrative structure of the Trust into alignment with that of other retiree health trusts in California.

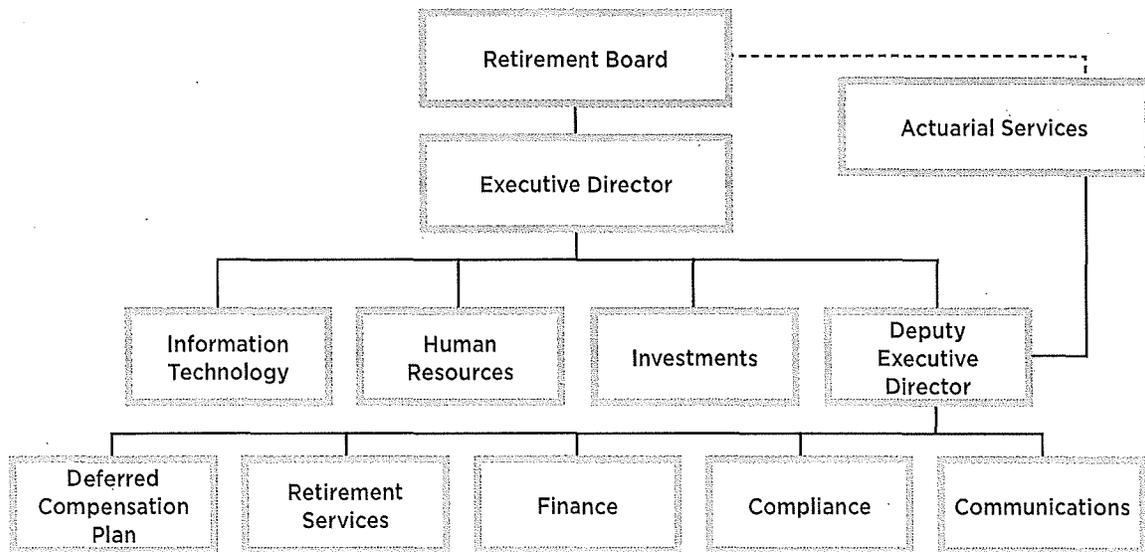
Therefore, the Retirement System budget now reflects the incorporation of the Retiree Health Care Trust Fund. Increases in the Fund are largely driven by increasing employee contributions for those hired before January 9 2009, whose contributions are increasing by a quarter of a percentage point (0.25 percent). The remainder is driven by base wage increases.



▲ ASSET ALLOCATION AS OF JUNE 30, 2017 - FAIR VALUE. *The City's retirement fund is diversified, with the biggest share invested in domestic equity.*



RETIREMENT SYSTEM ORGANIZATIONAL STRUCTURE



TOTAL BUDGET - HISTORICAL COMPARISON

Authorized Positions	2017-2018 Original Budget	2018-2019 Proposed Budget	Chg From 2017-2018	2019-2020 Proposed Budget	Chg From 2018-2019
Total Authorized	105.97	107.96	1.99	108.18	0.22
Non-Operating Positions (cap/other)					
Net Operating Positions	105.97	107.96	1.99	108.18	0.22

Sources

Charges for Services	1,214,277	1,630,638	416,361	1,264,497	(366,141)
Contributions Ret/HSS/HlthCare	96,071,550	110,054,671	13,983,121	122,445,976	12,391,305
Expenditure Recovery	50,000	160,000	110,000	160,000	
Interest & Investment Income	287,000	296,000	9,000	296,000	
General Fund Support					
Sources Total	97,622,827	112,141,309	14,518,482	124,166,473	12,025,164

Uses - Operating Expenditures

Salaries	14,714,668	15,467,909	753,241	15,708,070	240,161
Mandatory Fringe Benefits	5,592,038	6,011,545	419,507	6,185,310	173,765
Non-Personnel Services	4,274,563	4,639,455	364,892	4,597,370	(42,085)
Capital Outlay	76,202	90,491	14,289	74,686	(15,805)
Materials & Supplies	255,000	255,000		255,000	
Overhead and Allocations	38,137	368,619	330,482	368,619	
Services Of Other Depts	5,971,661	5,775,652	(196,009)	5,618,532	(157,120)
Unappropriated Rev-Designated	66,700,558	79,532,638	12,832,080	91,358,886	11,826,248
Uses Total	97,622,827	112,141,309	14,518,482	124,166,473	12,025,164

Uses - Division Description

RET Administration	69,819,856	7,676,756	(62,143,100)	7,674,731	(2,025)
RET Health Care Trust		80,865,138	80,865,138	92,653,886	11,788,748
RET Investment	7,623,696	8,087,017	463,321	8,339,376	252,359
RET Retirement Services	18,963,998	13,880,760	(5,083,238)	14,232,983	352,223
RET SF Deferred Comp Program	1,215,277	1,631,638	416,361	1,265,497	(366,141)
Uses by Division Total	97,622,827	112,141,309	14,518,482	124,166,473	12,025,164

CAPITAL & IT PROJECTS



CAPITAL PROJECTS

An essential part of the City's budget is the Capital Budget, the funds allocated to construct, restore, and improve the facilities and infrastructure upon which city operations depend. These include the City's fire stations, hospitals, libraries, parks, police stations, roads, and public transit systems—the physical assets that shape urban life. Every other year, the Office of Resilience and Capital Planning, under the direction of the City Administrator, updates the City's Ten-Year Capital Plan, which outlines a long-term strategy for investment in these assets. The Capital Plan for Fiscal Years (FY) 2017-18 through 2026-27 was adopted by the Board of Supervisors in April 2017 and provides information to help guide the Mayor's budget submission. The next Capital Plan, for FY 2019-20 through 2028-29, will be adopted in spring 2019.

The Mayor's May 1 Proposed Budget includes \$1,716.7 million in capital projects for FY 2018-19 and \$1,526.2 million for FY 2019-20 across five departments. Incorporated in the May 1 Proposed Budget are many projects over the next two years that are funded outside of the budget process, through supplemental appropriations and the Municipal Transportation Agency's (MTA) capital budget. The MTA's capital budget goes through a separate process and is approved by the San Francisco MTA's Board of Directors.

The capital projects included in the Mayor's May 1 Proposed Budget, the MTA capital budget, and supplemental appropriations for the Airport and the Public Utilities Commission (PUC) will help the City realize the goals set forth in the City's Ten-Year Capital Plan. These projects are funded by various revenue sources, including fee and concession revenue, bond proceeds, and state and federal grants.

Major projects in this submission include: continued planning to strengthen the Port's Embarcadero Seawall; Pier 70 shipyard improvements; library branch remodels; local and regional water system improvements; continued expansion and renovation of terminals at the San Francisco International Airport; completion of the Central Subway; pedestrian and bicycle improvements across the City; and state of good repair renewal programs across departments. A list of proposed projects is presented on the following pages, and a complete capital project submission covering all city departments will be included in the Mayor's proposed June budget.

Additional details on the MTA capital budget and the Airport and PUC supplemental appropriations are included below:

The Municipal Transportation Agency (MTA) plans to invest \$1.2 billion over the next two fiscal years on its capital program. This funding will support projects within 12 capital programs that address infrastructure needs related to transit reliability, street safety, state of good repair, facilities, communications and information technology, taxi regulation, system safety, and accessibility. Capital projects reflect the SFMTA Board of Directors' adopted policies and plans including Transit First, Vision Zero, the Transportation Sustainability Plan, the SFMTA Strategic Plan adopted April 2018, the Muni Service Equity Policy adopted in May 2014, and the San Francisco County Transportation Plan.

Of the Airport's supplemental appropriation for the next two fiscal years, \$97.9 million will be applied to capital projects, \$50.3 million in FY 2018-19 and \$47.6 million in FY 2019-20. These appropriations

contribute to the Airport's \$2.8 billion capital investment planned for the next two fiscal years as it continues to implement its ten-year, \$7.3 billion Ascent program. The Ascent program includes goals to design and construct new facilities to meet anticipated passenger demand, renovate existing facilities, improve aging and seismically vulnerable buildings and infrastructure, augment safety and security, develop systems functionality, preserve assets, and perform needed maintenance. Major projects include the Terminal 1 Redevelopment Program, Terminal 3 West and Boarding Area F improvements, a new on-airport hotel, a second long-term parking garage, extension of the AirTrain, the Airport Security Infrastructure Program, and a consolidated administration campus.

The PUC supplemental appropriations for the next two fiscal years total \$2.1 billion: \$499.1 million in funding for water projects, \$1.2 billion for wastewater projects, and \$340.1 million for power system improvements. These appropriations

are complemented by proposed revenue bond financing totaling \$1.6 billion across the PUC's enterprises: \$478.4 million for water, \$987.4 million for wastewater, and \$154.9 million for power. Planned water projects include pipeline replacement and repairs, structural and seismic upgrades including continued prioritization of the Auxiliary Water Supply System, and facility improvements at the Sunol Valley Water Treatment Plant and the Alameda Creek Watershed Center. Wastewater projects include treatment facilities, sewers, and collection system improvements, as well as flood control projects and the development of the new Southeast Community Center. Power system projects include streetlight improvements, the CleanPowerSF program, the Mountain Tunnel project, and power reliability and replacement projects.

For more information on the City's Office of Resilience and Capital Planning, please visit www.onesanfrancisco.org.

CAPITAL PROJECTS

Department	Project Code	Project Title	Activity Title	Fund Title	2018-2019 Budget	2019-2020 Budget
Airport Commission	10003760	AC Airfield Unallocated-Ordina	Airfield Improvements-Unalloc	SFIA-Capital Projects Fund	\$78,860,000	\$17,000,000
	10004055	AC Air Support Unallocated-Ord	Airport Support-Unalloc	SFIA-Capital Projects Fund	(\$73,000,000)	\$6,100,000
	10004134	AC Groundside Unallocated-Ord	Roadway Improvements-Unalloc	SFIA-Capital Projects Fund	(\$11,663,408)	\$3,000,000
	10004334	AC Terminals Unallocated-Ordin	Terminal Renovations-Unalloc	SFIA-Capital Projects Fund	\$26,000,000	\$3,000,000
	10004436	AC Utilities Unallocated-Ordin	Utility Improvements-Unalloc	SFIA-Capital Projects Fund	\$84,795,945	\$3,000,000
	10016544	Facility Maintenance	Facility Maintenance	SFIA-Operating Fund	\$15,000,000	\$15,500,000
	10030871	AC 11302 Plot 40/41 400hz & Pc	61 - Contract 1 Construction	SFIA-Capital Projects Fund	\$6,250,000	\$0
	10030890	AC Terminal 1 Program	Terminal 1 Program-unallocated	SFIA-Capital Projects Fund	(\$9,696,592)	\$0
	10030891	AC Terminal 3 Program	Terminal 3 Program-unallocated	SFIA-Capital Projects Fund	(\$60,000,000)	\$0
Airport Commission Total					\$56,545,945	\$47,600,000
Municipal Transport Agency	10002815	MX Waterproofing & Ventilation	CPX002PX12IN - Interest S2012B	Sustainable Streets	\$3,615	\$0
	10009624	MTA Rev Bond S2014 - SSD	Interest - S2014 Bond SSD	Sustainable Streets	\$671,879	\$0
	10009627	MTA 2013 Rev Bond S2013 - SSD	Interest - S2013 Bond SSD	Sustainable Streets	\$367,317	\$0
	10009630	MTA Rev Bond S2012B - Parking	Interest - S2012B Parking	Sustainable Streets	\$138,913	\$0
	10010137	MS IPIC-Market Octavia	Iplic-Market Octavia	Sustainable Streets	\$580,000	\$2,150,000
	10010139	Iplic-Visitacion Valley	Iplic-Visitacion Valley	Sustainable Streets	\$0	\$219,000
	10010140	MS TSF-COMLETE ST (BIKE&PED)	Tsf-Complete Streets (Bike & Pe	Sustainable Streets	\$563,956	\$871,093
	10011820	Mta-Wide Facilities Maint Proj	Mta-Wide Facilities Maint Proj	Transit	\$18,000,000	\$18,000,000
	10011845	MT SFMTA UCSF Pifrm Mod-CPT735	UCSF Platform Ext Funding	Transit	\$10,600,000	\$0
	10011920	MTA Rev Bond S2017 - Transit	Interest - S2017 Bond Transit	Transit	\$221,790	\$0
	10011921	MTA Rev Bond S2014 - Transit	Interest - S2014 Bond Transit	Transit	\$548,874	\$0
	10011923	MTA Rev Bond S2013 - Transit	Interest - S2013 Bond Transit	Transit	\$1,519,335	\$0
	10011928	MTA Rev Bond S2012B - Transit	Interest - S2012B Transit	Transit	\$366,427	\$0
	10012000	Tsf-Transit Svc & Reliability-	Tsf-Transit Svc & Reliability-	Transit	\$375,971	\$580,729
	10012001	Tsf-Transit Svc Exp & Realibi	Tsf-Transit Svc Exp & Realibi	Transit	\$6,015,536	\$9,291,661
	10012872	MTA Rev Bond S2013 - Parking	Interest - S2013 Bond Parking	Sustainable Streets	\$23,211	\$0
	10012893	MTA Rev Bond S2014 - Garage	Interest - S2014 Bond Garage	Sustainable Streets	\$618,639	\$0
	10030976	MS Pop Growth Gf Alloc 5n Mast	Pop Growth Gf Alloc 5n Master	Sustainable Streets	-\$11,870,000	\$12,880,000
	10031004	MT Pop Growth Gf Alloc 5M	Pop Growth Gf Alloc 5m Master	Transit	\$35,620,000	\$38,650,000
	10031008	MT Iplic-eastern Neighborhood	Iplic-eastern Neighborhood	Transit	\$2,224,000	\$2,575,000
10031009	MT Iplic-market Octavia	Iplic-market Octavia Transit-(m	Transit	\$1,750,000	\$150,000	
10031082	MS Lombard Tolling Study & Pla	Lombard Tolling Study & Planni	Sustainable Streets	\$250,000	\$250,000	
Municipal Transport Agency Total					\$92,349,463	\$85,617,483
Port	10010769	PO Quint Street Lead Proj - Po	Quint St. Proj - Port Capital	Port Operating	(\$439,073)	\$0
	10010831	PO Cargo Maint Dredging	Cargo Maint Dredging	Port Operating	\$2,480,000	\$8,180,400
	10010904	PO Pre-Development Studies	Pre-Development Studies	Port Operating	(\$593,038)	\$0
	10011004	PO Pier 26 Water Main Replacem	Pier 26 Water Main Replacement	Port Operating	(\$203,941)	\$0
	10011025	PO Quint Street Lead Improv	Quint St Lead Improvement Proj	Port Operating	(\$235,927)	\$0
	10011124	PO Seawall & Marginal Wharf Re	Seawall&Marginal Wharf Rep Prj	Port Operating	\$1,350,000	\$0
	10011194	PO Pier 33 Fire Standpipe Syst	Pier 33 Fire Standpipe System	Port Operating	(\$4,454)	\$0
	10011231	PO Pier 27 CT Rev Bond 2013A	Cruise Termnl - Rev Bond 2013A	Port-Capital	(\$1,095,000)	\$0
	10011255	PO Pier Structure Rpr Prj Ph	Pier Structure Rpr Prj Ph Ii	Port Operating	\$2,852,174	\$0
	10011287	PO Pier 19 North Apron Repair	Pier 19 North Apron Repair	Port Operating	\$2,000,000	\$0
	10011290	PO Pier 9 South Apron Repair	Pier 9 South Apron Repair	Port Operating	(\$244,799)	\$0
	10011293	PO Piledriver No. 1 Drydock &	Piledriver No. 1 Drydock&Rep	Port Operating	\$3,700,000	\$0
	10011317	PO Crane Painting & Upgrade Pr	Crane Painting & Upgrade Proj	Port Operating	(\$838,072)	\$0
	10011326	PO So Waterfnt Open Space Enh	SW Open Space Enhncmnts/Altern	Port Operating	(\$2,024,055)	\$0
	10011328	PO Crane Cove Park	Crane Cove Park - Mtc Grant	Port Operating	\$550,000	\$550,000
	10011378	PO AC34 Improvements	Ac34 Improvements	Port Operating	(\$190,442)	\$0
	10011393	PO Beltline Building Tenant Sp	Beltline Bldg Tenant Space	Port Operating	\$680,000	\$0
	10011404	PO Public Access & Singage Imp	Public Access&Singage Improvnt	Port Operating	(\$600,000)	\$0
	10011406	PO Facility Imprv-Crowd Contrl	Facility Imprv-Crowd Control	Port Operating	(\$120,000)	\$0
	10013242	PW PIER 43 BAY LINK TRAIL	Pier 43 Bay Trail Link Park G.	Port-Capital	(\$476,924)	\$0
	10013248	Wp Ceqa Review & Permitting	Wp Ceqa Review & Permitting	Port-Capital	(\$133,460)	\$0
	10013251	Wp Blue-Greenway (Signage; Fur	Wp Blue-Greenway (Signage; Fur	Port-Capital	(\$70,567)	\$0
	10013252	Wp Tulare Park	Wp Tulare Park	Port-Capital	(\$67,278)	\$0
	10013451	Islais Creek Improvements	Islais Creek Improvements	Port-Capital	(\$350,000)	\$0
	10013452	Northeast Wharf Plaza & Pier 2	Design - Krnd	Port-Capital	(\$330,000)	\$0
	10027478	PO Wharf J9 SWL & Deck Repa	Wharf J9 Swl & Deck Repair Pro	Port Operating	\$2,200,000	\$0
	10027483	Mission Bay Ferry Terminal	Mission Bay Ferry Terminal	CP SF Capital Planning	\$1,240,000	\$0
				GF Continuing Authority Ctrl	\$9,760,000	\$0
	10029238	PW Crane Cove Park Proj	Appropriation	Port-Capital	\$3,228,307	\$0
	10030093	PO Fire Protection Engineer.	Fire Protection Engineer	Port Operating	\$232,992	\$242,311
	10030637	PO Dry Docking Of China Basin	Dry Docking Of China Basin Flo	Port Operating	\$203,000	\$0
	10030991	PO Ferry Building Plaza Improv	Ferry Building Plaza Improvevme	Port Operating	(\$1,150,000)	\$0
10032237	Seawall Resiliency Project	Seawall Resiliency Proj	CP SF Capital Planning	\$5,000,000	\$0	
10032260	PO SF Shipyard Repair Project	Shipyard Operations	Port Operating	\$1,769,000	\$1,000,000	
10032470	Hyde St. Harbor Repairs	Planning	Port Operating	\$1,335,000	\$0	
10032967	Amador St. Improvement project	Amador St	Port Operating	\$3,800,000	\$0	
10032988	Capital Proj Implement Team	Capital Proj Implement Team	Port Operating	\$1,206,290	\$1,254,542	
10032989	P90 Grain Silo demolition proj	P90 Grain Silo demolition proj	Port Operating	\$100,000	\$1,050,000	
10032990	Capital proj contingency fund	Capital proj contingency fund	Port Operating	\$2,078,881	\$0	
10033000	Pier 19&23 Leasing Improvement	Pier 19&23 Leasing improvement	Port Operating	\$2,650,000	\$0	

CAPITAL PROJECTS

Department	Project Code	Project Title	Activity Title	Fund Title	2018-2019 Budget	2019-2020 Budget
Port	10033001	P 26 Deluge System modificat'n	P 26 Deluge System modificat'n	Port Operating	\$952,116	\$0
	10033002	P 29.5 Pump Station&Force Main	Pier 29	Port Operating	\$800,000	\$0
	10033003	Pier 31 New Fire Standpipe Sys	Pier 31 New Fire Standpipe Sys	Port Operating	\$0	\$676,522
	10033004	Pier 40 North Guest Dock Kayak	Pier 40 North Guest Dock Kayak	Port-South Beach Harbor	\$0	\$310,000
	10033005	P 40 North Guest Dock Replace	Pier 40 North Guest Dock Repla	Port-South Beach Harbor	\$1,082,000	\$0
	10033006	P50 Shed B Apron Part'l Repair	Pier 50 Shed B Apron Partial R	Port Operating	\$0	\$341,250
	10033007	P7.5 Sewer Re-routing to Street	P7 5 Sewer Re-routing to Street	Port Operating	\$0	\$262,500
	10033008	Concrete Pile Repair Crew	Concrete Pile Repair Crew	Port Operating	\$2,206,563	\$2,294,825
	10033009	Wood Pile Repair Crew	Wood Pile Repair Crew	Port Operating	\$1,418,985	\$1,475,744
	10033010	Port wide Electr Safety Upgrd	Port wide Electr Safety Upgrd	Port Operating	\$0	\$1,155,000
	10033012	Roundhouse Enhancement Proj	Roundhouse Enhancement Proj	Port Operating	\$467,000	\$525,000
	10033013	Pier 19.5 Roofing Project	Pier 19	Port Operating	\$668,000	\$0
	10033014	Pier 70 Investment	Pier 70 Investment	Port Operating	\$1,200,000	\$0
	10033015	Pier 80 Repair Project	Pier 80 Repair Project	Port Operating	\$650,000	\$0
	10033059	Pier 27 Public Art	Pier 27 Public Art	Port-Capital	\$330,000	\$0
	10033078	Heron's Head Park Improvements	Heron's Head Park Improvements	Port-Capital	\$350,000	\$0
	10033239	Resiliency Planning & Improvem	Resiliency Planning & Improvem	Port Operating	\$250,000	\$0
Port Total					\$49,623,279	\$19,316,094
Public Library	10009363	LB Capital Improvement Project	LB Capital Improvement Project	SR Library Fund - Continuing	\$250,000	\$0
			Main Elevator Repair/Replacement	SR Library Fund - Continuing	\$2,500,000	\$0
			Non-BLIP Branch Remodel	SR Library Fund - Continuing	\$14,599,323	\$9,006,358
	10029842	PW 750 Brannan St Office Const	750 Brannan Leasehold Budget	SR Library Fund - Continuing	\$600,000	\$1,800,000
	10032878	LB-SFPL RFID PROJECT	SFPL RFID Project	SR Library Fund - Continuing	\$2,992,772	\$384,984
	10032976	LB-SFPL Cooling Tower Replace	Main Cooling Tower Replacement	SR Library Fund - Continuing	\$0	\$250,000
	10032977	LB-SFPL Exterior Lighting Proj	SFPL Main Exterior Lighting Pr	SR Library Fund - Continuing	\$0	\$2,000,000
	10032978	LB-SFPL Heat&Ventilatin Control	SFPL Main Heating&Ventilation	SR Library Fund - Continuing	\$250,000	\$250,000
	10032979	LB-Civ Ctr Campus Master Plan	Main&Support FAC Master Plan	SR Library Fund - Continuing	\$0	\$1,000,000
	10032980	LB-SFPL Roofing Replacemnt Proj	SFPL Roofing Replacement - Main	SR Library Fund - Continuing	\$1,500,000	\$0
	10032982	LB-SFPL Branch Master Plan Prj	Branch Facilities Master Plan	SR Library Fund - Continuing	\$250,000	\$0
	10032983	LB-SFPL Water Leak Repair Proj	Branch Water Leak Repair	SR Library Fund - Continuing	\$500,000	\$800,000
	10032984	LB-SFPL Air Handling Replacemnt	Air Handling System Replace	SR Library Fund - Continuing	\$250,000	\$0
		Main Heat Exchangers Replace	SR Library Fund - Continuing	\$500,000	\$0	
10032985	LB-SFPL Automated Mat Handling	LB Automated Mat Handling Proj	SR Library Fund - Continuing	\$3,000,000	\$0	
Public Library Total					\$27,192,095	\$15,491,342
Public Utilities Commissn	10014244	SI Electrical Reliability/Tran	SI Electrical Reliability/Tran	Hetchy Capital Projects Fund	\$2,000,000	\$2,000,000
	10014854	Watershed Protection	Watershed Protection	SFWD-Operating Fund	\$600,000	\$500,000
	10015023	Landscape Conservation Program	Landscape Conservation Program	SFWD-Operating Fund	\$2,000,000	\$2,000,000
	10015046	Long Term Monitoring & Permit	Long Term Monitoring & Permit	SFWD-Operating Fund	\$6,585,000	\$11,201,000
	10016956	Hetchy Water - Facilities Main	Hetchy Water - Facilities Main	Hetchy Operating Fund	\$2,541,000	\$2,617,000
	10016972	Awss Maintenance - Cdd	Awss Maintenance - Cdd	SFWD-Operating Fund	\$500,000	\$500,000
	10016976	Water Enterprise-Watershed Pro	Water Enterprise-Watershed Pro	SFWD-Operating Fund	\$1,196,000	\$1,196,000
	10025172	Wecco/Nerc Compliance	Wecco/Nerc Compliance	Hetchy Operating Fund	\$3,700,000	\$3,700,000
	10025175	Wecco/Nerc Transmission Line Cl	Wecco/Nerc Transmission Line Cl	Hetchy Operating Fund	\$200,000	\$200,000
	10025206	Water Resources Planning And D	Water Resources Planning/Budge	SFWD-Operating Fund	\$300,000	\$300,000
	10025207	Treasure Island - Maintenance	Treasure Island - Maintenance	Hetchy Operating Fund	\$3,469,000	\$3,643,000
			Treasure Island - Wastewater	SFWD-Operating Fund	\$1,273,000	\$1,311,000
	10025208	525 Golden Gate - O & M	525 Golden Gate - O & M	CWP-Operating Fund	\$1,350,000	\$1,390,000
				Hetchy Operating Fund	\$971,200	\$752,720
				SFWD-Operating Fund	\$5,277,000	\$4,050,000
	10025209	525 Golden Gate - Lease Paymen	525 Golden Gate - Lease Paymen	CWP-Operating Fund	\$2,424,000	\$2,424,000
				Hetchy Operating Fund	\$1,248,000	\$1,248,000
				SFWD-Operating Fund	\$9,168,000	\$9,169,000
	10025211	Retrofit Grant Program	Retrofit Grant Program	SFWD-Operating Fund	\$1,134,000	\$637,000
10025782	Low Impact Development	Low Impact Development	CWP-Operating Fund	\$681,000	\$681,000	
10025785	Youth Employment & Environment	Youth Employment & Environ Bud	CWP-Operating Fund	\$697,000	\$697,000	
			Hetchy Operating Fund	\$150,000	\$150,000	
			SFWD-Operating Fund	\$1,290,000	\$1,290,000	
Public Utilities Commissn Total					\$50,388,200	\$52,908,480
Capital Projects Total					\$276,098,981	\$220,935,399

*The projects listed here, if approved by the Board of Supervisors, will be included in the Annual Appropriation Ordinance. This list does not include funding appropriated outside of the budget process, such as through supplemental capital appropriations.

INFORMATION & COMMUNICATIONS TECHNOLOGY PROJECTS

Investment in information and communications technology (IT or ICT) enables the City and County to enhance city services, facilitate resident and visitor engagement with city agencies, and utilize data to better inform leaders and policymakers. The City plans, funds, and coordinates IT projects through the Committee on Information Technology (COIT). Every other year, COIT updates the Five-Year Information & Communications Technology (ICT) plan, which identifies the City's goals and priorities and outlines potential financial strategies. The ICT Plan for Fiscal Years (FY) 2017-18 through FY 2021-22 was proposed by the Mayor and adopted by the Board in spring 2017. The next five-year ICT plan will be proposed in spring 2019.

The Mayor's May 1 Proposed Budget includes \$17.3 million in FY 2018-19 and \$10.8 million in FY 2019-20 for IT projects at the Airport, Port, and Public Utilities Commission. The Mayor's May 1 Proposed Budget includes a variety of large, multi-year IT projects that focus on investments in information technology infrastructure and cybersecurity. These projects include improvements to network infrastructure at the Airport, a billing system replacement for the SF Public Utilities Commission, and a maintenance management system for the Port.

A more detailed IT project submission covering all city departments will be included in the *Mayor's Proposed June Budget*. For more information on the Committee on Information Technology visit www.sfcoit.org

ADDITIONAL BUDGETARY RESOURCES



ADDITIONAL BUDGETARY RESOURCES

The Mayor's Proposed Fiscal Years (FY) 2018-19 and FY 2019-20 Budget for the City and County of San Francisco (the City), published for Enterprise and selected other departments on May 1, and for all other departments on June 1, is one of several financial documents that can be a resource to the public. Other sources of financial information include:

CONSOLIDATED BUDGET AND APPROPRIATION ORDINANCE, FY 2018-19 AND FY 2019-20

The Consolidated Budget and Appropriation Ordinance (BAO) contains the City's sources of funds and their uses, detailed by department. This document provides the legal authority for the City to spend funds during the fiscal year. The BAO is released annually with the Board's passage and the Mayor's signing of the final budget, usually in mid-August. An interim BAO is passed by a continuing resolution of the Board and provides the City's interim operating budget between the end of the fiscal year on June 30 and when the final budget is passed.

ANNUAL SALARY ORDINANCE, FY 2018-19 AND FY 2019-20

The Annual Salary Ordinance (ASO) is the legal document that authorizes the number of positions and job classifications in departments for the budgeted fiscal years. The ASO is passed at the same time as the BAO.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

The City's Comprehensive Annual Financial Report (CAFR) summarizes the performance of all revenue sources and accounts for total expenditures in any given fiscal year. The CAFR for the fiscal year ending June 30, 2017 is currently available. The FY 2017-18 CAFR will be made available by the Controller after the fiscal year has closed and the City's financial reports have been reviewed and certified.

FIVE YEAR FINANCIAL PLAN AND JOINT REPORT

The City's Five Year Financial Plan forecasts expenditures and revenues during the five-year period, proposes actions to balance revenues and expenditures during each year of the plan, and discusses strategic goals and corresponding resources for city departments. The Plan is published each odd calendar year by the Controller's Office, the Mayor's Office of Public Policy and Finance, and the Board of Supervisors' Budget and Legislative Analyst. In even calendar years, the Five Year Financial Plan Update, commonly known as the Joint Report, is issued.

OBTAINING BUDGET DOCUMENTS AND RESOURCES

Copies of these documents are distributed to the SFPL Main Library. They may also be viewed online at the City's web site (www.sfgov.org) and at the following City Hall locations:

MAYOR'S OFFICE OF PUBLIC POLICY & FINANCE

1 Dr. Carlton B. Goodlett Place, Room 288

Phone: (415) 554-6114

sfmayor.org/budget

CONTROLLER'S OFFICE

1 Dr. Carlton B. Goodlett Place, Room 316

Phone: (415) 554-7500

sfcontroller.org

CLERK OF THE BOARD OF SUPERVISORS

1 Dr. Carlton B. Goodlett Place, Room 244

Phone: (415) 554-5184

sfbos.org

For more information regarding San Francisco's budget, finance, and performance measurements, please visit the web sites below.

SF PERFORMANCE SCORECARDS

Regularly-updated information on the efficiency and effectiveness of San Francisco government in eight highlighted service areas, including livability, public health, safety net, public safety, transportation, environment, economy, and finance.

sfgov.org/scorecards

SF OPEN BOOK

A clear look at San Francisco's fiscal and economic health.

openbook.sfgov.org

SF OPEN DATA

The central clearinghouse for data published by the City and County of San Francisco.

data.sfgov.org

COMMONLY USED TERMS

ACCRUAL BASIS ACCOUNTING – An accounting methodology that recognizes revenues or expenditures when services are provided.

ANNUALIZATION – Adjusting a partial year revenue or expense to reflect a full year's worth of income or spending.

APPROPRIATION – Legislative designation of money to a department, program, or project for a particular use, including operations, personnel, or equipment.

ATTRITION SAVINGS – Salary savings that result when positions at a department are vacant.

BALANCED BUDGET – A budget in which revenues equal expenditures, with no deficit.

BALANCING – Process of making revenues match expenditures within each departmental budget and within the city budget as a whole.

BASELINE – (1) The annualized budget for the current fiscal year, which serves as the starting point for preparing the next fiscal year's budget. (2) A required minimum of spending for a specific purpose.

BOND – A debt investment in which an investor loans money to an entity that borrows the funds for a defined period of time at a fixed interest rate. Bonds are used by companies and governments to finance a variety of projects and activities.

BUDGET AND APPROPRIATION ORDINANCE (BAO) – The legislation that enacts the annual two-year budget. Formerly the Annual Appropriation Ordinance (AAO).

BUDGET CYCLE – The period of time in which the City's financial plan for the upcoming fiscal year is developed; submitted to, reviewed, and enacted by the Board of Supervisors and signed by the Mayor; and implemented by city departments.

CAPITAL BUDGET – Funds to acquire land, plan and construct new buildings, expand or modify existing buildings, and/or purchase equipment related to such construction.

CAPITAL EXPENDITURE – Expenditures creating future benefits, used to acquire or upgrade physical assets such as equipment or property.

CARRYFORWARD – Funds remaining unspent at year-end that a department requests permission to spend during the following fiscal year. Some funds carry forward automatically at year-end.

CASH BASIS ACCOUNTING – An accounting methodology that recognizes revenues and expenditures when payments are actually made.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) – The City's Annual Financial Report, which summarizes the performance of all revenue sources and accounts for total expenditures in the prior fiscal year.

COST-OF-LIVING ADJUSTMENT (COLA) – A regularly scheduled adjustment to salaries, aid payments, or other types of expenditures to reflect the cost of inflation.

COUNTY-WIDE COST ALLOCATION PLAN (COWCAP) – The County-Wide Cost Allocation Plan is developed annually by the Controller's Office and calculates the overhead rate charged to each department for its share of citywide overhead costs, such as payroll, accounting, and operations.

DEFICIT – An excess of expenditures over revenues.

ENTERPRISE DEPARTMENT – A department that does not require a General Fund subsidy because it generates its own revenues by charging fees for services.

FIDUCIARY FUND – Used to account for assets held in trust by the government for the benefit of individuals or other entities. Government employee pension funds are an example of a fiduciary fund. Fiduciary funds are one of the three broad types of government funds, the other two being governmental and proprietary funds.

FISCAL YEAR – The twelve-month budget cycle. San Francisco's fiscal year runs from July 1st to June 30th.

FRINGE – The dollar value of employee benefits such as health and dental, which varies from position to position.

FULL-TIME EQUIVALENT (FTE) – One or more employees who cumulatively work 40 hours/week.

FUND – Government budgets are made up of funds that organize and account for specific resources. Each fund is considered a separate accounting entity.

FUND BALANCE – The amount of funding that remains in a given fund at the end of the fiscal year.

GENERAL FUND – The largest of the City's funds, the General Fund is a source for discretionary spending and funds many of the basic municipal services such as public safety, health and human services, and public works. Primary revenue sources include local taxes such as property, sales, payroll, and other taxes.

GENERAL FUND DEPARTMENT – A department that receives an annual appropriation from the City's General Fund.

GOVERNMENTAL FUND – The City's basic operating fund, includes the General Fund and Capital projects. One of the three broad types of government funds, the other two being the fiduciary fund and the proprietary fund.

INTERIM BUDGET – The citywide budget that is in effect for the first two months of the fiscal year, during the lag period between July 1—the date on which the Board of Supervisors must technically submit its budget—until mid-August when the new budget is signed into effect by the Mayor. The Mayor's proposed budget serves as the interim budget.

MAJOR & PROPRIETARY FUND – Used to account for a government's ongoing activities and operations, the proprietary fund includes enterprise funds (which account for activities in which a fee is charged to external user) and internal service funds (used for services provided to other funds or departments). One of the three broad types of government funds, the other two being the fiduciary fund and the governmental fund.

MAYOR'S PROPOSED BUDGET – The citywide budget submitted to the Board of Supervisors by the Mayor's Office, on May 1 for selected Enterprise and other departments and June 1 for all remaining departments, that makes recommendations and estimates for the City's financial operations for the ensuing fiscal year.

MEMORANDUM OF UNDERSTANDING (MOU)

– A binding agreement between two parties.

ORDINANCE – A proposed or enacted law. Typically prepared by the City Attorney.

RAINY DAY CITY AND SCHOOL RESERVES

– Funds that are legally set-aside by the City Charter, Section 9.113.5, with the intent of protecting the City from being negatively impacted by the economy's boom-bust cycle. Generally, the Rainy Day Reserve requires that money be saved when revenue growth exceeds a certain level (in good economic times) in order to create a cushion during economic downturns. Pursuant to Proposition C, approved by San Francisco voters in November of 2014, the original Rainy Day Reserve was split into two separate reserves- the City Reserve for use by the City and the School Reserve for use by the San Francisco Unified School District.

RESOLUTION – A type of legislation. Typically prepared by the sponsoring department or a member of the Board of Supervisors and generally directed internally.

REVISED BUDGET – The department's budget at the end of the fiscal year. Over the course of the fiscal year, the department's original budget may be amended to reflect supplemental appropriations, and receipt of unbudgeted grants.

SALARY ORDINANCE – The legislation that grants departments the authority to fill a specified number of positions during the fiscal year. Note that this is not the same as having the funding to fill that number of positions. Formerly the Annual Salary Ordinance (ASO). This legislation is passed at the same time as the Budget and Appropriation Ordinance.

SPECIAL FUND – Any fund other than the General Fund. Revenues in special funds are non-discretionary.

SURPLUS – An excess of revenue over expenditures.

TECHNICAL ADJUSTMENT – Changes made by the Mayor's Office to the Mayor's proposed budget after it has been submitted to the Board of Supervisors.

TWO-YEAR BUDGETING – The citywide process (beginning Fiscal Year 2012-13) of budgeting each year for the next two fiscal years.

OFFICE OF THE MAYOR
SAN FRANCISCO



MARK E. FARRELL
MAYOR

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2018 MAY - 1 PM 12:05
BY [Signature]

May 1, 2018

Angela Calvillo, Clerk of the Board of Supervisors
City Hall, 1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Ms. Calvillo:

Attached is the Mayor's proposed May 1 Budget comprised of the following 13 departments: Airport Commission, Board of Appeals, Child Support Services, Environment, Law Library, the Public Library, Municipal Transportation Agency, Port, Public Utilities Commission, Rent Board, Retirement System, and Office of County Education. Also attached are an Interim Exception letter, a budget memo for the Municipal Transportation Agency (MTA) from the Controller, and the following ten pieces of legislation:

- Three supplemental appropriation ordinances for the Two-Year Capital Budgets of each of the Public Utilities Commission (PUC) Enterprises – Water, Wastewater, and Hetch Hetchy
- Three resolutions approving the issuance and sale of Power, Water, and Wastewater revenue bonds by the PUC
- One Accept and Expend Grant from the Friends of San Francisco Public Library (LIB)
- One Resolution transferring unclaimed, overpaid parking tickets to the General Fund (MTA)
- One Resolution authorizing the MTA to issue Commercial Paper Notes with the concurrence of the Board of Supervisors (MTA)
- One Proposition J Contract/Certification resolution of Specified Contracted-Out Services Previously Approved for Enterprise Departments (MTA, PUC, Airport, and Port)

If you have any questions please feel free to contact me at 554-6125.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly Kirkpatrick".

Kelly Kirkpatrick
Acting Mayor's Budget Director

cc: Members of the Board of Supervisors
Harvey Rose
Controller



San Francisco
International
Airport

Airport Commission of the City and County of San Francisco



Presentation to: The Board of Supervisors Budget & Finance Committee

May 17, 2018

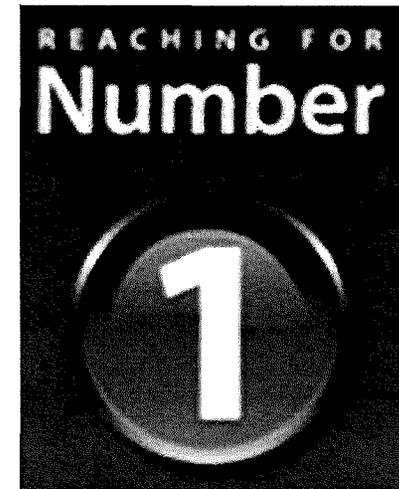
Our Mission & Core Values

Our strategic goals are driven by our mission and values

Our **mission** is to provide an exceptional airport in service to our communities.

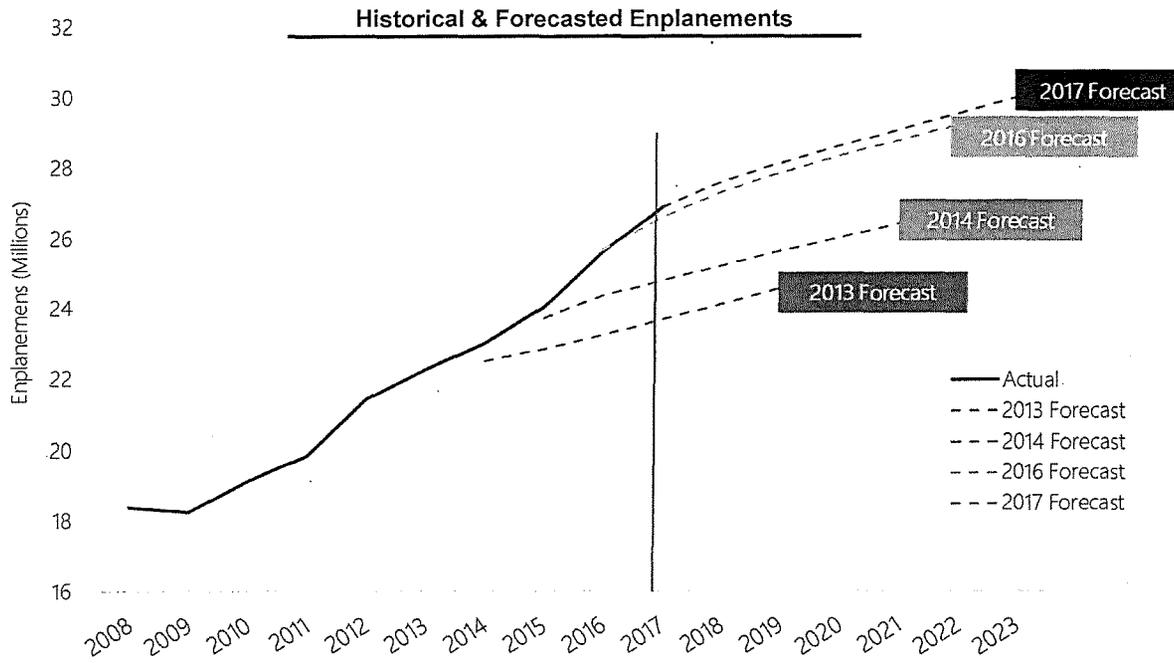
Our **core values** are the foundation of everything we do.

- Safety & Security is our First Priority
- We are One team
- We treat everyone with Respect
- We communicate fully and Help one another
- We strive to be the Best
- We are Innovative
- We are Open to new ideas
- We are Committed to SFO being a great place to work for all employees
- We are each Responsible for the Airport's success
- We take Pride in SFO and in our accomplishments

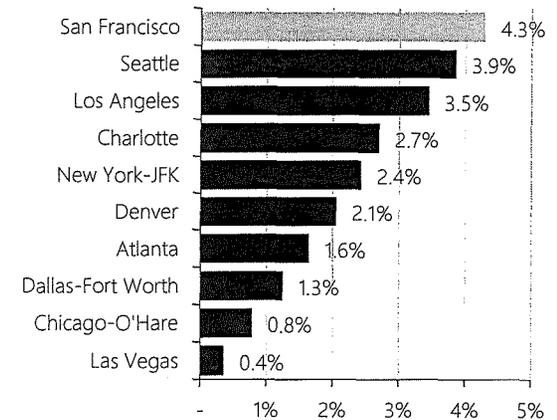


Consistently Strong Air Traffic Growth

SFO continues to experience record breaking passenger levels, consistently outperforming forecasts



Growth of 10-Largest Airports (FY2008-FY2017)⁽¹⁾



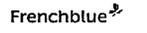
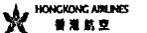
(1) FY2008-2017 Enplaned Passengers CAGR. Source: U.S. DOT, Schedule T100

- One of the fastest growing large hub airports nationally
 - Ranked 1st in enplanement growth among the 10 largest U.S. airports from FY2008-FY2017, growing by 4.3% CAGR
- Reached 26.9 million enplaned passengers (53.8 million total passengers) in FY2017, up 4.9% from FY2016
- On track to meet and possibly exceed FY2018 forecasts (57 million total passengers)

Continued Demand for New Routes and Increased Airline Service

Route expansion along with new carrier additions continue to strengthen SFO's global prominence

Published Airline Service Additions in FY2018 and FY2019

Domestic				International			
Airline	Destination	New daily service*	Date of Change	Airline	Destination	New daily service*	Date of Change
 Alaska	Albuquerque	1.0	September 2017	 AIR CANADA	Edmonton, Canada	1.0	May 2018
 Alaska	Baltimore	1.0	October 2017	 Alaska	Mexico City, Mexico	1.0	August 2017
 Alaska	Indianapolis	1.0	September 2017	 CATHAY PACIFIC	Hong Kong	1.0 (d)	November 2017
 Alaska	Kansas City	1.0	September 2017	 EL AL	Tel Aviv, Israel	0.4 (b)	November 2018
 Alaska	Kona	1.0	December 2017	 FIJI AIRWAYS	Nadi, Fiji	0.4 (e)	November 2017
 Alaska	Minneapolis – St. Paul	2.0	July 2017	 Frenchblue	Paris (Orly), France	1.0 (f)	May 2018
 Alaska	Nashville	1.0	September 2017	 Frenchblue	Papeete, Tahiti	1.0 (f)	May 2018
 Alaska	New Orleans	1.0	September 2017	 HONGKONG AIRLINES	Hong Kong	1.0 (g)	March 2018
 Alaska	Philadelphia	1.0	August 2017	 IBERIA	Madrid, Spain	1.0 (b)	April 2018
 Alaska	Phoenix	2.0 (a)	February 2018	 ICELANDAIR	Reykjavik, Iceland	1.0 (c)	June 2018
 Alaska	Raleigh-Durham	1.0	October 2017	 *interjet	Cancun, Mexico	0.4 (b)	March 2018
 FRONTIER	Des Moines	0.4 (b)	June 2018	 *interjet	Guadalajara, Mexico	0.4 (b)	March 2018
 FRONTIER	Omaha	0.6 (c)	June 2018	 KOREAN AIR	Seoul, South Korea	1.0 (d)	September 2017
 Southwest	Austin	1.0	April 2018	 QANTAS	Melbourne, Australia	1.0 (c)	November 2018
 UNITED	Madison	1.0	June 2018	 UNITED	Zurich, Switzerland	1.0 (h)	June 2018
 UNITED	Vail	1.0	December 2017	 UNITED	Papeete, Tahiti	1.0 (b)	October 2018
Total Domestic		17.0		Total International		13.6	

*Key: (a) Seasonal service operated in February-March 2018, during Major League Baseball spring training; (b) New 3 times weekly service; (c) New 4 times weekly service; (d) Increased frequency of service by 5 weekly flights; (e) Change from seasonal to year-round service; (f) New 2 times weekly service. Service addition is pending approval from U.S. Customs and Border Protection; (g) New 4 times weekly service, increasing to daily service in August 2018; (h) New 2 times weekly service.

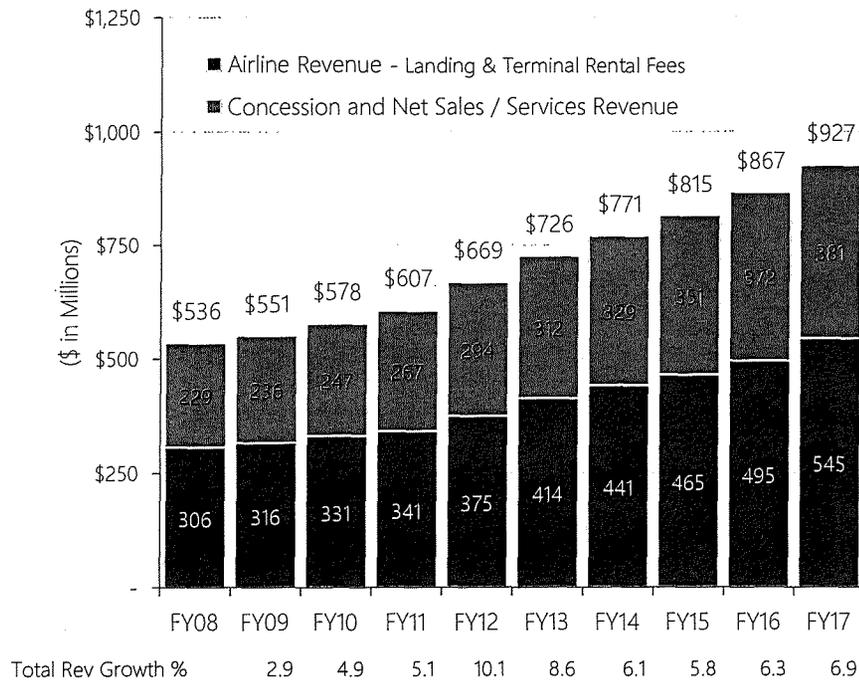
Note: Air Berlin ceased operations and Etihad Airways discontinued service in October 2017.

No significant airline service reductions are expected in FY2019

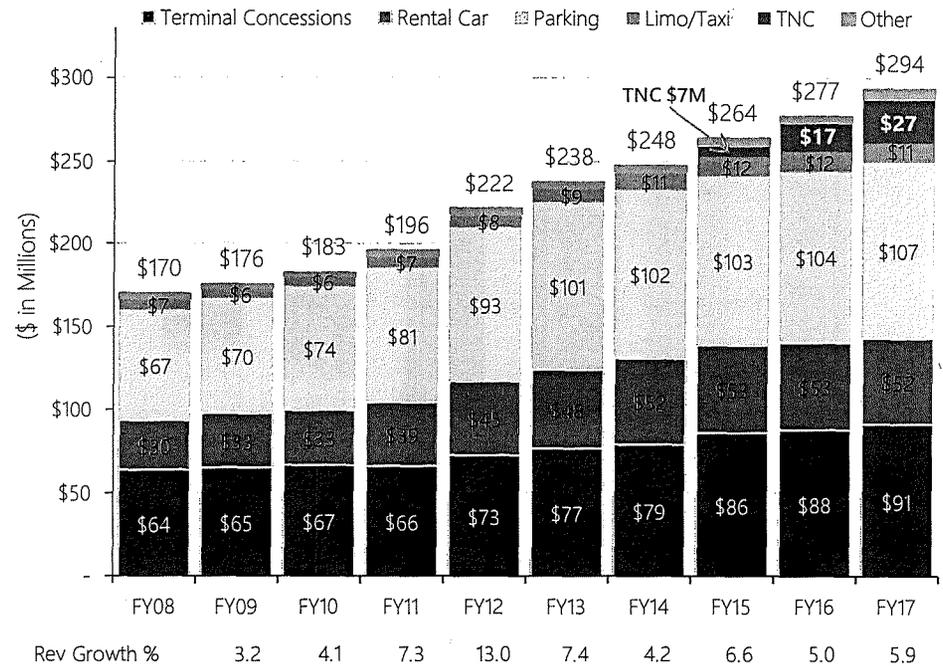
Increased Revenues

Increase in Non-Airline Revenues continues to help diversify Airport's overall revenues

Total Revenues



Major Non-Airline Revenues

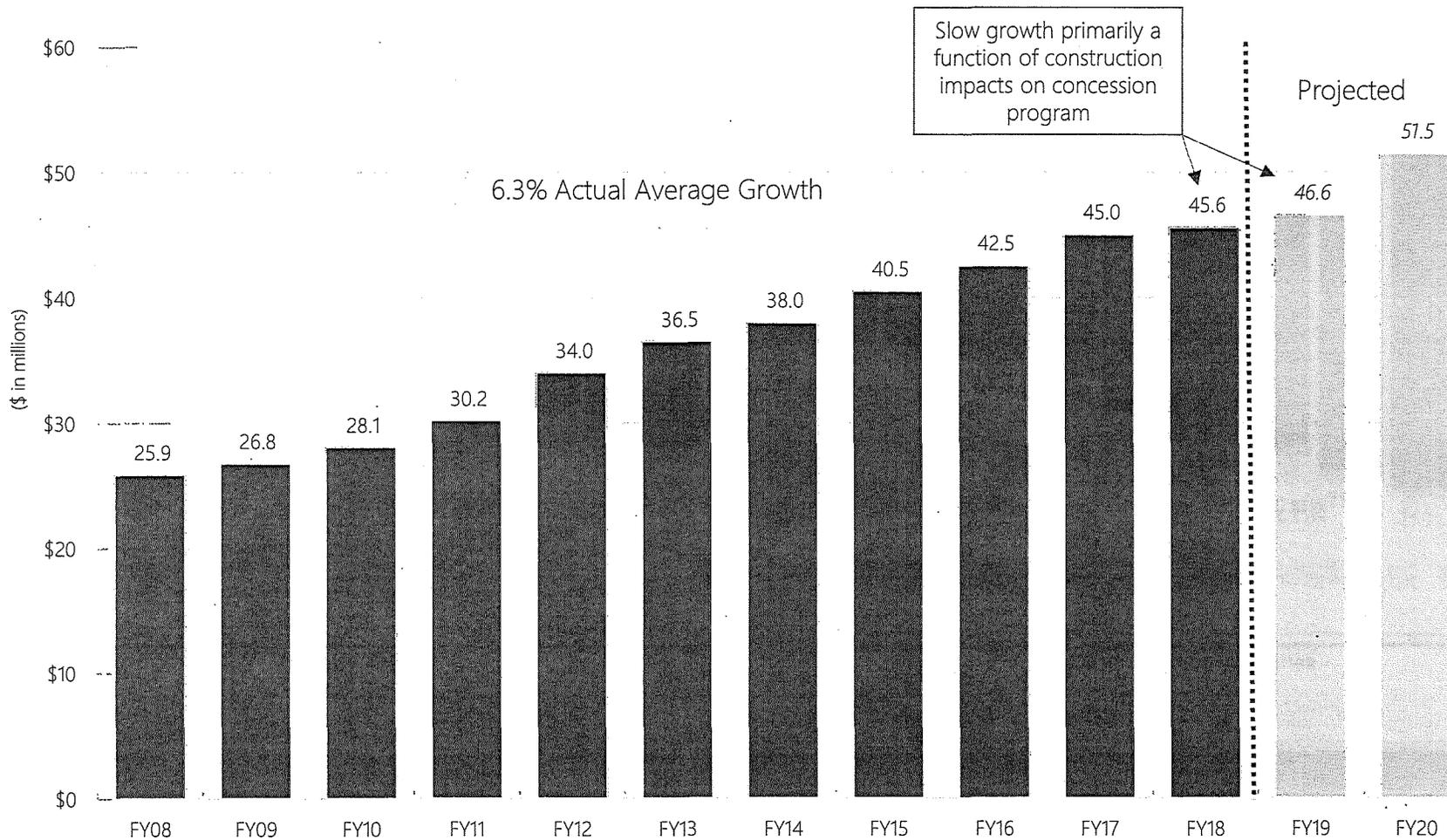


**Terminal Concessions includes food and beverage, retail, duty free, and advertising*

Increased Annual Service Payment (ASP)

15% of Concession & Ground Transportation Revenue are paid to the City's General Fund

ASP paid in lieu of reimbursement for City indirect services to Airport



Growth-Focused Budget & Planning

SFO is accommodating growth through strategic budgeting & careful capital planning

Budget Objectives

- Enhance safety & security - *additional police officers*
- Support the Capital Improvement Plan (CIP) – *debt service & operating needs of new facilities*
- Meet increased passenger traffic demands on facilities – *remote gate operations*
- Address curbside traffic and congestion – *enhanced curbside control and strategic TNC management*
- Increase sustainability – *airport-wide renewables, zero-energy, and zero-emission efforts*



FY 2018/19 & FY 2019/20 Proposed Budget

Proposed budget increases primarily driven by growth related needs

\$ are in millions

Proposed Budget

Total Budget	FY 17/18	FY 18/19	FY 19/20
Total Budget	\$1,050.6	\$1,163.5	\$1,299.1
% Change vs. Prior FY	3.9%	<u>10.7%</u>	<u>11.7%</u>

Police Line Items

Budget Highlights (included in budget total)	FY 17/18	FY 18/19	FY 19/20
SFPD Direct Charge	\$58.3	\$60.7	\$75.2
SFPD Academy Class	\$2.5	\$11.7	\$12.2
Airport Overtime	\$2.3	\$2.5	\$2.6
Annual Service Payment to City General Fund	\$45.6	\$46.6	\$51.5

Position Overview	FY 17/18	FY 18/19	FY 19/20
Total Positions	1,880	1,911	1,911
Operating Positions	1,629	1,641 (+12)	1,641 (+0)
Project & Overhead Positions	251	270	270
Total Position % Change vs. Prior FY	3.1%	1.6%	0.0%
Total Passengers per Position	30,307	30,556	31,310

- All expenses are funded with Airport generated revenues
- Budget increase driven by increased debt service, additional police, normal salary growth, and an increase in contractual services
- Proposing 12 net-new operating positions; but held funded FTE flat by balancing attrition and temporary salaries

\$7.4 Billion Capital Improvement Plan (CIP)

Robust construction activity found throughout SFO today as progress on CIP continues

SFO has completed roughly \$1.6 billion of CIP work to date

Terminal 1 Projects



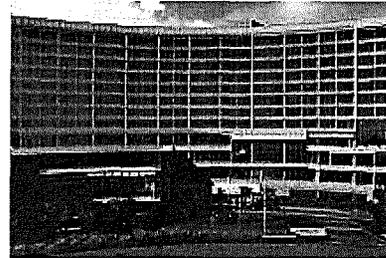
Total Cost: \$2.3 B
Schedule: Through 2022

Terminal 3 West Redevelopment



Total Cost: \$775 M
Schedule: Late 2022

Airport Hotel



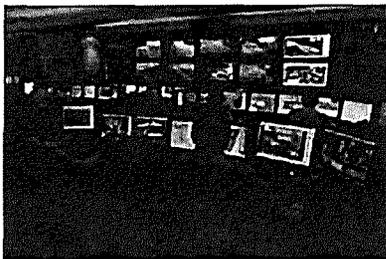
Total Cost: \$240 M
Schedule: Summer 2019

Shoreline Protection Program



Total Cost: \$61 M
Schedule: Spring 2023

Security Infrastructure Project



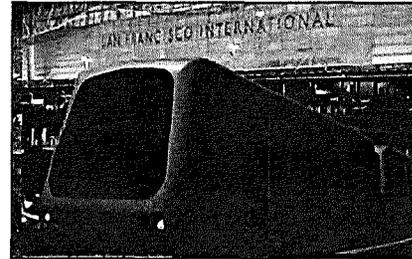
Total Cost: \$176 M
Schedule: Late 2019

Long-term Parking Garage 2



Total Cost: \$161 M
Schedule: Early 2019

AirTrain Extension Project



Total Cost: \$217 M
Schedule: Spring 2020

Boarding Area A Gate Enhancements



Total Cost: \$97 M
Schedule: Late 2020

Social Responsibility & Community Sustainability – Job Training

SFO offers a variety of internship & job training programs

Internships programs include:

SFO Programs (w FY 16/17 Participation #s)

- Career Connect - College & Employment (29)
- Custodial Trainee Program (2)
- College Intern Program (30)
- High School Intern Program (44)
- Graduate Fellows (2)
- Project Assist (2)
- Habitat Preservation Project (11)

Internships Positions:

- FY 16/17: 180 interns
- FY 17/18 YTD: 128, projecting 197 by year end

Upcoming Opportunities

- New training program for entry-level Hyatt Hotel positions, 40 additional trainees
- Specialized construction trainings (e.g. Iron worker training)
- Service Priorities: Homeless/Formely Homeless, Underrepresented Communities

Partner Programs

- SF Fellows (2)
- Construction Administration Internship (1)
- Project Pull (1)
- SFUSD Fellows (N/A - did not participate in FY16/17)
- Youth Works (7)
- Engineering, Architectural, & Planning Trainee Program (48)
- Coro Fellowship (1)



Social Responsibility & Community Sustainability - Jobs

SFO is dedicated to connecting local residents to jobs

SFO connects job seekers with both the City and private companies at the Airport.

First Source: # Job seekers placed with private airport companies:

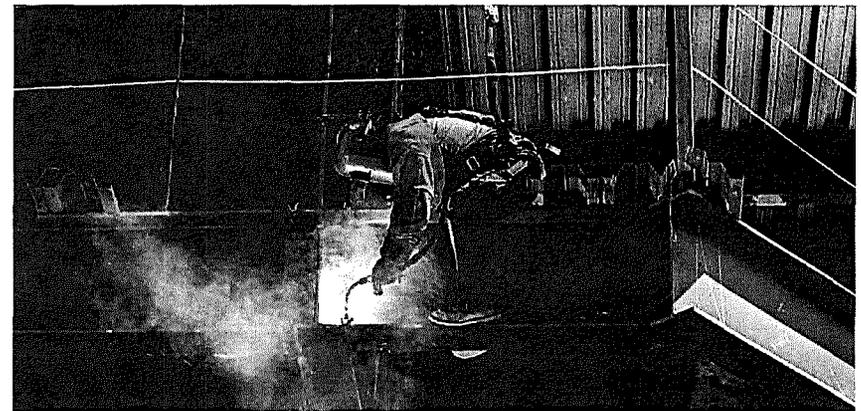
- FY 16/17: 1,141
- FY 17/18 YTD: 588

Local Hire: % of hours worked by local residents on construction projects:

Fiscal Year	Total Work Hours	Local hire Hours	% Local hire
16/17	697,727	245,587	35.2%
17/18 YTD	946,533	257,219	27.2%

Upcoming Opportunities

- New Hyatt Hotel – over 200 jobs
- Private Sector Jobs – increase of 10-15%
- Construction Hours – increase of 36%



Social Responsibility & Community Sustainability – Small & Local Business

SFO recognizes small & local business are a big part of what makes SFO an exceptional Airport

- SFO was one of the first Airports in the US to create a small business outreach office.
- Provides an array of supports to ensure small, local, woman, and minority-owned businesses have equitable access to SFO's business opportunities.

Small & Local Business Highlights

CIP Construction (Q2 2015 – YTD)

- 18.5% Local Business Enterprise (LBE) participation across projects
- \$292M has gone to LBEs



FY 16/17 Concessions

- 60% of leases had owners headquartered in San Francisco and the Bay Area
- 70% (\$254M) of revenue earned by San Francisco/Bay Area owners
- 40% of concessions were small businesses at lease commencement



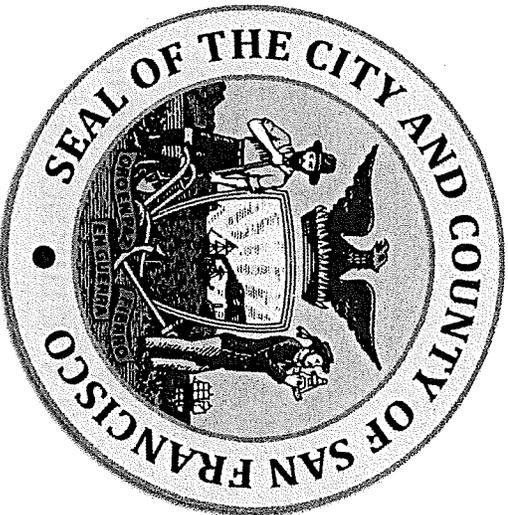
FY 17/18 YTD Concessions

- 68% of leases had owners headquartered in San Francisco and the Bay Area
- 72% (\$190M) of revenue YTD earned by San Francisco/Bay Area owners
- 48% of concessions were small businesses at lease commencement

Policy Trends & Initiatives

Updates on key efforts underway at SFO

- Building Wage Momentum – *private employers increasing wages for SFO workers*
- Managing Roadside Congestion – *implementing TNC Traffic Improvement Plan*
- Leveraging Technology – *piloting biometric access control technology & automated security screening lanes*
- Pursuing Alternative Fuels – *developing solutions for sustainable aviation fuels*
- Addressing Community Noise – *monitoring noise impacts on the community, working with the FAA on more frequent utilization of quiet procedures, and implementing a new GPS landing system*
- Airport Development Plan (ADP) – *continuing to plan for the future*



Board of Appeals

FY19 & FY20 Budget Presentation to
The Board of Supervisors

MAY 17, 2018

Board of Appeals

Mission

- Provide the public with a final administrative review process for the issuance, denial, suspension, revocation and modification of City permits, licenses and other determinations.
- Provide an efficient, fair and expeditious public hearing and decision-making process before an impartial panel.

0112 Board Members

President Frank Fung

Vice President Rick Swig

Commissioner Ann Lazarus

Commissioner Bobbie Wilson

Commissioner Darryl Honda

0961 Department Head

Julie Rosenberg (1FTE)

8173 Legal Assistant

Gary Cantara (1 FTE)

8106 Legal Process Clerk

(3 FTES)

Xiomara Mejia

Alec Longaway

Anita Lau

Strategic Goals

- Goal# 1: Enhance the appeal process for all participants (the public, Board members and staff) through the increased use of technology.
- Goal #2: Foster workforce development: As a small department, cross training is important to ensure coverage and service provision at all times; staff retention is also key to maintaining competencies and institutional knowledge.
- Goal #3: Analyze and amend the Board's Rules of procedure and governing legislation to modernize appeal processing, enhance the public's understanding of appeal rights and the appeal process, and eliminate inconsistencies.

Revenue Sources

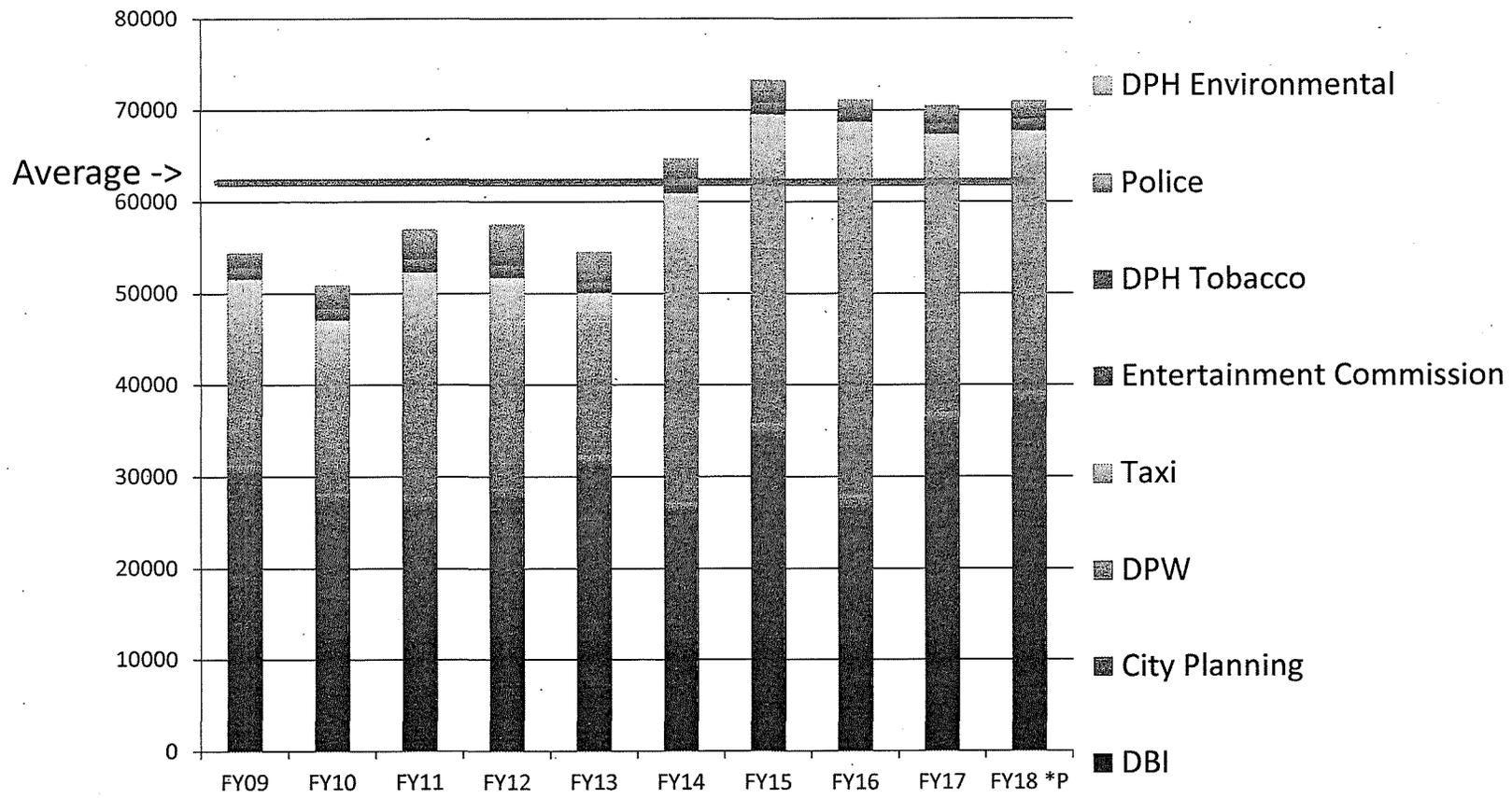
Permits

- Surcharges = 94% of revenue
- Collected on new and renewed permit applications
- Rate proportional to percentage of cases originating from each department
 - Controller performs a rate analysis after other departments submit permit data in April
 - DBI & City Planning account for 76% of surcharge revenue
 - DBI & City Planning surcharge fees were reduced by 26% in FY18
 - \$25 reduced to \$18.50
 - Goal was to prevent overcollection
- Controller may make CPI-based adjustments; rate changes beyond CPI require legislation
- Legislation may also be warranted to change the permit types upon which surcharges are levied (eg. Cannabis permits)

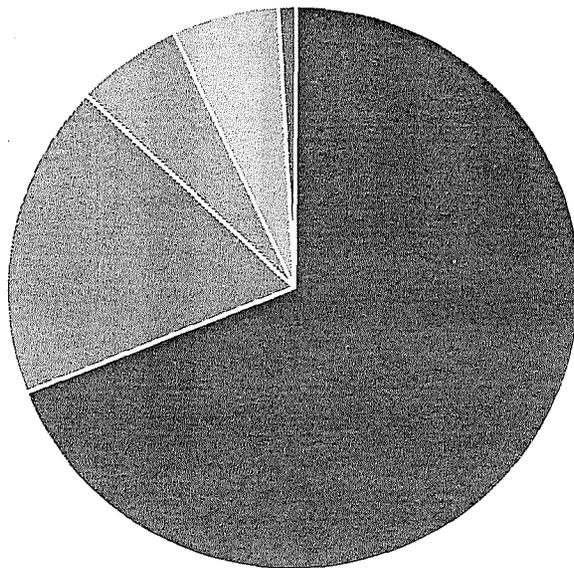
Appeals

- Filing Fees = 6% of revenue
- Collected by Board when new appeals are filed

Permit Volume



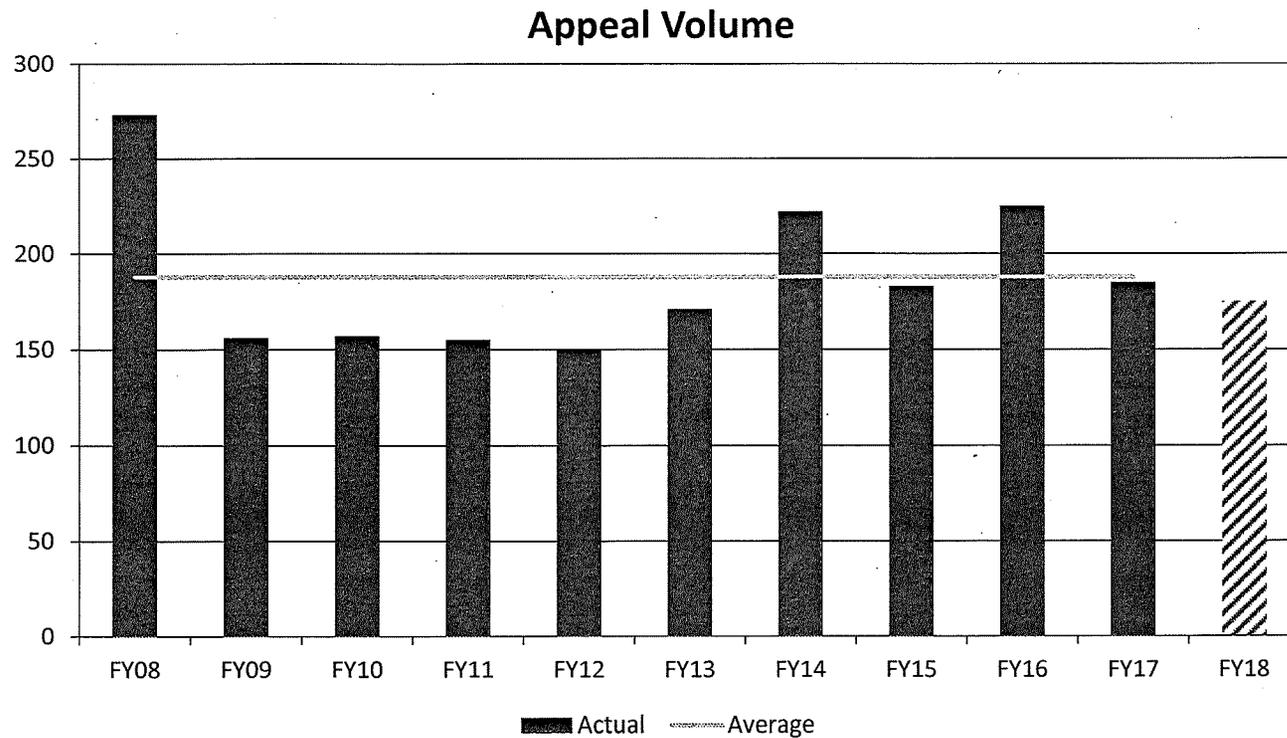
Overview: Expenditure Budget



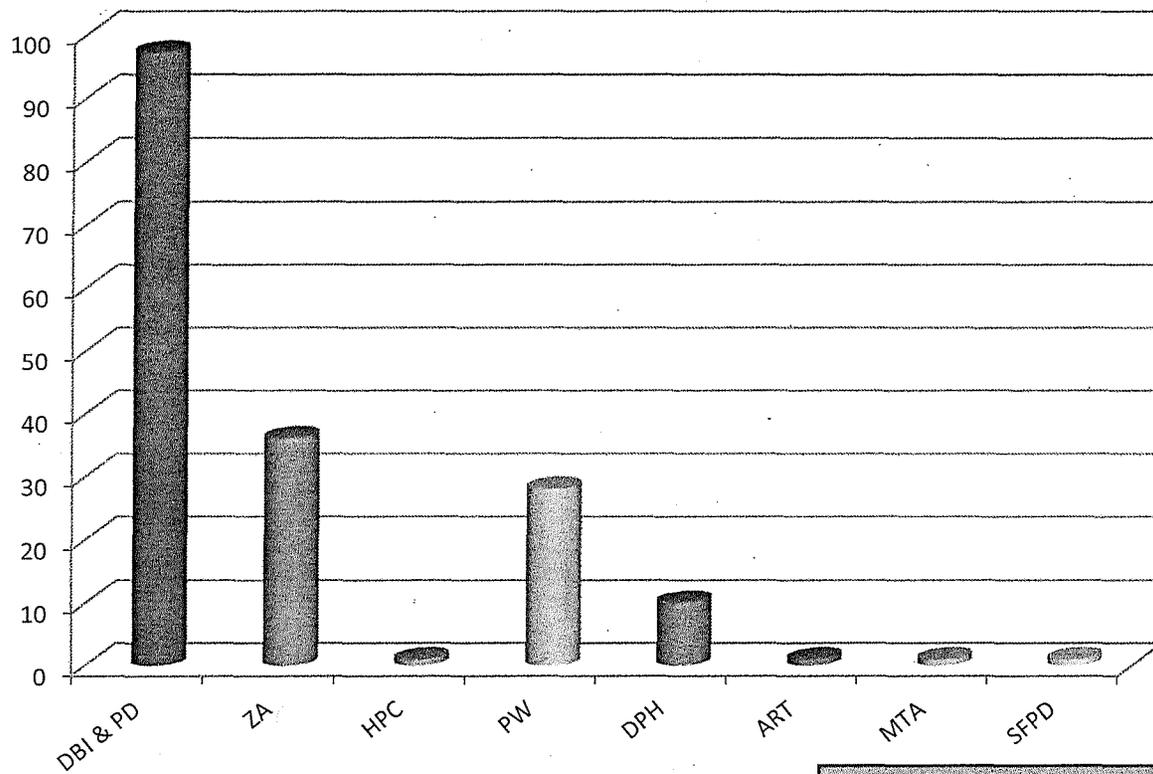
- Salary & Fringe Benefits
- Services by Other Departments
- Specialized Services
- Infrastructure
- Materials & Supplies

- Over 2/3 of the Board's expenditure budget covers salary & fringe benefit expenses. 5 FTEs and 5 Commissioners (69%)
- Services provided by other departments comprise the next largest portion (18%)
- Specialized Services (6%)
 - Neighborhood notification, interpreter & delivery services
- Infrastructure(6%)
 - Office lease, equipment rental, computer & telephone maintenance
- Materials & Supplies (1%)

Appeal Volume for FY18 is projected to be slightly lower than the 10-year average of 188 appeals per year. The Board also hears Rehearing and Jurisdiction Requests.



Appeal Distribution (based on projected appeals for FY18)



PD = Planning Department

DBI = Department of Building Inspection

ZA = Zoning Administrator

PC = Planning Commission

HPC = Historic Preservation Commission

PW = Public Works

DPH = Department of Public Health

ART = Arts Commission

MTA = Municipal Transportation Agency

Land Use
Matters n=134

77% percent of the projected appeals for FY18 are of land use decisions issued by the Planning Department, Department of Building Inspection, Zoning Administrator, Planning Commission or Historic Preservation Commission.

FY19 & FY20 Budgets Revenue

- Surcharge rates are designed to generate the revenue needed to cover operating expenses in both FYs.
- FY19: No increases in surcharge rates
- FY20: Surcharge rates will be analyzed during next year's budget process

- No change is projected in filing fee revenue

FY19 & FY20 Budget Proposals

	FY18 Budget	FY19 Proposed	FY18-19 variance	FY20 Proposed	Fy19-FY20 Variance
Revenue					
Surcharges	992,533	1,024,524	31,991	1,059,190	34,666
Filing Fees	46,037	46,037	-	46,037	-
Total	1,038,570	1,070,561	31,991	1,105,227	34,666
Expenses					
Personnel	718,798	748,541	29,743	783,207	34,666
Other	319,772	322,020	2,248	322,020	-
Total expenses	1,038,570	1,070,561	31,991	1,105,227	34,666
Net	\$0	\$0-	\$0	\$0	\$0

- Budget Proposals include modest increase in expenditures in both budget years to cover mandatory increases in salaries/fringe benefits and rent.
- No Increases in staffing levels.

Appendix A – Current Surcharge Rates

PERMIT ISSUING DEPARTMENT	CURRENT SURCHARGE
DBI & PLANNING	\$18.50
PUBLIC WORKS	\$6.50
ENTERTAINMENT COMMISSION	\$4.00
PUBLIC HEALTH (TOBACCO)	\$43.00
MUNICIPAL TRANSPORTATION AGENCY (TAXI)	\$2.00
POLICE	\$6.00

Surcharges are calculated by: (1) Determining the number of appeals filed in the prior fiscal year that originated with actions taken by each funding department; (2) applying the percentage of appeals for each department to the Board's budget to determine the dollar amount each funding department should contribute; and (3) dividing this dollar amount by the number of appealable permits issued by each funding department.

Appendix B - Filing Fees

DETERMINATION TYPE	FILING FEE
ZONING ADMINISTRATOR DETERMINATION	\$600
PLANNING COMMISSION ACTION	\$600
DEPT. OF BUILDING INSPECTION ALTERATION, DEMOLITION OR OTHER PERMIT	\$175
DEPT. OF BUILDING INSPECTION IMPOSITION OF PENALTY	\$300
DEPT. OF BUILDING INSPECTION RESIDENTIAL HOTEL OR APARTMENT CONVERSION PERMIT	\$525
POLICE DEPT. OR ENTERTAINMENT COMMISSION PERMIT TO BUSINESS OWNER	\$375
POLICE DEPT. OR ENTERTAINMENT COMMISSION PERMIT TO EMPLOYEE	\$150
POLICE DEPT. OR ENTERTAINMENT COMMISSION PERMIT REVOCATION OR SUSPENSION	\$375
PUBLIC WORKS TREE REMOVAL PERMIT WHEN ISSUED TO CITY	\$100
OTHER ORDER OR DECISION (FOOD TRUCK, TAXI, TOBACCO, MASSAGE, MCD, ETC.)	\$300
REHEARING REQUEST & JURISDICTION REQUEST	\$150



Strategic Plan

Mission: The Department of Building Inspection (DBI) ensures that life and property within the City and County of San Francisco are safeguarded and provides a public forum for community involvement in that process. DBI oversees the efficient, effective, fair and safe enforcement of Building, Housing, Plumbing, Electrical and Mechanical Codes, along with Disability Access Regulations.

The Proposed FY 2018-19 and FY 2019-20 Budget funds salaries, training, materials/supplies, IT projects and education/outreach programs that address the following Strategic Plan Goals:

- Review plans and issue permits safeguarding life and property in compliance with City and State regulations.
- Perform inspections to enforce codes and standards to protect occupant's rights ensuring safety and quality of life.
- Deliver highest level of customer service.
- Implement efficient and effective administrative practices.
- Proactively engage and educate customers, contractors, media and other stakeholders.



FY 2018-19 and FY 2019-20 Priorities

- Mayor's Executive Directive 17-02 (Housing)
- Implementation of Accessible Business Entrance Program
- Continued focus on Code Enforcement
- Seismic Safety



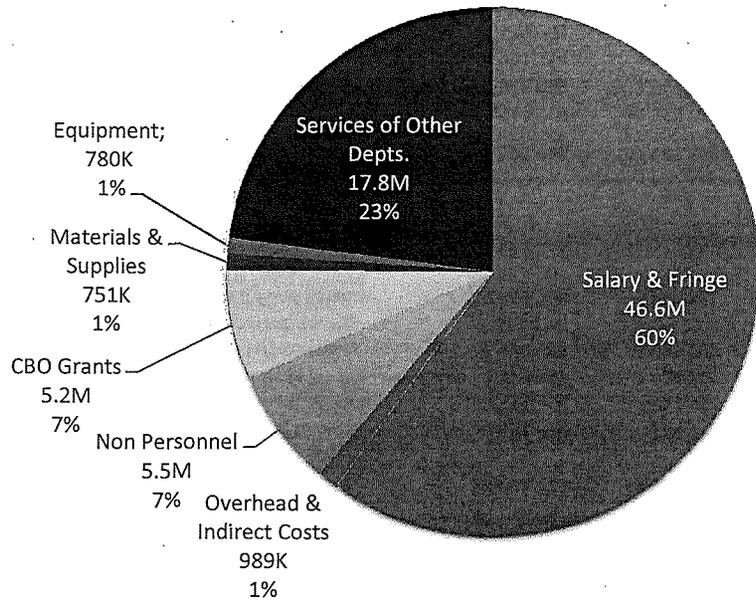
FY 2018-19 and FY 2019-20 Budget Changes

Sources	2017-2018 Original Budget	2018-2019 Proposed Budget	Chg From 2017- 2018	2019-2020 Proposed Budget	Chg From 2018- 2019	Major changes
Charges for Services	58,491,770	63,456,649	4,964,879	61,826,149	(1,630,500)	FY 18-19 \$5M increase due to continued strength in Plan Check Revenues. FY 19-20 slight reduction.
Expenditure Recovery	173,340	171,840	(1,500)	171,840		
Interest & Investment Income	559,214	559,214		559,214		
IntraFund Transfers In	2,479,339	3,423,225	943,886	2,223,225	(1,200,000)	
Licenses: Permits/Franchises	6,696,009	6,696,009		6,696,009		
Transfer Adjustment-Source	(2,479,339)	(3,423,225)	(943,886)	(2,223,225)	1,200,000	
Unappropriated Fund Balance	10,613,366	6,898,351	(3,715,015)	7,293,875	395,524	
General Fund Support						
Sources Total	76,533,699	77,782,063	1,248,364	76,547,087	(1,234,976)	
Uses - Operating Expenditures						
Salaries	31,195,933	32,048,673	852,740	32,283,470	234,797	FY 18-19 \$1.4M increase in Salaries/Fringes to cover COLAs/fringes.
Mandatory Fringe Benefits	14,044,916	14,590,052	545,136	15,165,042	574,990	
Non-Personnel Services	6,856,086	5,549,966	(1,306,120)	5,349,966	(200,000)	FY 18-19 \$1.3M decrease in Professional Services
City Grant Program	4,991,314	5,230,314	239,000	5,230,314		
Capital Outlay	1,130,000	780,000	(350,000)		(780,000)	
Carry-Forward Budgets Only	(2,562,240)		2,562,240			
Intrafund Transfers Out	2,479,339	3,423,225	943,886	2,223,225	(1,200,000)	
Materials & Supplies	826,300	751,300	(75,000)	676,300	(75,000)	
Overhead and Allocations	742,252	989,644	247,392	989,644		
Services Of Other Depts	19,309,138	17,842,114	(1,467,024)	16,852,351	(989,763)	FY 18-19 \$1.5M decrease Services of Other Departments. Eliminate \$3M Hotel Preservation funds to Mayor's Office of Housing (all funds allocated in FY 17-18) offset by increases in City Attorney, Real Estate, Assessor, Department of Technology increases
Transfer Adjustment - Uses	(2,479,339)	(3,423,225)	(943,886)	(2,223,225)	1,200,000	
Uses Total	76,533,699	77,782,063	1,248,364	76,547,087	(1,234,976)	
Uses - Division Description						
DBI Administration	18,574,055	19,822,979	1,248,924	19,429,409	(393,570)	
DBI Inspection Services	42,044,690	41,095,784	(948,906)	40,070,636	(1,025,148)	
DBI Permit Services	15,914,954	16,863,300	948,346	17,047,042	183,742	
Uses by Division Total	76,533,699	77,782,063	1,248,364	76,547,087	(1,234,976)	

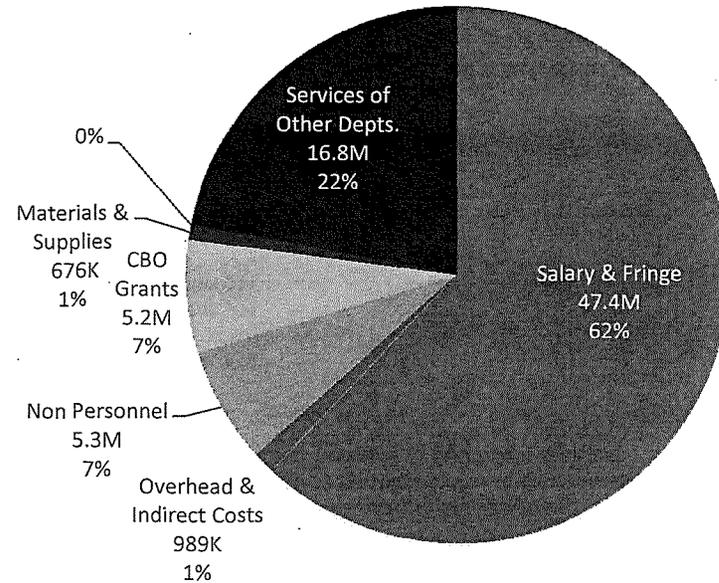


FY 2018-19 and FY 2019-20 Expenditures

DEPARTMENT OF BUILDING INSPECTION
TOTAL EXPENDITURES
FISCAL YEAR 2018-19



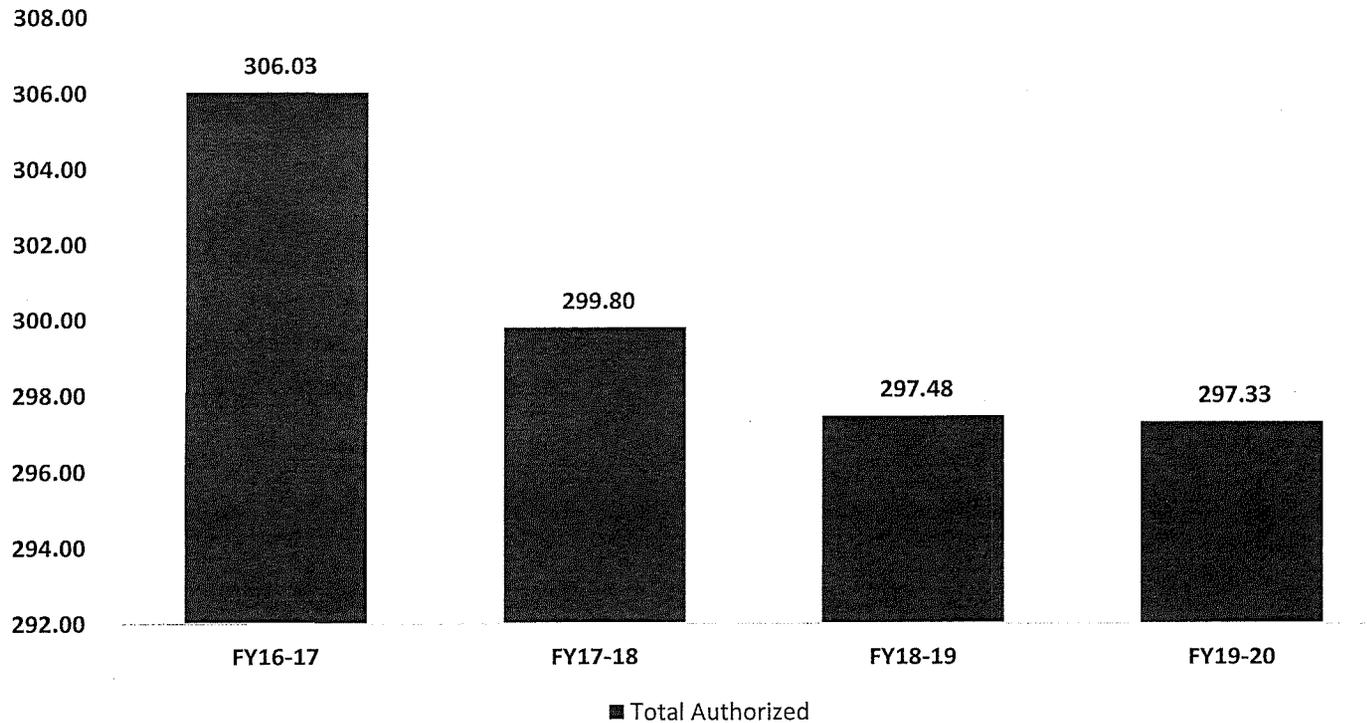
DEPARTMENT OF BUILDING INSPECTION
TOTAL EXPENDITURES
FISCAL YEAR 2019-20





FY 2018-19 and FY 2019-20 Positions

DEPARTMENT OF BUILDING INSPECTION
TOTAL AUTHORIZED POSITIONS





**DEPARTMENT
of
CHILD SUPPORT SERVICES**

BUDGET PRESENTATION

to

SAN FRANCISCO BOARD OF SUPERVISORS

BUDGET AND FINANCE COMMITTEE

FY2018-2019 and FY2019-2020



Putting San Francisco Families First...

Our Vision

Children can count on their parents for the financial, medical and emotional support they need to be healthy and successful.

Our Mission

To empower parents to provide economic support for their children by furnishing child support services in the form of location of absent parents, establishment of paternity and support obligations and enforcement of support obligations, thereby contributing to the well-being of families and children.



Child Support Citywide Initiatives...

Major Initiatives

Project 500

Human Services Agency and
Department of Public Health

“Lifting families out of
poverty”

HopeSF

Department of Public Health

“DADS - Fatherhood Family
Involvement”

Treasurer

Fines and Fees Task Force

“Paying Families First”

Helping Non Custodial Parents
Take Care of Their Children

Community Response Services

- “Safe” Child Support Services for Domestic Violence Survivors
- Custodial and Non Custodial Employment CNET – Connecting Parents to Workforce Development
- Expanded Program Access to Incarcerated Parents County Jail
- Co-Parenting Plans through access and visitation
- Compromise of Debt (COAP)
- “Express Driver’s” License Release



Community Collaborations

- Visitacion Valley
Neighborhood Access Point
- San Francisco Public Library
- Reentry Services for Parents –
Adult Probation
- YMCA Potrero Hill, Bayview
- Mo'Magic, Western Addition
Access Point
- Job Support Collaborative
(OEWD) Employment
Opportunities for Parents
- WtW Oversight Committee, HSA
- Sentencing Commission –
District Attorney
- San Francisco Reentry Council
- San Francisco Domestic Violence
Council –Department on the
Status of Women



San Francisco Families First! Meeting our performance goals!

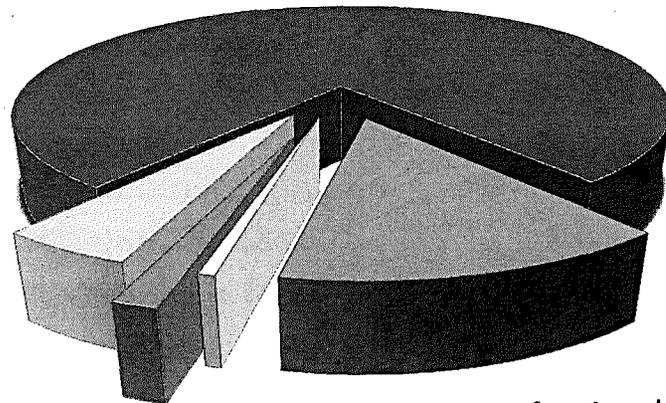
95% of every dollar received goes directly to families.

	District	Cases	% of Cases	FFY2017 Collection	Money to Families
<ul style="list-style-type: none"> • 97% (9,167) children have Paternity Established • 90% of Requested Services have Child Support Orders Established 	11	1,753	15%	3,885,900	3,691,605
	10	3,740	32%	8,289,920	7,875,424
	9	1,169	10%	2,590,600	2,461,070
	8	234	2%	518,120	492,214
	7	468	4%	1,036,240	984,428
	6	1,286	11%	2,849,660	2,707,177
	5	1,636	14%	3,626,840	3,445,498
	4	351	3%	777,180	738,321
	3	584	5%	1,295,300	1,230,535
	2	117	1%	259,060	246,107
	1	<u>351</u>	<u>3%</u>	<u>777,180</u>	<u>738,321</u>
		11,689	100%	\$25,906,001	24,610,701



Two Year Budget: FY 2019, FY2020 Expenditures

78% of Budget \$10,586,125
Salary and Benefits

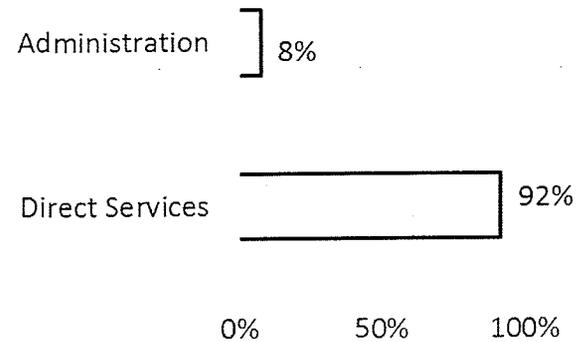


14 % of Budget \$1,898,977
Rent for Main Office

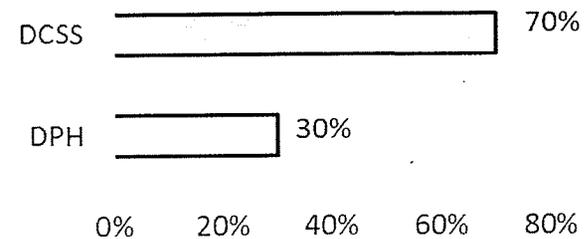
5% of Budget \$678,206
 Work Orders of Other City Departments
2% of Budget \$271,282
 Professional Services funds Genetic Testing and Process of Service
1% of Budget \$129,529
 Travel, Training, Materials and Supplies

TOTAL Annual Budget = \$13,564,119

Salary Distribution



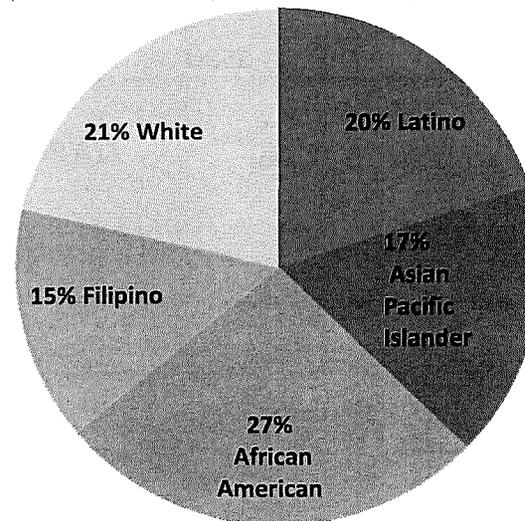
Rent Co-Location Distribution



Funding Priority : Direct Services to Families

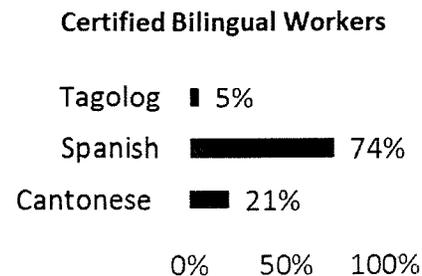
- **No New Positions**
- **No Change in budgeted FTE's (92.0)**
- **New Overtime Budget**
 - expand outreach to fragile families (\$5,000)
- **No Equipment Budget**
State IT Equipment Refresh during FY2019

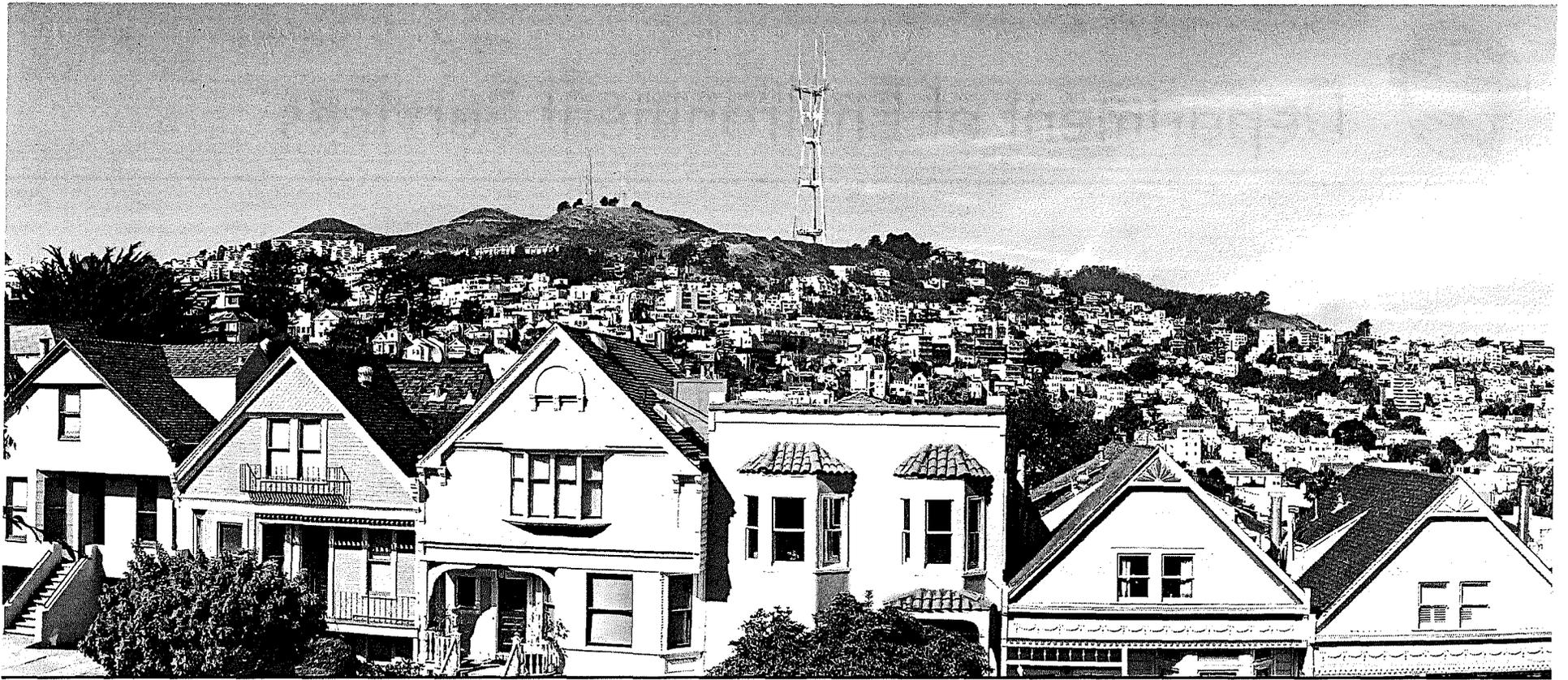
CSS Staff Ethnicity



Language Access

- 43% caseworkers are certified bilingual workers
- California Language Line supports available during business hours
 - TTY lines for the hearing impaired





San Francisco Department of the Environment Proposed Budget for FY18-19

Debbie Raphael, Director



SFEnvironment

Our home. Our city. Our planet.

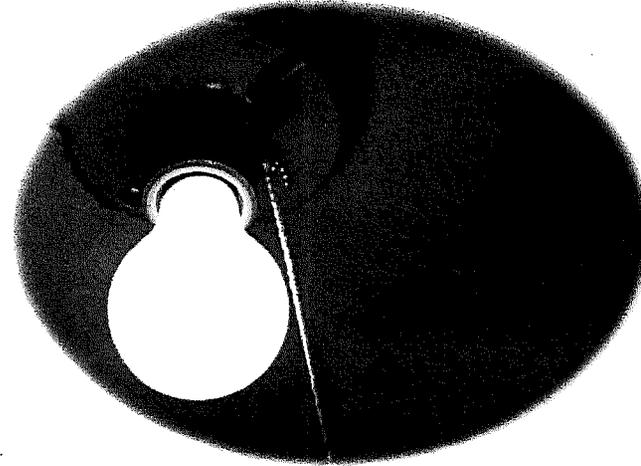
A Department of the City and County of San Francisco



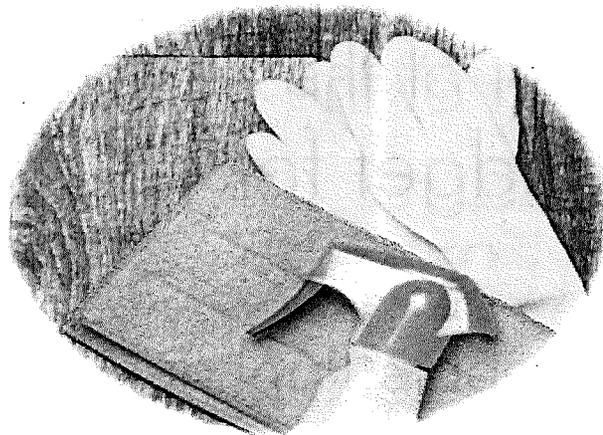
Department of Environment Services



Zero Waste



Energy



Toxics Reduction & Healthy Ecosystems



Climate Action



San Francisco Today (1990 - 2016)

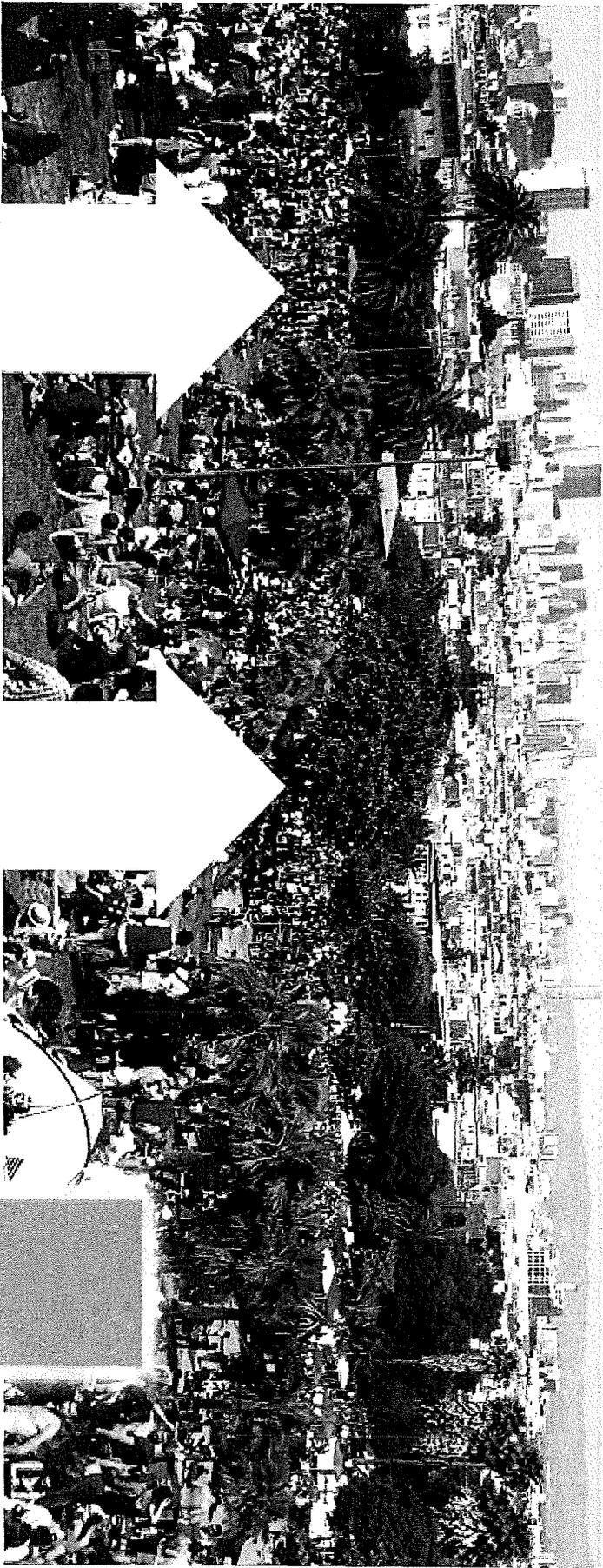


Photo credit: Robert Kelly

20%

Population

111%

GDP

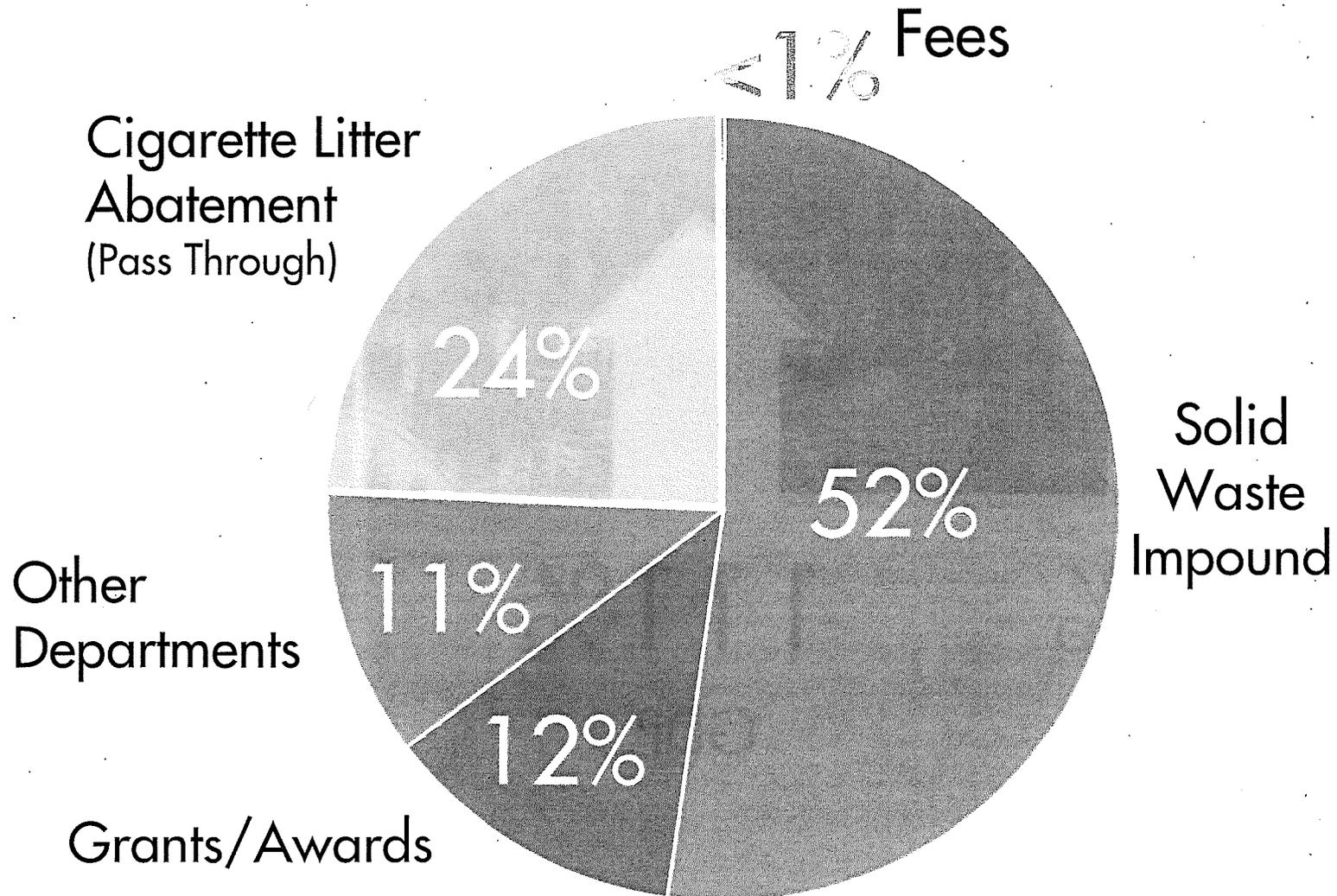
29%

GHG Emissions



How the Department is Funded

Total FY18-19 Budget: \$ 21,965,767





Proposed Budget FY18-19

Program	Services Delivered	Fund Code	FY 17-18 Budget	FY 18-19 Proposed Budget	Difference from FY17-18	FY 19-20 Projection
ZERO WASTE	<ul style="list-style-type: none"> Mandatory Recycling and Composting Compliance Technical Assistance School Education Door to Door Outreach 	13990, 14000, 12200	\$ 7,299,035	\$ 7,052,042	\$ (246,993)	\$ 7,125,879
TOXICS REDUCTION & HEALTHY ECOSYSTEMS	<ul style="list-style-type: none"> Household Hazardous Waste Integrated Pest Management Green Business Program Biodiversity and Urban Forestry 	12210, 13990, 14000, 12230	\$ 2,998,765	\$ 2,001,915	\$ (996,850)	\$ 2,060,086
ENERGY	<ul style="list-style-type: none"> Energy Efficiency Energy Codes & Standards Zero Emission Vehicles 	12230, 12200	\$ 1,385,141	\$ 785,931	\$ (599,210)	\$ 791,854
CLIMATE ACTION	<ul style="list-style-type: none"> Municipal Climate Action Planning Environmental Justice Green Building Carbon Fund 	12210, 13990, 12200, 10020	\$ 1,545,327	\$ 1,623,393	\$ 78,066	\$ 1,653,891
ADMINISTRATION		12200, 13990	\$ 4,803,170	\$ 5,202,486	\$ 399,316	\$ 5,413,808
CIGARETTE LITTER ABATEMENT FEE		13850	\$ 5,050,000	\$ 5,300,000	\$ 250,000	\$ 5,000,000
	TOTAL		\$ 23,081,438	\$ 21,965,767	\$ (1,115,671)	\$ 22,045,518



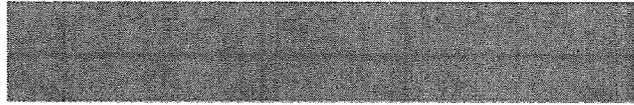
FTE Count

66.9



FY 17-18

66.04



FY 18-19

65.96



FY 19-20



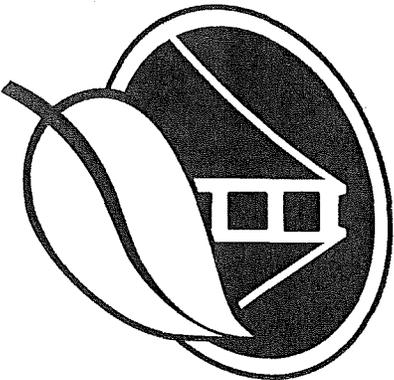
Citywide Roll-Out of Recycling Changes





Net-Zero Emissions by 2050





SF Environment

Our home. Our city. Our planet.

A Department of the City and County of San Francisco



Proposed Budget FY 2018-19 & FY 2019-20

Budget Hearing May 17, 2018

San Francisco Law Library
sflawlibrary@sfgov.org
1145 Market Street, 4th Floor □ San Francisco, CA 94103
(415) 554-1772 □ <http://www.sflawlibrary.com>

SINCE



1870

SAN FRANCISCO
LAW LIBRARY

sflawlibrary.org

MISSION:

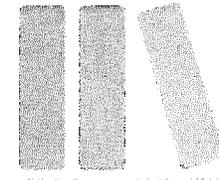
To provide free access and use of legal reference materials in order that the people of San Francisco may conduct their legal affairs and preserve their rights.

The Law Library serves:

- The Public
- City and County Departments
- State, Local and Federal Agencies
- Businesses & Corporations
- Non-Profits
- Attorneys & Law Firms
- Paralegal Schools
- Law Schools
- Self-Represented Litigants
- Specialty & Minority Bar Associations
- The Courts
- Legal Advocacy Organizations
- Sole Proprietorships
- Elected Officials
- Students
- Seniors



Resources & Services



Reference Services - Provided by Attorney Librarians

- Professional librarian staff available to guide patrons through a complex legal system and resources

Collections Available Only at the Law Library

- Rare San Francisco Municipal Code archive
- Unique CA legal materials

- Comprehensive San Francisco, California, & Federal Legal Collection
- Extensive Electronic Collection
- Free Use of Legal Databases
- Legal Education Programs & Seminars for the Public & Legal Practitioners
- Continuing Legal Education Materials (MCLE) in CD format



**Law Library Non-CCSF Funded
Income & Operating Expense Statement
Fiscal Year 2016-17**

	7/01/16–6/30/17
	<u>Actual</u>
Income	
Filing Fees	992,435
Premium Services Fees	139,855
Investment Interest	31,522
Miscellaneous Income	8,395
Conference Room Rental Income	6,154
Library Donations	1,192
Total Gross Income	\$1,179,553
Expenses	
Health Insurance	47,733
Retirement Fund	62,548
Salaries	419,793
Books & Multimedia Materials	450,461
Contractual Services	38,995
Insurance	8,711
Leased Equipment	8,484
Library Systems Maintenance	19,029
Materials & Supplies	5,381
Miscellaneous	7,116
Payroll Service Fees	3,656
Payroll Taxes Employer Portion	36,184
PCs, Equipment & Furniture	2,407
Storage	4,388
Technology IT Services	9,482
Training & Prof Affiliations	11,686
Total Expenses	\$1,136,053
Net Surplus/Shortfall	\$43,500



Law Library Operating Expenses & CCSF Appropriation

Law Library Funded Operating Expenses

Salaries
Retirement
Health Insurance
Collection - Databases, Multimedia & Print
Contractual Services
Insurance
Leased Equipment
Library Systems Maintenance
Materials & Supplies
Miscellaneous
Payroll Service Fees
Payroll Taxes
PCs, Equipment & Furniture
Storage
Technology IT Services
Training & Professional Affiliations

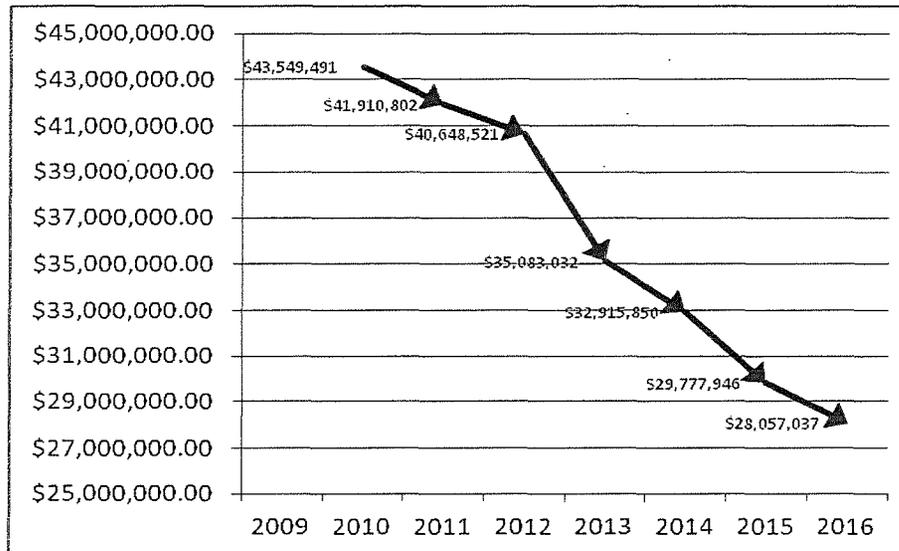
CCSF Appropriation – Charter Mandated

Salaries
Mandatory Fringe
Materials & Supplies
Services of Other Departments

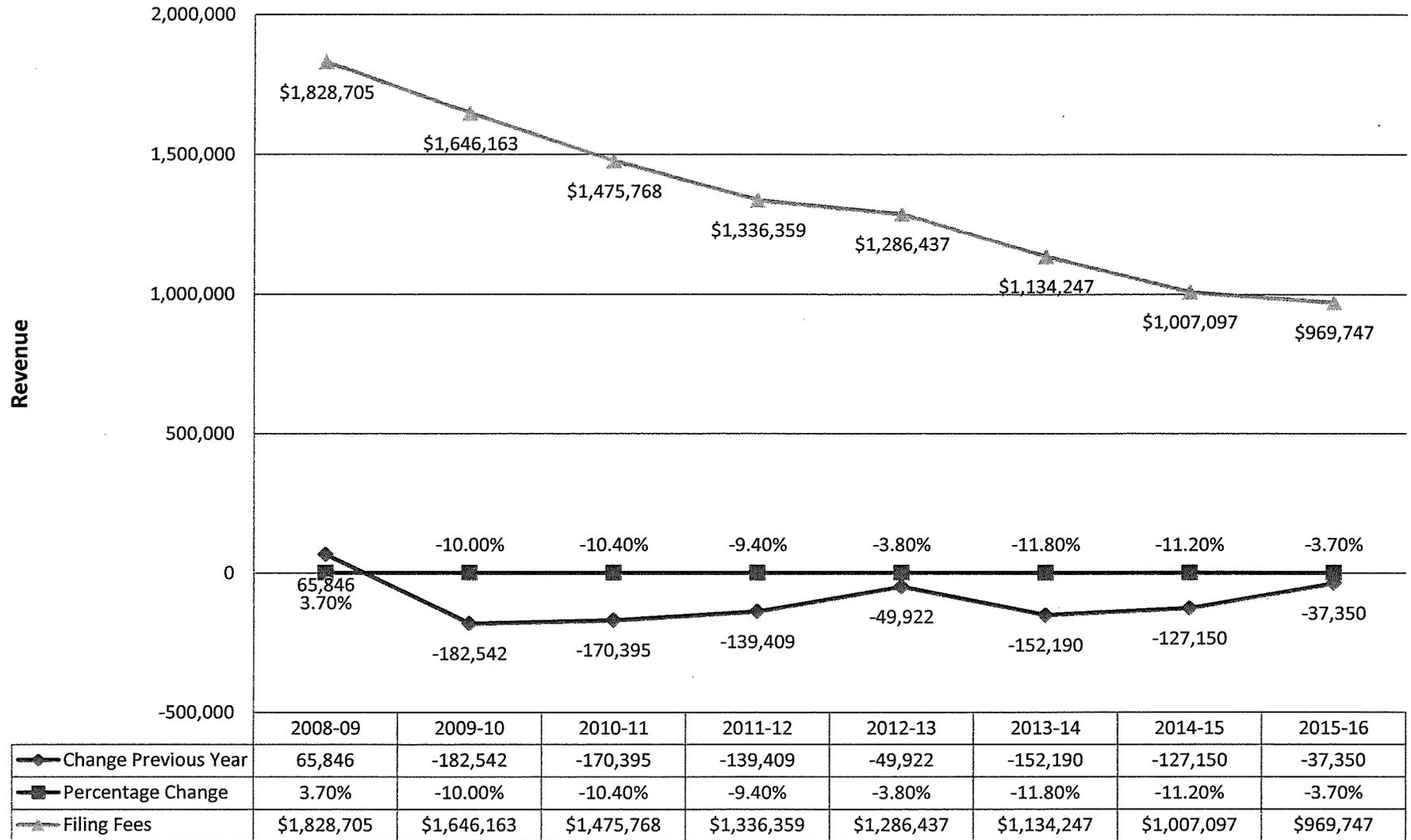
Statewide Filing Fees Comparison FY 2009-FY 2016

F/Y	Filing Fees	Decrease	Total Decrease
2009	\$ 43,549,491		
2010	\$ 41,910,802	3.76%	3.76%
2011	\$ 40,648,521	3.01%	6.77%
2012	\$ 35,083,032	13.69%	20.47%
2013	\$ 32,915,850	6.18%	26.64%
2014	\$ 29,777,946	9.53%	36.18%
2015	\$ 28,057,037	5.78%	41.96%
2016	\$ 29,519,226	-5.21%	36.74%

Statewide Filing Fees Comparison FY 2009-FY 2016

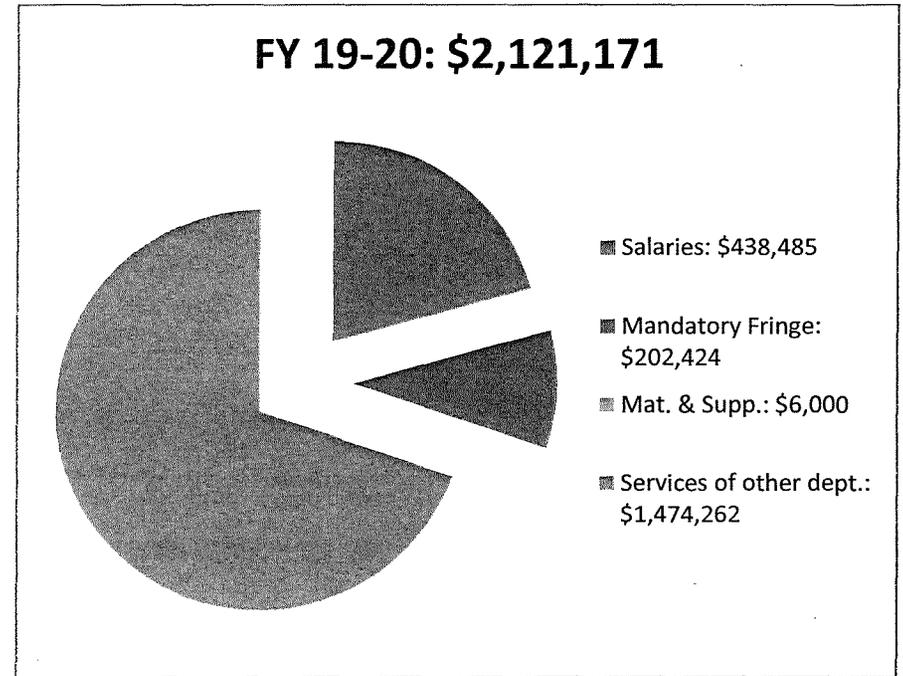
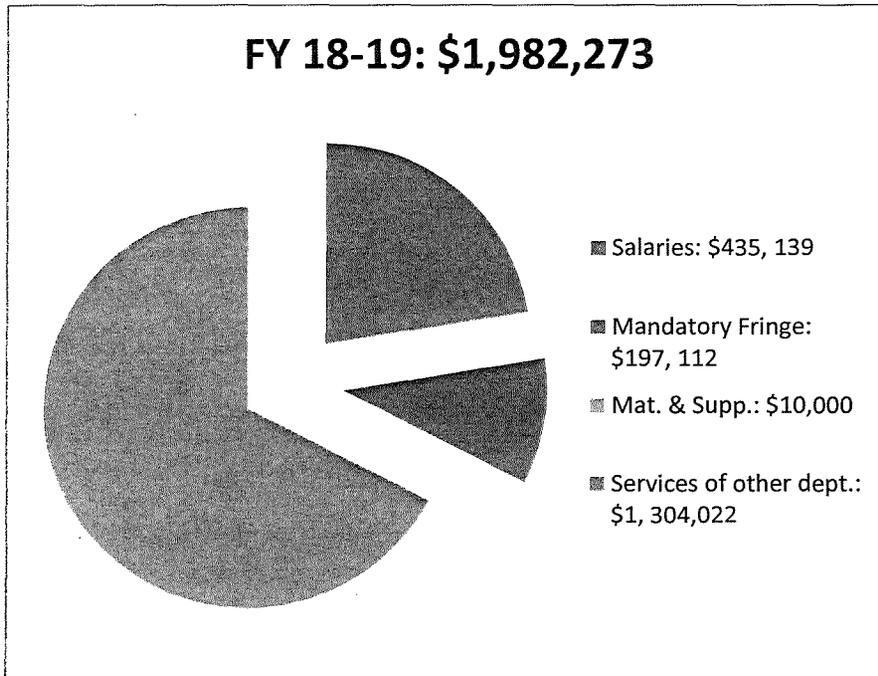


San Francisco Law Library Filing Fee Revenue FY 2008 - FY 2016



Annual filing fee revenue in FY 2015-16 was 47% (\$858,958) less than FY 2008-09.

**Law Library Proposed Budget
 FY 2018-19 & FY 2019-20**



- No change in FTE
- No capital investments
- No service changes
- New initiative – Brooks Hall Project



Accomplishments & Statistics

Accomplishments

- Returned the rare book collection to the law library
- Successfully negotiated reduced rates for legal databases
- Expanded legal information tools & resources
- Created a legal blog
- Increased legal education programs
- Participated in county law library consortium price savings
- Consolidated resources
- Awarded grant from PC Refresh to replace 10+ year old computers

Usage Statistics

159,546
web page, catalog, and
in-library computer usage

20,381
patrons served

70% of patrons used
professional librarian
reference services

173,358
legal research database
transactions

Projects & Strategic Goals

Projects

- Collaborating with DT to align network & computer systems with CCSF protocols & efficiencies
- Assess the condition, restoration suitability and utility of 160,000 volumes stored in Brooks Hall by the City because the law library was not returned to City Hall after the retrofit. Less than 10% will fit on library shelves.
- Add the Brooks materials to the library's online catalog
- Conservation and cataloging of the rare book collection

Strategic Goals

- Continue to Facilitate Access to Justice for All San Franciscans:
 - Provide legal education materials in multiple formats to meet the legal information needs of all patrons
- Increase partnerships with City departments, the Superior Court Access Center, & Legal Services Programs
- Maintain all essential programs despite drastic filing fee income declines



Mark Farrell, Mayor

Cheryl Brinkman, Chairman
Malcom Heinicke, Vice Chairman
Gwyneth Borden, Director
Lee Hsu, Director

Joél Ramos, Director
Cristina Rubke, Director
Art Torres, Director

Edward D. Reiskin, Director of Transportation

May 15, 2018

**The Honorable Board of Supervisors
City and County of San Francisco San Francisco City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102**

Subject: Follow-up on Questions from SFMTA Board of Directors Budget Hearing

As the SFMTA's Fiscal Year 2019-2020 budget is coming before the Board of Supervisors this week, I wanted to take the opportunity to address a number of questions that have been raised by members of the Board in recent weeks.

Specifically, this memo will address the funding levels for School Crossing Guards; the SFMTA's plan for providing relief to the Taxi industry in the face of competition from TNCs; the fee structure for Commuter Shuttles; and how the agency resources language support services.

The FY 2019-2020 operating budget is estimated to be just over \$1.2 Billion, following a trend that suggests expenses increasing faster than revenues, reflective of growth in employee benefits and pension costs.

The budget includes moderate cuts across the agency's various divisions. These cuts are necessary to help the agency fund its budget priorities, including: opening the Central Subway and Islais Creek bus yard; launching 68 new Light Rail trains into service; and adding transit service, as part of the Muni Service Equity Strategy, in eight low income neighborhoods. At the same time, the SFMTA will maintain Free Muni programs for low and moderate income youth, seniors and people with disabilities programs; expand affordability programs for boots and towing; and reduce some taxi industry fees.

It is worth noting that \$27 Million per year in operating funding (\$37 Million total) is at risk as part of the Senate Bill SB1 repeal that is likely to appear on the November 2018 ballot. Other risks include labor negotiations and economic fluctuations, which could impact the General Fund in the coming years.

The SFMTA Board has reviewed and approved the proposed balanced budget after hearing extensive feedback resulting from a robust public engagement program, which targeted key stakeholders, Muni customers and the public.

1. School Crossing Guards Update

The School Crossing Guard program supports safe travel to public and private elementary and middle schools. Currently, a total of 195 positions are funded as part of this important safety program at a cost of \$2.2 Million.



By working with SFUSD and hiring year-round, the agency has improved its recruitment and retention for these unique positions, which are most suitable to retirees and parents seeking part-time work. Approximately 19 additional corners are seeking crossing guards. **In order to address the remaining qualifying schools, we are proposing to fund an additional 20 positions in the FY19 and FY20 budgets.**

School Crossing Guards are only one part of SFMTA's strategy to improve safety and access for San Francisco's school children. Working collaboratively with SFUSD, we are also providing:

- An integrated approach to managing the city's multiagency Safe Routes to School program¹. Safe Routes to School includes:
 - Physical infrastructure and traffic calming improvements near schools
 - Education in schools across the city to improve traffic safety and encourage safe, non-auto travel to school
 - Supporting the community-based organizations who are working to improve school safety
- A dedicated full-time engineer who works directly with school principals and parents to create safe pick up and drop off areas, including white zones and other parking and traffic changes near schools
- 20 Transit Assistants, who help middle and high school students safely navigate the trips to and from school on Muni
- Free access to Muni for low- and moderate-income San Francisco youth

2. Taxi Driver Relief

Over the past four years, the SFMTA has waived \$9.5 million in fee revenues from the taxi industry to ease or reduce impacts resulting from competition from transportation network companies (TNCs). These reductions included waiving the A-Card permit renewal fee and the medallion renewal fee for purchased medallions. Additionally, the SFMTA introduced legislation at the Board of Supervisors to waive the business registration fee for the next two years.

In response to feedback from taxi stakeholders, the FY 2019-2020 budget proposes to further reduce medallion renewal fees for Prop K medallion holders, taxi stand fees and color scheme renewal fees. Specifically, these revisions would:

- Reduce the medallion renewal fee for Prop K Medallion holders by 50%. This would reduce the FY19 fee to \$590 and FY20 fee to \$614. No change is recommended for Corporate and Pre-K Medallions. The distinction is that Prop K Earned Medallion

¹ Staffing for Safe Routes to School program is reflected in the SFMTA's FY2019 budget



holders have a driving requirement and Corporate and Pre-K Medallions do not. The medallion renewal fee was eliminated for Purchased Medallion holders in 2017. Maintaining a distinction between individuals who purchased a medallion (no renewal fee) as compared to the Prop K medallion holders who did not purchase their medallion (50% reduced fee) is an important policy position.

- Reduce the Taxi Stand application fee by 50% to \$1,083 for FY19 and \$1,127 for FY20 to provide an incentive for fronting businesses to apply for taxi stands. Note: This fee is not paid by the taxi industry, but rather by the business applying for a taxi stand.
- Reduce the Color Scheme **renewal** fee for color schemes with 1-5 medallions and 6-15 medallions and increase the new **application** fee for those same two categories. Because there are significant economies of scale for color schemes with more medallions, this proposal stays true to the original intent of the fee structure and still provides fee relief for existing color schemes with fewer medallions.

3. Commuter Shuttle Fees

The Commuter Shuttle program provides an important method to regulate use of the curb by private transit vehicles. Like many SFMTA curb management programs, commuter shuttle fees are calculated based on cost recovery, which accounts for administration and enforcement of the program.

Participants in the commuter shuttle program are charged a fee every time they stop. The per-stop fee rate is set such that it fully covers the costs of administering the program, which includes staff time, a dedicated team of parking control officers, IT infrastructure and software, capital improvements and other direct costs such as printing, signs, and paint. At the end of each fiscal year, SFMTA staff examines program expenditures and revenues to determine if changes to the fee schedule are needed in the next fiscal year.

In FY2017, stop fees generated a total of \$5.7 million. In the first half of FY2018 (through Q2), stop fees have already generated \$3.1 million.

In addition to stop fees, which cover the cost of operating the program, commuter shuttle operators are subject to enforcement and may be cited by parking control officers for parking, traffic and permit violations. They can also be assessed further *administrative* penalties for permit violations.

4. Language Access Ordinance Resourcing

The SFMTA meets, and works hard to exceed, the Federal Transit Administration's Title VI Requirements related to language access for our customers and stakeholders. Additionally,



agency staff works closely with OCEIA to ensure adherence to the City's Language Access Ordinance. While we can continue to improve, we've made good progress.

In 2016-17, the SFMTA spent more than \$600,000, or nearly 30% of the SFMTA's communications program budget, to fulfill the language needs of our diverse community. In addition, program and project funding was used to support language access for specific programs, such as Vision Zero and other capital projects.

We're also in the process of making improvements to the Public Engineering Hearings notification process that will make it easier to understand and access available language translation services for these hearings.

The following are some examples of our support for language assistance:

- 311 Free Language Assistance Tag
- Agency-wide access to LanguageLine telephonic interpretation service in more than 100 languages
- Multilingual outreach ambassadors
- Surveys, alerts, fare and other vital information in multiple languages
- Language-neutral iconographic signs on new Muni vehicles
- Free interpretation services for public meetings and hearings (with 48-hours notice)
- In-language creative and ad placements
- Training to prepare staff on public outreach and engagement standards, including meeting language needs

I hope this information is helpful as you consider the SFMTA budget. Please don't hesitate to contact me at any time should you have questions or desire additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Edward D. Reiskin', written over a white background.

Edward D. Reiskin
Director of Transportation

cc: SFMTA Board of Directors
Mayor's Office



Balancing the Transportation Needs of a Growing City

**FY 2019 and FY 2020 Operating Budget
Board of Supervisors**

**Ed Reiskin, Director of Transportation
May 17, 2018**

Budget Guiding Principles

Vision: Excellent Transportation Choices for San Francisco

- Goal 1 *Create a safer transportation experience for everyone*
- Goal 2 *Make transit and other sustainable modes of transportation the most attractive and preferred means of travel*
- Goal 3 *Improve the quality of life and environment in San Francisco and for the region*
- Goal 4 *Create a workplace that delivers outstanding service*



Moving San Francisco: At a Glance

\$1.2 Billion
Annual Operating Budget

\$2.8 Billion
5-Year Capital Improvement Program

720,000 Muni rides
daily

200 million Muni
rides each year

3.1 million hours of
transit service
annually

447 lane miles of
bicycle paths, lanes
and routes

441,950 publicly
available parking
spaces

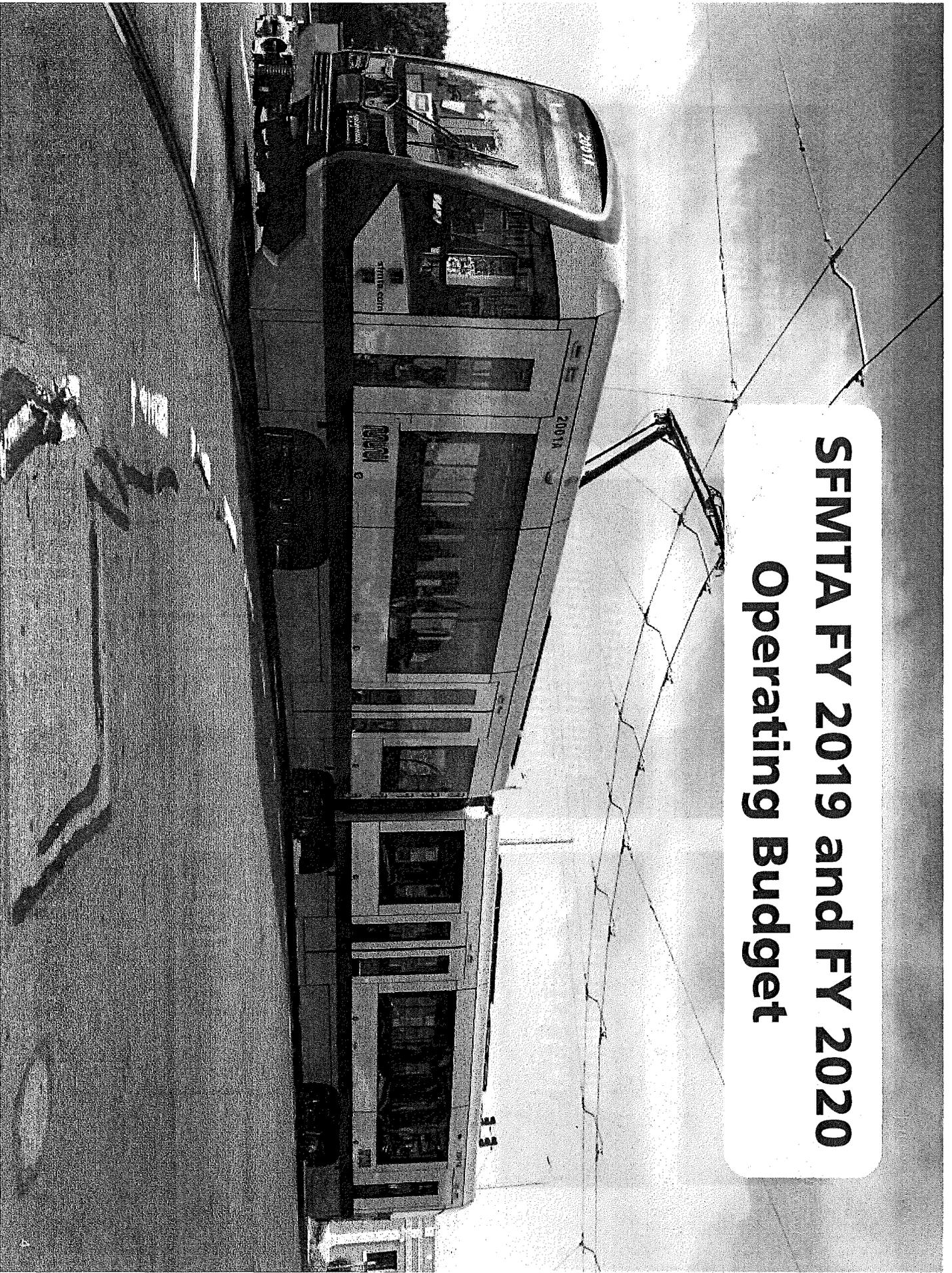
1,575 taxi
medallions

1,212 signalized
intersections

281,700 street signs

~6,000 employees

SFMTA FY 2019 and FY 2020 Operating Budget



Operating Budget Priorities



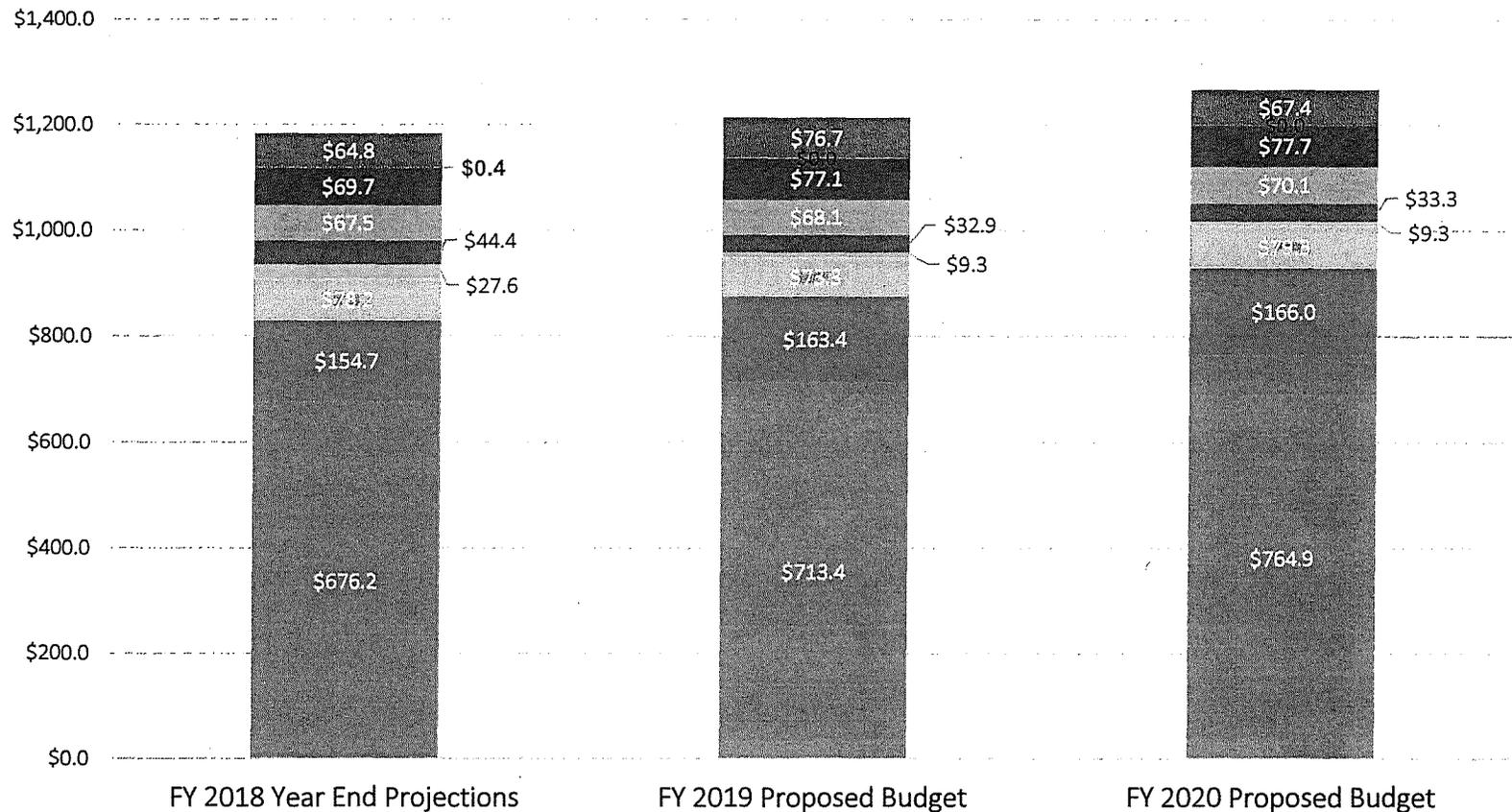
- Support affordability goals through the continuation of the Free Muni for low- and moderate-income youth, seniors and disabled
- Fund new transit programs to support expanded light rail and rubber tire service, including:
 - Opening the Central Subway
 - Opening new bus maintenance yard at Islais Creek
 - Providing additional training to modernize the transit workforce
- Adopt Muni fare changes that incentivize transit ridership (outside of the Board approved indexing policy)
- Support the taxi industry through targeted fee reductions

Proposed FY 2019-2020 Operating Budget (\$M)

OPERATING (ONGOING)	FY 2017 Actual	FY 2018 Amended *	FY 2018 Projection **	FY 2019 Proposed	FY 2020 Proposed
Revenues	\$ 1,393.1	\$ 1,110.6	\$ 1,183.5	\$ 1,214.2	\$ 1,268.0
Expenditures	\$ 1,371.5	\$ 1,085.1	\$ 1,183.5	\$ 1,214.2	\$ 1,268.0
Revenues Less Expenditures	\$ 21.6	\$ 25.5	\$ 0.0	\$ 0.0	\$ 0.0

* FY 2018 amended includes a correction between the capital and operating budget
 ** FY 2018 projection includes contract carryforward balances and spending of encumbrances rolled from FY 2017

Expenditures by Category (\$M)



- Capital Projects
- Services from City Departments
- Rent and Building
- Materials and Supplies
- Salaries and Benefits
- Use of Reserves
- Insurance, Claims, Payments to Agencies and Other Items
- Equipment and Maintenance
- Contracts and Other Services

Total Funded Positions

DIVISION POSITION BUDGET (Number of FTEs)	FY 2018 Amended Budget	FY 2019 Proposed Budget	FY 2020 Proposed Budget	Change
Transit	4,110	4,270	4,402	+298
Sustainable Streets	702	685	685	-17
Finance and Information Technology	398	407	407	9
Capital Programs and Construction	214	209	209	-5
Human Resources	169	167	167	-2
Communications	44	41	41	-3
Taxi and Accessible Services	31	30	30	-1
Other Divisions	24	30	28	+4
TOTAL	5,692	5,839	5,969	277

- **Central Subway service to begin operations in December, 2019**
- **40 new LRVs by the end of 2019**
- **80 new buses by the end of 2019**
- **Full opening of the new Islais Creek Bus Maintenance Facility**
- **Workforce training to enhance Muni safety and train the next generation of maintenance and craftspeople**

Service Realignment

Added Service		
Line	Source	Realignment Type
T Third	Central Subway	New alignment, increased service, longer trains
J Church	New LRV	Peak period from 9 to 8 min
K Ingleside	New LRV	Peak period from 8.5 to 8 min
L Taraval	New LRV	Peak period from 9 to 8 min
M Oceanview	New LRV	Peak period from 9 to 8 min
N Judah	New LRV	Peak period from 7 to 4 min, possibly longer trains
9R San Bruno Rapid	Equity Strategy	60' bus
12 Folsom	Equity Strategy	Add service
29 Sunset	Equity Strategy	Add service
30 Stockton	Equity Strategy	60' bus
44 O'Shaughnessy	Equity Strategy	Add service
48 Quintara	Equity Strategy	Add service all day to Beach
56 Rutland	Equity Strategy	Add service

Service Efficiencies/Reductions	
Line	Realignment Type
1 California	Reduce frequency by approximately ½ minute
30 Stockton (Chestnut)	Reduce frequency by several minutes
41 Union	Reduce frequency by approximately 1 minute
44 O'Shaughnessy	Move terminal
N Judah - Weekend	1 car trains on weekend

 Denotes Muni Service Equity Strategy service changes

- SFMTA monitors ridership on a continual basis and adjusts service to meet demand
- In compliance with Title VI of the Civil Rights Act of 1964, the SFMTA conducted an equity analysis on the proposed fare and service changes for the next two fiscal years
- Equity analysis resulted in no findings of disparate impacts on minority populations or disproportionate burdens on low-income populations

Transit Fare Changes

Change 1

Increase single-ride cash fare differential to \$0.50 (\$0.25 for reduced fare) to incentivize pre-payment

Change 2

Limit Monthly “A” Pass to 20% premium above “M” Pass

Change 3

Implement fare differential for Visitor Passports to incentivize prepayment

Change 4

Adopt new low-income single-ride fare (Clipper only) product to meet the needs of low-income riders and complement the Monthly Pass program

Change 5

Implement a new Adult Day Pass (without Cable Car) at 2.0x the regular fare to increase flexibility for regular customers and incentivize pre-payment

Change 6

Authorize a 10% discount for bulk purchases of 100 or Cable Car tickets and Passports

Change 7

Expand the use of institutional pass models to other groups and organizations

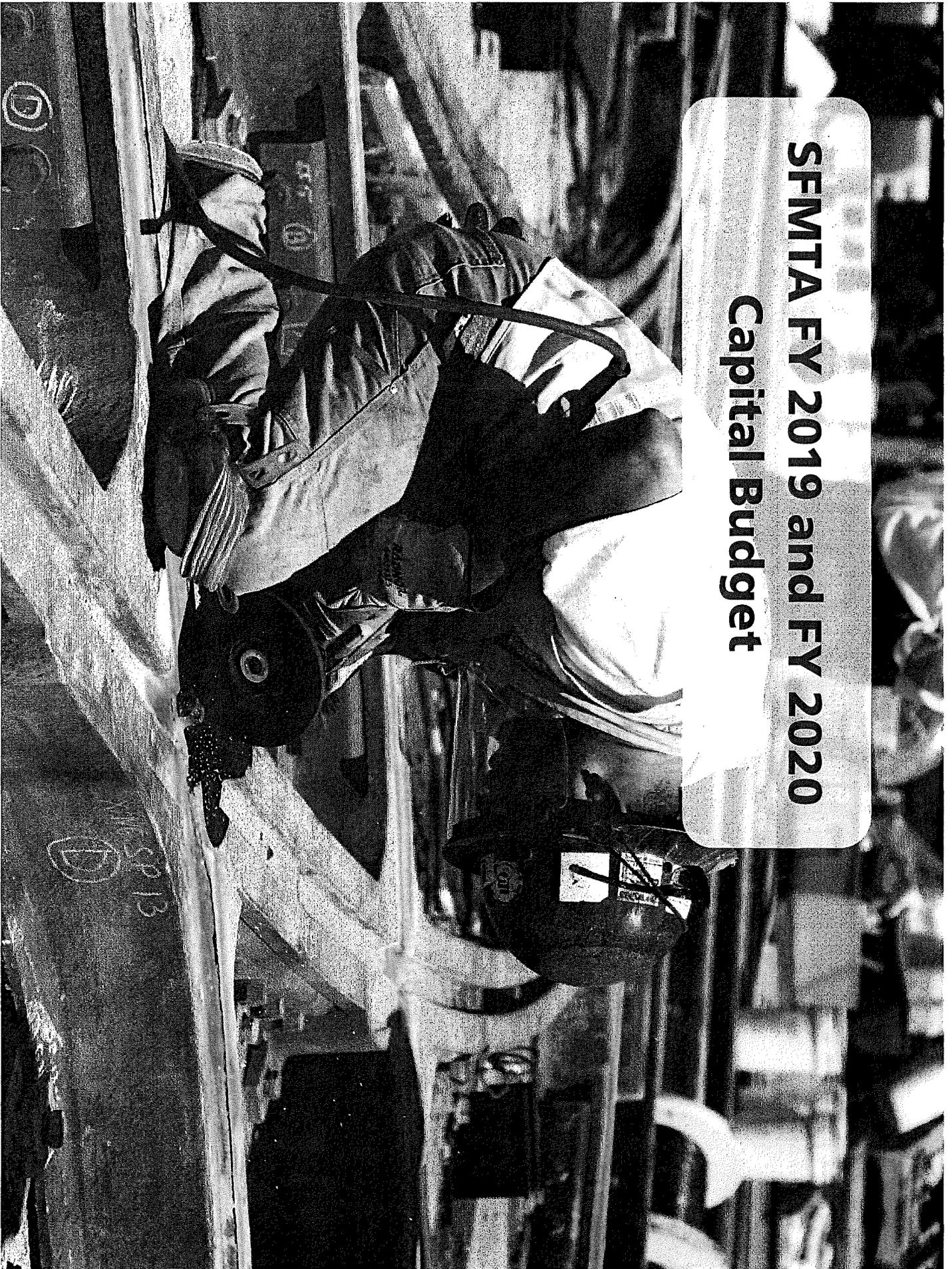
Note: A cash fare differential is the difference in price between the same fare purchased using cash and MuniMobile or Clipper

Uncertainty and Risk

Senate Bill 1 (SB1) Repeal

- 2017 landmark transportation funding package
 - Most significant state commitment to public transit in more than 40 years
 - More than \$700 million for public transit systems across California
 - SFMTA will receive directly \$37M annually in new revenue for operating and capital budgets
 - \$27M per year for operating
 - \$9.5M per year for State of Good Repair capital projects
 - \$23M per year for paving (through Department of Public Works)
 - SFMTA expects to secure funding from other SB1-funded State competitive grant programs
 - Proposed November 2018 ballot measure would repeal SB 1
- ### Other Risks
- Upcoming labor negotiations
 - Future economic impacts on the General Fund

**SFMTA FY 2019 and FY 2020
Capital Budget**

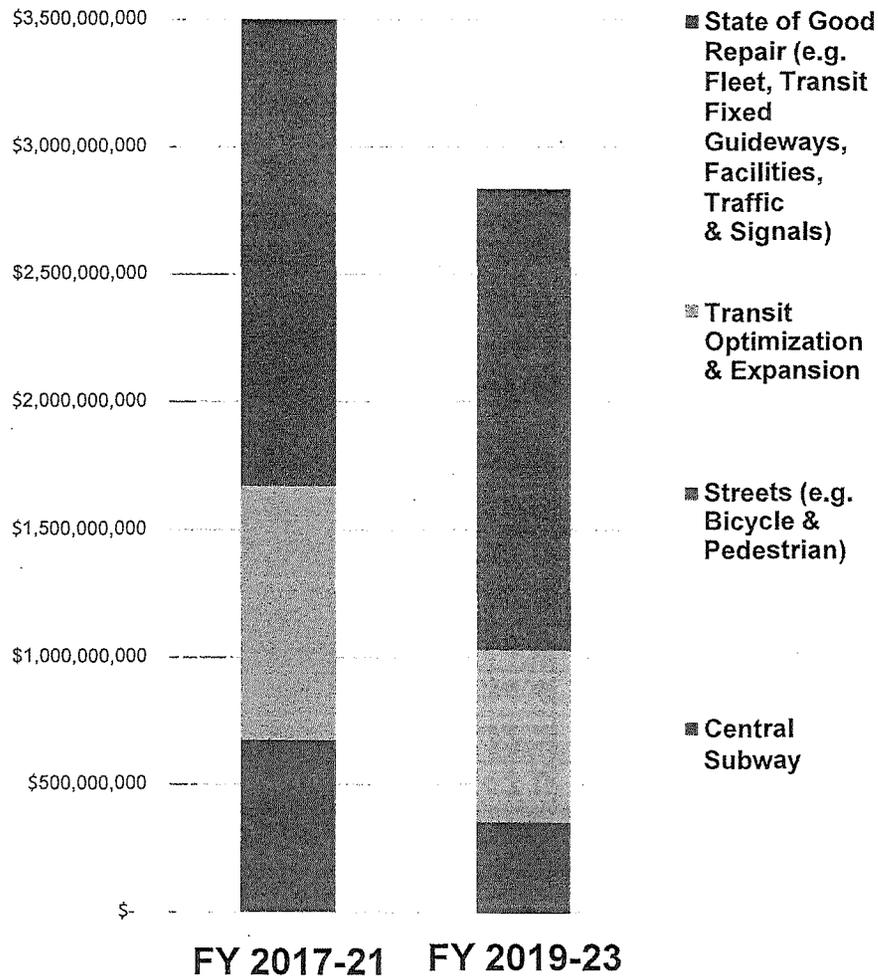


CIP by Capital Program (\$M)

Capital Program (\$M)	FY19	FY20	FY21	FY22	FY23	2-Year Total	5-Year Total
Central Subway	\$43.0	\$41.0	\$0.0	\$0.0	\$0.0	\$84.0	\$84.0
Facility	\$32.2	\$53.5	\$93.6	\$28.1	\$21.0	\$85.7	\$228.3
Fleet	\$184.4	\$98.8	\$145.9	\$216.5	\$253.0	\$283.2	\$898.6
Others	\$6.9	\$10.5	\$8.4	\$8.3	\$6.7	\$17.4	\$40.8
Parking	\$0.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.9	\$0.9
Signals	\$6.6	\$27.9	\$16.7	\$5.5	\$4.4	\$34.5	\$61.1
Streets	\$40.6	\$54.2	\$105.8	\$42.4	\$32.1	\$94.8	\$275.2
Taxi	\$0.5	\$0.2	\$0.2	\$0.2	\$0.2	\$0.7	\$1.3
Transit Fixed Guideway	\$57.6	\$59.5	\$90.6	\$82.3	\$89.6	\$117.2	\$379.7
Transit Optimization	\$140.9	\$285.1	\$215.6	\$135.5	\$46.9	\$426.0	\$823.9
Total	\$513.5	\$630.8	\$676.8	\$518.7	\$453.9	\$1,144.3	\$2,793.8


Capital Budget

Revenue of Current & Proposed CIP



FY 2017-21 CIP

367 Projects
\$3.4 Billion Total Investment

- \$402 M Central Subway
- \$239 M fixed guideway projects
- \$372M / yr. state of good repair
- Full replacement of rubber tire fleet
- *Muni Forward* project implementation
- *Safer Streets*
- Expanded bicycle network

FY 2019-23 CIP

221 Projects
\$2.8 Billion Total Investment

- \$88 M Central Subway
- \$425 M fixed guideway investment
- \$339M/ yr. State of Good Repair
- High Injury Network
- Continued fleet procurement and rehab

Transit Capital Priorities

Central Subway

- Project to be completed in 2019

Fleet

- Replacement and expansion (Motor Coach, Trolley Coach, LRV and Paratransit)



Facilities

- Potrero Facility reconstruction
- Muni Metro East expansion
- Facility condition assessment implementation

Transit Optimization & Expansion

- 22 Fillmore Transit Priority
- Geary Rapid
- 28 19th Avenue Rapid

Transit Fixed Guideway

- Twin Peaks Rail Replacement Project
- State of good repair
- Upgrade of the subway automated train control system
- Overhaul of the cable car infrastructure
- Key substation upgrades



Sustainable Streets Capital Priorities

Bike

- *Vision Zero* Bikeway Upgrades program
- Spot Improvements program
- Bike Traffic Signals program
- Neighborways program
- State of Good Repair (e.g., colored markings, delineators)
- Bike Share program support

Pedestrian

- *Vision Zero* supportive programs, including:
 - Automated Speed Enforcement
 - Project/program evaluation and reporting
 - SFDPH analysis and monitoring
- WalkFirst Quick and Effective capital program
- Safe Routes to School

Traffic Calming

- Expand application-based program
- New program focused on children, seniors and people with disabilities
- Spot Improvements program
- Speed humps on 15mph streets



Traffic Signals

- Gough Corridor Signal Upgrade
- Citywide Signal Upgrades
- Western Addition Area – Traffic Signal Upgrades

CIP Assumptions and Risk

Capital Improvement Program Assumes \$361M from New Revenue Sources that Require Voter Approval

\$190M from Regional Measure 3 (RM3) bridge toll increase

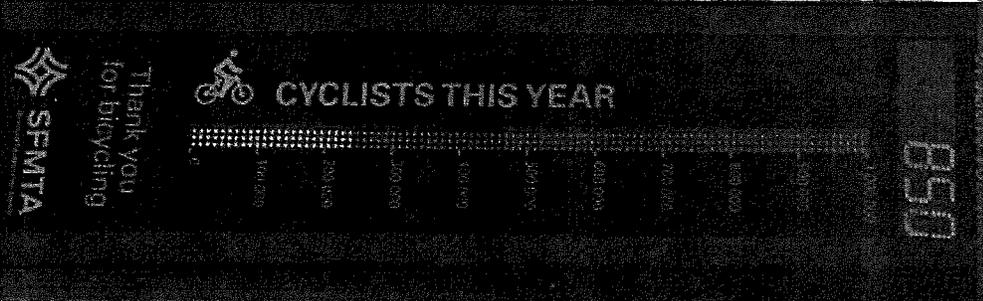
- June 2018 ballot measure in all nine Bay Area counties
- Would fund fleet expansion, facilities, and transit optimization projects to relieve congestion on the Bay Bridge corridor

\$171M from a new San Francisco revenue measure

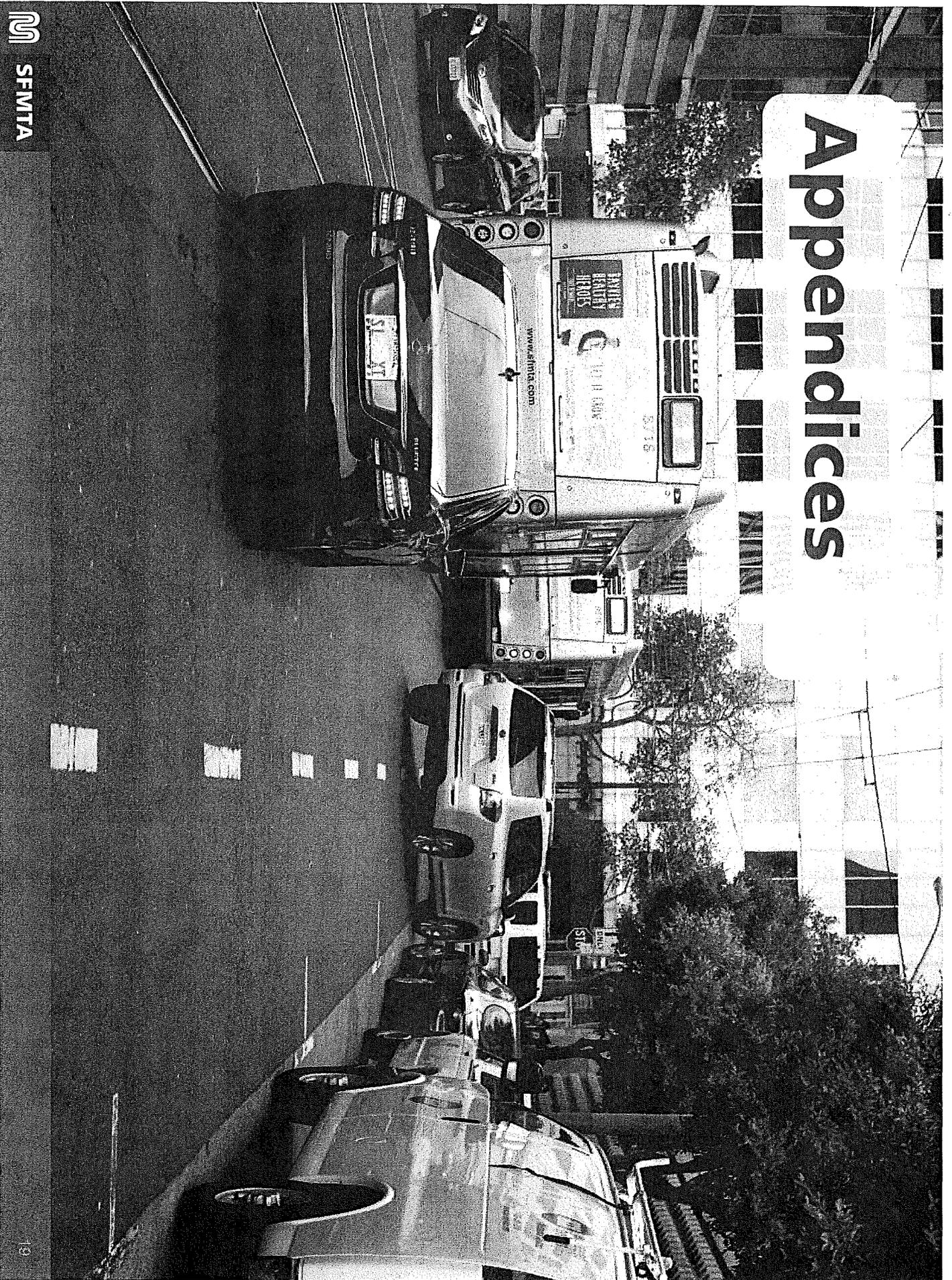
- Assumed in CIP for November 2018 San Francisco ballot
- Would provide needed funding for state of good repair, enhancement, streets and safety
- Initial allocation driven by current funding gaps for high priority programs



Thank You

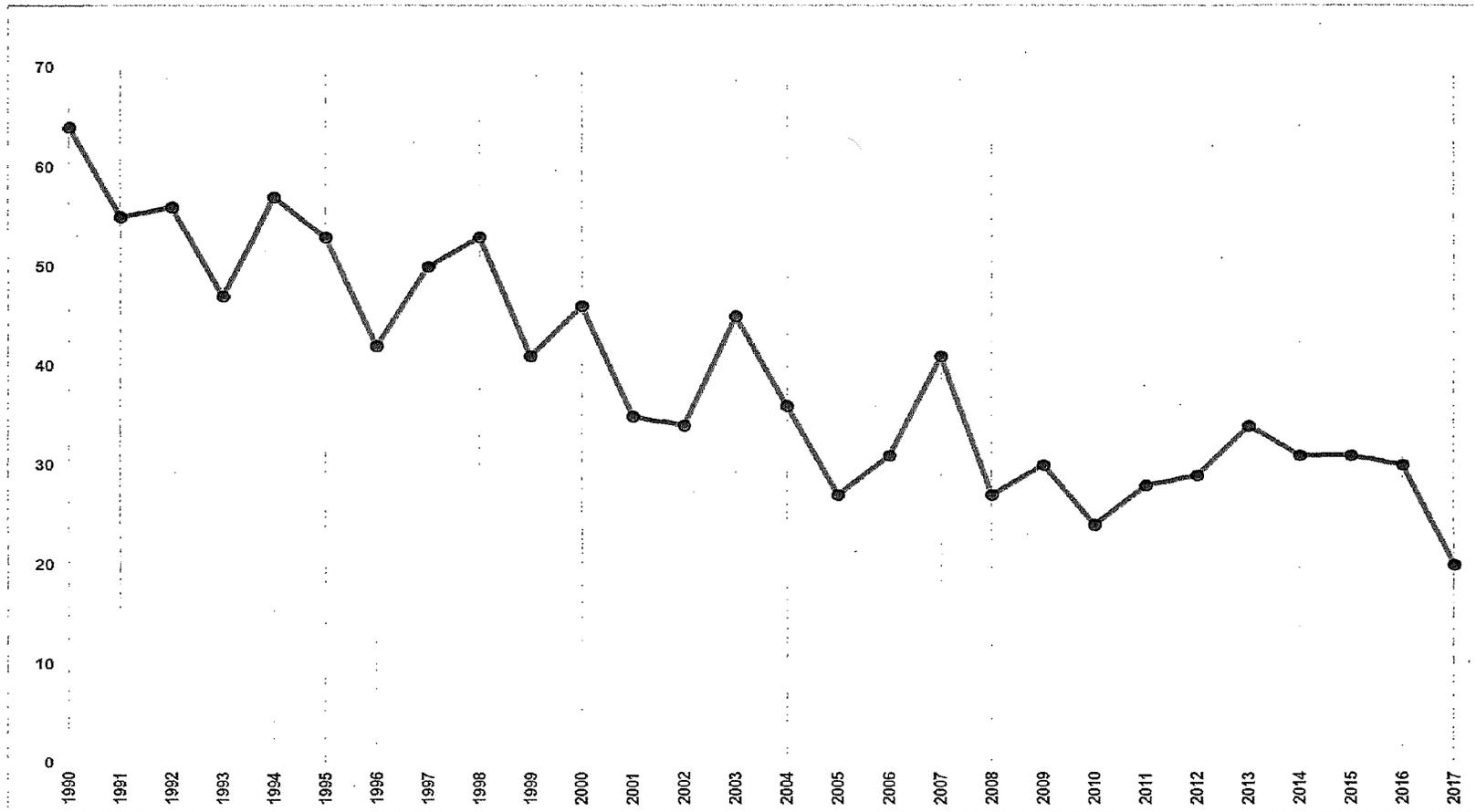


Appendices



Milestone Progress Toward Vision Zero

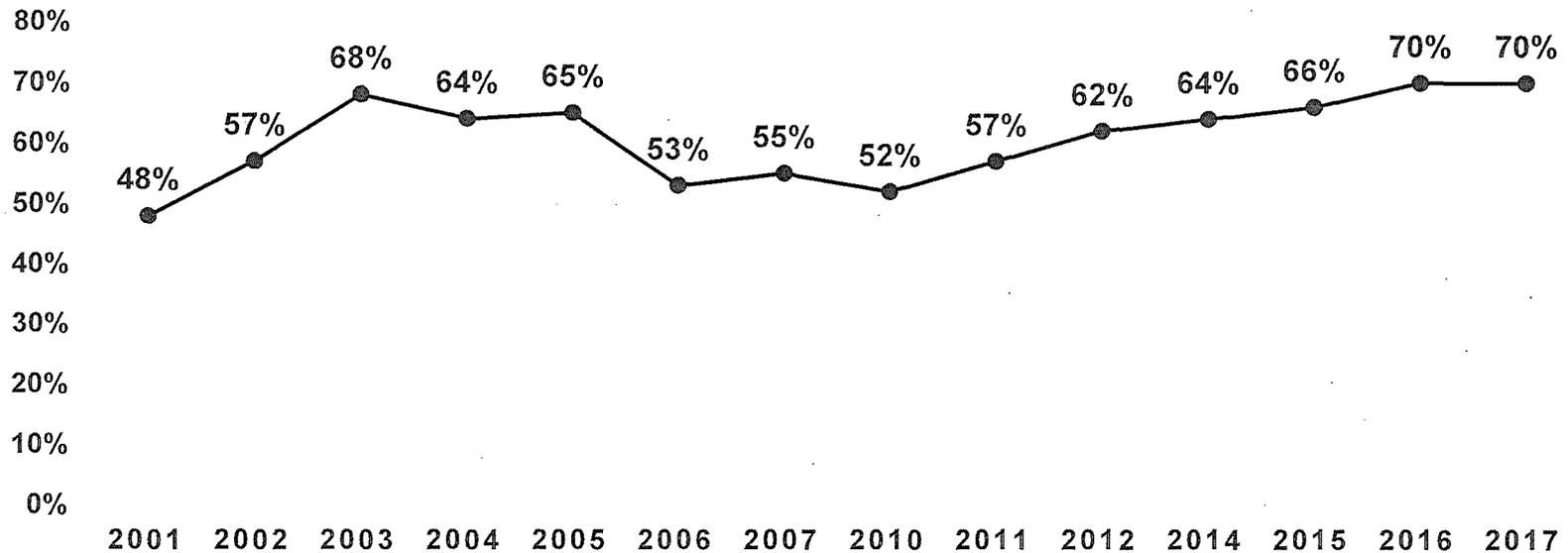
2017: Fewest Traffic Fatalities in Recorded History



**Traffic Fatalities on San Francisco Streets
1990-2017**

Muni Customer Service Ratings

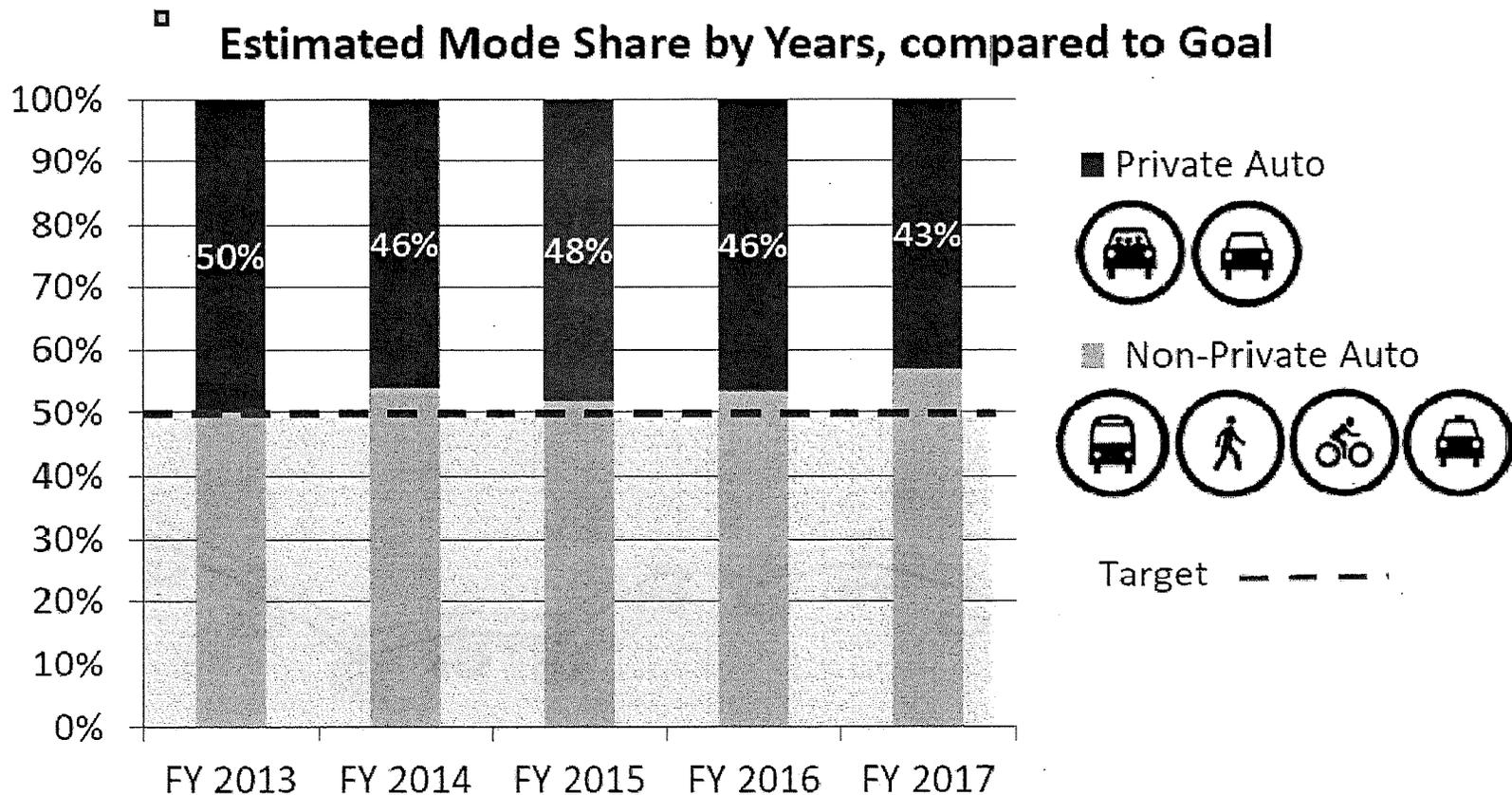
OVERALL RATING OF MUNI SERVICE EXCELLENT AND GOOD RATINGS COMBINED



- **10% service increase**
- **Newest fleet in the nation with 138 new buses added in 2017**
- **Train fleet being expanded to 215 LRVs**
- **250+ new buses coming in the next two years**

Promoting Alternatives Modes

57% Percent of Total Daily Trips by Sustainable Modes in 2017...80% by 2025 to Meet City Goals



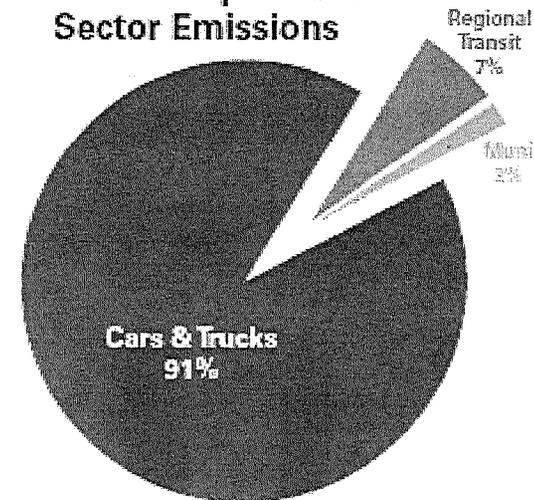
*Note: Variation from 50% goal is within the 3.5% margin for error

Protecting Our Climate

Muni: A Pioneer in Providing a Sustainable Mobility Option

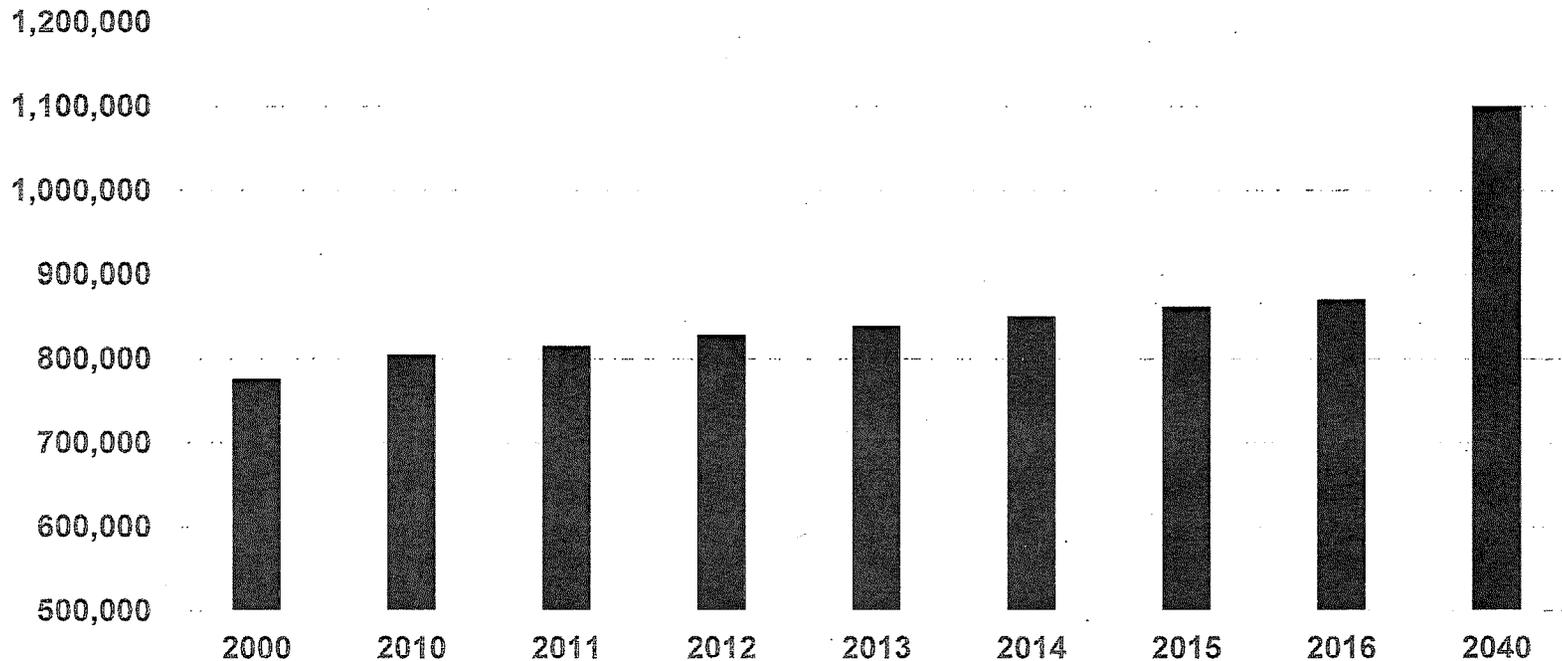
- Muni operates one of, if not *the*, greenest fleet in the United States
- Transportation sector is responsible for nearly half of all GHG emissions
- Muni accounts for 26% of daily trips, but <2% of transportation sector emissions
- Muni is one of only four transit agencies in the United States to receive the APTA Platinum Sustainability Certification

San Francisco
2015 Transportation
Sector Emissions



San Francisco Continues to Grow

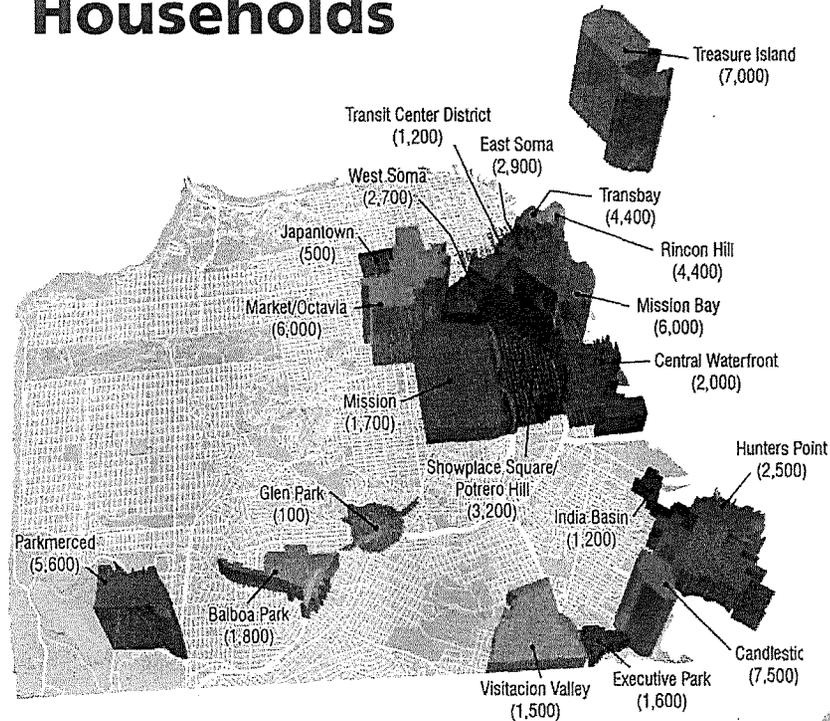
One of 20 Fastest-Growing Cities in the United States



- Population expected to reach 1.1 million by 2035 (~26% increase over current conditions)
- 80% of growth expected to occur in 20% of the city
- SF is second only to NYC in density

Planning for the Future

Households

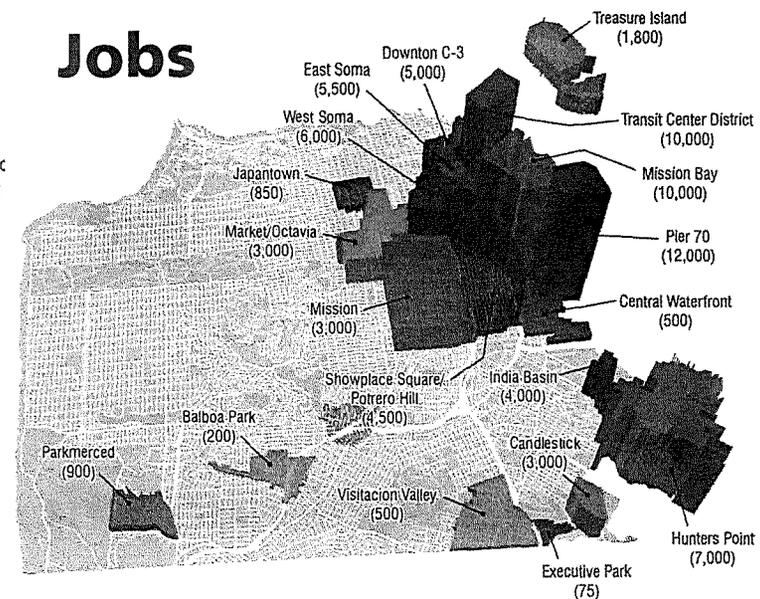


- Where San Franciscans are living and working is changing
- SFMTA needs to adapt to meet changing demands

San Francisco in 2040:

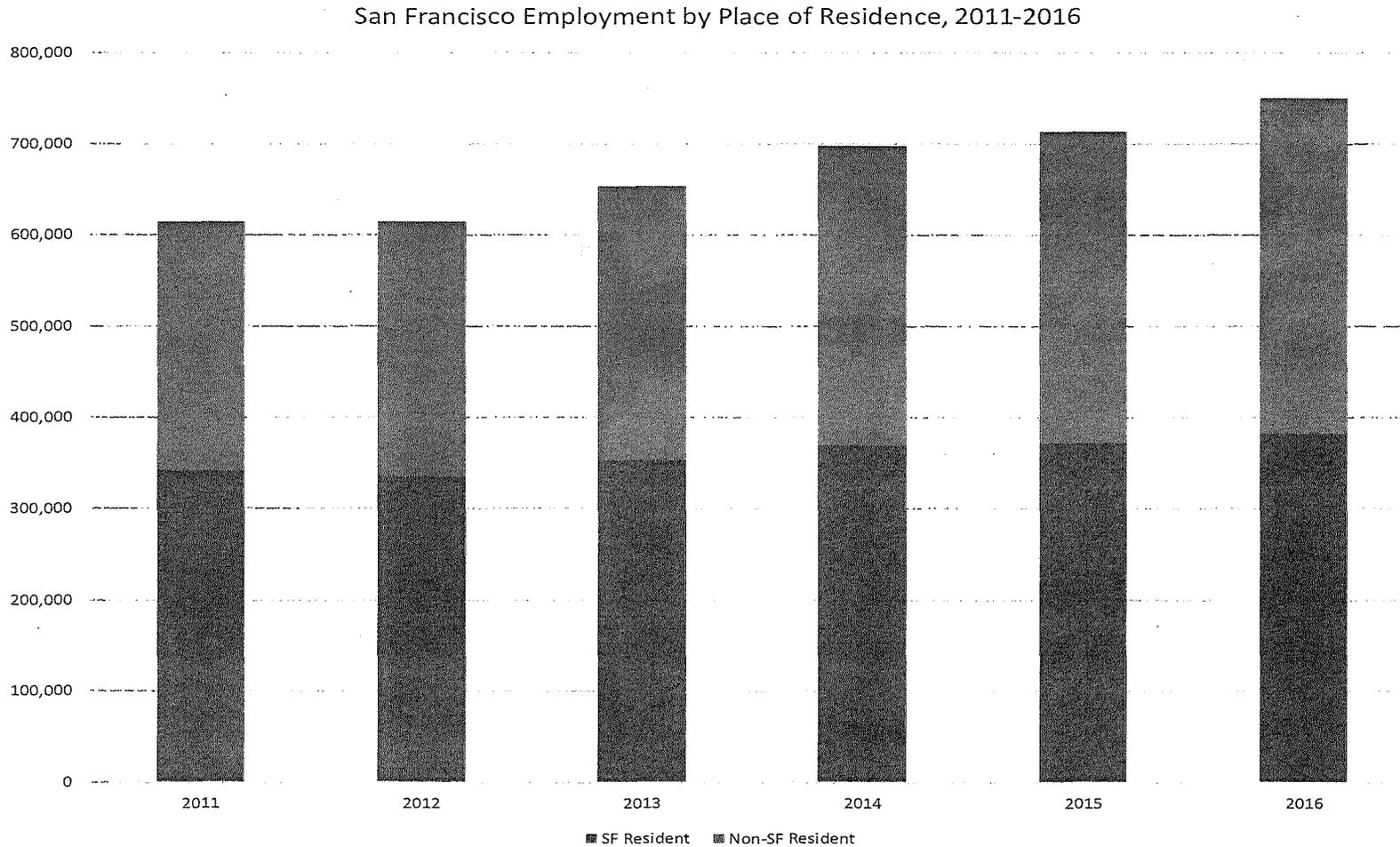
- + 100,000 households
- + 190,000+ jobs

Jobs



Low Unemployment: More Commuters

49% of All SF Jobs Held by In-Commuters in 2016



Strategic Plan

2018 SFMTA Strategic Plan Defines the Purpose of the Agency and Establishes Goals and Objectives

Element	FY 2013-2018 Strategic Plan	2018 SFMTA Strategic Plan
Vision	<i>San Francisco: great city, excellent transportation choices.</i>	<i>Excellent transportation choices for San Francisco.</i>
Mission	<i>We work together to plan, build, operate, regulate, and maintain the transportation network, with our partners, to connect communities.</i>	<i>We connect San Francisco through a safe, equitable, and sustainable transportation system.</i>
Goal 1	<i>Create a safer transportation experience for everyone.</i>	<i>Create a safer transportation experience for everyone.</i>
Goal 2	<i>Make transit, walking, bicycling, taxi, ridesharing and carsharing the preferred means of travel.</i>	<i>Make transit and other sustainable modes of transportation the most attractive and preferred means of travel.</i>
Goal 3	<i>Improve the environment and quality of life in San Francisco.</i>	<i>Improve the quality of life and environment in San Francisco and for the region.</i>
Goal 4	<i>Create a workplace that delivers outstanding service.</i>	<i>Create a workplace that delivers outstanding service.</i>

- Guides the Agency's various planning efforts and the development of long-term operating plans and the two-year operating and capital budgets
- 18-month public engagements process, which engaged a wide range of external and internal stakeholders

Expenditures (FY19/FY20)

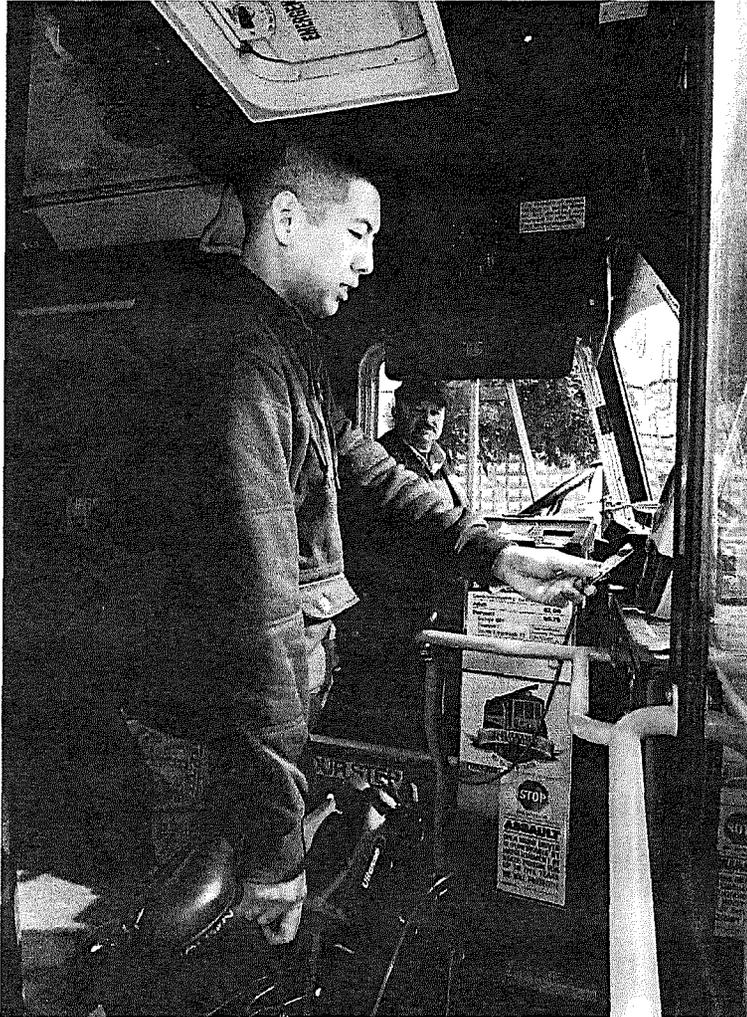
Operating Expenditure Assumptions:

- Divisional budget reductions (-\$17.3M/ -\$16.4M)
- Continuation of Free Muni for Low and Moderate Income Youth, Seniors and Disabled Riders
- Additional transit operating needs (+\$35.9M/+ \$63.4M)
 - Expanded Muni rail (LRV) and bus service
 - Central Subway operations
 - Opening Islais Creek bus maintenance yard
 - Recruitment and training for Muni maintenance and operations
 - Muni/BART station homeless services



- Other expenses above baseline:
 - Pension and healthcare projected costs (+\$12.3M/+ \$13M)
 - Increases to contracts and other costs (+\$7.2M/+ \$9.7M)
 - Increase in Caltrain operating support (+\$1M/+ \$2M)

Existing Low-Income Programs



- ***Free Muni*** for low- and moderate-income youth, seniors and people with disabilities
- ***Lifeline*** passes for low-income adults
- **50% discounted fares** for youth, seniors and people with disabilities
- **Discounted tokens** for social service agencies
- **Reduced fees for first time tow and low-income individuals**
 - **First tow \$93.75**, compared to \$186.75 regular price (available only to registered owner)
- **Payment plans and community service in lieu of fees** for parking and transit citations for low-income individuals

School Safety

- 195 SFMTA School Crossing Guards
- Budget: \$2.2M/year
- FY19 and FY20 budgets will fund an additional 20 positions
- Hiring is open year-round and the position is best suited to people who desire part-time employment (retirees, etc.)
- The SFMTA is working with the SFUSD to:
 - Recruit and retain qualified applicants
 - Manage the city's multiagency Safe Routes to School program, which includes:
 - Physical infrastructure and traffic calming improvements near schools
 - Education in schools to improve traffic safety and encourage safe, non-auto travel to school
 - Supporting community-based organizations that are working to improve school safety
 - Dedicated a full-time engineer who works directly with school principals and parents
 - Provide 20 Transit Assistants, who help middle and high school students safely navigate the trips to and from school on Muni
 - Coordinate Muni "school tripper" bus schedules
 - Issue 1,032 teacher parking permits, allowing teachers to park in certain Residential Permit Parking (RPP) zones



Assumptions and Risks

Operating Revenue Assumptions (FY19/FY20):

- State SB 1 (+\$27M/+\$27M)
- Revised estimates for General Fund baseline transfers from the Controller's Office (+\$15.8M/+\$37M)
- State and regional operating grant estimates from MTC (+\$13.6M/-\$2.6M)
- Use of Reserve Funds to support one-time operating expenditures (+\$9.7M/+\$39.8M) – does not include \$10.6 million, which is in the capital budget, to support cash flow for the Arena platform contract
- Fare and parking revenues from the Mission Bay Arena (+\$2M/+\$2M)
- Additional reduced fees for the taxi program (-\$.5M/-\$0.5M)
- Board-approved automatic indexing policy and cost recovery calculations for various fares, fees, fines, rates and charges (in baseline)



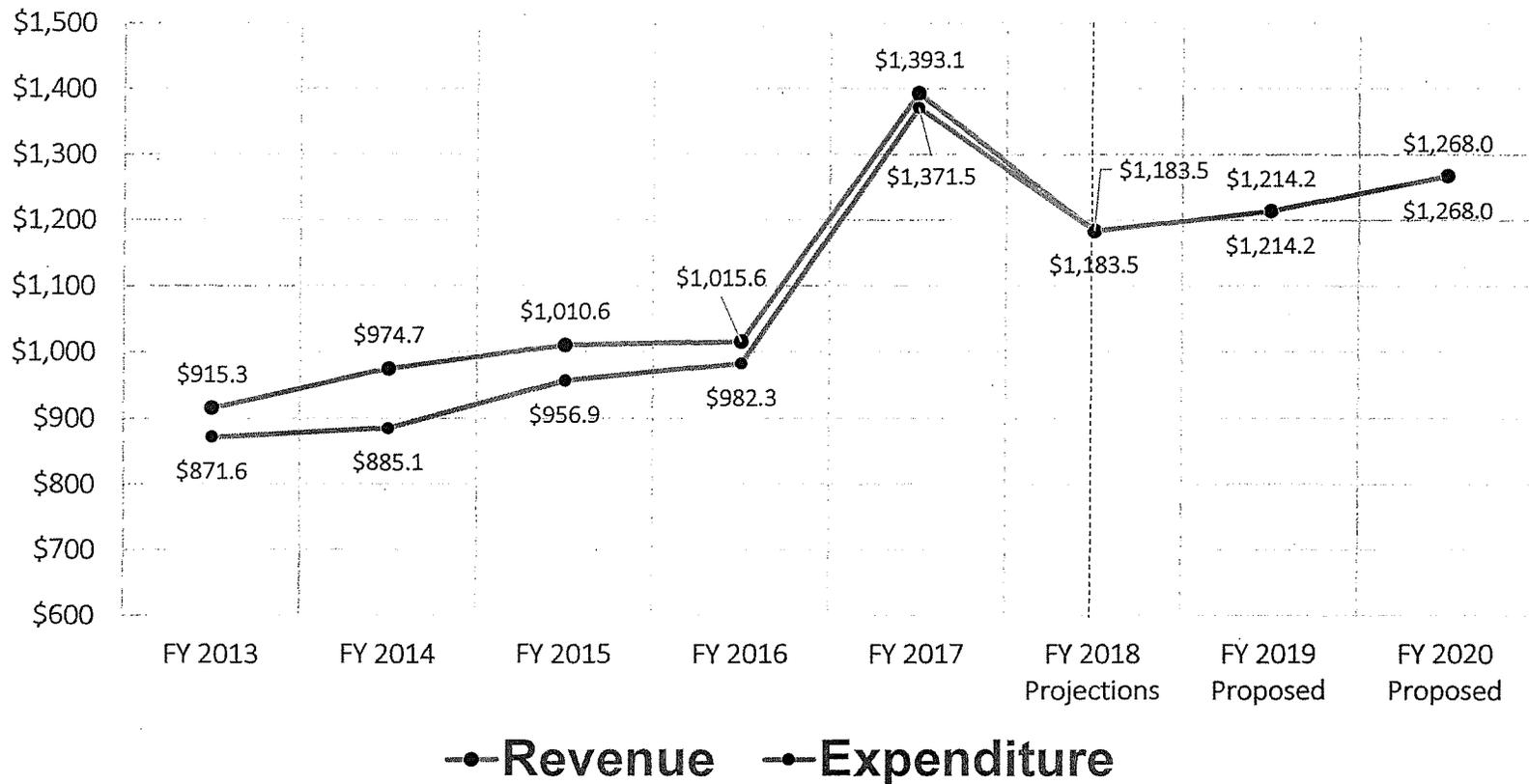
New Funded Positions

Promoting Transit Ridership and Supporting *Transit First* Policy by Expanding and Improving Muni Service

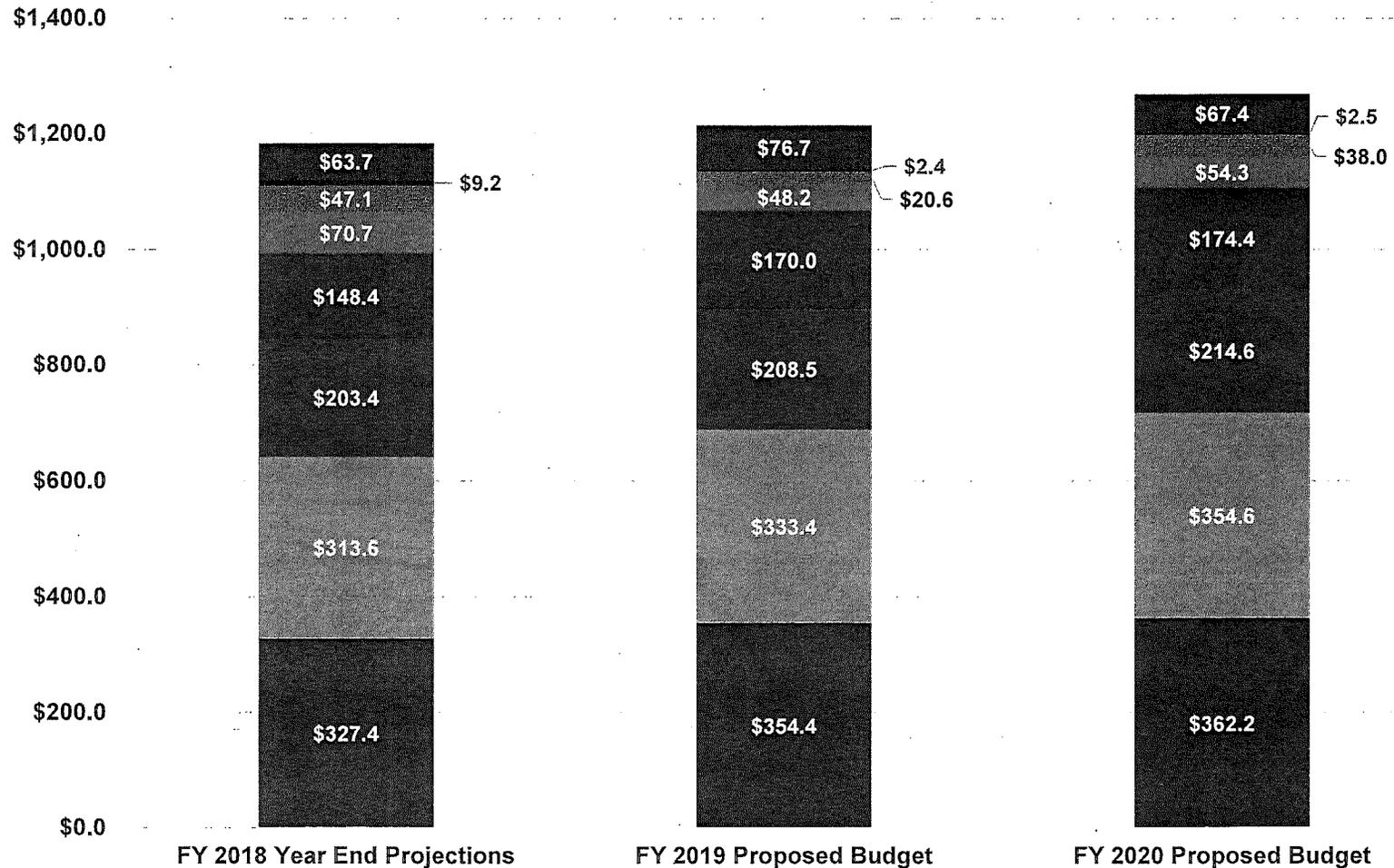
Work Function	# of New Positions
Central Subway	66
Expanded Muni Metro Rail Service	152
Islais Creek Bus Maintenance Facility	78
Muni Workforce Training	23
Non-Revenue Fleet Maintenance	4
TOTAL	323

- **Central Subway service to begin operations in December, 2019**
- **40 new LRVs by the end of 2019**
- **80 new buses by the end of 2019**
- **Full opening of the new Islais Creek Bus Maintenance Facility**
- **Workforce training to enhance Muni safety and train the next generation of maintenance and craftspeople**

Revenues and Expenditures: FY 2013-2020 (\$M)



Operating Revenue by Source

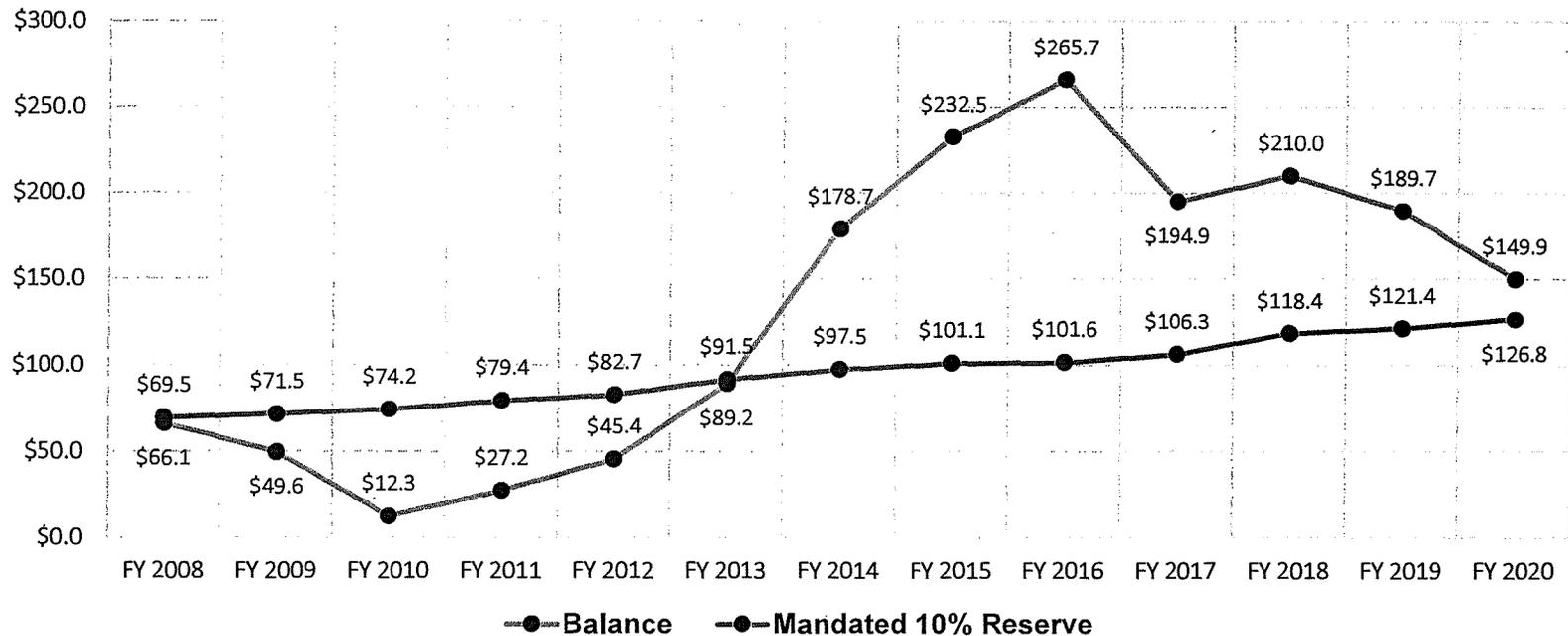


- Parking and Traffic Fees & Fines
- Transit Fares
- Other (Advertising, Interest and Service Fees)
- Taxi Services

- General Fund Transfer
- Operating Grants
- Use of Available Fund Balance
- Capital Projects

Fund Balance

Growth in Fund Balance (\$M) Over Past 10 Years Offset by Board Approved Transfer for FY 2018
Balance Still Well Above 2007 Board-Approved Reserve Policy (10%)

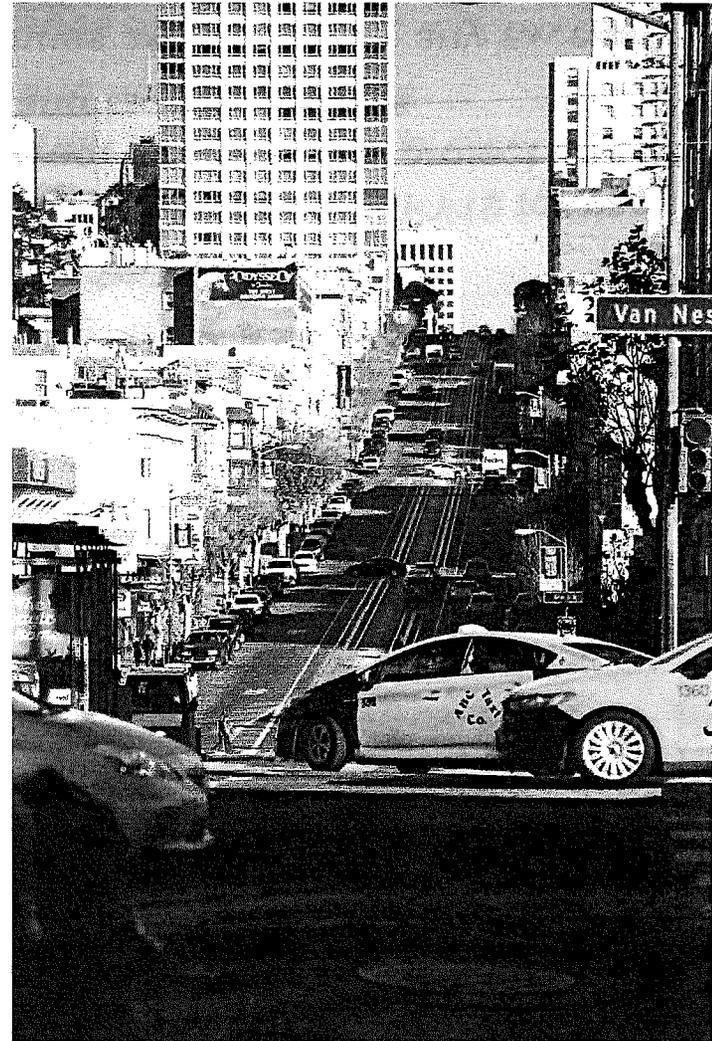


- The FY 19 and FY 20 Budget proposes to use \$10.6 million in FY19 for cash flow purposes to support the platform contract for the Arena project and an additional \$49.5M for one-time equipment and facility projects
- FY 18-20 Fund Balances assume that revenues are at budget; any excess will increase amounts

Supporting the Industry: Taxi Fees

Over the past four years, the SFMTA has reduced or waived taxi-related fees and foregone an estimated \$9.5M

- The Taxi Driver permit (A-Card) renewal will be free for FY18-19 and FY19-20 as part of the Taxi Driver Fund disbursement
- Legislation has been introduced at the Board of Supervisors that would waive the business registration fee (approximately \$100 annually) for Taxi Drivers for the next two years
- SFMTA waives the Medallion Renewal Fee for medallion holders who purchased their medallions



Further Reductions to Taxi Fees

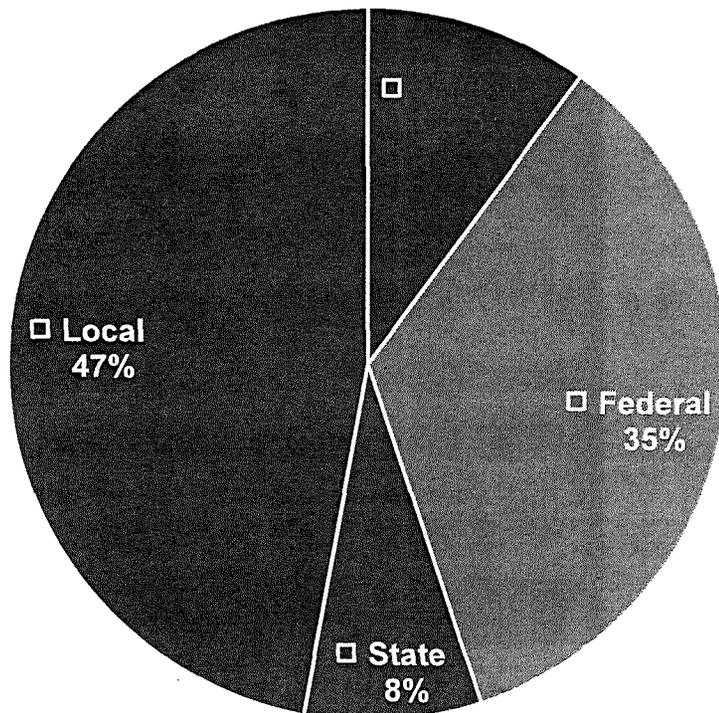
Based on feedback from taxi drivers throughout the budget outreach process, the following revisions have been made to the FY 2019 and FY 2020 Budget



- 50% reduction to the medallion renewal fee for Prop K medallion holders
- 50% reduction to the taxi stand application fee
- Reduction to the color scheme renewal fee (FY 19):
 - 1-5 medallions: -39%
 - 6-15 medallions: -5%
- Increase to the initial color scheme application fee (FY19):
 - 1-5 medallions: +48%
 - 6-15 medallions: +12%

CIP Funding Sources

\$2.8 Billion: More Than 30 Different Sources



Regional

- Bridge Tolls
- Regional Measure 3 (RM3)

Federal

- Federal Transit Administration formula funds
- Capital Investment Grant program

State

- Senate Bill 1 (SB1)
- Transit and Intercity Rail Capital Program (TIRCP)
- Statewide Transportation Improvement Program (STIP)

Local

- General Fund (Prop B population based)
- General Obligation Bond
- Transit Sustainability Fee
- Prop K Sales Tax
- Prop A Vehicle Registration Fee
- Developer Fees
- SF New Revenue Measure

Public Engagement

The SFMTA conducted an extensive multilingual public outreach campaign to inform and solicit input from stakeholders and the public about the budget:

- **Traditional media channels in multiple languages**
 - Newspaper ads
 - Information cards on buses and trains
- **Digital media channels**
 - SFMTA website
 - Facebook
 - Twitter
 - Blogs
 - Email messages to district stakeholders (450 subscribers)
 - Dedicated email address to capture questions and comments
- **Town Hall Meeting (Friday, March 2)**
 - Co-hosted by Senior Disability Action
 - More than 50 attendees engaged with senior agency staff to provide input to the FY2019-2020 budget
- **Online Town Hall (Wednesday, March 7)**
 - Live streamed via the SFMTA website, YouTube, Facebook and Twitter
 - Public submitted questions during the program
 - Facebook (406 viewers, 1,400 engagements)
 - YouTube Stream (22 views, 8 concurrent viewers)
 - YouTube Views (245 additional views)
 - Granicus player (15 views)
 - SFGov TV Channel
- **Committee and council presentations**
- **Stakeholder meetings**
- **Internal communications and in-reach to SFMTA staff**

Language Assistance

- SFMTA meets Federal Title VI guidance related to language access
- In FY 2016-17, more than \$600,000 (nearly 30%) of the SFMTA's communications program budget was allocated to fulfilling language needs
- Additional funds were used to support specific programs, such as Vision Zero
- Ways we provide language assistance:
 - 311 Free Language Assistance Tag/ LanguageLine assistance
 - Multilingual outreach ambassadors
 - Surveys, alerts, fare and other vital information in multiple languages
 - Language-neutral iconographics on new vehicles
 - Interpretation services for public meetings (with 48 hours notice)
 - In-language creative and ad placements
 - Training for Public Outreach and Engagement Team (POETS) staff to work with communities, including meeting language needs

ALERT

VZ Ad Chinese



Bus Substitution

Friday 11pm – Saturday 9am

Saturday 11pm – Sunday 9am

Forest Hill and West Portal stations closed

Servicio sustituto en bus

Viernes 11pm – Sábados 9am

Sábados 11pm – Domingo 9am

Las estaciones West Portal y Forest Hill están cerradas

替代巴士

星期五 11pm – 星期六 9am

星期六 11pm – 星期日 9am

Forest Hill 和 West Portal 關閉

Pagpapalit ng Bus

Biyernes 11pm – Sabados 9am

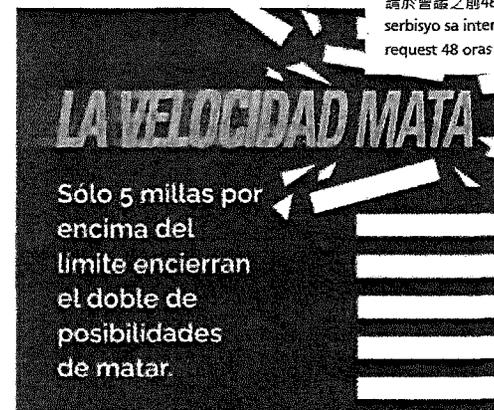
Sabados 11pm – Linggo 9am

Sarado istasyon sa Forest Hill at West Portal



Language Assistance

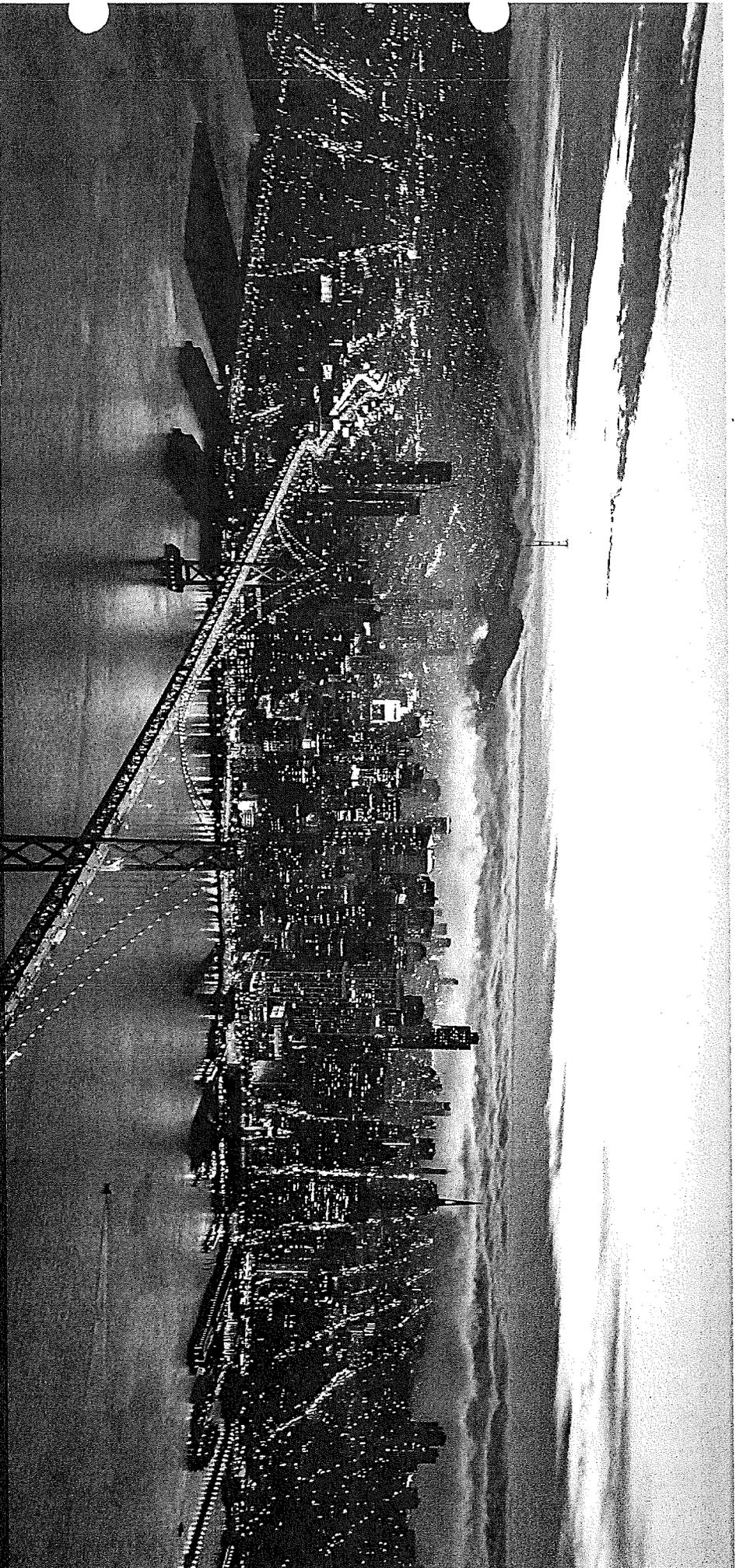
☎ 415.701.4387: For free interpretation services, please submit your request 48 hours in advance of meeting. / Para servicios de interpretación gratuitos, por favor haga su petición 48 horas antes de la reunión. / 如果需要免費口語翻譯，請於會議之前48小時提出請求。 / Para sa libreng serbisyo sa interpretasyon, kailangan mag-request 48 oras bago ang miting.



Budget Timeline

Public Discussions and Meetings	Date
SFMTA Board Budget Workshop	January 23, 2018
1st SFMTA Citizen's Advisory Committee (CAC) Meeting	February 1, 2018
1st Public Hearing at SFMTA Board	February 20, 2018
1st SFMTA Finance and Administration Committee (FAC) Meeting	February 21, 2018
1st Budget Town Hall Meeting	February 28, 2018
2nd SFMTA CAC Meeting	March 1, 2018
Online Town Hall Meeting	March 2, 2018
2nd Public Hearing at SFMTA Board	March 6, 2018
2nd SFMTA FAC Meeting	March 7, 2018
2nd Budget Town Hall Meeting	March 15, 2018
3rd Public Hearing at SFMTA Board	March 20, 2018
SFMTA CAC Approval	March 22, 2018
FY 2019 & FY 2020 Budgets Adopted by the SFMTA Board	April 3, 2018
Submission of Approved Budget to Mayor and Board of Supervisors (per City Charter requirements)	May 1, 2018
Board of Supervisors First Hearing	May 17, 2018
Board of Supervisors Second Hearing	May 24, 2018

Budget information available in multiple languages at sfmta.com/budget



THANK YOU

PORT OF SAN FRANCISCO
Fiscal Years 2018-19 and 2019-20 Proposed Budget

UPCOMING & ONGOING Port Opportunities

Development Agreements Coming to Fruition

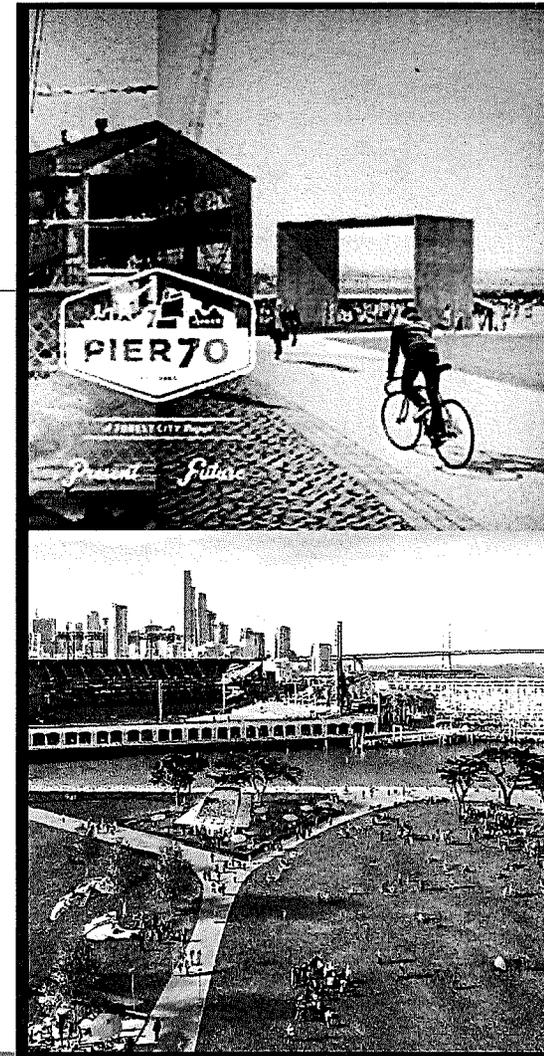
- ✓ **Spring 2018 broke ground** on Forest City Pier 70 Waterfront Site
- ✓ **Spring 2018 Project approval** for Mission Rock
- ✓ **14,000 Jobs** created on new commercial sites
- ✓ **3,500 Residential Units** including 1,200 affordable units

Southern Waterfront Cargo/Industrial

- ✓ **\$8.5 Million** investment at Backlands for commercial leasing space
- ✓ **1.2 Million sq. feet** for new auto, construction lay-down & waste management
- ✓ **30,000 – 80,000** autos imported through Pier 80
- ✓ **50 Union jobs** per ship call

Southern Waterfront Parks and Open Space

- ✓ **3 Major parks** at Mission Rock, Crane Cove Park and the Pier 70 Waterfront
- ✓ **17 Acres new park space**, including 1 Children's playground at Irish Hill



UPCOMING & ONGOING Port Challenges

Seeking a Tenant for the Pier 70 Shipyard

- ✓ RFP issued in April to identify a new operator

Underutilized facilities

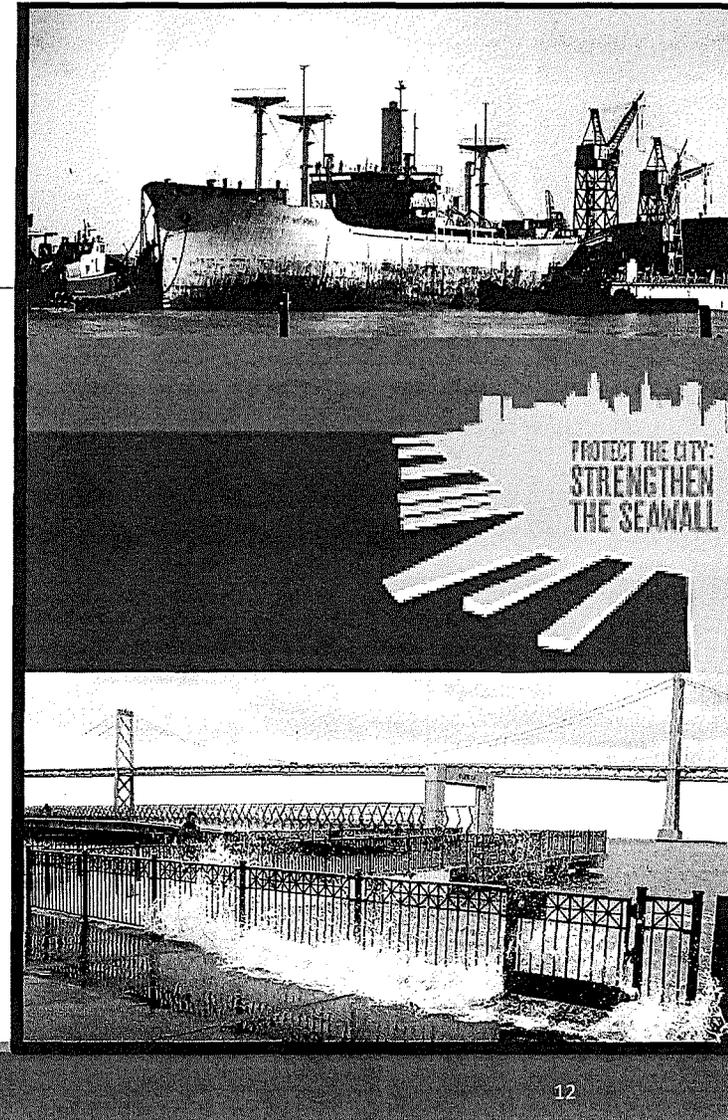
- ✓ Waterfront Land Use Plan provides a vision to increased public uses and revenue generating potential from underused facilities

\$1.5 Billion Deferred Maintenance Need

- ✓ Investing **\$79.2 million** in capital in the next two years
- ✓ Creating a Project Management Office to speed delivery of capital projects

Seismic and Flood Risks

- ✓ Seawall Program underway with proposed bond measure and planning and engineering efforts
- ✓ \$250,000 in funding for Port wide resilience work in 2018-19



Capital Program Maritime - Ferries

5.4 million annual passengers Portwide

\$42.7 million Mission Bay Ferry Landing with WETA to add a southern waterfront stop to the existing ferry network

- ✓ **\$ 7.0 Million** funded in prior years
- ✓ **\$11.0 Million** proposed in FY 2018-19
- ✓ **\$24.7 Million** proposed for Regional Measure 3
- ✓ **10,000 Weekly Passenger Capacity** for growing center of employment, residence, & events

Other Port ferry initiatives:

\$75 Million Downtown Ferry Terminal Expansion, with WETA to add 3 new and upgraded landings

\$5 Million Alcatraz Landing facility improvements with the National Parks Service



Capital Program Seawall Program

1916 Seawall Construction Finished

3 Miles Historic Waterfront

72% Risk of Major Quake ~30 Years

36"-66" estimated Water Elevation by 2100

\$25 Billion Protected Assets

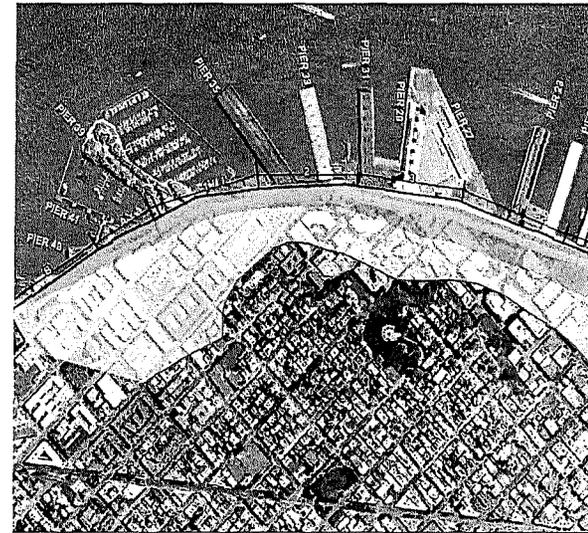
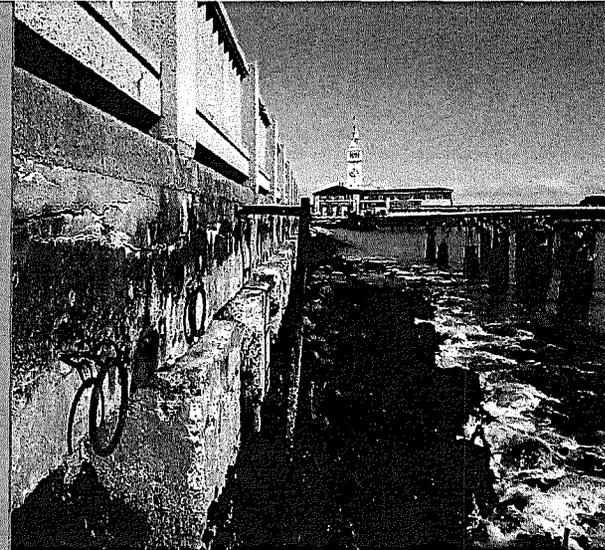
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**\$500 million** Immediate Life-Safety

**\$425 Million** Proposed GO Bond for  
November 2018 election

**\$6.35 Million** Proposed for FY 2018-19

- ✓ General Fund (\$5M), Port (\$1.1M) and Planning (\$0.25M)
- ✓ Support Planning Phase

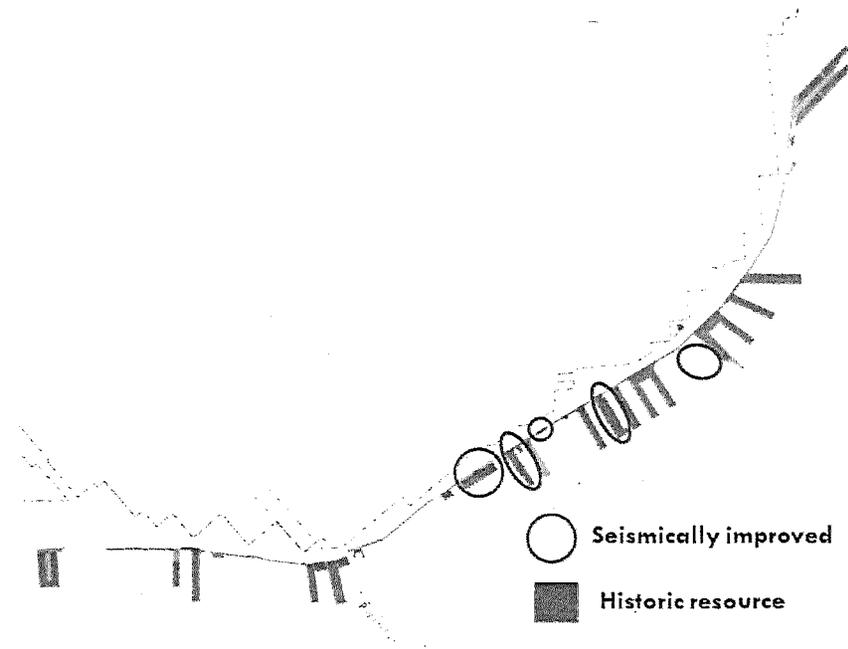


# Capital Program

## Funding and Delivery Tools – Request for Information

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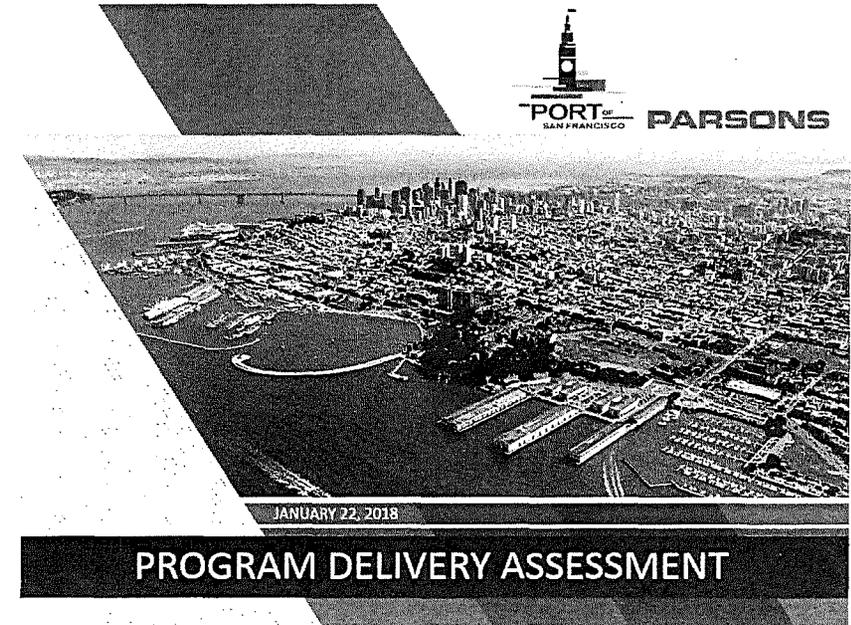
- The Port's Waterfront Land Use Plan update called for new ideas to address capital needs of historic piers
- A Request for Information (RFI) will be released to the public to address 13 of 20 piers in need of major capital and seismic upgrades
- Seeking ideas from Prospective Master and Smaller Tenants for:
  - ✓ Public-oriented concepts in Embarcadero Historic District
  - ✓ Targeted proposals for rehabilitation of historic piers that improve facilities while making waterfront even more public-serving
  - ✓ Balance expensive pier rehab and public-oriented uses with higher-value production distribution and repair (PDR) and office space



# Capital Program

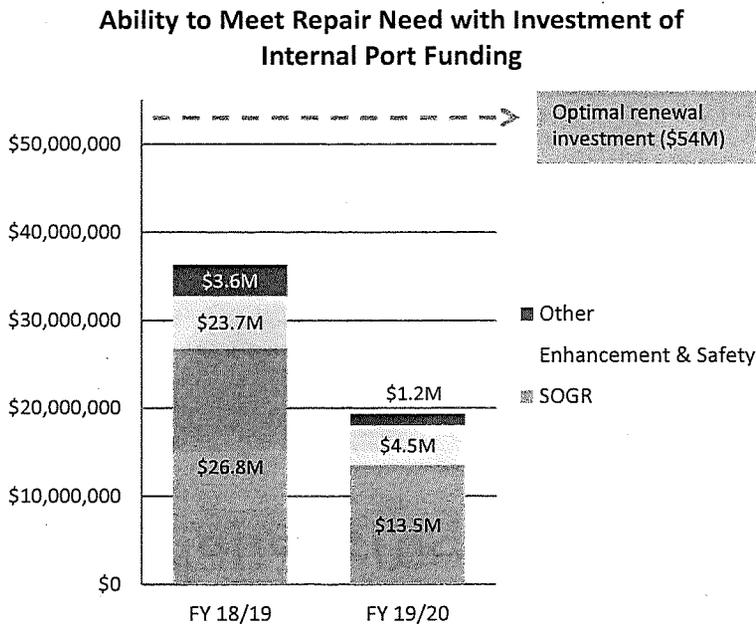
## Improving Project Delivery – Project Management Office

- Consultant analysis recommended adding project management staff to deliver capital projects
- Proposal: \$2.5 million over two years, Six new FTE
  - ✓ Five project managers
  - ✓ One analyst
- Anticipated benefit:
  - ✓ Complete an additional 10-15 projects per year
  - ✓ Improved internal coordination and management of resources
  - ✓ Improved procedures and data collection and monitoring
  - ✓ Critical to the Port's Renewal and Stability Goals



# Capital Program Need Versus Investment

- Port’s Ten-Year Capital Plan FY 2018-27 identified \$1.5 billion total state of good repair (SOGR) need
  - ✓ \$54 million annual need just for renewal (more to address backlog)
  - ✓ Plan projects funding available to meet 40% total SOGR need, including backlog and annual renewal
- Port’s Two-Year Capital Budget addresses highest priority needs and maximizes use of limited dollars:
  - ✓ Capital Policy secures funding for investment
  - ✓ Five-year Capital Improvement Program strives to establish a work and funding plan
  - ✓ Projects are evaluated with criteria-based approach



# Use of Funds

## Staffing Changes

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### ■ Overview of Operating Changes

- ✓ 3.5 FTEs new operating positions
- ✓ -3.5 FTEs Attrition to offset position changes (0.0 net new regular FTEs)
- ✓ 12 FTE new project-funded (3.5 net new off-budget FTE)
- ✓ 31 Substitutions and 29 Reassignments

### ■ Organizational Shifts

- ✓ Operations Division dissolved: staff redistributed to original locations
- ✓ Realignment of Planning & Environment and Real Estate & Development
- ✓ Capital-funded new Project Management Office (PMO) with 5 new Project Managers

### ■ 12 New Project-Funded Positions

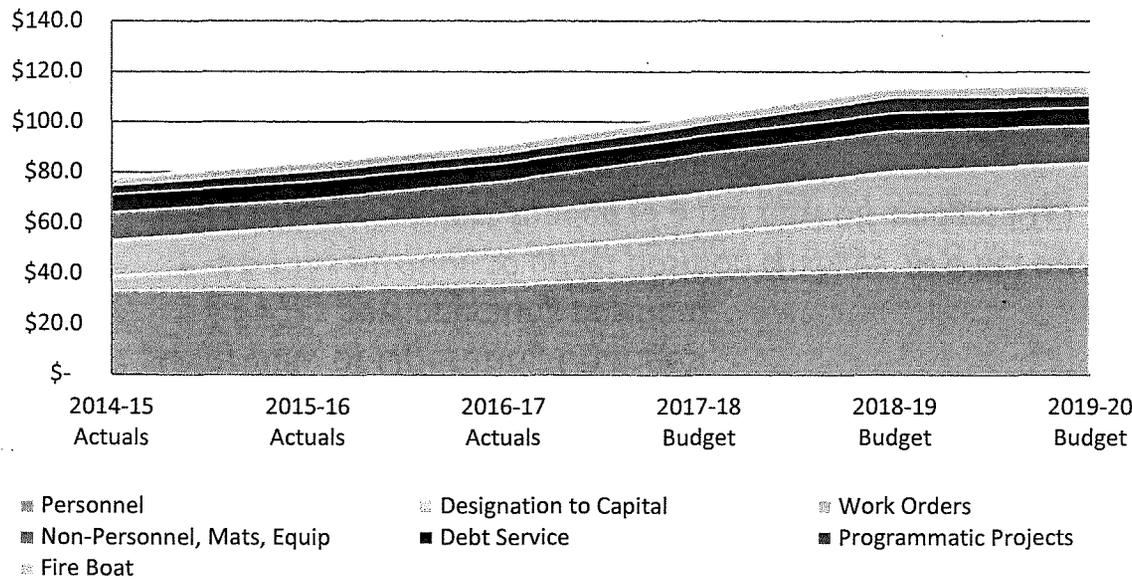
- ✓ 5 Project Managers in PMO
- ✓ 4 supporting Development projects, including Planners and Managers
- ✓ 2 Administrative Analysts supporting Development, PMO, and Finance
- ✓ 1 Planner supporting Seawall Earthquake Safety & Emergency Preparedness Program



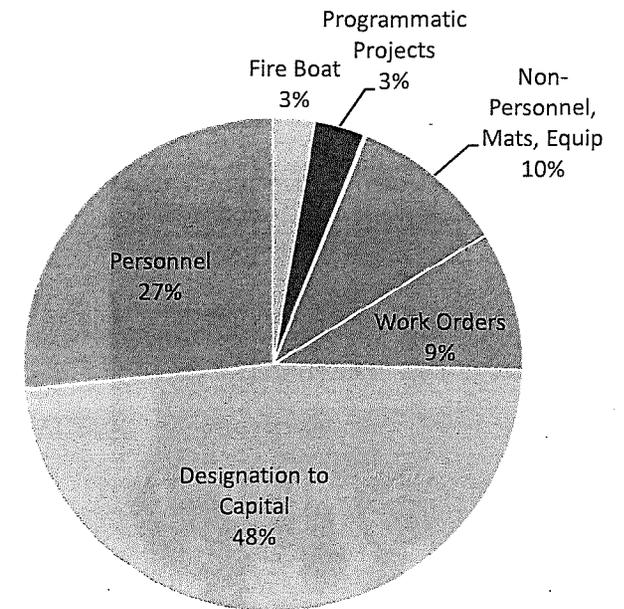
# Use of Funds

## Historical Trends & Proposed Budget

**Operating Expenses Over Time**  
\$ millions



**Major Drivers of Growth**  
FY 2014-15 to FY 2019-20



# Source of Funds

## Major Revenue Trends

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Real Estate revenues are projected to grow modestly

- ✓ Annual growth in base rents
- ✓ New leasing opportunities from vacant facilities
- ✓ One-time opportunities are included in the forecast
- ✓ Percentage rents and parking are higher risk areas if economy begins to slow

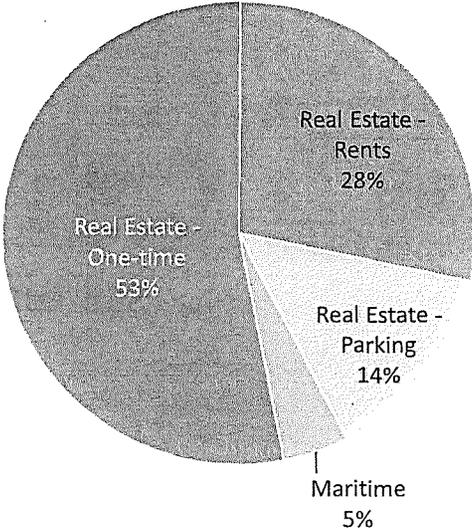
Maritime expansion

- ✓ Cargo ongoing expansion
- ✓ Shipyard RFP is an effort to secure new funding

Future - New developments

- ✓ Structuring financing to generate future income to the Port
- ✓ \$6.5 million investment in Pier 70 Waterfront site will improve revenue from the project to the Port

**Major Drivers of Growth**  
FY 2016-17 to FY 2018-19



# Proposed Budget

## Proposed Major Changes

### FUNDING SOURCES

|                             | <u>FY 2018-19</u> | <u>FY 2019-20</u> |
|-----------------------------|-------------------|-------------------|
| Prior Year Budget           | \$ 149.8          | \$ 188.0          |
| <i>Change Detail</i>        |                   |                   |
| Operating Revenue           | \$ 12.9           | \$ 4.2            |
| Real Estate                 | \$ 16.6           | \$ 3.6            |
| Maritime                    | \$ (3.9)          | \$ 0.6            |
| Other                       | \$ 0.2            | \$ -              |
| Development                 | \$ 5.4            | \$ 2.1            |
| South Beach Harbor          | \$ (0.1)          | \$ 0.1            |
| Other City Contributions    | \$ 9.3            | \$ (16.5)         |
| <u>Fund Balance + Other</u> | <u>\$ 10.8</u>    | <u>\$ (16.9)</u>  |
| Net Change                  | \$ 38.2           | \$ (27.0)         |
| Proposed Budget             | \$ 188.0          | \$ 161.0          |

### EXPENDITURES

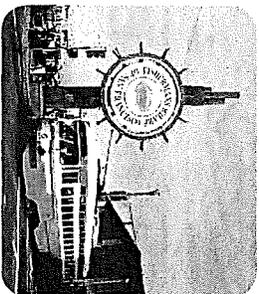
|                              | <u>FY 2018-19</u> | <u>FY 2019-20</u> |
|------------------------------|-------------------|-------------------|
| Prior Year Budget            | \$ 149.8          | \$ 188.0          |
| <i>Change Detail</i>         |                   |                   |
| Operating Uses               | \$ 10.4           | \$ 0.9            |
| Operating Budget             | \$ 3.4            | \$ (0.1)          |
| Programmatic Projects        | \$ 1.9            | \$ (1.6)          |
| Designation to Capital       | \$ 5.1            | \$ 2.6            |
| Development                  | \$ 5.4            | \$ 2.1            |
| South Beach Harbor           | \$ (0.3)          | \$ 0.1            |
| Capital                      | \$ 22.0           | \$ (29.7)         |
| <u>15% Operating Reserve</u> | <u>\$ 0.7</u>     | <u>\$ (0.3)</u>   |
| Net Change                   | \$ 38.2           | \$ (27.0)         |
| Proposed Budget              | \$ 188.0          | \$ 161.0          |

# Proposed Budget

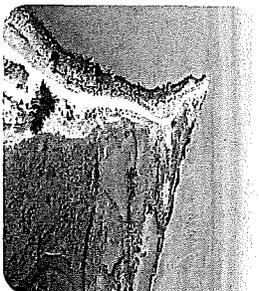
## Directly Supports the Port's Strategic Plan



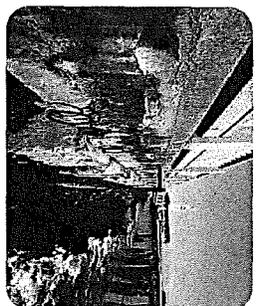
**Livability**  
 5.4M annual Ferry Riders  
 \$68M Parks Bond to expand Blue-Greenway  
 Commitment to Local Businesses and Hires



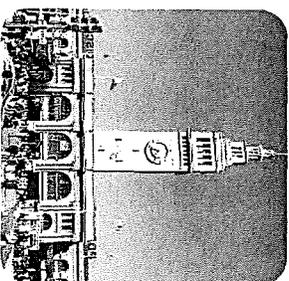
**Economic Vitality**  
 ~550 tenants  
 \$11B contributed to annual City tourism revenues  
 Growing auto transports = new Jobs



**Sustainability**  
 Environmental stewardship programs Public, private, & non-profit partnerships  
 Renewable diesel ferries, solar power, water management



**Resiliency**  
 Seawall Program for seismic and sea level risks  
 Resilience by Design  
 WETA, FEMA, DEM, & Capital Planning partners



**Stability/ Renewal**  
 Growing expenses Easing growth in revenues  
 ~\$1B capital backlog  
 Budget aligns available resources with priority needs

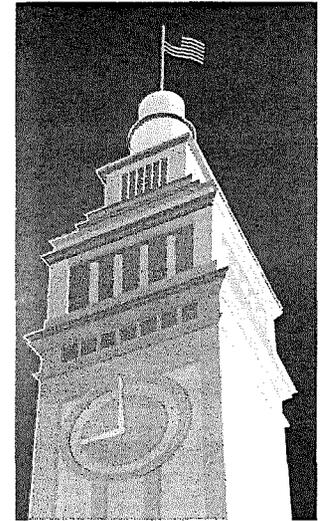


# Port of San Francisco

## Fiscal Years 2018-19 and 2019-20

### Proposed Budget

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MAY 17, 2018

PRESENTED TO: BUDGET & FINANCE COMMITTEE

PRESENTED BY: ELAINE FORBES, EXECUTIVE DIRECTOR



*San Francisco Public Library*

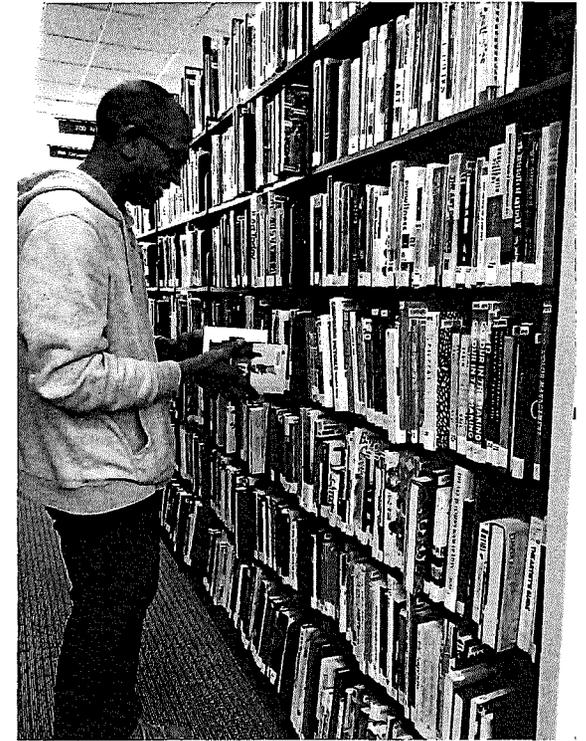
FYs 2019 & 2020 Budget Presentation

May 17, 2018

# Service Excellence

## SFPL by the Numbers:

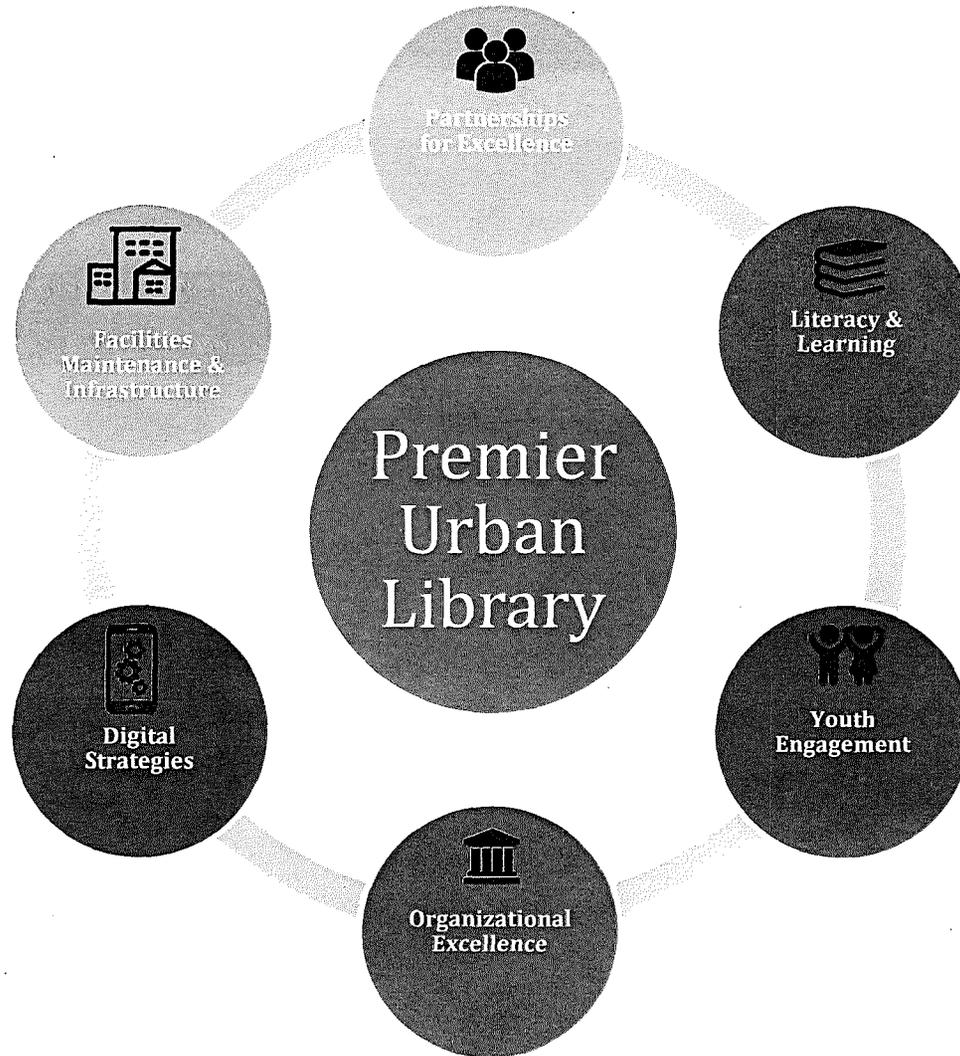
- Every Library Every Day:
  - 1,460 total system-wide weekly hours
  - 5% visitor increase in branches with expanded hours
- Library visits: 6,210,525
- Circulation: 10,814,015
- Programs: 17,818
- Program attendees: 523,175 ↑ 3%
- Summer Stride participants: 26,731 ↑ 43%
- Patrons accessing WiFi daily: 5,638



## SFPL Recognition:

- **Summer Stride:** Outstanding Public Engagement of the Year Award from the Public Lands Alliance; John Cotton Dana National PR Award; California Library Association PR Excellence Award
- **Digital Inclusion Week:** Urban Libraries Council Top Innovators

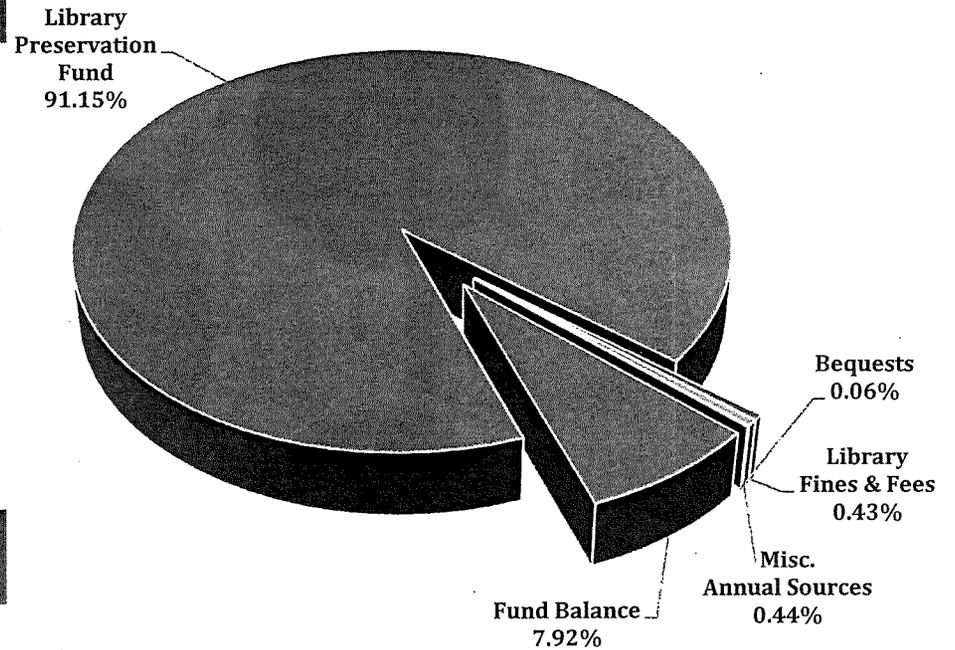
# SFPL Strategic & Budget Priorities



# SFPL Budget Overview: Sources

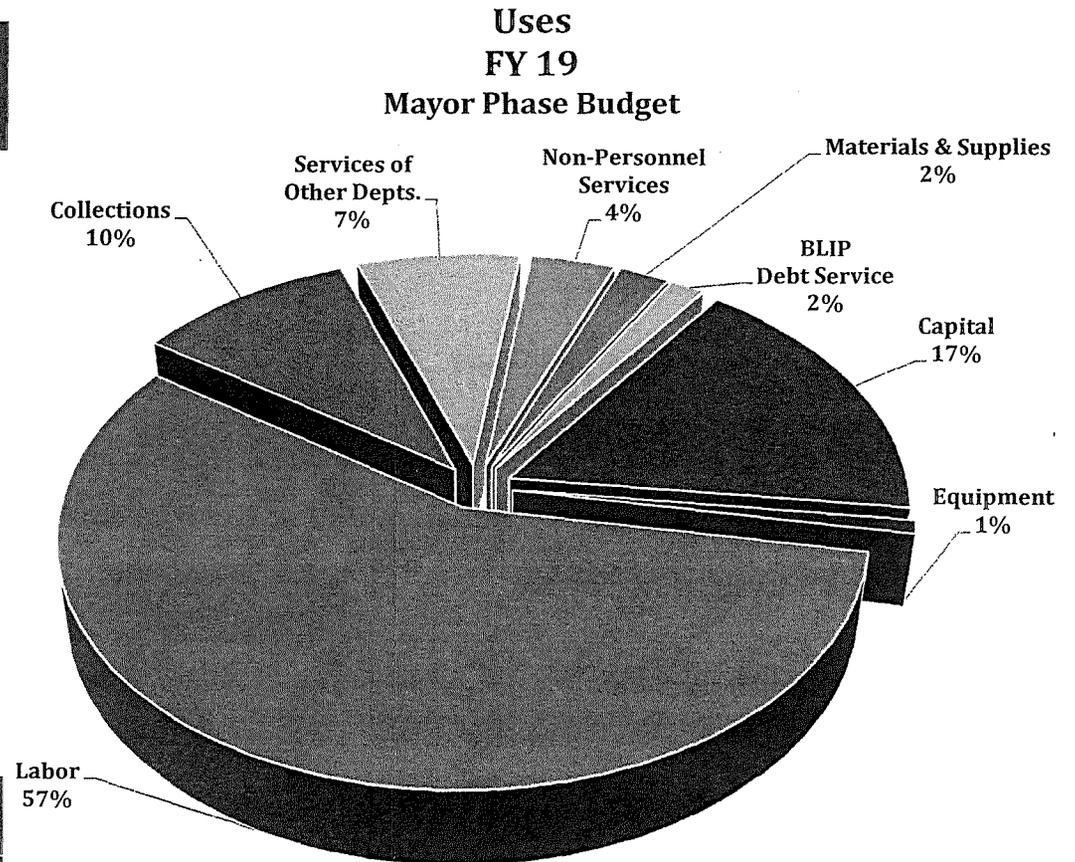
| Source Type<br>(budget in millions) | FY 18<br>Adopted<br>Budget | FY 19<br>Mayor Phase<br>Budget | FY 20<br>Mayor Phase<br>Budget |
|-------------------------------------|----------------------------|--------------------------------|--------------------------------|
| Library<br>Preservation Fund        | 135.56                     | 145.27                         | 149.00                         |
| Library<br>Fines & Fees             | 0.59                       | 0.69                           | 0.69                           |
| Misc.<br>Annual Sources             | 0.65                       | 0.70                           | 0.71                           |
| Bequests                            | 0.40                       | 0.10                           | 0.10                           |
| Fund Balance                        | 0.65                       | 12.62                          | 0.01                           |
| <b>Total</b>                        | <b>137.85</b>              | <b>159.38</b>                  | <b>150.51</b>                  |

Sources  
FY 19  
Mayor Phase Budget



# SFPL Budget Overview: Uses

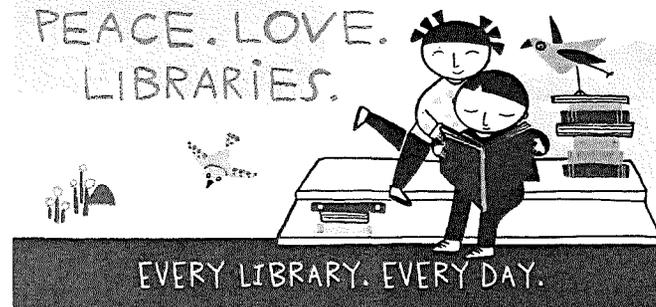
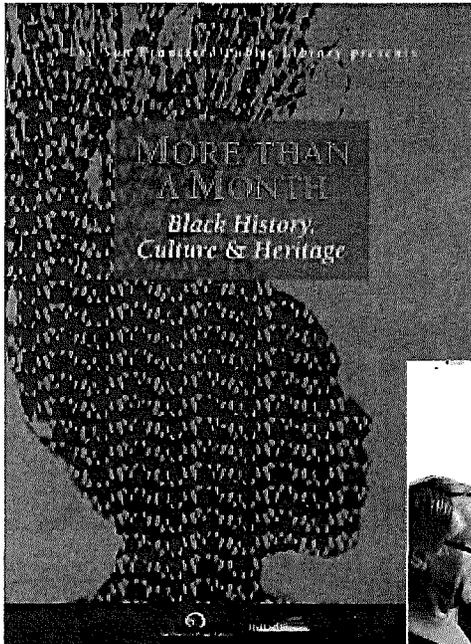
| Use Type<br>(budget in millions) | FY 18<br>Adopted<br>Budget | FY 19<br>Mayor Phase<br>Budget | FY 20<br>Mayor Phase<br>Budget |
|----------------------------------|----------------------------|--------------------------------|--------------------------------|
| Labor                            | 87.44                      | 90.54                          | 92.09                          |
| Collections                      | 14.78                      | 15.92                          | 17.62                          |
| Services of<br>Other Depts.      | 11.09                      | 11.96                          | 12.17                          |
| Non-Personnel<br>Services        | 5.74                       | 6.15                           | 6.23                           |
| Materials & Supplies             | 3.31                       | 3.70                           | 3.52                           |
| BLIP<br>Debt Service             | 2.53                       | 2.54                           | 2.55                           |
| Capital                          | 11.55                      | 27.19                          | 15.49                          |
| Equipment                        | 1.41                       | 1.37                           | 0.83                           |
| <b>Total</b>                     | <b>137.85</b>              | <b>159.38</b>                  | <b>150.51</b>                  |
| <b>FTEs:</b>                     | <b>698</b>                 | <b>697</b>                     | <b>695</b>                     |



# Key Investments by Strategic Priority

## Premier Urban Library

- Enhance engaging programs system-wide \$75,000

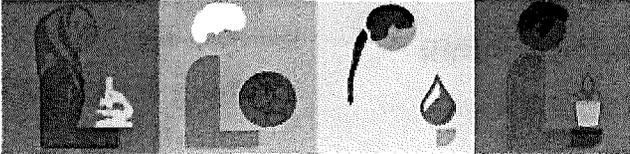


  
San Francisco Public Library

# All Are Welcome

Immigrant Services  
[sfpl.org/citizenship](http://sfpl.org/citizenship)

Todos son bienvenidos  
歡迎光臨  
Всем добро пожаловать!  
Malugod Namin Kayong Tinatanggap  
أهلاً وسهلاً جميعاً



© 11 by iStockphoto

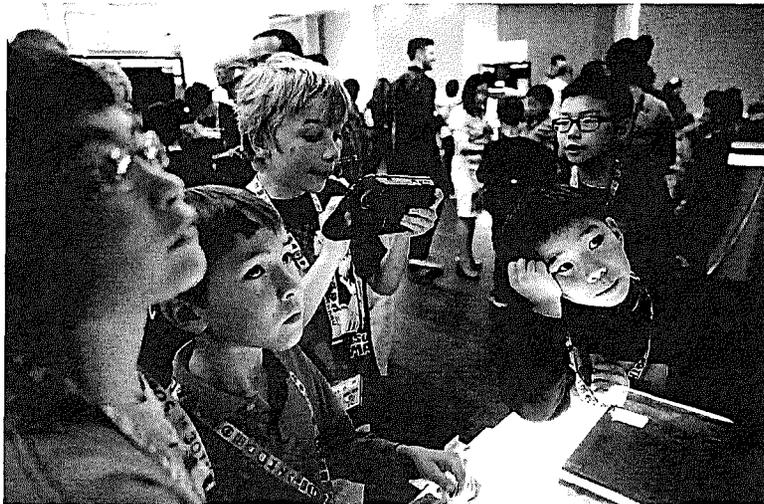
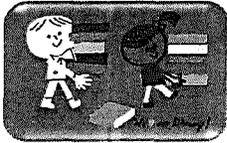
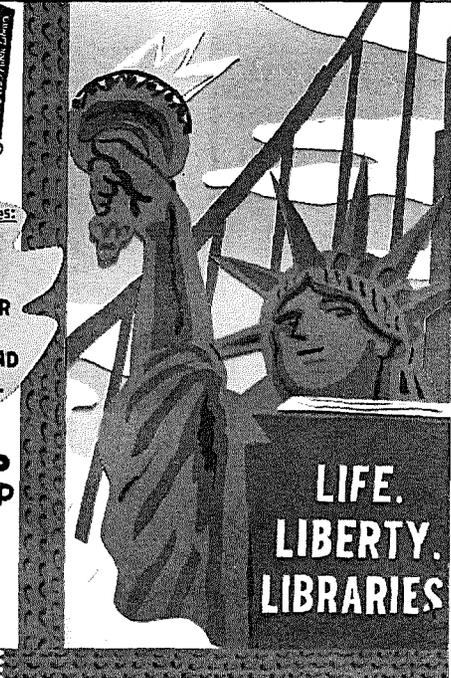
# Key Investments by Strategic Priority

## Youth Engagement

- Create an after school digital clubhouse at the Main's Fisher Center: \$35,000
- Enhance youth learning & leadership opportunities: \$100,000

## SCHOLAR CARD

A student's  to academic success!

**YELL!**  
YOUTH ENGAGED IN LIBRARY LEADERSHIP

@ Six San Francisco Public Libraries:

- ANZA
- CHINATOWN
- EXCELSIOR
- PARKSIDE
- RICHMOND
- WEST PORTAL

 **EARN A \$500 SCHOLARSHIP**

To Participate:

- Be in Grade 10-12 next school year
- Attend weekly meetings
- Design & deliver a team project
- Learn & lead STEM programs for kids
- Build your resume while having fun

**IMPORTANT FACTS:**

- Applications due by April 30 (but apply early!) Paper app or online at [sfpl.org/yell](http://sfpl.org/yell)
- Interviews in early May
- Program runs ~June 9-August 18

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# Key Investments by Strategic Priority

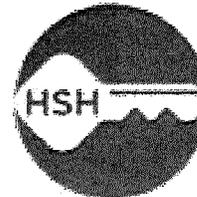


## Partnerships for Excellence

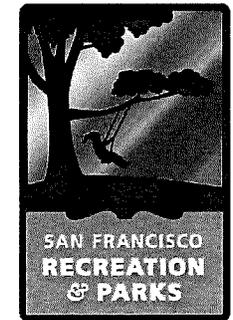
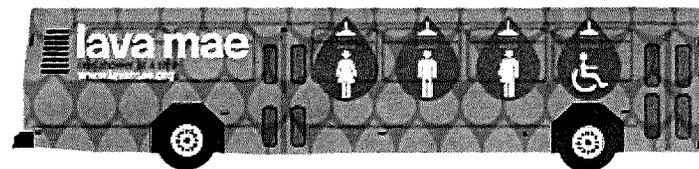
- Enhance safety by partnering with the Sheriff's Department: \$500,000
- Sustain investment in the Civic Center Commons: \$100,000

## Organizational Excellence

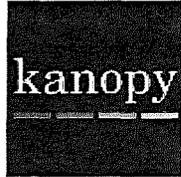
- Grow allocation for program marketing materials: \$25,000



**civic  
center  
commons**



# Key Investments by Strategic Priority



## Literacy & Learning

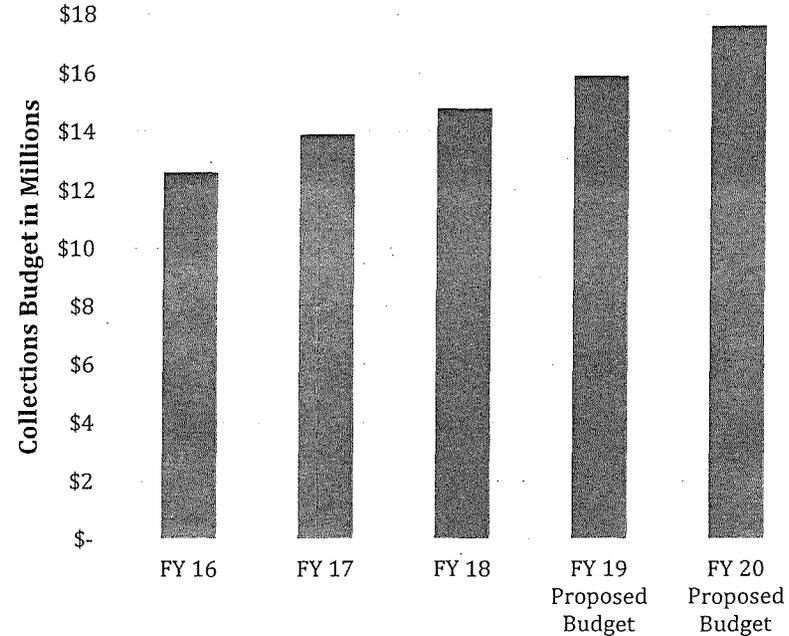
- Increase print & eCollections budgets:
  - FY 19: \$1.14M
  - FY 20: \$1.70M



treehouse lynda.com



## Collections Budget FY 16 - FY 20



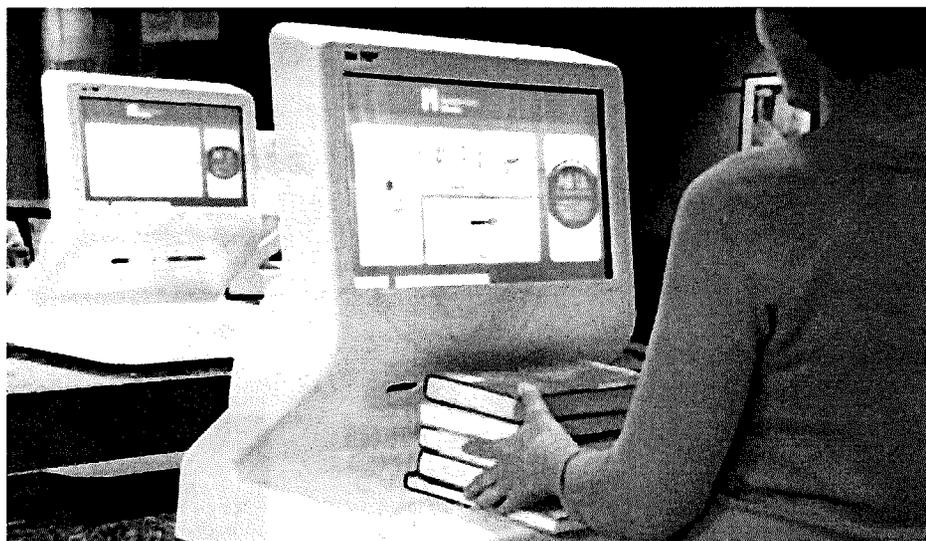
# Key Investments by Strategic Priority

## Digital Strategies

- Expand Tech'd Out mobile wireless lending program: \$91,100
- Implement RFID collections inventory modernization project: \$3.4M
- Grow the laptop lending kiosk program system-wide: \$135,300 per fiscal year
- Server refresh: \$385,000
- Audio visual equipment refresh: \$180,000



**TECH'D OUT**  
San Francisco Public Library

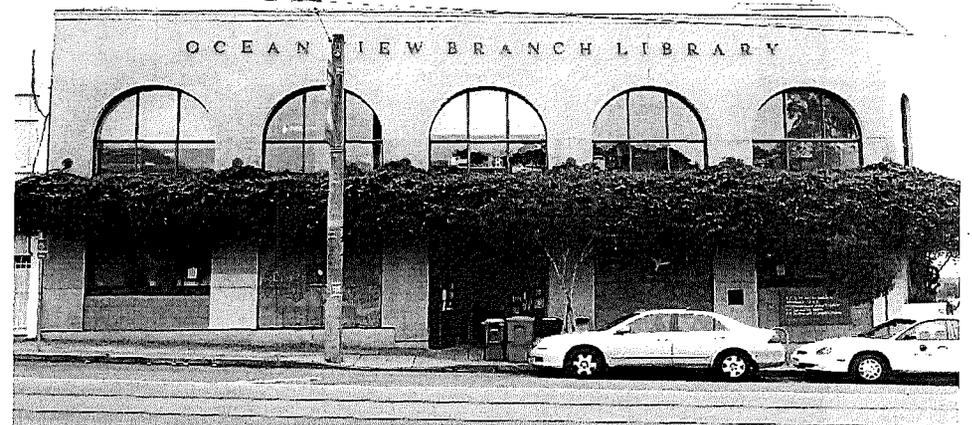
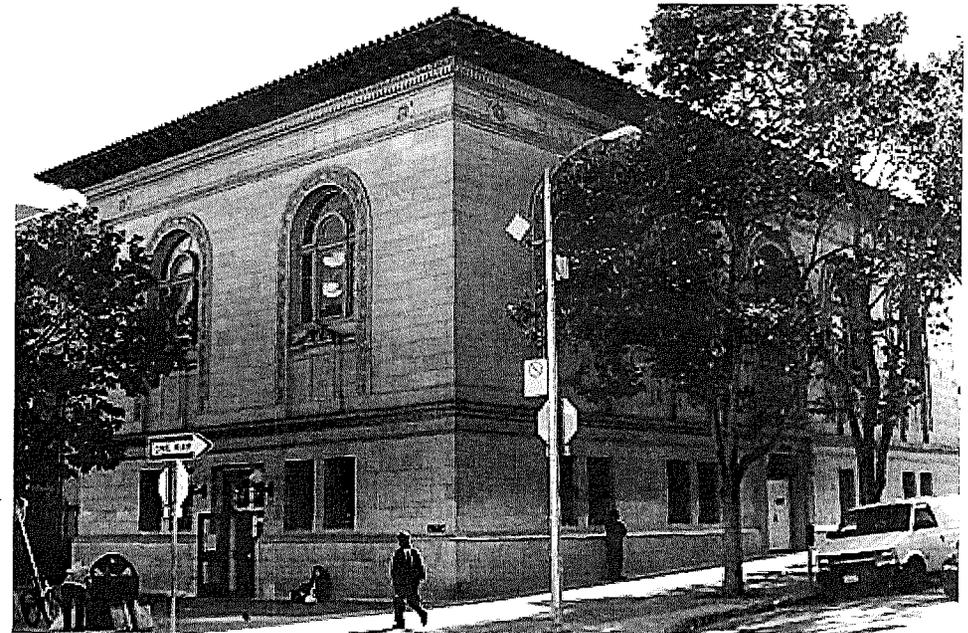


*San Francisco Public Library*

# Key Investments by Strategic Priority

## Facilities Maintenance & Infrastructure

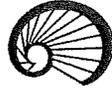
- Renovate Mission, Chinatown & Ocean View
  - FY 19 \$14.9M
  - FY 20 \$9.0M
- Facilities master planning:
  - FY 19 \$0.3M
  - FY 20 \$1.0M
- Automated materials handling: \$3M
- System-wide facilities renewals:
  - FY 19: \$5.5M
  - FY 20: \$1.3M



# Questions?



*San Francisco Public Library*



*San Francisco Public Library*

## Radio Frequency Identification (RFID)

San Francisco Public Library is embarking on a project to equip 3 million library items with radio frequency identification (RFID) tags. RFID will make it easier and faster for patrons to check out materials; increase staff efficiency; enable the Library to modernize circulation equipment, checkout machines and security gates; and bring the San Francisco Public Library up to speed with standard library practices and technology.



### **BENEFITS TO LIBRARY USERS**

#### **Customer service**

- With RFID, library materials will be able to move through the library system, from shelf to checkout, much more quickly.
- Many library users check out dozens of books at a time. Currently each item must be scanned individually at checkout, but with RFID, an entire stack of books can be scanned at one time.
- With quicker transaction times, the library's collections will be on the shelves faster and holds will arrive at patrons' branch libraries sooner.

### **BENEFITS TO LIBRARY STAFF**

#### **Efficiency**

- Because RFID combines circulation and security deactivation into one process, staff can process materials (checkout and check-in) far more efficiently.
- Study results indicate an average savings of 8 seconds per check out, 5 seconds per check-in. Magnified over 6.5 million circulating items per year, the time-savings ranges from 12,000 - 15,000 hours or the work of 6-7.5 full time employees annually. This saved time will allow staff to provide more customer service.

#### **Safety**

- RFID can tell patrons and staff if all components of audiovisual materials are present in the case without having to open them, saving wear-and-tear on cases and preventing injury to staff's hands and wrists.
- Simpler processing minimizes unnecessary repetitive motion by staff, decreasing the risk of workplace injuries.

## **Accuracy**

- RFID allows for faster, more accurate inventory, helping staff to identify missing items so they can be replaced more quickly.
- RFID helps staff identify items that might not have been checked out, allowing them to assist patrons promptly when security gates are triggered.
- RFID enables staff to systematically audit the physical inventory of collections in the stacks in real time without having to go back to their workstation to check items at a computer. They are able to spend more time in the stacks instead of behind a desk.

## **INDUSTRY STANDARD**

- More than 75% of Bay Area public libraries already use this technology.
- RFID has been part of the national library landscape for well over a decade – it is a proven, reliable, efficient technology.
- More and more library technology vendors are entering the RFID marketplace. There is no move to pivot to an emerging technology in the industry. More vendors = more competition = declining costs. Since RFID has entered the library world, the cost of tags has dropped from \$1/each to ~\$0.20/each.

## **EQUIPMENT REPLACEMENT**

- The usefulness of the library's existing checkout and security gates are depreciating. Irrespective of RFID, the Library will need to update or replace this equipment soon – why not invest in state-of-the-art technology?

## **PRIVACY**

- RFID technology represents no threat to patron privacy.
- There are only two pieces of information stored on the passive RFID tag placed on each item in the library's circulating collection:
  - The 14-digit barcode number that uniquely identifies the item (already present on the barcode sticker affixed to cover of each item). No bibliographic information (title, author, etc.) will be on a RFID tag.
  - The security component, which tells an RFID reader if the item is checked out or not.
- Only pieces of the library collection (books, DVDs, CDs, LPs, etc.) will be RFID tagged; patron library cards will NOT be RFID tagged so there will be no RFID tracking of a patron's reading habits or borrowing history. Library cards will continue to function as machine-readable barcodes.
- RFID tags on books and materials can only be deciphered within 40 inches of a library RFID reader.
- The Library is following the 2012 RFID privacy guidelines recommended by the American Library Association and the National Information Standards Organization, a nonprofit organization founded in 1939, which develops, maintains and issues technical standards related to publishing, bibliographic and library applications.

## **BUDGET/RETURN ON INVESTMENT**

- SFPL's investment in RFID technology upgrades represent a one-time strategic expenditure of \$3,377,756. This investment is offset by the projected return on investment of \$5.5 million over a ten year horizon for the lifespan of the equipment when factoring in the value of staff capacity that will be freed up for more impactful public services.



# **SFPUC Budget Hearing**

## **FY 2018-19 and FY 2019-20**

**May 17, 2018**





# SFPUC Mission Statement

---

*Provide our customers with high quality, efficient and reliable water, power, and sewer services in a manner that is inclusive of environmental and community interests, and that sustains the resources entrusted to our care.*





San Francisco  
Water  
Power  
Sewer

# 2020 Strategic Plan Goals

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Reliable Service and Assets

Organizational Excellence

Effective Workforce

Financial Sustainability

Stakeholder and  
Community Interest

Environmental Stewardship



# External Considerations

---

- Economic
  - Potentially changing economy
  - Significant demands of new development
  - Competitive construction bidding environment driving up costs
  - High Bay Area cost of living
- Regulatory
  - Lead testing and monitoring at all schools
  - State challenges to water supply reliability
  - Post-Oroville dam safety focus
  - Disputes with PG&E regarding Wholesale Distribution Tariff
  - Renewing wastewater permits
- Climate Change
  - Hydrologic variability
  - Sea level rise



# Agency Priorities

---

- Completion of WSIP
- Implementation of SSIP
- Continue serving existing customers and connect new Hetchy Power Customers
- Complete Citywide enrollment of CleanPowerSF
- Build the Workforce

## Water System Investments

- Water System Improvement Program (WSIP)
  - 87 Projects, Seven Counties
  - \$4.8 Billion, 96% Complete
- Continuous System Upgrades Needed
- Ongoing Pipe Repair and Replacement, 15 Miles/Year

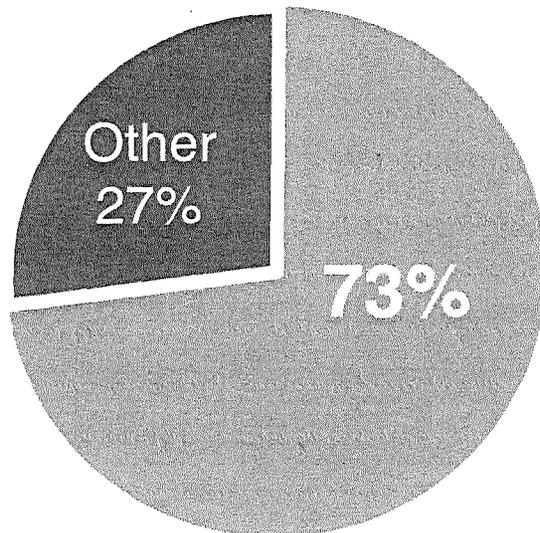




# Regional Hire: WSIP

## Service Territory Participation on WSIP PLA

Apprenticeships (Entry-level)



**SF and Service Territory residents have worked 73% of hours (as compared to 50% requirement) and earned a combined \$33M in wages & benefits**

WSIP PLA Service Territory Participation

# 50%

Actual  
WSIP PLA Service  
Territory Participation  
Achieved

**San Francisco and Service Territory residents have earned a combined \$244.4M in wages & benefits on WSIP projects**

## Sewer System Investments

- Sewer System Improvement Program (SSIP)
- Critical Upgrades to Modernize Vital Infrastructure
- Seismic Reliability
- Protection of Public Health and Bay/Ocean
- 70 Projects, 13 Complete, 18 in Construction
- 20-Year Program – \$6.9B
  - Phase 1: \$2.91B (approved)



# Local Hire: SSIP Phase 1

## Apprenticeships (Entry-level) Provided by SSIP



SF residents have worked 64% of hours (as compared to 50% requirement) and earned a combined \$2M in wages & benefits

## SSIP Local Hire Ordinance Achievement

20-30%  
Local Hire  
Percentage  
Requirements

**32%**

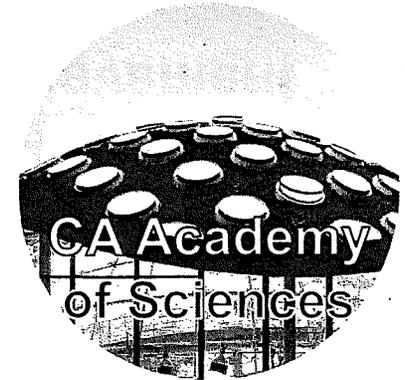
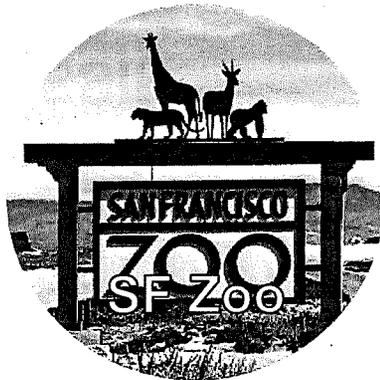
Actual  
SSIP Local Hire  
Percentage  
Achieved

San Francisco residents have earned a combined \$9.1M in wages & benefits on SSIP projects



# Hetch Hetchy Power Has Powered San Francisco for 100 Years

**SFPUC provides 100% greenhouse gas-free power to City facilities and some new green communities**





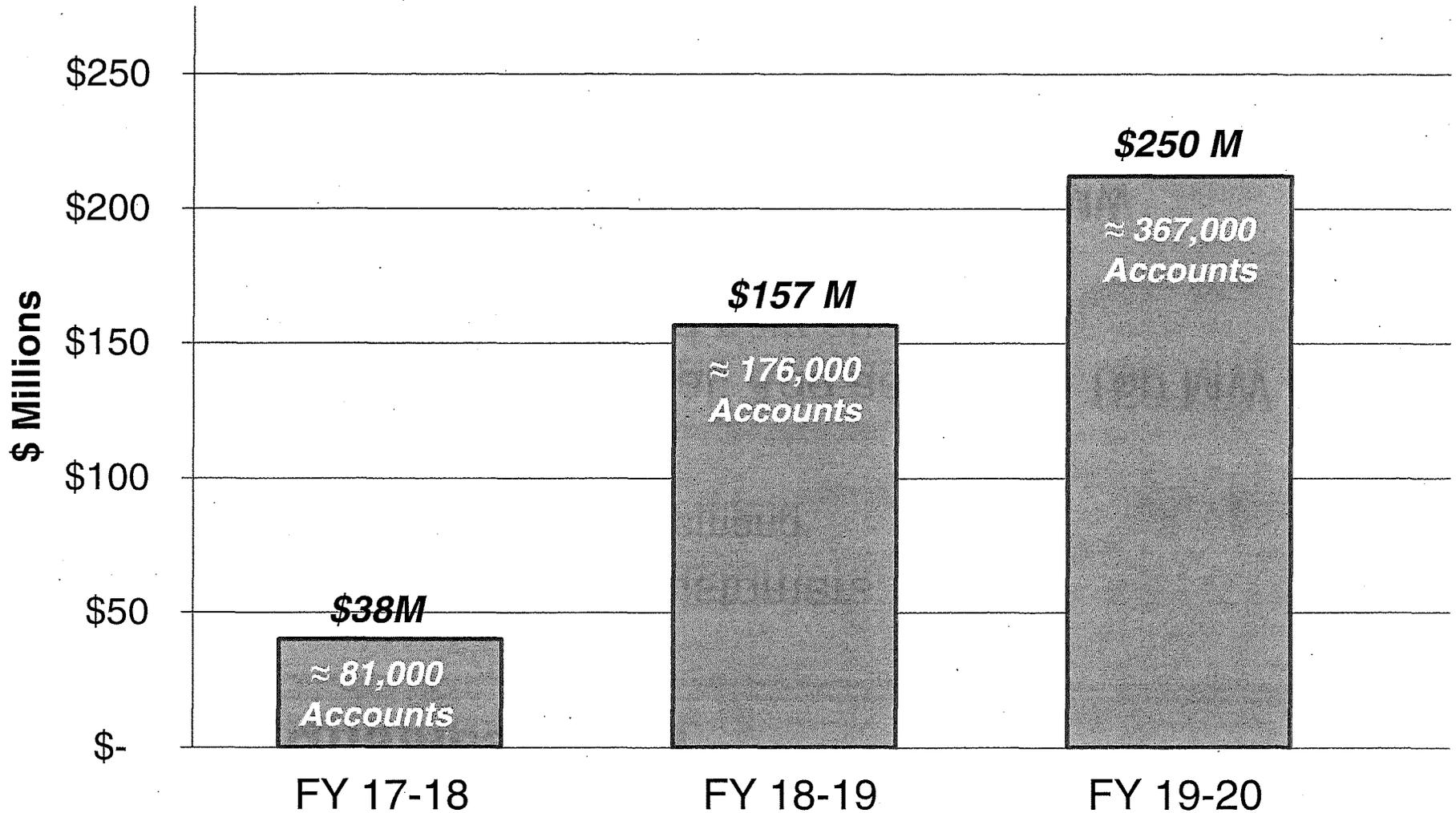
# Implementing the Power Business Plan

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- Current Hetchy Power Customers:
  - 150 Megawatts (MW) of Demand
- Power Business Plan Goal: Add additional 150 MW of demand from existing and new customers:
  - Existing customer growth: **30 MW**
  - City Services under dispute with PG&E: **30-40 MW**
  - Additional Redevelopment Projects: **20 MW**
  - Additional needed to reach goal: **60-70 MW**



# CleanPowerSF Growth: Enrollment and Revenues

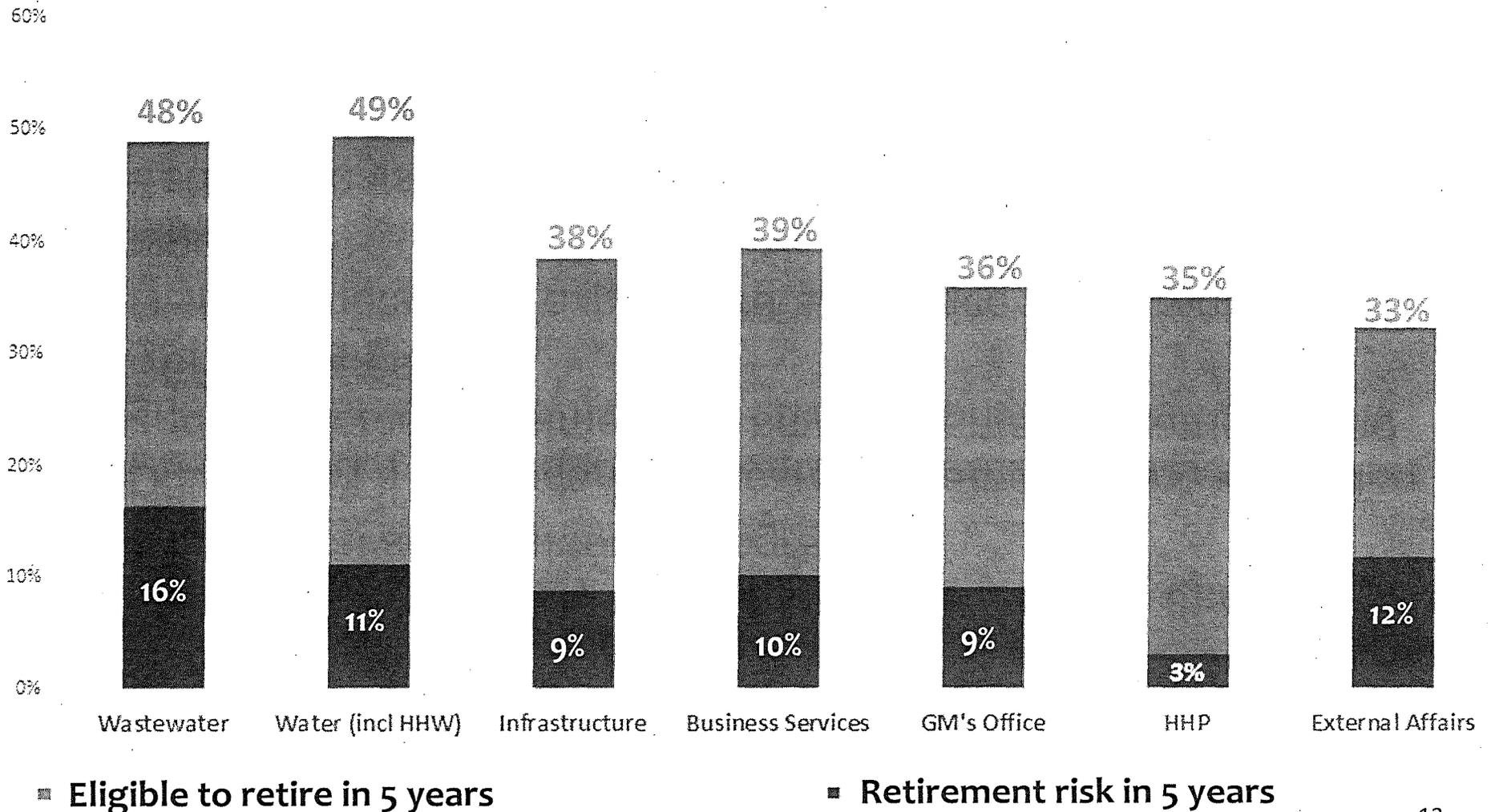


**CleanPowerSF revenue grows 650% in coming two years**



# Generational Change in Workforce

## Estimated Retirement Risk & Eligibility of Current Workforce in 5 Years





# Workforce Development

- Support approximately 1,200 internships annually through educational and workforce programs
- Developing a kindergarten-to-career strategy linking education and workforce investments to environmental stewardship and SFPUC careers
- DHR partnership to expand pre-apprentice to apprentice pipeline
- Federal Legislation to Fund Water Workforce Development





# Budget Highlights

---

- **City-wide rollout of CleanPowerSF is largest driver of budget increases**
  - Operating budget increase—\$172.7 million over two years
  - On-budget position request—11 FTEs over two years
- **Capital investment activities drive increases**
  - Additional debt service
  - Additional revenue-funded capital
- **Recommended budget results in rate and charge increases in line with prior 10-year financial plans**
  - Combined water sewer bill increases average 8.4% annually over next 4 years

# Affordability Project Goals

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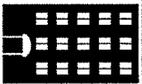
**Improve Assistance to Customers in Single Family Residences**



**Reduce Impact of Fees & Shutoff Policies**



**Early Interventions for Customers at Risk of Water Shutoffs**



**Evaluate Assistance to Multi-Family Customers**



# SFPUC Operating Budget FY 2018-19 & FY 2019-20

---

| <i>(\$ Millions)</i>    | <b>FY 2017-18</b> | <b>FY 2018-19</b> | <b>FY 2019-20</b> |
|-------------------------|-------------------|-------------------|-------------------|
| Water                   | 501.7             | 570.5             | 599.6             |
| Wastewater              | 307.3             | 343.4             | 359.9             |
| Hetch Hetchy            | 203.6             | 228.8             | 229.6             |
| CleanPowerSF            | 40.2              | 157.0             | 212.9             |
| <b>Total Budget AAO</b> | <b>1,052.8</b>    | <b>1,299.7</b>    | <b>1,402.0</b>    |
| Change                  |                   | 246.9             | 102.3             |



# Operating Budget Changes

---

- **Water**
  - Revenue funded capital projects and debt service on bonds
  - School Drinking Lead Testing
- **Wastewater**
  - Revenue funded capital projects and debt service on bonds
- **Hetch Hetchy**
  - Revenue funded capital projects
  - Power Customer Billing System Replacement
  - Power Purchases & Scheduling Costs
- **CleanPowerSF**
  - Staffing & power purchases to support 2 year Citywide rollout

SE3

**Slide 18**

---

**SE3**

I don't think there is any increase in debt service for Hetch Hetchy

Sandler, Eric, 5/15/2018



# Authorized Position Changes

|                                      | FTE   |    |
|--------------------------------------|-------|----|
| <b>FY 2017-18 Authorized</b>         | 2,449 |    |
| <b>New Revenues</b>                  |       |    |
| CleanPowerSF                         | 4     |    |
| <b>Project Funded</b>                |       |    |
| CIP Construction Support             | 4     |    |
| City Distribution Division Warehouse | 1     |    |
| Construction Coordination            | 3     |    |
| New Development Project Support      | 1     |    |
| New Service Connection Process       | 1     |    |
| Potable Water metering               | 1     |    |
| WECC/NERC                            | 6     |    |
| 525 Golden Gate                      | 5     |    |
|                                      | 26    | 1% |
| <b>FY 2018-19 Request</b>            | 2,475 |    |
| <b>New Revenues</b>                  |       |    |
| CleanPowerSF                         | 7     |    |
| <b>Project Funded</b>                |       |    |
| Construction Coordination            | 2     |    |
| WECC/NERC                            | 3     |    |
|                                      | 12    | 0% |
| <b>FY 2019-20 Request</b>            | 2,487 |    |

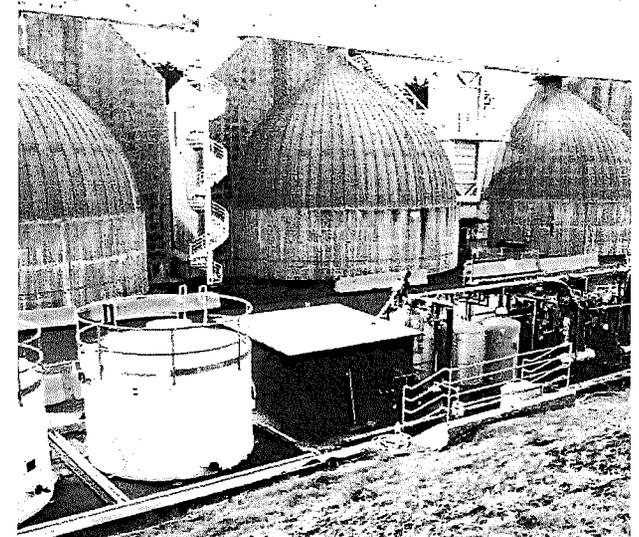
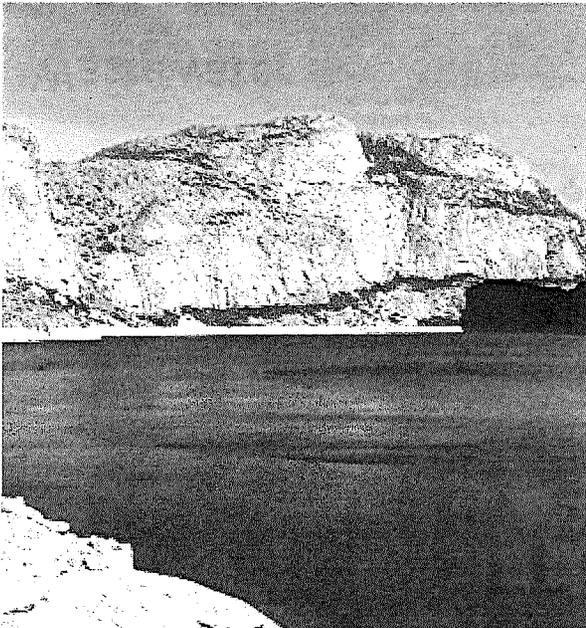


# SFPUC Capital Budget FY 2018-19 & FY 2019-20

| <b>Enterprise (Millions)</b> | <b>FY 2018-2019</b> | <b>FY 2019-2020</b> | <b>Total</b> |
|------------------------------|---------------------|---------------------|--------------|
| <b>Water</b>                 | \$ 264.3            | \$ 187.7            | \$ 452.1     |
| <b>Wastewater</b>            | 632.4               | 461.9               | 1,094.2      |
| <b>Hetch Hetchy</b>          | 126.8               | 177.3               | 304.1        |
| <b>SFPUC Total</b>           | \$ 1,023.5          | \$ 826.9            | \$ 1,850.4   |

# Conclusion

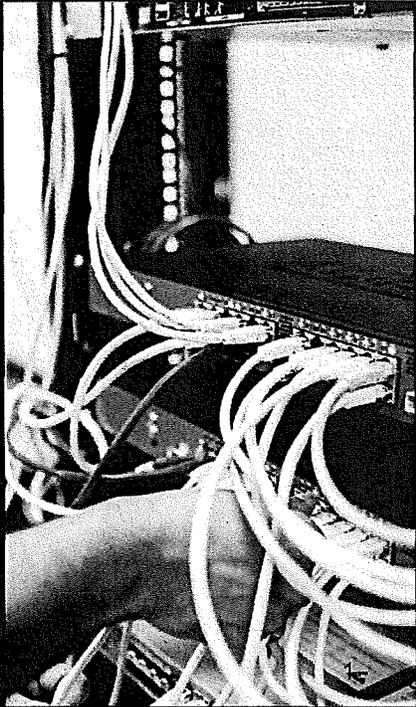
- 24/7 services critical to public health and safety
- Significant expansion of power enterprise
- Long-term operating, capital investment and financial planning ensure continued high-quality service delivery
- Activities deliver tangible benefits to the community



# Overview

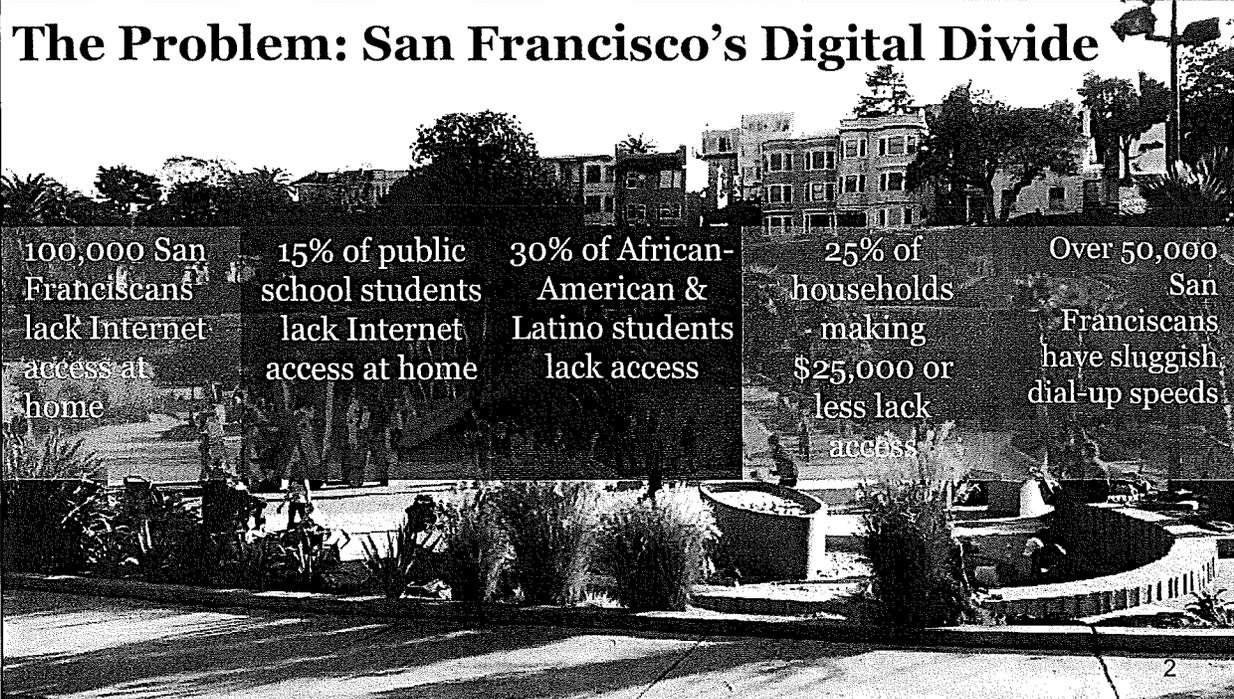
## Fiber to the Premise for San Francisco

Board of Supervisors  
Budget & Finance Sub-Committee  
May 2018



SAN FRANCISCO  
DEPARTMENT OF  
TECHNOLOGY

### The Problem: San Francisco's Digital Divide



|                                                      |                                                            |                                                       |                                                       |                                                          |
|------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------|
| 100,000 San Franciscans lack Internet access at home | 15% of public school students lack Internet access at home | 30% of African-American & Latino students lack access | 25% of households making \$25,000 or less lack access | Over 50,000 San Franciscans have sluggish dial-up speeds |
|------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------|

2

## The Problem: Barriers to Internet Access

- Cost is the biggest barrier to Internet access
- Limited choice of provider
- Commercial providers have little incentive to close the digital divide
- Various levels of speed

## The Opportunity for San Francisco



Speed And  
Capacity



Digital City  
Services



Telemedicine  
&  
Education



The Internet  
of Things  
Home,  
Retail,  
Construction



New  
Business  
Services &  
Opportunities

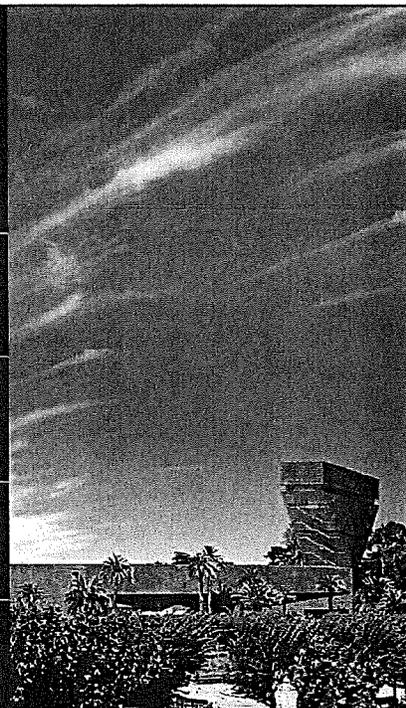
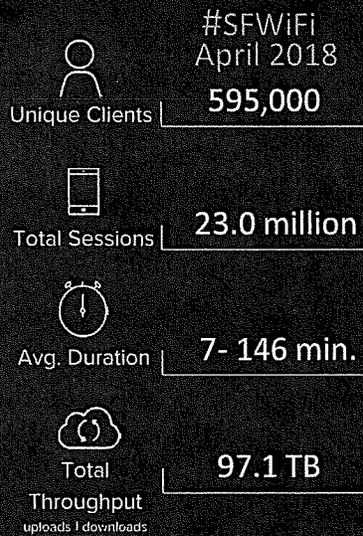
## FiberSF Policy Goals

- Close the digital divide
- Deliver Fiber to the Premise
- 1 Gigabit Speed as the Baseline Service
- Create Open Access Network of Choice
- Provide Free/Discounted Internet for Low Income Residents
- Guarantee Net Neutrality
- Ensure Data Privacy & Network Security
- Deliver quality of service & transparency

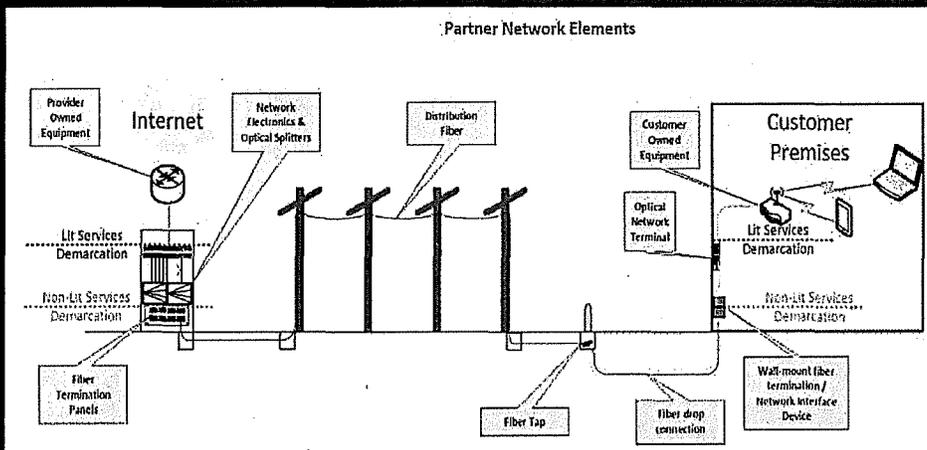


## FiberSF Deliverables

- Dark Fiber  
(aerial/underground)
- Lit Fiber  
(network management)
- WiFi in Select Areas
- Publicly-Owned
- 3-5 Yr Construction



# Building FTTP Infrastructure



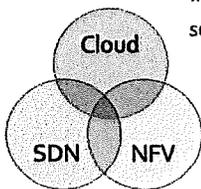
FTTP network that is fast, secure, highly available, future proof, scalable, flexible, manageable.

# Reimagining How Cities are Connected

## Central Office Re-Architected as a Datacenter (CORD) Overview

### Economies of a datacenter

Infrastructure built with a few commodity building blocks using open source software and white-box switches



### Agility of a cloud provider

Software platforms that enable rapid creation of new services

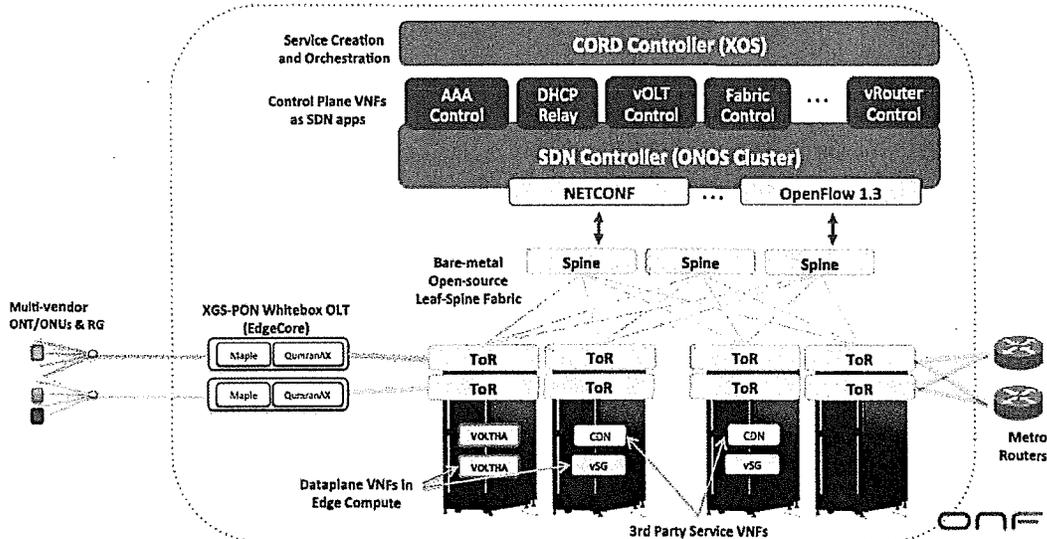


or... Bringing Access-as-a-Service to the Cloud

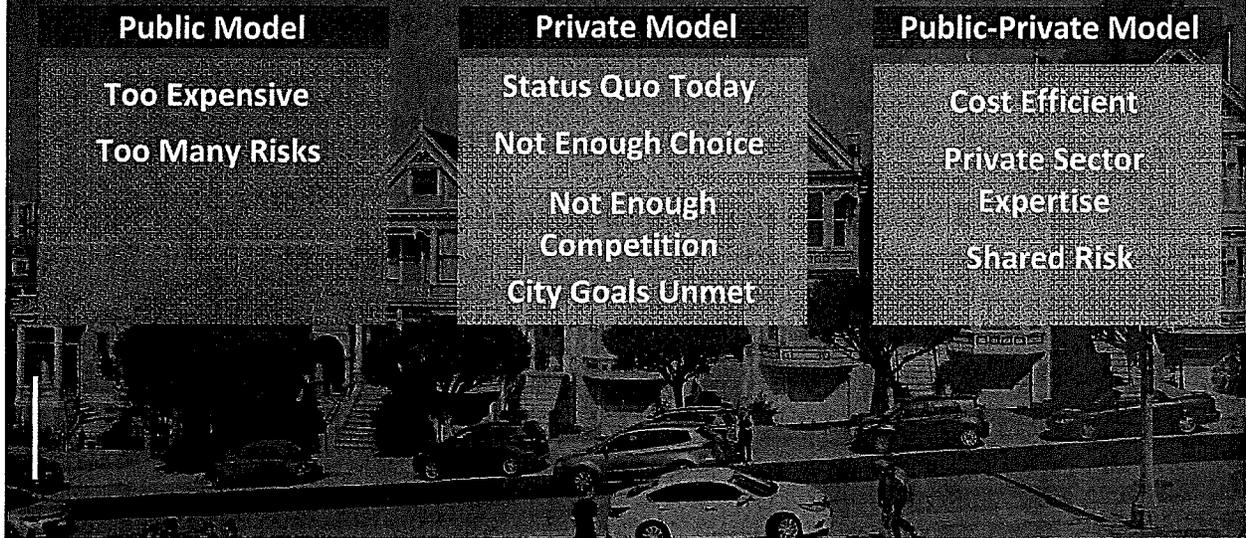
## R-CORD FTTP ARCHITECTURE WITH A TWIST.....

- > Leverage commercial grade xPON OLT systems that are CORD compliant
- > Leverage ONUs that support API integration with R-CORD
- > Leverage commercial grade SDN SPINE/LEAF Fabric for CO Fabric (Trellis)
- > Leverage ROADM for core transport between CO's that support YANG and NETCONF models
- > Leverage DWDM for sub-rings, Dark fiber services
- > Leverage Mesh wireless WAPs with REST APIs for city wifi
- > Leverage MPLS/VPLS on vRouter to provide "Open-Access" multiple EVCS to subscribers with QoS
- > Leverage Commercial grade Core Routers to interface with NNIs
- > Support CPEs that support minimum specs and reduce subscriber cost

## Residential CORD



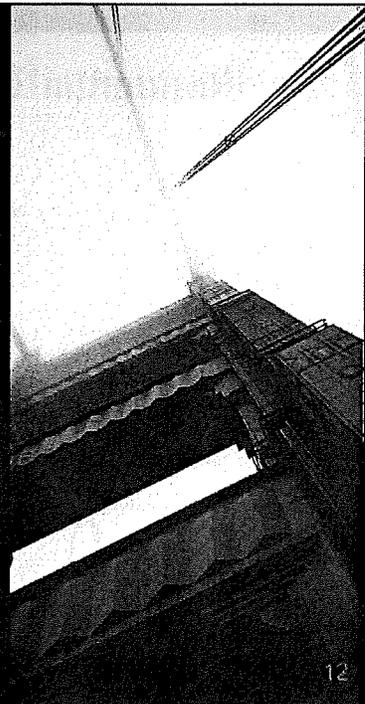
# FiberSF: Public-Private Partnership



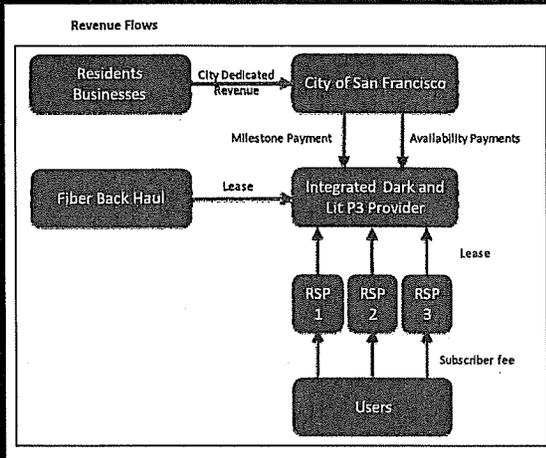
## Fiber for San Francisco

### P3 Model

- Public Private Partnership (P3) 15 year term
- Partner to design, build, finance, operate and maintain citywide fiber to the premise network and wi-fi in key areas
- Lease use by Internet Service Providers (ISPs) to provide various services (Internet, IoT, Content) to both residential and business subscribers



## Building FTTP Revenue Model



Who is responsible for which costs:

- The City will be responsible for making milestone and availability payments.
- Retail Service Providers (RSPs) and other telecom carriers will be responsible for access/lease fees to the private partner.
- The mix of City and P3 costs will be determined through the RFP process.

13

## Other Model Projects

- Google Fiber (similar technology) – Kansas City
- Municipal Broadband:
  - Chattanooga, TN
  - Wilson, NC
  - Westminster, MD
  - Approximately 50 smaller communities
  - Open Access, Stockholm
- Growing Number of P3 Examples:
  - Doyle Drive
  - Long Beach Civic Center
  - UC Merced



## Estimated Project Revenue & Cost

### Network Revenues

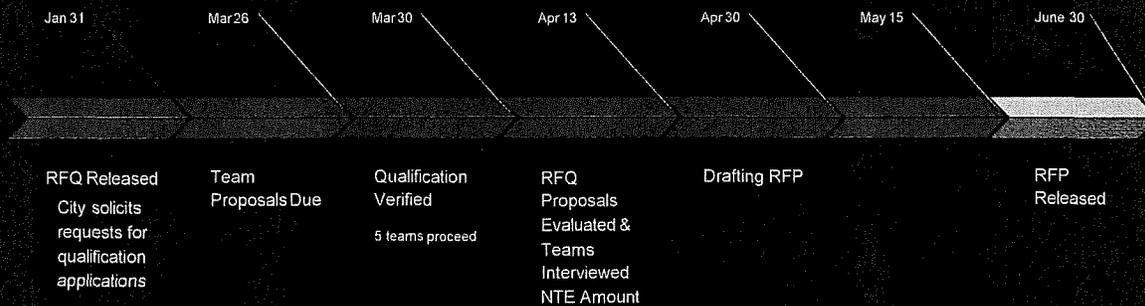
- Subscriber services
- ISP lease
- Dark fiber service
- Point to Point service
- Backhaul service
- IOT services
- Dockers

### CTC Construction Estimates

| Network Costs          | Low           | High          |
|------------------------|---------------|---------------|
| Core Network           | \$112M        | \$112M        |
| Outside Plant          | \$700M        | \$760M        |
| Service Drops          | \$680M        | \$740M        |
| Customer PE            | <u>\$290M</u> | <u>\$290M</u> |
|                        | \$1.78B       | \$1.9B        |
| Annual Operating Costs |               | \$44M         |

Final Costs will be in RFPs

## Fiber for San Francisco



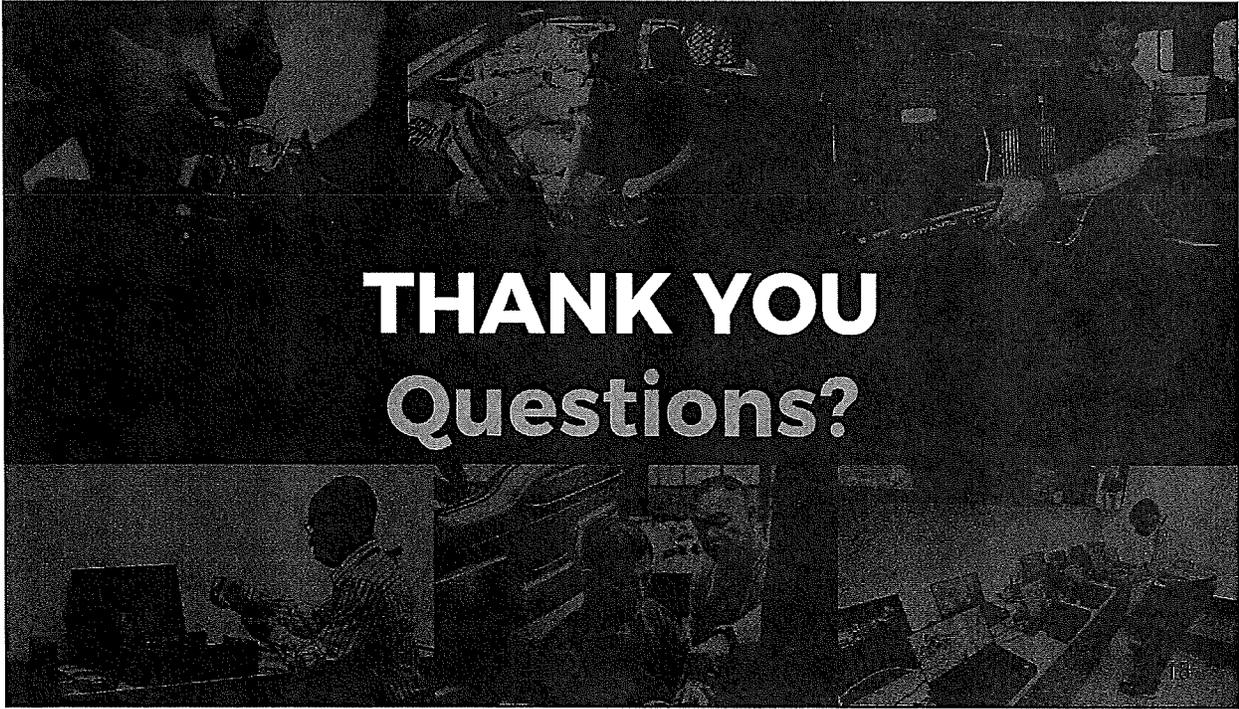
## City Success: Fiber Internet For All

More choice and competition with Open Access

Higher quality services at more affordable prices

Utility model that eliminates the digital divide

Economic development and opportunity for every San Franciscan



**THANK YOU**  
Questions?



# San Francisco Rent Board



## MISSION

The Residential Rent Stabilization and Arbitration Board's (RNT) mission is to protect tenants from excessive rent increases and unjust evictions while assuring landlords fair and adequate rents; to provide fair and even-handed treatment for both tenants and landlords through efficient and consistent administration of the rent law; to promote the preservation of sound, affordable housing; and to maintain the ethnic and cultural diversity that is unique to San Francisco.

## STRATEGIC GOALS

Process Tenant and Landlord Petitions Efficiently

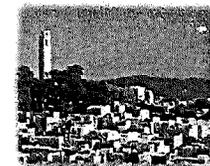
Provide Effective Information to Tenants and Landlords

Support Limited English Proficient Communities

Increase Collaboration with other City Agencies



# San Francisco Rent Board



## STRATEGIC GOALS

### Increased Collaboration With Other City Departments

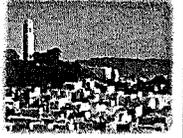
The Rent Board is continuing to participate in cross-departmental collaboration by pursuing a strategy of sharing data in more streamlined and standardized ways. By working with other City departments to increase data sharing with departments with which the department has mutual data dependencies, the Department is aiming to reduce its workload and increase its effectiveness.

### Insuring San Francisco's Diverse Community Can Access the Department's Services

The department is continuing to improve its service delivery to San Francisco's diverse community. To be able to serve this diverse community and insure everyone can access the services it provides, the department translates its materials and provides interpreters for many of the hearings it conducts, and in order to continue these efforts, the department is increasing its budget for interpreters this year.



# San Francisco Rent Board



## LEGISLATIVE CHANGES

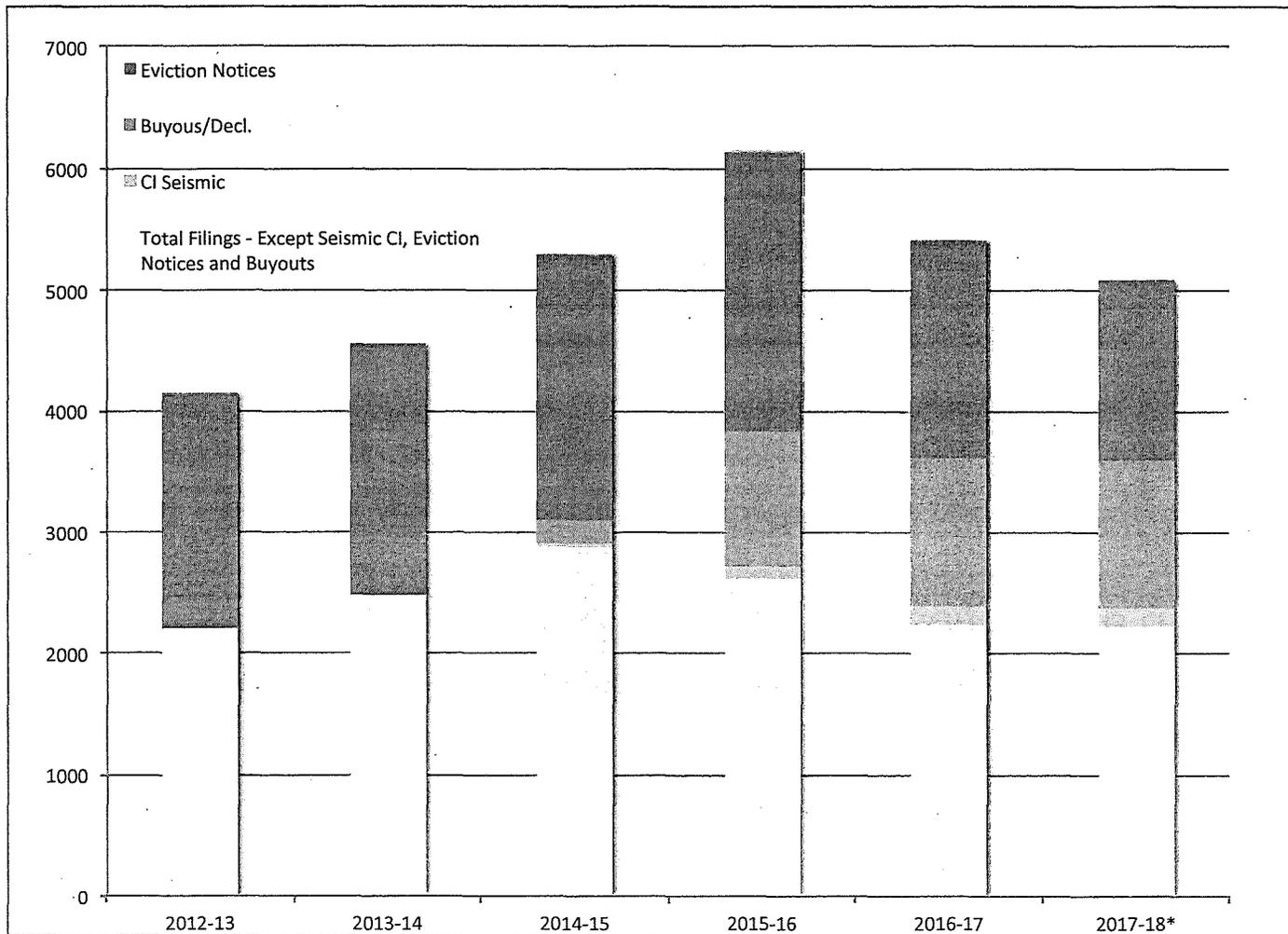
A significant number of legislative changes to the law the Department regulates and other related laws will result in structural increases to the Department's workload over the coming years. These changes include mandatory seismic upgrades to over 5,000 buildings with approximately 50,000 units, for which a portion of the cost can be passed through to tenants by filing a petition with the department, as well increases in related hardship applications filed by tenants who can't afford the capital improvement passthroughs. New requirements for filing buyout agreements with the Department have also resulted in workload increases. The soft-story seismic retrofit capital improvement petitions, as well as related hardship applications will result in projected increases of about 300 petitions per year by FY2018-2019, and currently account for an increase of almost 200 petitions per year.



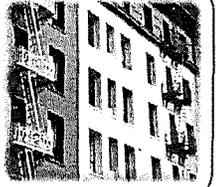
# San Francisco Rent Board



## WORKLOAD STATISTICS



# San Francisco Rent Board



## BUDGET DATA SUMMARY

|                    | 2016-17       | 2017-18         | 2018-19         |                     | 2019-20         |                     |
|--------------------|---------------|-----------------|-----------------|---------------------|-----------------|---------------------|
|                    | Actual Budget | Original Budget | Proposed Budget | Change from 2017-18 | Proposed Budget | Change from 2018-19 |
| Total Expenditures | \$7,538,989   | \$8,074,900     | \$8,545,317     | \$470,417           | \$8,608,763     | \$63,448            |
|                    |               |                 |                 | +5.8%               |                 | +0.7%               |
| Total FTE          | 36            | 37              | 37              | 0                   | 37              | 0                   |



# San Francisco Rent Board



## BUDGET ISSUES AND DETAILS

### THE RENT BOARD FEE

The Rent Board Fee in FY2017-18 was \$45 per year (\$22.50 for SRO units). The Department receives no General Fund support. In previous years, the Department's surplus from the prior year was applied in order to reduce the amount of the fee. The fee will be determined by the Controller at the end of July.



# San Francisco Employees' Retirement System

## Department Budget Presentation

Prepared for: Budget and Finance Committee of the San Francisco Board of Supervisors  
Supervisor Malia Cohen, Chair  
Supervisor Sandra Lee Fewer  
Supervisor Catherine Stefani  
Supervisor Jeff Sheehy  
Supervisor Norman Yee

May 17, 2018



# SFERS

San Francisco Employees' Retirement System

## **Mission Statement**

**San Francisco City and County Employees' Retirement System is dedicated to securing, protecting and prudently investing the pension trust assets, administering mandated benefit programs, and providing promised benefits.**



# **SFERS**

**San Francisco Employees' Retirement System**

## Benefit Program Overview

### SFERS Defined Benefit Plan: Established in 1922

- **Currently administering 14 separate SFERS benefit plans for active members:**
  - Miscellaneous, Police and Fire members hired before 1976 (1-year Final Comp)
  - Miscellaneous, Police and Fire members hired after 1976 (1-year Final Comp)
  - Miscellaneous, Police and Fire members hired after July 1, 2010 (2-year Final Comp)
  - Miscellaneous, Police, Fire, Sheriff and Miscellaneous Safety members hired after January 7, 2012 (3-year Final Comp)
  
- **SFERS Membership (CCSF, SFUSD, SFCCD and Trial Courts):**

|                     | July 1, 2017  | July 1, 2016  | July 1, 2015  |                |
|---------------------|---------------|---------------|---------------|----------------|
| Non-retired Members | 41,867        | 40,051        | 37,931        | (+4.8%)        |
| Retired Members     | 29,127        | 28,286        | 27,485        | (+3.0%)        |
| <b>Totals</b>       | <b>70,994</b> | <b>68,337</b> | <b>65,416</b> | <b>(+3.9%)</b> |



# SFERS

San Francisco Employees' Retirement System

## SFERS Trust Funding Levels

| Fiscal Year | Actuarial Liability | Actuarial Value of Assets | Actuarial Value Funding Ratio | Market Value of Assets | Market Value Funding Ratio |
|-------------|---------------------|---------------------------|-------------------------------|------------------------|----------------------------|
| 2012-13     | \$20.225 billion    | \$16.303 billion          | 80.6%                         | \$17,012 billion       | 84.1%                      |
| 2013-14     | \$21.123 billion    | \$18.012 billion          | 85.3%                         | \$19,921 billion       | 94.3%                      |
| 2014-15     | \$22.971 billion    | \$19.653 billion          | 85.6%                         | \$20.428 billion       | 88.9%                      |
| 2015-16     | \$24.404 billion    | \$20.655 billion          | 84.6%                         | \$20.155 billion       | 82.6%                      |
| 2016-17     | \$25.706 billion    | \$22.185 billion          | 86.3%                         | \$22,410 billion       | 87.2%                      |

- First Quarter 2018 performance: Market value of the SFERS Trust was \$24.2 billion, representing a 9.64% investment return for the Fiscal Year to Date



# SFERS

San Francisco Employees' Retirement System

## **SFDCP Deferred Compensation Plan: Established in 1997**

- SFDCP Participants (May 2018):
  - 19,127 actively contributing
  - 29,521 participants with balance
  
- SFDCP Assets as of April 2018 - \$3.4 billion
  
- As of August 2016, the San Francisco Deferred Compensation Plan offers a loan program for its participants – approximately 2400 SFDCP participants have taken out loans against their SFDCP accounts.

## **Retiree Health Care Trust Fund: Established in 2010**

- Effective July 1, 2017, the administration of the Retiree Health Care Trust Fund was transferred from the Office of the Controller to SFERS.
  
- As of April 2018, the RHCTF Trust has grown to approximately \$250 million.



**SFERS**

San Francisco Employees' Retirement System

## SFERS Budget Highlights

### ➤ Two-Year Budget Outlook

All costs of administering SFERS are paid from investment earnings on SFERS Trust  
All costs of administering SFDCP are reimbursed by the Plan's third-party administrator  
All costs of administering RHCTF are paid from investment earnings on RHCTF Trust

### ➤ 2018-2022 Strategic Initiatives

Retirement Readiness Campaign: Coordinated campaign by SFERS and SFDCP to provide City employees with information necessary for them to make informed decisions about their financial future

Enhanced Member Experience: Expanding 24/7 secure access to personal SFERS retirement information via *mysfers* website and increasing on-line access to retirement-related transactions

ESG Investment Initiative: Addition of Investment Division staff dedicated to ESG integration into SFERS investment process  
Phased divestment from "riskiest/dirtiest" fossil fuel holdings in SFERS public market portfolios

### ➤ FTE Growth

FY2016-17: 117.32      FY2017-18: 119.02      FY2018-19: 120.93      FY2019-20: 120.93



# SFERS

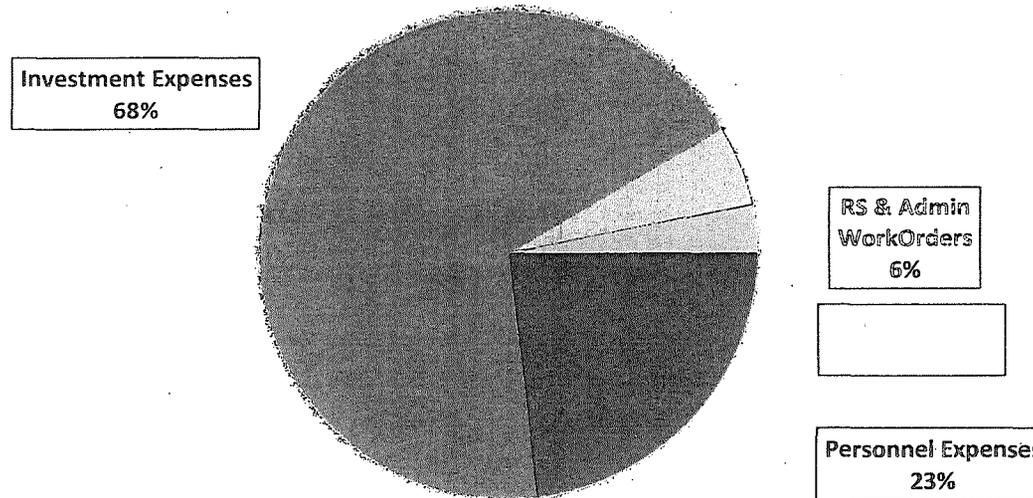
San Francisco Employees' Retirement System

## Budget Expenditure Projections

SFERS Proposed FY2018-2019 Budget: \$89.5 million

|                                  |                |
|----------------------------------|----------------|
| Investment Expenses -            | \$61.0 million |
| Personnel Expenses -             | \$20.7 million |
| Retirement Svcs/Admin Expenses - | \$4.9 million  |

### SFERS Expenditure Budget FY2018-2019



# SFERS

San Francisco Employees' Retirement System



Gorsha Sur, Esq.  
**Versus Advocates, P.C.**  
1700 Shattuck Ave., Suite 210  
Berkeley, CA 94709  
gsur@versusadvocates.com  
+1 (650) 209-0090

May 16, 2018

Budget & Finance Committee  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**Re: San Francisco Law Library Budget**

Dear Supervisors Cohen, Fewer, Stefani, Sheehy and Yee,

I am writing in support of the proposed budget for the San Francisco Law Library.

It is no secret that small law firm lawyers and solo practitioners provide essential legal services to small business, nonprofits and individuals who find the hourly rates charged by big law firms prohibitively high. To provide quality representation to these budget conscious clients, lawyers must have free access to legal research tools and databases available at law libraries, avoiding hefty subscription fees. Losing this vital resource or attaching a cost to it will mean additional overhead passed on to clients.

Law libraries also offer a place for continued education and social gathering for the lawyers who often work alone and can become isolated.

In light of the above, I urge you to support the San Francisco Law Library's proposed budget so that the library may continue to provide valuable resources to San Francisco's people and legal community.

Sincerely,

Gorsha Sur  
Principal / Lawyer  
Versus Advocates, P.C.

**Wong, Linda (BOS)**

---

**From:** David Wright <david@dwimmigration.com>  
**Sent:** Wednesday, May 16, 2018 7:35 PM  
**To:** Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS)  
**Cc:** Wong, Linda (BOS)  
**Subject:** Law Library Budget

Bd of Supervisors Budget & Finance Committee  
1 Dr Carlton Goodlett Place  
San Francisco, CA 94102

Dear Supervisors Cohen, Fewer, Stefani, Sheehy and Yee:

I am writing in support of the proposed budget for the San Francisco Law Library.

I am an immigration lawyer in solo practice serving the legal needs of low income families and individuals. The resources available at the SF Law Library are far too expensive for me to afford on my own, yet they are essential to my ability to provide the most reliable professional service to my clients. I hope you will support the San Francisco Law Library's proposed budget so the library can continue providing these important legal resources to the people of our city.

Thank you for your attention to this request.

Sincerely,

David S. Wright  
Attorney at law

Law Office of David S. Wright  
1232 Market Street, Suite 102  
San Francisco, CA 94102

Tel. 415 421 1264  
Fax 415 861 2309  
david@dwimmigration.com

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**Wong, Linda (BOS)**

---

**From:** Nancy Brandt <nsbrandtlaw@gmail.com>  
**Sent:** Tuesday, May 15, 2018 12:38 PM  
**To:** Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS)  
**Cc:** Wong, Linda (BOS)  
**Subject:** Support for the San Francisco Law Library

Dear Members of the SF Budget & Finance Committee:

I am a vice-president of the California Appellate Defense Counsel organization ([cadc.net](http://cadc.net)) and, more importantly in this context, co-chair of the San Francisco Bay Area Chapter of CADC. I'm writing on behalf of the local members of our organization to encourage you to continue to fund (generously) the Law Library located at 1145 Market Street.

Our chapter meets regularly at the library for continuing education sessions (MCLE) that are both critical to our work as appellate attorneys and necessary per California Bar requirements. Most appellate attorneys work in solo offices and need the opportunity to acquire the MCLE credits we offer. The library provides a perfect location for our meetings.

In addition, because we are almost all practicing as court appointed attorneys, our pay is far lower than that of attorneys in the private sector, which means that the legal research resources at the SF Law Library are extremely valuable to us and our indigent clients.

Please do not overlook this extremely important resource in your budget.

Sincerely,  
Nancy Brandt

-----  
Nancy Brandt  
[nsbrandtlaw@gmail.com](mailto:nsbrandtlaw@gmail.com)  
510-545-4920

## Wong, Linda (BOS)

---

**From:** Kai Haswell <kai@alrp.org>  
**Sent:** Tuesday, May 15, 2018 3:14 PM  
**To:** Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS)  
**Cc:** Wong, Linda (BOS)  
**Subject:** Re: SF Budget Committee Meeting 5/17/2018  
**Attachments:** Letter of Support - San Francisco Law Library.pdf

Dear Supervisors,

Please find attached a letter of support for the San Francisco Law Library, in consideration of the SF Budget Committee Meeting on May 17, 2018. Please feel free to contact me if you have any questions.

Regards,

### **Kai Haswell**

Staff Attorney | AIDS Legal Referral Panel

1663 Mission St., Suite 500 | San Francisco, CA 94103

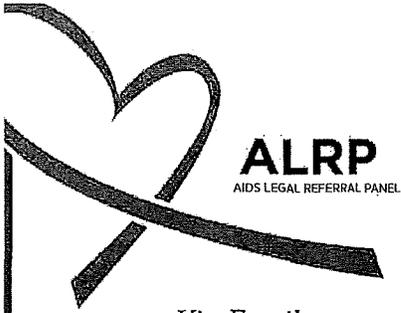
P:  [\(415\) 701-1200 ext. 323](tel:(415)701-1200) | F:  [\(415\) 701-1400](tel:(415)701-1400) [kai@alrp.org](mailto:kai@alrp.org) | [www.alrp.org](http://www.alrp.org)

*Pronouns: she/her*

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“Like” ALRP on Facebook! [www.facebook.com/AIDSLegalReferralPanel](https://www.facebook.com/AIDSLegalReferralPanel)

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1663 Mission St., Suite 500  
San Francisco, CA 94103  
alrp.org

415.701.1200 phone  
415.701.1400 fax

*Via Email*

Budget & Finance Committee  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

May 15, 2018

**Re: Letter in Support of the San Francisco Law Library**

Dear Supervisors,

My name is Bill Hirsh and I am the Executive Director of the AIDS Legal Referral Panel (ALRP) in San Francisco, CA. ALRP provides free legal resources, counseling, and representation to people living with HIV/AIDS throughout the seven Bay Area counties. Our in-house staff provides services in numerous legal areas, including housing, immigration, and benefits counseling, among many others. We also have a network of over 700 private attorneys on our referral panel, who contract with us to represent our clients pro bono or on a sliding-scale basis.

I am writing in strong support of the San Francisco Law Library and the services it provides to the public interest legal community in San Francisco. ALRP staff attorneys and ALRP panel attorneys frequently use the services provided by the Law Library in order to provide the highest level of representation to our clients, most of whom are low-income and living with multiple disabilities.

Given ALRP's limited resources and space, the Law Library has been an invaluable resource in providing us with free conference rooms in order to meet with clients, stakeholders, and other attorneys, as well as providing a neutral space for us to conduct depositions and mediations. Our panel attorneys also frequently use the Law Library services for similar purposes.

The Law Library is an essential part of San Francisco's efforts to expand access to justice for the most vulnerable members of our community. I strongly urge you to continue supporting the Law Library and the many low-income residents it serves.

Regards,

Bill Hirsh  
*Executive Director*  
AIDS Legal Referral Panel

Cc: Linda Wong, Clerk  
[Linda.wong@sfgov.org](mailto:Linda.wong@sfgov.org)

Malia Cohen, Chair  
[malia.cohen@sfgov.org](mailto:malia.cohen@sfgov.org)

Sandra Lee Fewer  
[Sandra.fewer@sfgov.org](mailto:Sandra.fewer@sfgov.org)

Catherine Stefani  
[Catherine.stefani@sfgov.org](mailto:Catherine.stefani@sfgov.org)

Jeff Sheehy  
[Jeff.sheehy@sfgov.org](mailto:Jeff.sheehy@sfgov.org)

Norman Yee  
[Norman.yee@sfgov.org](mailto:Norman.yee@sfgov.org)

# C H I O S S O L A W

ANTHONY C. CHIOSSO  
TONY@CHIOSSOLAW.COM  
LICENSED ATTORNEY IN CA

May 15, 2018

VIA US MAIL  
Budget & Finance Committee  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

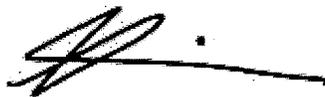
RE: SF LAW LIBRARY APPROPRIATION

Dear Sir or Madam,

I am a frequent user of the San Francisco Law Library and I am writing to encourage this committee to maintain or increase its funding of this important resource. As a solo practitioner, it is impossible to duplicate the resources of large firms. The SF Law Library's resources help even the playing field so that I can fairly represent clients that large firms won't take on as clients. The staff are incredibly helpful and they routinely go above and beyond to assist patrons. Without this valuable resource, many of the most vulnerable members of our society will be at even more risk of being taken advantage of by those with more resources.

I am available to discuss this matter with you at your convenience, you can also contact me via email at: [tony@chiossolaw.com](mailto:tony@chiossolaw.com).

Regards,



Anthony C. Chiosso  
Attorney

Cc: Linda Wong, Clerk  
[Linda.wong@sfgov.org](mailto:Linda.wong@sfgov.org)

Malia Cohen, Chair  
[malia.cohen@sfgov.org](mailto:malia.cohen@sfgov.org)

201 MISSION ST., SUITE 1200 • SAN FRANCISCO, CA • 94105  
PHONE: 415-964-1321 • FAX: 415-358-4315  
[WWW.CHIOSSOLAW.COM](http://WWW.CHIOSSOLAW.COM)

Sandra Lee Fewer  
Sandra.fewer@sfgov.org

Catherine Stefani  
Catherine.stefani@sfgov.org

Jeff Sheehy  
Jeff.sheehy@sfgov.org

Norman Yee  
Norman.yee@sfgov.org

# O'Grady Law Group

May 15, 2018

Budget & Finance Committee  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Re: San Francisco Law Library Budget

Dear Members of the Committee:

I am writing in support of the San Francisco Law Library's proposed budget.

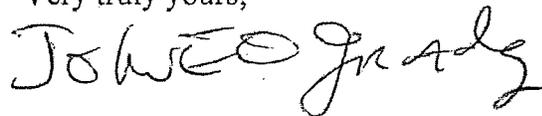
I'm a long-time user of the law library as well as a presenter of library seminars. I began using the library when I was in law school and I've been using it extensively for more than 30 years.

As the only public law library in San Francisco, the San Francisco Law Library is open to everyone and provides free resources to the public as well as legal practitioners. For example, the library offers support for solo and small firm attorneys such as myself.

I have attached a flyer for my presentation at the library on Thursday entitled "Celebrating Human Greatness in the Law." I wish that you could attend, but it will be at roughly the same time as your hearing. I urge you to support the San Francisco Law Library's proposed budget so that the library may continue to provide valuable resources, such as these presentations, to San Francisco's people and legal community.

Members of the San Francisco legal community such as myself know how important it is that the resources provided by the San Francisco Law Library be available to us and the people of San Francisco. Thank you for your consideration.

Very truly yours,



John E. O'Grady

Enclosure



SAN FRANCISCO  
LAW LIBRARY

**Brown Bag Lunch**  
**Thursday, May 17, 2018**  
**Noon to 1:15**



## **Celebrating Human Greatness in the Law**

Celebrating Human Greatness in the Law is a group conversation about how the human spirit gets expressed in high conflict situations. We share stories of times that greatness touched our lives, enriching each other with our memories and re-connecting with our own greatness. Many of us will tell stories from our rich experience in our work as lawyers, mediators, paralegals, and legal workers. Get to know lawyers and others on the journey while being inspired to live and work fully in the moment. When have you acted in greatness? Have you seeing others acting in the spirit of greatness? Bring your stories. Our meeting will be facilitated by John O'Grady. John guides people to navigate family conflicts about guardianship, aging, death, taxes, inheritance, and property rights while addressing the underlying conflicts, salvaging important relationships, and staying connected and in conversation for a lifetime. This end result is priceless.

*Presented by Attorney & Mediator John E. O'Grady*

**O'Grady Law Group**

John O'Grady is an estate planning lawyer and a mediator of inheritance battles. He has been practicing in San Francisco for more than twenty-five years. He served as the 2012 Chair of The Estate Planning, Trust & Probate Section of The Bar Association of San Francisco.  
[www.ogradylaw.com](http://www.ogradylaw.com)

Programs are Free and Open to Everyone

San Francisco Law Library  
1145 Market Street, 4<sup>th</sup> Floor  
San Francisco, CA 94103  
415-554-1772

[www.sflawlibrary.org](http://www.sflawlibrary.org)

Seating is on a first-come, first-served basis  
Civic Center Bart & Muni stops outside the building, between 7<sup>th</sup> & 8<sup>th</sup>

May 15, 2018

Dear Budget & Finance Committee Supervisors,

The San Francisco Law Library is a remarkable institution, and deserves your support—as well as the gratitude of all of us here in San Francisco.

What is important to me about the library is that it is open to all of us who live here in San Francisco. That is, any one of us who wishes to know what the law is, whether of this city, this state, or this country, can walk into the library and seek it out, and ask for help from one of its librarians.

The library is in this respect, I believe, unique in San Francisco. It certainly is in comparison with the two principal law school libraries (Golden Gate and Hastings) to which admission is substantially restricted.

It is worth a quick check of the library's website ([sflawlibrary.org](http://sflawlibrary.org)). There under "Policies and Rules" you will see that "The San Francisco Law Library is open to all". You will also see on its home page an admirable example of its outreach, an upcoming, free noon time session on "How to File a VA Disability Claim".

All this is done at a modest cost , particularly given the value of what is provided. My understanding is that the budget last year for the library from the City was \$1.4million. That is a bit less than \$2 per San Francisco resident.

Please recognize the value of this library to all of us who live here—and perhaps even be proud of what it does!

Sincerely yours,

Joe Luttrell

28 Napier Ln  
San Francisco CA 94133

**Wong, Linda (BOS)**

---

**From:** Warren Jackson <warrenajackson@outlook.com>  
**Sent:** Tuesday, May 15, 2018 8:04 PM  
**To:** Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS)  
**Cc:** Wong, Linda (BOS)  
**Subject:** Law library funding

Dear Members of the Budget & Finance Committee:

I write to implore you to do everything you can to support the law library. I understand that the budget and funding are intended to remain consistent, but that the drastic decrease in civil filing fee revenue has unintentionally resulted in a severe decrease in the law library's funding.

I have been a grateful user of the law library's services for many years as a small-firm and contract attorney (you may recall that there used to be at least two other branches, but we are now down to just one library for the entire city). The law library is a crucial resource, and not only for people like me-- every time I go to the library I encounter non-lawyers who would be lost without the resources and services the library provides in helping them with life matters from employment to divorce to probate issues. I don't know if most people realize how important the law library is, so it's critical for me to share my experience and observations with you.

Thank you for your time and for your attention to this important issue.

Yours truly,

Warren Jackson

P.S. The address below is my business address, but I live in the 94109 ZIP code, in Ms. Stefani's district. Congratulations on your appointment, Ms. Stefani-- I look forward to meeting and working with you!

---

Warren A. Jackson, Esq.  
601 Van Ness Avenue  
#E340  
San Francisco, California 94102  
415-640-2993  
warrenajackson@outlook.com

The information in this email is confidential and may also be privileged. The information is intended only for the use of the persons to whom it is addressed. If you are not the intended recipient, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any use, dissemination, distribution or copying of this communication is strictly prohibited. If you have received this email in error, please immediately notify us by forwarding the message to [warrenajackson@outlook.com](mailto:warrenajackson@outlook.com) and deleting the original message. Thank you.

JAMES A. MICHEL  
ATTORNEY AT LAW  
2912 DIAMOND STREET #373  
SAN FRANCISCO CA 94131-3208  
TEL.: 415/ 239-4949

May 15, 2018

**By Email to:**

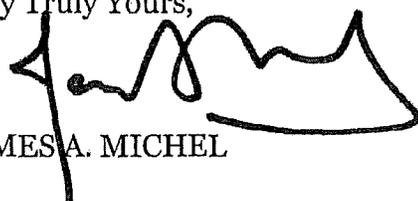
San Francisco Board of Supervisors  
Budget & Finance Committee  
Hon. Malia Cohen, Chair  
Hon. Sandra Lee Fewer  
Hon. Catherine Stefani  
Hon. Jeff Sheehy  
Hon. Norman Yee  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**RE: San Francisco Law Library Proposed Budget**

To the Honorable Members of the Budget & Finance Committee:

I am a San Francisco resident and self-employed attorney who uses the San Francisco Law Library on a regular basis, and have done so since I began practicing law more than 21 years ago. Especially after the Law Library moved to its current location, I have come to depend on the Law Library's resources and services multiple times per week for legal research. I regularly use the Law Library's conference rooms for meetings with clients have conducted depositions there. I also participate in the community events hosted by the Law Library. I depend on the Law Library for my continued success and I know of a dozen others you will not hear from who would say the same. For those reasons, I humbly request that the Budget Committee increase its continued support for the Law Library.

Very Truly Yours,

  
JAMES A. MICHEL

cc: Linda Wong, Clerk



## Miller Property Law

May 16, 2018

*Via Email Only*

Budget & Finance Committee  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Re: San Francisco Law Library Budget

Dear Supervisors Cohen, Fewer, Stefani, Sheehy and Yee:

I am writing in support of the proposed budget for the San Francisco Law Library.

In this age where the income gap is widening, so widens the gap between those who can afford representation and those who cannot. Small law firm lawyers and solo practitioners balance every day the desire to help those who are almost able to pay with the reality of the cost of keeping the lights on in a law office.

These small law firm attorneys and solo practitioners have often given up the comforts of big firm life in order to pursue their sense of justice for the underdog. They keep rates lower for consumers by foregoing the conveniences of subscription research tools (and sometimes even offices) by utilizing the databases made available at the law library. Losing this resource or attaching a cost to it will mean additional overhead that must and will, in the grand scheme, be passed on to clients.

The library also provides a place for continued education and social gathering for these lawyers who often work alone and can become isolated.

I urge you to support the San Francisco Law Library's proposed budget so that the library may continue to provide valuable resources to San Francisco's people and legal community.

Thank you for your consideration.

Sincerely,

Inga M. Miller



May 16, 2018

*Via email*

Budget and Finance Committee  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

**Re: San Francisco Law Library budget**

Dear Supervisors Cohen, Fewer, Sheehy, Stefani, and Yee:

I'm writing in support of the San Francisco Law Library's proposed budget.

I am an estate planning lawyer with a solo practice. The Law Library is invaluable to me as a research tool. It gives me access to treatises, practice manuals, and other materials that I simply would not have access to otherwise. In that way, the Library serves the public by enabling practitioners like me to do the best possible work for our clients.

I've also seen the Library serve the public more directly. In my visits there, I've seen the staff assisting people who are not lawyers with everything from basic legal research to specific questions. Our city should be proud to provide, and continue providing, this kind of help with understanding the law, which is the foundation of our democratic society. (And the librarians are unfailingly patient and helpful.)

I respectfully urge you to maintain this investment in what I see as public education and fairness.

Sincerely,

/s/ Chris O'Connell

GYEMANT PARIS LAW

Creating Families

1330 Castro Street, San Francisco, CA 94114

www.adoptssf.com (415)513-5502 EFax (855)473-1877



May 16, 2018

*Via Email Only*

Budget & Finance Committee  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Re: San Francisco Law Library Budget

Dear Supervisors Cohen, Fewer, Stefani, Sheehy and Yee:

I am writing in support of the proposed budget for the San Francisco Law Library.

In this age where the income gap is widening, so widens the gap between those who can afford representation and those who cannot. Small law firm lawyers and solo practitioners balance every day the desire to help those who are almost able to pay with the reality of the cost of keeping the lights on in a law office.

These small law firm attorneys, and solo practitioners have often given up the comforts of big firm life in order to pursue their sense of justice for the underdog. They keep rates lower for consumers by foregoing the conveniences of subscription research tools (and sometimes even offices) by utilizing the databases made available at the law library. Losing this resource or attaching a cost to it will mean additional overhead that must and will, in the grand scheme, be passed on to clients.

I urge you to support the San Francisco Law Library's proposed budget so that the library may continue to provide valuable resources to San Francisco's people and legal community.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne P.". The signature is fluid and cursive, with a large initial "A" and "P".

Anne Gyemant Paris

---

JAMES A. CARTER  
ROBERT T. FRIES  
DOV M. GRUNSCHLAG  
MICHELLE Q. CARTER  
BRIAN M. CARTER-OF COUNSEL  
DAVID J. ROMANSKI-OF COUNSEL



CARTER  
CARTER  
FRIES &  
GRUNSCHLAG

EXPERIENCE • JUDGMENT

---

44 MONTGOMERY STREET  
SUITE 2405  
SAN FRANCISCO CA 94104  
PHONE 415.989.4800  
FAX 415.989.4864

WWW.CARTERFRIES.COM

May 16, 2018

*Via Email Only*

Budget & Finance Committee  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Re: San Francisco Law Library Budget

Dear Supervisors Cohen, Fewer, Stefani, Sheehy and Yee:

I write in support of the proposed budget for the San Francisco Law Library.

Our small law firm relies on the Law Library for research and volumes that are not available to us. Losing this resource or attaching a cost to it would mean additional overhead that either would be passed on to our clients or reduce our ability to do first-rate work.

The library also provides a place for continued education and social gathering for small-firm lawyers who often work alone and can become isolated.

Please support the San Francisco Law Library's proposed budget so that the library may continue to provide the valuable resource that has been a wonderful help to our firm.

Thank you for your consideration.

Sincerely yours,

Robert T. Fries



Matthew J. Gluck  
415.510.2604 (direct)  
mgluck@gluckdaniel.com

May 16, 2018

*Via Email Only*

Budget & Finance Committee  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Re: San Francisco Law Library Budget

Dear Supervisors Cohen, Fewer, Stefani, Sheehy and Yee:

I am writing in support of the proposed budget for the San Francisco Law Library.

In this age where the income gap is widening, so widens the gap between those who can afford representation and those who cannot. Small law firm lawyers and solo practitioners balance every day the desire to help those who are almost able to pay with the reality of the cost of keeping the lights on in a law office.

These small law firm attorneys and solo practitioners have often given up the comforts of big firm life in order to pursue their sense of justice for the underdog. They keep rates lower for consumers by foregoing the conveniences of subscription research tools (and sometimes even offices) by utilizing the databases made available at the law library. Losing this resource or attaching a cost to it will mean additional overhead that must and will, in the grand scheme, be passed on to clients.

The library also provides a place for continued education and social gathering for these lawyers who often work alone and can become isolated.

I urge you to support the San Francisco Law Library's proposed budget so that the library may continue to provide valuable resources to San Francisco's people and legal community.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "M. J. Gluck", written in a cursive style.

Matthew J. Gluck



**Rowena C. Seto**  
ATTORNEY AT LAW

582 Market Street, Suite 306  
San Francisco, CA 94104  
Office: (415) 851-9887

Facsimile: (415) 851-9882  
E-mail: [Seto@MedinaSetoLaw.com](mailto:Seto@MedinaSetoLaw.com)  
[www.MedinaSetoLaw.com](http://www.MedinaSetoLaw.com)

May 16, 2018

**Via Electronic Mail**

Budget & Finance Committee  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

*Re: San Francisco Law Library Budget*

Dear Supervisors Cohen, Fewer, Stefani, Sheehy and Yee:

I write this letter in support of the proposed budget for the San Francisco Law Library.

The San Francisco Law Library is an invaluable resource to the legal community, particularly those in small firms, solo practices and the non-profit community. When I resigned as a partner from one of the largest defense firms in the nation four years ago, I did so to open this law firm with the goal of representing plaintiffs and providing legal representation to underserved communities and people who otherwise could not afford it. Medina Seto Law Group is able to provide legal representation for reduced rates or on contingency bases and take on smaller cases that large firms would bypass. Without the significant resources that the Law Library provides, including costly subscription legal search engines such as Westlaw and Lexis, my firm's annual operating budget would increase significantly, and I would be forced to rethink my business model and/or pass on the increased costs to my clients. Frankly, I have trouble imagining how my firm could operate without having the Law Library as a resource.

The Law Library's staff is also amazing. Reference librarian Andrea Woods and her colleagues are always welcoming, helpful and impressively knowledgeable. My firm's Of Counsel and I have said to each other more than once, "I love the Law Library!" I look forward to the times I have a reason to go, and have even asked whether they have Law Library t-shirts because if they did, I would buy one and wear it proudly.

I strongly urge you to support the San Francisco Law Library's proposed budget. It is an inestimable resource to San Francisco, its legal community and its underserved communities that many Law Library members endeavor to serve.

Budget & Finance Committee  
San Francisco Board of Supervisors  
May 16, 2018

Page | 2

Please feel free to contact me with any questions. Thank you for your consideration and your time and attention to this important matter.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Rowena C. Seto', with a long horizontal flourish extending to the right.

**Rowena C. Seto of**  
MEDINA SETO LAW GROUP

cc: Linda Wong (via electronic mail)



**Timothy S. Kirk**  
ATTORNEY AT LAW

582 Market Street, Suite 306  
San Francisco, CA 94104  
Office: (415) 851-9868  
Facsimile: (415) 851-9867  
E-mail: [Kirk@MedinaSetoLaw.com](mailto:Kirk@MedinaSetoLaw.com)  
[www.MedinaSetoLaw.com](http://www.MedinaSetoLaw.com)

May 16, 2018

*Via Email Only*

Budget & Finance Committee  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Re: San Francisco Law Library Budget

Dear Supervisors Cohen, Fewer, Stefani, Sheehy and Yee:

I am writing in support of the proposed budget for the San Francisco Law Library. The Law Library provides a vital service to the local legal community.

I recently left my long-time practice with a large national defense firm, in order to pursue my work in a two-lawyer firm representing individuals and small businesses instead of insurers and large corporations. Often our clients come to us with "sticker shock" after inquiring with large law firms about representation.

As you are no doubt aware, the cost of legal services in San Francisco is more than most people can afford. The cost of practicing law here is made more expensive by the subscription rates of various legal research tools and databases. By offering those services to local attorneys, the Law Library helps us keep our own rates affordable to those who might otherwise have to go without legal representation.

The Law Library also offers a very pleasant place to work. The staff are extremely courteous and helpful. I urge you to support the Law Library's proposed budget so that the library may continue to provide valuable resources to San Francisco's people and legal community. Thank you for your consideration.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Timothy S. Kirk', written over a white background.

**Timothy S. Kirk of**  
MEDINA SETO LAW GROUP



**FAIRGRIEVE  
LAW OFFICE**

May 16, 2018

VIA EMAIL

Budget and Finance Committee  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Re: San Francisco Law Library Budget

Dear Supervisors Cohen, Fewer, Stefani, Sheehy, and Yee:

I am writing in support of the proposed budget for the San Francisco Law Library.

The Law Library provides a tremendous service to the community. As a solo practitioner who works primarily with small businesses, I rely heavily on the Law Library. The Law Library provides access to subscription services that only the largest of big firms can afford. In fact, I wish I had known more about the Law Library's services during my 15 years at the City Attorney's Office, because it has access to subscriptions that are even too expensive for that office to maintain.

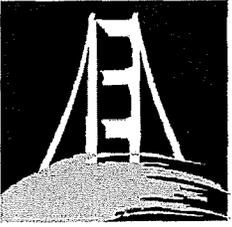
Additionally, the Law Library is an essential service for the general public. Every time I am there I see people who are not lawyers accessing the very valuable information that is available at the library.

The availability of print and online legal resources, not to mention the incredibly knowledgeable and helpful reference librarians, should be protected. In this age where the income gap is widening, so widens the gap between those who can afford representation and those who cannot. The Law Library enables small law firm lawyers and solo practitioners to provide a wide range of services to San Francisco's individuals and businesses. I urge you to support the San Francisco Law Library's proposed budget.

Thank you for your consideration.

Sincerely,

Rose-Ellen Heinz Fairgrieve



THE BAR ASSOCIATION OF  
SAN FRANCISCO

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Yolanda M. Jackson

May 16, 2018

Linda Wong, Clerk  
Budget & Finance Committee  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Dear Ms. Wong:

The San Francisco Law Library has been a partner with The Bar Association of San Francisco (BASF) to bring important legal education sessions to the public and the legal community and we strongly oppose reduction in funding for the library without which the delivery of critical services to the public and attorneys, especially our solo and small firm attorneys, will be gravely affected. In an era where legal standards are challenged, due process and access to counsel are under attack, and the rights and protections of vulnerable populations are at risk, the services available through the San Francisco Law Library cannot be diminished.

We have partnered with the SF Law Library to bring educational seminars to the public and to attorneys, free of charge, on a variety of legal topics including mediation, a critical component to reducing the costs of litigation in the City. In particular, BASF's Conflict Intervention Service has greatly benefitted from the partnership with the library to provide a neutral space for participants to mediate conflicts in the affordable housing context thereby reducing the risk of eviction for those most vulnerable. For these reasons, the BASF strongly supports continued funding for the San Francisco Law Library to help meet the critical needs in the San Francisco attorney community and the public overall.

Sincerely,

Malcolm A. Heinicke  
BASF Board President

## Wong, Linda (BOS)

---

**From:** Paul Kim <pkim@ifpte21.org>  
**Sent:** Wednesday, May 16, 2018 1:56 PM  
**To:** Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS)  
**Cc:** Wong, Linda (BOS); Debra Grabelle  
**Subject:** The Union's Request in Regards to the Proposed SF Port Budget  
**Attachments:** Letter to the BOS\_SF Port Budget.pdf; Program Delivery Assesement Memorandum\_SF Port.pdf

Honorable Commissioners,

The Union, IFPTE Local 21, wanted to reach out to all the Budget and Finance Committee members in regards to the Mayor's Proposed Budget for the Port of San Francisco. There are a number of exciting projects that our members are participating in at the Port, but the Department has not budgeted a parallel staffing plan to account for the increase in work. I've attached a report from Parsons/Lotus Water recommending the hiring of more technical full time staff to meet the deadlines set forth by the Port Commission and department management. We'd like you to consider this when approving the budget for this upcoming session. If you have any questions please free to contact me.

In Solidarity,

**Paul Kim**  
**Lead Representative/Organizer**

IFPTE Local 21  
1167 Mission St, 2<sup>nd</sup> Floor  
San Francisco, CA 94103  
(415) 914-7351





PROFESSIONAL & TECHNICAL ENGINEERS, LOCAL 21, AFL-CIO  
*An Organization of Professional, Technical, and Administrative Employees*

May 16, 2018

*Sent via Email*

Honorable Budget and Finance Committee Members  
City and County of San Francisco  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Honorable Members of the Budget and Finance Committee,

The Port of San Francisco currently has 70 active projects with an overall total project cost of \$196 million. The Engineering Division at the Port of San Francisco executes the delivery of these infrastructure facilities and their enhancements. As the Port of San Francisco has been aggressive in its vision of modernizing its facilities in preparation for increased activity, climate change and potential natural disasters, it has not had the equivalent foresight in hiring/training staff to execute this increase in work.

The Port of San Francisco consulted with Parsons/Lotus Water, a joint venture of two different consultant firms, to assess current project delivery and to recommend work efficiencies, including an estimate of adequate staffing to complete these projects. Currently the Port has 11 full time staff available for design and construction support. The study's assessment is that 25 more full time internal Port design and construction support staff will need to be hired for all 70 projects to be completed on schedule.

The Union, IFPTE Local 21, has concerns with what this increase in work load to existing staff will do to efficiencies. We also have concerns that only exempt Project Managers positions have been hired and not actual design and construction support positions, which would be engineer positions. The Union respectfully requests that the Committee take this into account when evaluating the proposed budget and recommend that more full time Permanent Civil Service Engineer positions be opened up for hiring. If you have any questions or would like to discuss this further please feel free to contact me. I can be reached by telephone at (415) 914-7351 or by email, [pkim@ifpte21.org](mailto:pkim@ifpte21.org).

In Solidarity,

Paul Kim  
Lead Representative/Organizer

**MEMORANDUM**

TO: Rod Iwashita, Port of San Francisco      DATE: 1/15/2018

FROM: Rodney Pimentel, Parsons      PHONE: (510) 907-2172

SUBJECT: Program Delivery Assessment Memorandum (Task 3) – FINAL DRAFT

---

**1 Executive Summary**

The Engineering Division of the Port of San Francisco (Port) executes the delivery of infrastructure facilities and their enhancement to meet many Port objectives. As the number of capital projects grows, more efficient project delivery becomes necessary.

**1.1 Objective**

The primary goal of this memorandum is to assess current project delivery and recommend improvements, including an estimate of adequate staffing to complete a list of 70 active capital projects. It also identifies options to refine these estimates and improve project delivery through more efficient project management.

**1.2 Existing Projects**

The Port currently has 70 active projects, with an overall total project cost of \$196 million (M), inclusive of construction. For this analysis, Port staff broke these down into three categories:

- High-Priority projects – 26 projects equaling \$125M (schedules available)
- Priority projects – 14 projects totaling \$24M (schedules available)
- Low-Priority projects – 30 projects totaling \$45M (no schedule data available)

Together, the Prioritized projects (those with schedules; that is High-Priority and Priority projects) total \$149M.

Figure 1-1 shows an overall program schedule reflecting data from the 40 projects with schedule data from Project Summary Reports. These 40 projects represent approximately \$32M of total project cost per year (inclusive of construction). All 70 projects represent approximately \$42M per year.

**Figure 1-1. Prioritized Projects by Phase**

(See full-size schedule in Attachment A)

**1.2.1 Resource Needs**

The combination of data from existing schedules for the 40 Prioritized projects (Priority and High-Priority projects) and an estimate for additional Low-Priority projects without schedules<sup>1</sup> show a peak need of 42 full-time equivalents (FTE) (assuming all Port staff) in 2018 Q1 for all 70 projects. This peak reduces to 32 FTE if all Low-Priority projects are deferred until 2019 and after. Table 1-1 summarizes the total number of projects in each key phase, the FTE needed to support delivery for the Prioritized projects, and an estimate for Low-Priority projects.

<sup>1</sup> Assumptions:

- Soft costs for each project estimated as a percentage of construction cost include:
  - 19% of construction cost for design and permitting services and
  - 15% of construction costs for construction/contract management services.
- An average hourly rate of \$77.25 per hour was used to calculate equivalent FTE at 160 hours per month with a 150% multiplier for Port staff and a 300% multiplier for contract staff.
- FTE for the 30 projects without schedule data were generated using a direct ratio of FTE/total project cost for the 40 projects with schedules.

*A JOINT VENTURE*

**Table 1-1. FTE Demand for 40 Prioritized Projects**

|                                        | 2018<br>Max FTE<br>(Annual Average<br>FTE) | 2019<br>Max FTE<br>(Annual Average<br>FTE) | 2020<br>Max FTE<br>(Annual Average<br>FTE) | 2021<br>Max FTE<br>(Annual Average<br>FTE) |
|----------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| Permitting/Design                      | 17<br>(12)                                 | 3<br>(1)                                   | 0<br>(0)                                   | 0<br>(0)                                   |
| Construction                           | 15<br>(13)                                 | 14<br>(10)                                 | 8<br>(5)                                   | 4<br>(2)                                   |
| Key Phase total                        | 32<br>(25)                                 | 17<br>(11)                                 | 8<br>(5)                                   | 4<br>(2)                                   |
| Estimate for Low-<br>Priority Projects | 10                                         | 10                                         | 10                                         | 10                                         |

**1.3 Existing Staffing Resources**

Estimates of current available resources for Port projects are based on approximations of last year’s level of effort provided by the Port, and include vacancies that are expected to be filled in the short term.

For this analysis, current resources in the Engineering Division include 35 overall FTE, including 18 FTE for capital projects. Of these, 11 FTE are available for design and construction support<sup>2</sup> services. There are also approximately \$2.7M remaining of existing on-call contracts. Using all remaining capacity for design and construction support services equates to approximately 6 consultant FTE over a 1-year period.

Assuming ongoing use of on-call contracts, current resources could produce roughly \$17M to \$25M of total project cost per year. This converts to a general estimate of approximately \$1M to \$1.5M of total project cost per Design & Construction FTE. These general estimates are also in line with past average performance of approximately \$16M to \$25M per year for the last 10 years.

|                                                                                                                                                              |                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Summary of Available Design and Construction Support for 2018: <ul style="list-style-type: none"> <li>• Port: 11 FTE</li> <li>• Consultant: 6 FTE</li> </ul> | Estimated production rate per Design & Construction Support FTE (from 2018 schedule):<br>$\$32\text{M (project cost)} / 32 \text{ FTE} = \$1\text{M to } \$1.5\text{M/FTE}$ |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**1.4 Options to Meet Staffing Requirements**

Options to meet staffing requirements focus on design and construction support services critical for project delivery. Special development projects have dedicated project managers, while most

<sup>2</sup> Special development projects have dedicated project managers, while most other capital projects are led by Engineering staff also responsible for project support and other non-capital projects. Design and construction support services are critical for this reason and are the focus of analysis.

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other capital projects are led by engineering staff also responsible for project support and other non-capital projects. Design and construction support services are critical for this reason.

**1.4.1 Staffing Requirements**

To deliver the current schedule of 70 projects, a total of 42 Port FTE for design and construction support services would be needed at peak demand in 2018 Q1. This includes 32 FTE for the 40 Prioritized projects as scheduled and 10 additional FTE for the Low-Priority projects.

**1.4.2 Options**

Options to achieve this rate of project delivery are:

- **Add resources:**
  - To complete all 70 projects as scheduled:
    - Add 25 internal Port design and construction support FTE, given that only 11 Port FTE and 6 consultant FTE are currently available for 2018.
    - Add \$6M to \$11M of external contracts for as-needed and specialty work for 2018 for approximately 12 to 25 FTE.
    - Identify a mix of internal staff and outside contracts, targeted to address the project peak of 42 FTE in 2018 Q1 for all 70 projects.
  - To complete only the 40 Prioritized projects as scheduled:
    - Add 15 internal Port design and construction support FTE, given that only 11 Port FTE and 6 consultant FTE are currently available for 2018.
    - Add \$3M to \$7M of external contracts for as-needed and specialty work for 2018 for approximately 7 to 15 FTE.
    - Identify a mix of internal staff and outside contracts, targeted to address the project peak of 32 FTE for Prioritized projects in 2018 Q1 for all 70 projects.
- **Reprioritize and Reprogram Projects to Reduce Peak:**
  - Alone, or in combination with adding staff, prioritize and reprogram all projects to a pre-determined target rate of production. The list of current Prioritized projects in 2018 requires the addition of 1 design and construction support FTE per \$1M to \$1.5M in project cost delivered.
    - To achieve a Port target of \$20M to \$25M of delivered facilities per year would require additional resources, but fewer than the currently scheduled \$32M per year of Prioritized projects demands. To achieve the target of \$20M to \$25M in capital costs, a minimum of an additional 10 FTE would be needed, based on the production rate of \$1M to \$1.5M of project cost associated with each design and construction FTE. This number would also depend greatly on the specific scope and type of the prioritized projects.
    - Projects previously deferred to maintain an optimal staffing rate and/or new projects can be initiated upon the completion of the previously prioritized projects. This would likely push the overall schedule for all 70 projects beyond 2021.

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### 1.4.3 Staff Resource Mix

Based on interviews and other discussions with the Port, the following potential key technical support gaps have been identified:

- Contract services manager or support (internal)
- Scheduler or program controls lead/manager (internal)
- Manager or liaison for internal requests/stakeholder liaison (internal)
- Plan review/plan check support (on-call contract)
- Costing and other specialty contract services (on-call contract)
- Environmental and external permitting support (on-call contract)
- Maintenance staff or capacity (other division)

### 1.5 Future Actions to Enhance Staffing Decisions and Project Delivery

Additional options to improve the resource estimate or improve project delivery and efficiency include:

- **Improve Data:** Additional data are needed to further refine the recommended resource options, to improve accuracy, and to identify specific staff role needs. These data include:
  - Updated schedules, especially those for the Low-Priority projects that did not have schedule data available
  - Complete and consistent project budgets containing cost elements of a consistent work breakdown structure (WBS) and consistent inclusion of soft costs
  - Identification of in-house/contract roles such as the use of Port staff or contracts for the design and construction phases
- **Develop Procedures and Tools to Improve Efficiency:** Updated procedures and tools are essential to improve communication and lead to improved data and project delivery. Key elements include:
  - Updated and documented project development process
  - Overall project schedule
  - Program approach (5-year master plan)
  - WBS to track resource needs for each phase of work
  - Project management information system/control system database
  - Project management plan/project execution plan

### 1.6 Overall Approach

The recommended approach is to add Port staff for key functions and use additional on-call contracts for 2018. This would allow a core team to develop and implement related project delivery improvements, refine staffing needs, and build toward a long-term solution. In addition, reprioritization of projects is recommended to “smooth out” personnel demands and achieve realistic production rates of \$20M to \$25M capital project work per year using available resources.

## **2 Introduction and Approach**

The Port of San Francisco (Port), a department of the City and County of San Francisco (City), is striving to improve its project execution. This memo report is one part of an initial effort to meet this goal. It focuses on assessing current project delivery priorities and providing recommendations for future improvement. It will be followed by development of a project management plan (PMP) template for ongoing Port use (Task 2).

This memo summarizes:

- Project delivery timelines and resource needs for a subset of prioritized projects
- A high-level delivery rate for remaining active Port projects
- Recommendations for how to improve the Port's project delivery rate

Input data and information for the 4-week analysis include:

- Project list of 26 High-Priority projects, 14 Priority projects, and 30 Low-Priority projects
- Project Status Reports (PSRs) for 26 High-Priority projects and 14 Priority projects, each containing scope summary, current schedule, budget, and project lead, provided by Port Management on November 15, November 27, and December 6, 2017.
- Port management comments to supplement PSRs
- Organizational breakdown structure (org chart) and estimated resource allocation for the last year
- Fifteen interviews with Port staff, primarily project leads in the engineering division

Interviews discussed workflow, budget, and organization elements of the project delivery process, as well as needs and requirements to achieve a successful outcome.

One component of this memorandum is to recommend adequate staffing levels for the Port's 5-year Capital Improvement Project (CIP) based on the data gathered.

This recommendation is a high-level estimate of resourcing options (internal and external staffing) to achieve a favorable CIP outcome for the Port. The existing organizational breakdown structure and resource allocation were considered in evaluating the project data to determine anticipated staffing levels for the duration of the 5-year CIP.

### **Approach**

The approach taken to assess the current delivery process and define recommendations entailed three basic steps.

- Analysis of the existing state includes a compilation of data and definition of current project delivery:
  - List of projects (High-Priority projects identified)
  - High-level phased schedule of projects
  - Summarized process for project delivery
  - Identification of available resources
  - Interviews with division staff

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- Evaluation of a future state includes determination of Port's expected level of service and project delivery expectations:
  - Project schedule review and projection
  - Discussion with engineering division management
- Gap assessment identifies options for how to bridge the gap between existing and future states:
  - Resources
  - Options for organizational structure
  - Delivery method options

### 3 Background Information

#### 3.1 Description of Existing State of Project Delivery

##### 3.1.1 Project Overview

There are currently 70 active projects totaling project cost of \$196 million (M), as shown in Figure 3-1. Port staff identified 40 of the 70 as Prioritized projects (26 High-Priority projects and 14 Priority projects), as shown in Figure 3-2. This figure includes project-specific information such as project manager or project lead; estimated project schedule identified by major phases of planning, design, and permitting; procurement; and construction. Project schedules are based on PSRs provided on November 15, November 27, and December 6, 2017, by Port Management for the 40 Prioritized projects and on comments from Port management. Schedules for Low-Priority projects were not available.

|                            |        |
|----------------------------|--------|
| 26 High-Priority projects: | \$125M |
| 14 Priority projects:      | \$24M  |
| =                          |        |
| 40 Prioritized projects:   | \$149M |

Each project is managed individually and not included in a master schedule. Assumptions used to prepare the schedule for the 40 Prioritized projects are presented in Section 3.1.1.1.

Developing a comprehensive overall schedule provides a holistic view of the CIP program. The schedule was further used to evaluate resource needs. Additional categories were added through interpretation of PSR data and conversations with Port management. The schedule reflects major phases shown in Figure 3-3, Current Project Development Process.

Figure 3-1. Project List

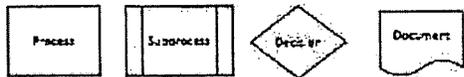
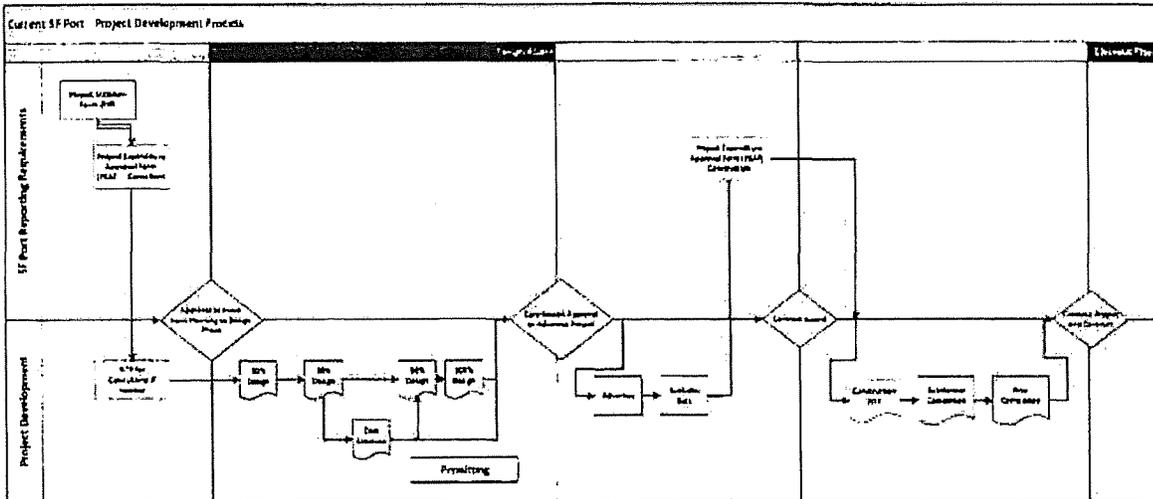
| PROJECTS                                                | MANAGER/LEAD   | PSR Y/N | VALUE        |
|---------------------------------------------------------|----------------|---------|--------------|
| Amador St. Tunnel Sewer Main                            | Ken Chu        | Y       | \$3,350,000  |
| ALL Electrical Serv. Separation                         | Ramon Singh    | Y       | \$3,000,000  |
| Bay 104 Building Crawley Sewer Re-Routing to Street     | David Hu       | Y       | \$480,000    |
| Bay 104 Building (Level of Space, but not Core & Shell) | Wendy Proctor  | Y       | \$450,000    |
| LA All Bays Flood Alarms                                | Wendy Lee      | Y       | \$1,400,000  |
| Crane Cover Park Phase 1                                | Shawn Ryan     | Y       | \$11,462,976 |
| Crane Terminal Phase 2 Upgrade                          | Wendy Lee      | Y       | \$447,000    |
| Crane Building Phase 2 Improvements                     | Don Pedraza    | Y       | \$1,300,000  |
| Harbor's Parcel Park Shortly by West Wall on            | Ken Chu        | Y       | \$2,300,000  |
| Hyde Street Harbor Access And Improvements              | Peter Loring   | Y       | \$3,900,000  |
| Installation of Ferry Landing                           | Jonathan Roman | Y       | \$41,700,000 |
| Port 1800 Access Road                                   | Joe Rogoff     | Y       | \$3,387,997  |
| Port 1800 by Upgrade (Water & Sewer)                    | Ramon Singh    | Y       | \$200,000    |
| Port 1800 Road                                          | Wendy Proctor  | Y       | \$1,344,107  |
| Port 2800 by Upgrade And Restroom (Util. Upgrade)       | Ramon Singh    | Y       | \$1,442,000  |
| Port 29 Substructure Repair                             | Jonathan Roman | Y       | \$5,777,200  |
| Port 29.5 & 31 Phase 2 Repair (Util. & RR Access)       | Wendy Proctor  | Y       | \$1,600,000  |
| Port 40 Bays Water Repair                               | Wendy Lee      | Y       | \$300,000    |
| Port 7.5 Underpass Sewer Replacement                    | David Hu       | Y       | \$310,500    |
| Port 800/2700 Tidal Maintenance Upgrade Program         | David Hu       | Y       | \$2,200,000  |
| Port 87 Access Road                                     | Joe Rogoff     | Y       | \$2,660,987  |
| Port 94 Rail Study Improvements                         | Ken Chu        | Y       | \$7,287,870  |
| Public Railrooms - Port 40, 3000 A and B & C Caves      | Wendy Proctor  | Y       | \$381,250    |
| South Beach Harbor Marine Terminal Dock Repairs         | Wendy Lee      | Y       | \$1,010,000  |
| South Beach Harbor Marine Terminal Dock Repairs/PM      | Wendy Lee      | Y       | \$2,300,000  |
| Waterway                                                | Don Pedraza    | Y       | \$600,000    |
| Ag 2000 Park                                            | Jonathan Roman | Y       | \$3,500,000  |
| Alameda Ferry Terminal on Bay Repair                    | Jonathan Roman | Y       | \$6,374,000  |
| Crane Crane Terminal on Port                            | Peter Loring   | Y       | \$1,910,298  |
| Harbor Crane Improvements                               | Jonathan Roman | Y       | \$7,000,000  |
| PI3 Repair & Improvement Structures                     | Joe Rogoff     | Y       | \$3,000,000  |
| Port 18 Fire Standalone System                          | Joe Rogoff     | Y       | \$160,000    |
| Port 18 Fire Standalone System                          | Joe Rogoff     | Y       | \$160,000    |
| Port 28 Fire Standalone System                          | Joe Rogoff     | Y       | \$191,488    |
| Port 28 Fire Standalone System                          | Joe Rogoff     | Y       | \$191,488    |
| Port 25 Replace Wood Deck                               | Man Ba         | Y       | \$120,000    |
| Port 28 South Access Road                               | Joe Rogoff     | Y       | \$400,000    |
| Port 34/35 Storm Drain and Culvert Repair               | Ken Chu        | Y       | \$1,000,000  |
| SVL121 Park by Lot (Recycled Service Project)           | Arne Prestona  | Y       | \$152,990    |
| Water 1800 Access Road                                  | Joe Rogoff     | Y       | \$1,900,000  |

| PROJECTS                                                | MANAGER/LEAD  | PSR Y/N | VALUE        |
|---------------------------------------------------------|---------------|---------|--------------|
| Ag 2000 Building Door Project                           | Wendy Proctor | Y       | \$112,000    |
| Crane Cover Park Phase 2                                | Shawn Ryan    | Y       |              |
| Crane Cover Park Surcharge                              | Shawn Ryan    | Y       |              |
| Crane Parking & Upgrade Project                         | David Hu      | Y       | \$290,000    |
| City Dept of Maintenance Management System - Land No. 6 | Wendy Lee     | Y       | \$2,560,180  |
| Ferry Access Terminals (Port Repairs)                   | Joe Rogoff    | Y       | \$1,401,957  |
| Final Bay Driveway Repair                               | Ken Chu       | Y       |              |
| Marine Terminal Building FY 16/17/18                    | Ken Chu       | Y       | \$11,123,882 |
| Northon Water-Tight Gate Installation Project           | Theron        | Y       | \$120,000    |
| Port 19N Access Road (by Island)                        | Joe Rogoff    | Y       |              |
| Port 19N New Fire Standalone System                     | Joe Rogoff    | Y       | \$7,000,000  |
| Port 19N by Upgrade (Water & Sewer)                     | Ramon Singh   | Y       |              |
| Port 18.5 And 29.5 Co. Sinks                            | Ramon Singh   | Y       | \$50,000     |
| Port 28 New Fire Standalone System                      | Joe Rogoff    | Y       | \$700,000    |
| Port 28 Roof Replacement                                | Wendy Proctor | Y       | \$1,394,444  |
| Port 28 Load Bearing Abatement & Part of Project        | Theron        | Y       | \$350,000    |
| Port 28 Util. Upgrade & Improvements                    | David Hu      | Y       | \$600,000    |
| Port 29.5 & 31 Upgrade & Improvements                   | Wendy Proctor | Y       | \$6,403,174  |
| Port 2012 Power & Lighting                              | Arne Prestona | Y       | \$500,000    |
| Port 21 Fire Service System                             | Joe Rogoff    | Y       | \$850,000    |
| Port 21 Fire Standalone                                 | Joe Rogoff    | Y       | \$478,190    |
| Port 24 Fire Standalone (Auto Sprinkler System)         | Man Ba        | Y       | \$141,800    |
| Port 29.5 & 31 Upgrade & Improvements                   | Arne Prestona | Y       | \$1,141,165  |
| Port 29.5 & 31 Upgrade & Improvements                   | Theron        | Y       | \$2,000,000  |
| Port 29.5 & 31 Upgrade & Improvements Project 2         | Ken Chu       | Y       | \$71,000     |
| Port 29.5 & 31 Upgrade & Improvements                   | Wendy Lee     | Y       | \$4,434,344  |
| Remediation of 2 Fire Standalone System                 | Ramon Singh   | Y       | \$160,250    |
| Remediation of 2 Fire Standalone System                 | Shawn Ryan    | Y       | \$7,300,000  |
| SVL 221 Park by Lot Fire                                | Arne Prestona | Y       | \$149,147    |
| SVL217 Marine Dock Drive on                             | Arne Prestona | Y       | \$750,957    |
| Water 1800 Access Road Project                          | Ken Chu       | Y       | \$900,000    |
| Water 1800 Access Road Project                          | Joe Rogoff    | Y       | \$187,800    |

**Figure 3-2. Prioritized Projects by Phase**

(See full-size schedule in Attachment A)

**Figure 3-3. Current Project Development Process**



(See full-size diagram in Attachment B)

**3.1.1.1 Schedule Assumptions**

The following assumptions were used to prepare the schedule for the 40 Prioritized projects:

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- Information to populate the schedule and cashflow was taken from PSRs provided by Port Management on November 15, November 27, and December 6, 2017. Comments from Port Management pertaining to budget and schedule were incorporated.
- To determine a full time equivalent (FTE) estimate, the phased schedule was cost loaded for design and construction services based on a straight-line spend curve of the costs as described below.
- Unless otherwise stated within the PSRs provided, design and permitting services were assumed to be 19% of construction cost, and contract/construction management costs were assumed to be 15% of construction cost. These percent allocations were based on planning phase estimates used by the San Francisco Public Utilities Commission.
- Due to their large construction values, Crane Cove Park Phase 1 and Mission Bay Ferry Landing design and permitting services and contract/construction management services were assumed to be contracted outside of Port staff. The portion of work assumed to be attributed to Port staff for design and permitting services was 2.5% of the project value stated within the PSR. The same percentage was used for contract/construction management services.
- Once design and construction totals were assigned to each project, average staff rates were applied similarly across all projects. A raw rate of \$71 per hour was used for design and permitting, and \$77.25 per hour was used for contract and construction management resources. These averages rates were based on comparable positions at the San Francisco Public Utilities Commission. A multiplier of 150% was then applied to account for fringe charges to determine an overall number of hours of effort to be expended by Port staff within a given period.
- One FTE is assumed to be 160 working hours per month.
- Cost escalation was not accounted for in the estimates.

**3.1.2 Summary of Procedures for Project Delivery**

This section summarizes the current project delivery process based on input gathered through staff interviews. Projects are currently initiated with the submission of a Project Initiation Form (PIF), principally by Engineering staff or project sponsors in Real Estate and Maritime Divisions. PIFs include project description, information about entitlements, dependencies, and a preliminary schedule and budget. The Capital Committee reviews and prioritizes project proposals for funding and inclusion in the following two-year budget cycle.

Once a project is ready to expend funds, a Project Expenditure Approval Form (PEAF) is completed to use funds for approved projects. This includes a more detailed cost breakdown and a list of the funding sources. Figure 3-3 conceptually shows a PEAFF completed for the design phase, and a second completed for construction. Milestones within the design phase include 30%, 60%, Construction Cost Estimate, 90%, and 100% design.

Interdivisional signoffs occur for each milestone to approve work and move to the next milestone. Permitting activities usually are conducted during the design phases when permits are required. Figure 3-3 provides an overview of the current project development process.

Once a project manager or project lead is assigned to an approved project, the ongoing requirements for management of that project include providing a biweekly project status report

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and a separate database for management review. An informal checklist can be completed at any time throughout the duration of the project. The checklist includes various items and has locations for the project manager and review manager to check off activities as completed. The items range from project upfront folder set-up, to filing, to close-out of the project. Use of the checklist should be actively monitored throughout the project lifecycle to effectively assist project delivery. Other guidance documents (e.g., those outlining contracting processes and forms) should be revised and made more accessible to Port staff.

**3.1.3 Available Resources**

All projects require resources; key resources include staff and budget.

Table 3-1 presents the total FTE for Port staff resources available for the last year. Based on available data provided by Port and interviews conducted primarily during the week of November 13, 2017, the resource allocation was summarized and categorized based on functional groups within the organizational chart. A tally of each staff's time allocation was divided into two categories:

- Non-Capital Project Assignments
  - Plan checking
  - Rapid structural assessments
  - Small maintenance projects
  - Document requests
  - Requests from other Port divisions
- Capital Projects Assignments
  - Projects over \$100,000, either constructed by Port maintenance or outside contractors
  - Support for special development projects

The total FTE of 34.52 provides the technical and project management support for non-capital and capital projects.

In addition to Port staff, as-needed contract vehicles are established. A total of \$6M was budgeted for four contracts (each approximately \$1.5M) for a duration of 4 years. For the past 17 months, a total of \$2.7M (approximately 55%) of the budget has been used to support various aspects of current projects.

Special development projects are managed by designated project managers, while all other projects are managed by Engineers/Architects. Figure 3-4 shows an organizational chart for the Engineering Division that illustrates organizational structure, key roles, and a summary of existing resource allocation associated with each group and overall design/construction function. Pie charts show the resources division associated within each group for both non-capital and capital projects. Total capital project FTE (not including the project managers who are designated to special development projects) associated with project management for non-development projects, design support services, and construction support services for the entire Engineering Division are also shown.

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**Table 3-1. Summary of Total FTE for Capital and Non-Capital Projects**

| <b>Group</b>               | <b>Non-Capital Projects</b> | <b>Capital Projects</b> | <b>Total</b> |
|----------------------------|-----------------------------|-------------------------|--------------|
| Deputy Director            | 0.80                        | 0.20                    | 1.00         |
| Executive Secretary        | 0.78                        | 0.23                    | 1.00         |
| Facilities Manager         | 0.53                        | 0.48                    | 1.00         |
| Civil/Survey               | 1.915                       | 1.085                   | 3.00         |
| Facilities Assessment      | 1.72                        | 2.28                    | 4.00         |
| Utilities                  | 2.285                       | 2.715                   | 5.00         |
| Architecture               | 0.64                        | 1.36                    | 2.00         |
| Construction and Contracts | 1.35                        | 3.65                    | 5.00         |
| Bldg Permits               | 6.92                        | 0.00                    | 6.92         |
| Project Management         | 0.1                         | 5.50                    | 5.60         |
| <b>Total</b>               | <b>17.03</b>                | <b>17.49</b>            | <b>34.52</b> |
| <b>Percent of Total</b>    | <b>49.3%</b>                | <b>50.7%</b>            |              |

Notes:

Student interns are not loaded in the calculations.

Vacancies on the organizational chart are assumed to be filled.

Additional requests currently in process are included.

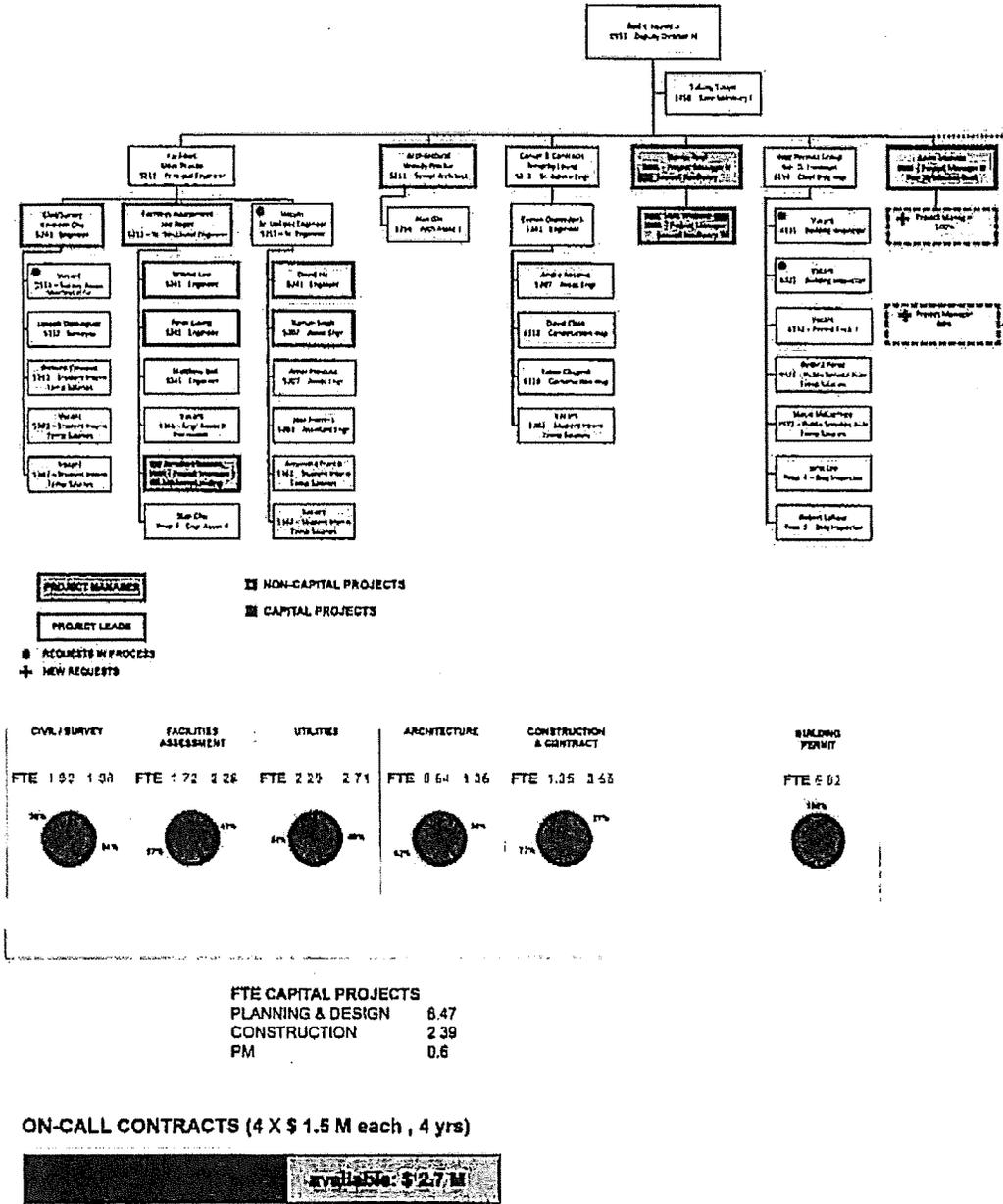
Project Managers are designated to special development projects.

Due to rounding, the sum of a group's non-capital projects and capital projects may not exactly match the total.

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Figure 3-4. Organization Chart and Available Resources

**ORGANIZATION & RESOURCES**



(See full-size chart in Attachment C)

## 4 Existing State and Future State Analysis

### 4.1 Key Observations

The observations in this section area based on interviews conducted thus far with the following Port staff members:

- Rod Iwashita
- Uday Prasad
- Ananda Hirsch
- Tiffany Tatum
- Winnie Lee
- Kenneth Chu
- Peter Luong
- Johnathan Roman
- Wendy Proctor
- Tim Leung
- Kathryn Purcell
- Dan Hodapp
- Rich Berman

People, policies and procedures, and tools work together and support effective communication, decision making, and project delivery. In the existing state of project delivery at the Port, these three are not fully aligned. Staff have identified various suggestions for improvement, which they shared during interviews. Observations are described for each of these categories in Sections 4.1.1 through 4.1.3.

A successful outcome for Port Management would be the delivery of \$20M to \$25M capital project work per fiscal year. Beyond communicating this goal to the rest of the organization, three key elements—people, policies and procedures, and tools—need to be in place to be successful. Managing each project consistently within the overarching governance of all three elements will help to achieve this goal.

The subsequent sections provide more detail on people, policies and procedures, and tools that can assist with delivering the CIP. Key observations are presented in bold font.

#### 4.1.1 People

The People category refers to organization structure, communication, and how staff interface with other groups, divisions, or agencies.

##### **Dynamic work environment**

- The existing state is a dynamic work environment where staff manage and respond to many tasks and requests. Overall, the team desires to be responsive to requests that come from various other divisions within the Port, particularly Real Estate and Maritime.

##### **Work is divided between capital and non-capital projects**

- Non-capital projects include plan checking, rapid structural assessments, small maintenance projects, requests from Maritime or Real Estate, and document requests.
- Capital projects include
  - Capital projects completed by Port maintenance,
  - Capital projects completed through outside contractors,
  - Special development projects, and

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- Regulatory and encroachment permitting.

**Priorities can be unclear at multiple levels**

- Staff often respond to urgent or political items in the City (e.g., an important tenant or a high-profile project). This leads to schedule delays on other High-Priority projects.
- Scope changes come from project sponsors, or priorities may change or may not be clear to engineering staff. Stakeholders themselves may need to prioritize requests and are not aware of the implications of new requests or changes on existing projects.
- The establishment of Port-wide priorities, shared with all divisions, would improve scheduling and resource decisions.

**Unclear or uncertain workflow**

- Long-term schedules can be unclear or undefined, which can make long-term work planning difficult. At times, this can affect project delivery and responsiveness.

**4.1.2 Policies and Procedures**

The policies and procedures category refers to overall program or project controls, including schedule, quality, budget, reporting frequency and style, and other procedures for management and project delivery.

**Project delivery requirements are flexible or imbedded in institutional knowledge**

- A *Project Manager/Engineer/Architect checklist* is available, but it is generally used merely as guidance. It is not an official checklist requiring signatures or used for project close-out, for example. While it provides guidance for overall project delivery, it is infrequently or inconsistently used by project leads or managers. An official checklist completed at all major milestones for the duration of the project, including sign-off by the project manager or project lead, as well as the reviewer, ensures quality control and support from Port project stakeholders. A version of this exists with interdivisional sign-offs, but it should be revisited, revised as appropriate, and actively enforced.
- Project updates to PSRs are requested every 2 weeks but are often submitted on a less frequent basis. The PSR should be used not only for reporting but also to identify potential risk and to indicate how upper management can help with critical issues on the project.
- Development of a project delivery process is essential for presenting an overview of the project needs from planning through design, permitting, construction, and close-out. Following set procedures that are implemented through preparation of a PMP at the initiation of the project allows the project leads/project managers to understand and define the scope of work and account for potential risks and the applicable permitting requirements.

**Project prioritization**

- Projects are initiated through an annual basis (the PIF). The Capital Committee reviews and prioritizes project proposals for funding, and includes the next year's budget.

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- Factors used to prioritize projects include presence of regulatory compliance issues, reduction in Port liability, economic benefits, natural and cultural resource protection, payback period, financial benefits to the Port, and human and environmental health.
- If the goal for successful Port management is measured by maintaining a relatively constant annual capital budget spending, it is vital to prioritize projects and allocate the available budgets accordingly, within key categories, keeping in mind the project phases and upfront cost that is needed to fund any construction contract at the start of construction.

#### **4.1.3 Tools**

##### **Multiple project tracking tools are independent and not linked together**

Project data for tracking, funding, and reporting are tracked on multiple forms for various purposes. Project leads update the forms separately, and they can be hard to share across Port divisions due to software and storage limitations. Data within them may be inconsistent, and staff have identified the need for templates or standards to make them more consistent. Tools currently include:

- **PIF** (Project Initiation Form) to initiate a project. It includes project description, information about entitlements, dependencies, and a preliminary schedule and budget.
- **PEAF** (Project Expenditure Approval Form) to gain approval for expenditure of funds on a specific element of a project (e.g. encumbrance or expenditure of funds, use of Port labor, transferring funds to another department).
- **PSR** (Project Summary Report) to track project development and share project status with managers. It includes goals, scope, budget, funding, schedule, and status (updated biweekly). Individual work documents are stored in engineering division folders.
- **Database** to track project information for Engineering, Permitting, and other divisions. A project is now under development to convert the Access format database to a web-based tool on Arches software, accessible across divisions. Improvements are also planned to record information pertinent to each division or function (e.g., engineering, environmental/permitting, other divisions). Input from Real Estate and Maritime was minimal.

##### **Time reporting is limited to broad categories and can be inconsistent**

For capital projects, Engineering Division staff charge a single code per project. In addition, there can be inconsistent reporting between non-capital project time and capital projects. While the use of project codes allows staff time to be capitalized at project completion, data do not exist to track work by phase or other breakdown. Staff charges should be allocated accurately to monitor soft cost of capital projects, to effectively manage within a budget, and to estimate soft cost for future projects.

##### **Budgeting**

Estimating budgets for projects can be a challenge and is one key cause of project delays when a project cost is underestimated and additional funds are needed. Currently, project managers and project leads lack the guidelines and support needed to estimate a project budget with confidence. Access to cost estimators familiar with the piers and port projects could help

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improve cost estimates and avoid delays that occur due to funding shortfalls. Better information about cost estimating services available through on-call contracts could also help. In addition, better information about pier or facility condition, use of standard contingencies at the time of budgeting, or use of key process points to update cost estimates would improve accuracy.

**Desire for updated procedures and templates**

Multiple types of templates are being developed or have been identified by Port staff as useful tools. These include:

- Standardized scope content
- Permitting and environmental checklist with standard timelines per type of permit or entitlement
- Standard timelines for the procurement phase of projects and duration of permitting
- Standard templates for Commission reports and other documentation
- Guidelines and checklists for costing or other components of existing management tools for consistency and comparability

Templates should serve as guidelines for Project Managers in providing information to team members in other divisions or groups (e.g., Environmental) and should identify critical path items to better define scope and estimated schedule durations. Guidelines and checklists also facilitate the production of consistent information essential for comparing information across projects.

**Integration of tools and process**

During the interviews, Port staff expressed the need of not only having a clearer project delivery process but also having effective tools tied to specific steps of the process.

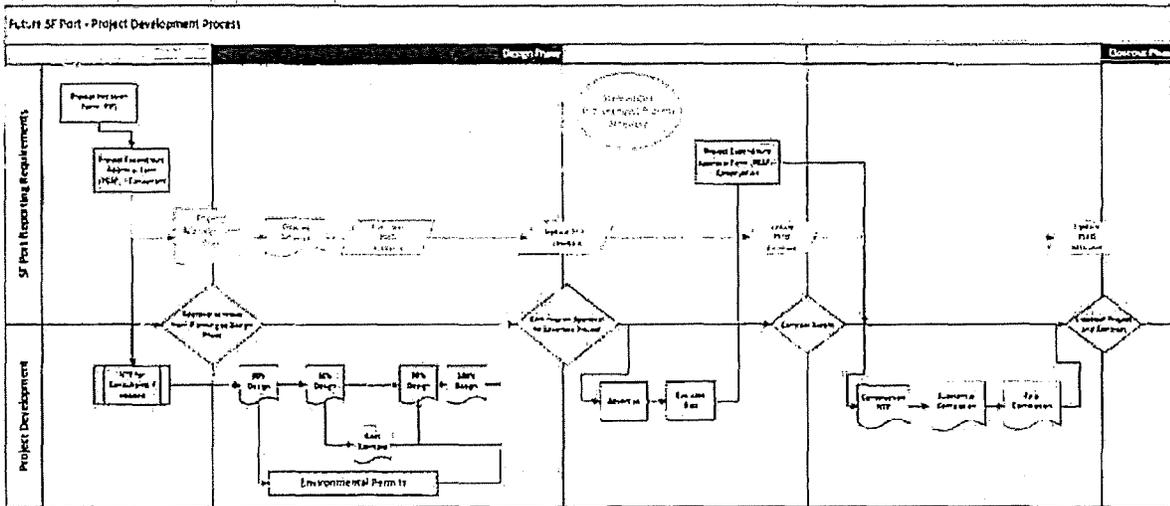
Figure 4-1 illustrates tools that can be incorporated into the current project delivery process.

Inclusion of the PMP step is important. At a minimum, the PMP should include basic project description, scope, key project team members, organizational chart, communication, schedule, budget, and list of deliverables. The initial schedule and budget established for the project will be presented and should be tracked throughout project development. It should also address how to track and report project changes.

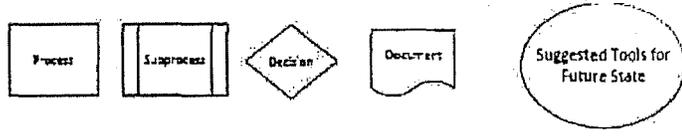
Current use of the PIF, PEA, and PSR should be continued, but these tools should be in one centralized input location to ensure data accuracy and consistency and to provide staff a one-stop-shop for providing and updating their project data.

The PMP is a living document that should be reviewed and updated at separate phases of the project. It should outline the process for change management and should list potential risks and mitigation options for the project.

**Figure 4-1. Future Project Development Process**



**Legend:**



(See full-size chart in Attachment D)

**4.2 Resource Options**

Based on a high-level analysis, an estimated 25 FTE, assumed to be Port staff (in addition to existing staff), would be needed to successfully deliver the 70 projects identified, as scheduled thus far, in the overall CIP.

Options to complete all projects include:

- **Improve data:** Additional data needed to further refine the FTE estimate, to improve accuracy, and to break down specificity of role include:
  - Updated schedules, especially those for the Low-Priority projects that did not have schedule data available
  - Complete and consistent project budgets containing all cost elements of a consistent work breakdown structure (WBS) and consistent inclusion of soft costs
  - Identification of in-house/contract roles, such as the use of Port staff or contracts for the design and construction phases, because it is unclear from current reporting which projects are completed in house or contracted out or for which phase of work
- **Add resources:**
  - To complete all 70 projects as scheduled:
    - Add 25 internal Port design and construction support FTE, given that only 11 Port FTE and 6 consultant FTE are currently available for 2018.

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- Add \$6M to \$11M of external contracts for as-needed and specialty work for 2018 for approximately 12 to 25 FTE.
- Identify a mix of internal staff and outside contracts, targeted to address the project peak of 42 FTE in 2018 Q1 for all 70 projects.
- To complete only the 40 Prioritized projects as scheduled:
  - Add 15 internal Port design and construction support FTE, given that only 11 Port FTE and 6 consultant FTE are currently available for 2018.
  - Add \$3M to \$7M of external contracts for as-needed and specialty work for 2018 for approximately 7 to 15 FTE.
  - Identify a mix of internal staff and outside contracts, targeted to address the project peak of 32 FTE for Prioritized projects in 2018 Q1 for all 70 projects.
- **Reprioritize and program projects:**
  - Alone, or in combination with adding staff, prioritize and reprogram all projects to a predetermined target rate of production. The list of current Prioritized projects in 2018 requires the addition of 1 design and construction support FTE per \$1M to \$1.5M in project cost delivered.
    - A target of \$20M to \$25M of delivered facilities per year would require additional resources, but fewer than the currently scheduled \$32M per year of Prioritized projects demands. To achieve the target of \$20M to \$25M in capital costs, a minimum of an additional 10 FTE would be needed, based on the production rate of \$1M to \$1.5M of project cost associated with each design and construction FTE. This number would also depend greatly on the specific scope and type of the prioritized projects.
    - Projects previously deferred to maintain an optimal staffing rate and/or new projects can be initiated upon the completion of the previously prioritized projects. This would likely push the overall schedule for all 70 projects beyond 2021.

In the absence of additional data, interviews conducted with staff provided supplemental information. The following key resource limitations were repeatedly raised:

- **Contract services** resources are limited (based on current schedule estimates, the peak shows 10 projects will be in procurement phase in 2018 Q1).
- **Plan review and checking for non-capital projects** generally limits the amount of time available to manage capital projects. An expected increase in plan review for upcoming special development projects will require resources. Limited staff time could cause delays for Prioritized projects or other projects led by the plan review staff.
- **Additional maintenance staff or capacity** to deliver capital projects is needed. Staff indicated that this could be an option to improve throughput, given lower effort needed in the procurement phase. But this approach would need to be evaluated.
- **Specialty services available through contracts**, especially costing, could prevent or minimize existing delays caused by inaccurate project budgets.

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At the peak in 2018 Q1, the staffing estimate shows a requirement of 32 FTE. While this peak is early in the 5-year period, maintaining higher FTE provides the bandwidth to start new projects. As projects complete a phase, this staffing level would allow initiation of future projects. The development of a master plan would allow the Port to efficiently identify facility requirements, set priorities, and pull forward backlog and/or add projects to meet future needs.

**Method**

The estimated number of 42 design and construction support staff was developed by cost loading the schedule by phase. Budget and schedule information from the PSRs and resource loading resulted in a current state estimate of 32 FTE for overall total project value of \$149M from 40 projects with PSR data. The remaining 30 projects equate to a total estimated project cost of \$48M. Using a direct ratio method of FTE to project costs, this translates to an additional 10 FTE needed to deliver the full active project list assumed to be completed in the next 5 years at the estimated value of \$197M.

## 5 Benefits of Options/Additional Recommendations for Future State

Key observations between existing and future states were presented in Section 4. In addition to the identified options for resource augmentation, the development or refinement of tools and procedures can also improve staff efficiency, project planning, and project delivery. The following actions should be considered to support the objective of increasing the Port's productivity.

### People (Key Roles)

- **Contract Services:** Provide support for managing, administering, and executing construction contracts. Based on current schedule estimates, the peak shows 10 projects will be in procurement phase in 2018 Q1.
- **Scheduler:** Manage overall aggregate project schedule, apply and communicate Port priorities. The scheduler will enable management to better track progress versus planned and facilitate better management decisions for future operations.
- **Manager or Liaison for Internal Requests/Stakeholder Liaison:** Requests from other divisions significantly contribute to non-capital work. A liaison tasked with managing incoming requests from Real Estate or Finance, for example, would help the Facilities Manager and staff prioritize these requests with capital project work to prevent delays.
- **Plan reviewers:** Provide additional support in plan review and checking for projects during peak or high-capacity time for Port staff to ensure adequate reviews and to decrease any negative impact on project delivery schedule.
- **Estimating/Cost Support:** Additional estimating support would assist in determining more refined cost estimates and provide more certainty and clarity throughout the project lifecycle, with regards to cost and budget.
- **Environmental/Permitting Support:** Provide additional reach-back support to ensure seamless permitting process and execution to assist leads and managers in navigating their projects through the appropriate permitting channels.

### Policies and Procedures

- **Updated and Documented Project Development Process:** Review and develop processes and procedures to incorporate standard timelines based on key project components (e.g., environmental, templates, reporting frequency). Dedicate resources to prepare and further develop policies and procedures and to determine which are most useful for staff and meeting delivery goals.

### Tools

- **Overall Project Schedule:** Reflect, plan, and manage Port priorities for all phases of each project. Develop schedules that are cost- and resource-loaded to provide regular forecasts and reports to Engineering Division Manager, Finance, project sponsors, and Executive Management. Provide context and communicate project priorities and dependencies to team members.
- **Work Breakdown Structure:** Develop a standardized WBS that would facilitate uniform reporting and ultimately provide a method for tracking resource allocation.

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- **Project Management Information System/Control System Database:** Provide consistent reporting to view overall CIP and report performance to the project team, other divisions, Executive Management, and the Port Commission. Enable leads to consistently report on a regular basis across all projects. Consolidate data and provide user-friendly interface to allow multiple users across Port divisions (e.g., Real Estate, Maritime, Planning). Facilitate establishment, participation, and communication of the entire project team. The conversion of the access database to a web-based format in Arches is underway for the project level. The dedication of resources to add aggregate reporting functions to the database system would be required to add effective reporting features for the program level.
- **Project Management Plan:** Implement documented procedures; identify project needs and scope; monitor project budgets, schedule, and scope; and identify potential risks and critical path for project delivery (e.g., environmental, permits).
- **Program Approach (5-year Master Plan):** Capture future needs to develop schedule and goals for overall CIP. Integrate waterfront master planning and other initiatives. Evaluate and develop level of service goals and associated project categories and funding, such as special development projects, enhancements, and state of good repair. The lack of developed project schedules and estimated effort for Low-Priority projects within the active projects list highlights the need for a master plan that guides project planning and estimates of future project efforts.
- **Costing Improvements and Condition Assessment:** Manage lifecycle of existing infrastructure assets and develop better cost data for planning future maintenance needs and for better cost estimates for specific projects. Because funding gaps are one key cause of project delay, improved costing procedures and information would improve project delivery.

While these options would all improve overall project delivery, they require further evaluation. Next steps would require dedicating resources to prioritize these options, identifying options providing the greatest return on investment, developing a target schedule, and establishing the selected improvements.

**5.1 Observations and Options Summary**

**Table 5-1. Observations and Options Summary**

|                                | <b>Existing</b>                                                                                                            | <b>Goals for Future</b>                                                                            | <b>Options (Gap)/Benefits</b>                                                                                                 |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>People</b>                  | Staff manage and respond to many tasks and requests                                                                        | Be responsive to requests from other divisions                                                     | Manager or liaison for internal requests/ stakeholder liaison                                                                 |
|                                | Priorities can be unclear at multiple levels                                                                               | Establish and share Port priorities across divisions                                               | Scheduler incorporates priorities into schedule, communicates Port priorities and Program approach                            |
|                                | Unclear or uncertain workflow can result in delays                                                                         | Ability to plan and be responsive                                                                  | Scheduler tracks project progress to allow better management decisions                                                        |
| <b>Policies and Procedures</b> | Project delivery requirements are informal or imbedded in institutional knowledge                                          | Standardize project delivery, develop clear and accessible procedures with flow charts/check lists | Updated and documented project development process                                                                            |
|                                | Project prioritization                                                                                                     | Adopt Port-wide prioritization strategy                                                            | Program approach goals and objectives, implemented by program management plan                                                 |
| <b>Tools</b>                   | Multiple project tracking tools are independent and not linked together and<br>Desire for updated procedures and templates | Develop clear and accessible tools that are easy to update and maintain                            | Overall project schedule and<br>Project management information system/ control system database and<br>Project management plan |
|                                | Time reporting is limited to broad categories and can be inconsistent                                                      | Improve data and tracking                                                                          | Work breakdown structure                                                                                                      |
|                                | Budgeting is challenging, and cost underestimation causes project delays                                                   | Costing support and improved data                                                                  | Work breakdown structure and<br>Costing improvements and condition assessment                                                 |

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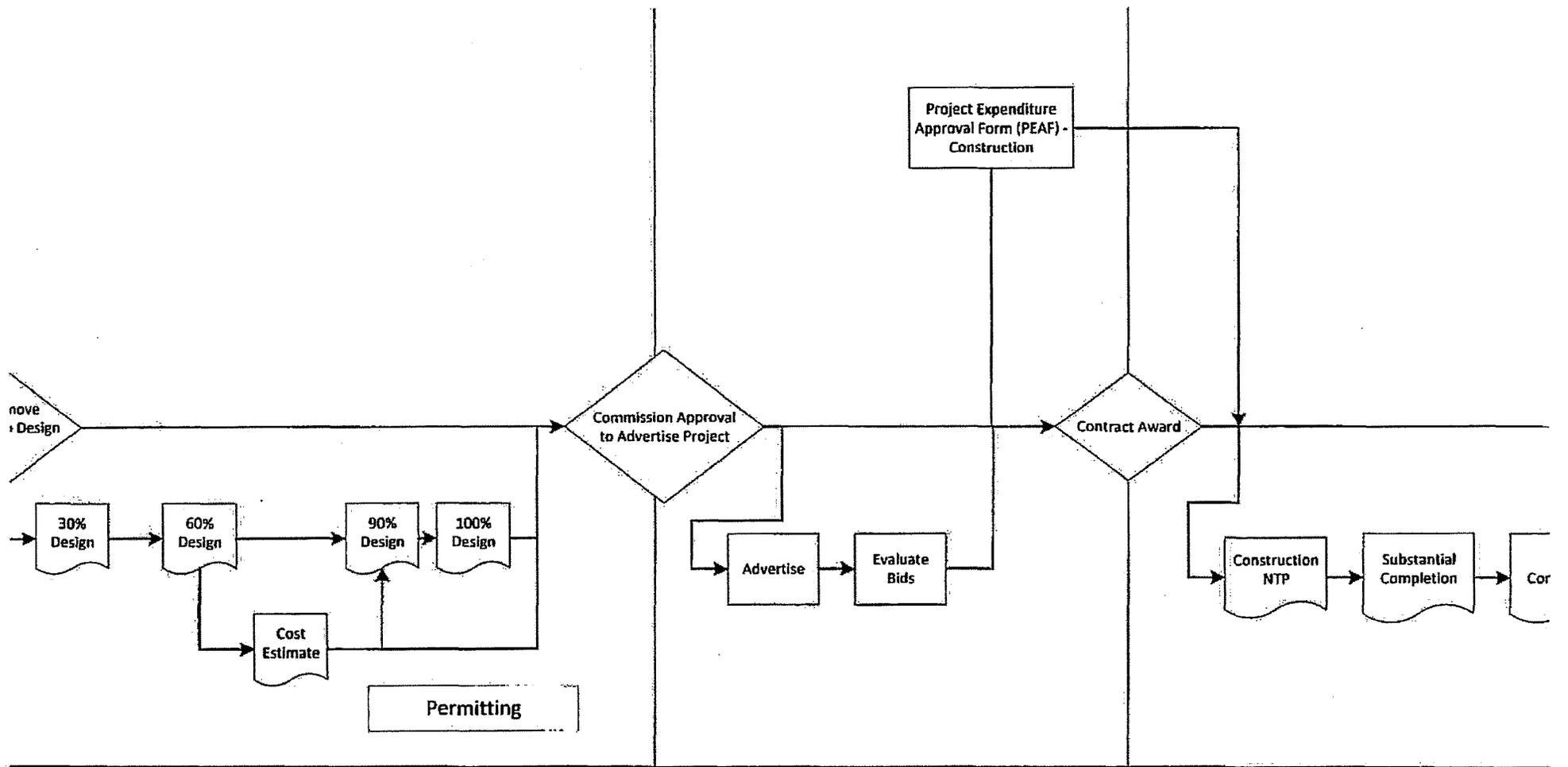
**Attachments**

- A. Schedule of 40 Prioritized Projects by Phase
- B. Current Project Development Process
- C. Organization Chart and Available Resources
- D. Future Project Development Process

Attachment A  
Schedule of 40 Prioritized Projects  
by Phase

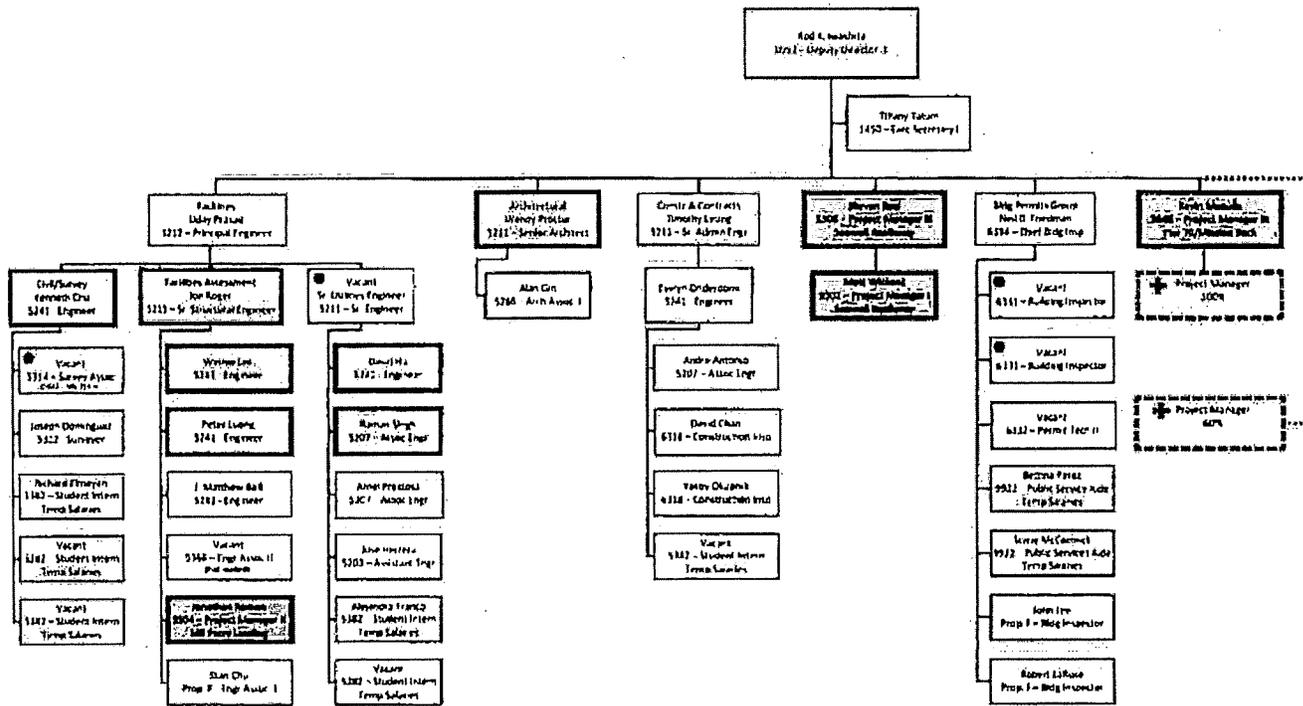


Attachment B  
Current Project Development Process



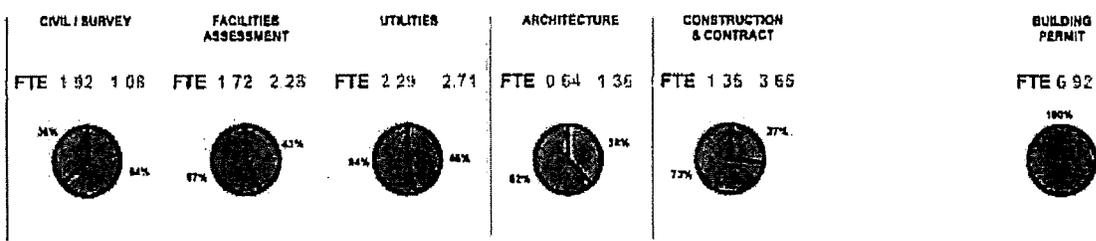
Attachment C  
Organization Chart and  
Available Resources

# ORGANIZATION & RESOURCES



PROJECT MANAGER  
 PROJECT LEADS  
 REQUESTS IN PROCESS  
 NEW REQUESTS

NON-CAPITAL PROJECTS  
 CAPITAL PROJECTS



FTE CAPITAL PROJECTS

|                   |      |
|-------------------|------|
| PLANNING & DESIGN | 8.47 |
| CONSTRUCTION      | 2.39 |
| PM                | 0.6  |

ON-CALL CONTRACTS (4 X \$ 1.5 M each , 4 yrs)

available: \$ 2.7 M

Attachment D  
Future Project Development Process



# SAVE MUNI

May 15 2018

File # 180444, 180445, 180446

Supervisor Cohen and members of the Budget Committee,

**Save Muni urges the Board of Supervisors to take the unprecedented step of rejecting the MTA's 2019-2020 budget and returning it to the MTA for adjustment.**

We believe that staffing and budget increases for this one department are not warranted given the limits placed on other city department...

MTAs proposed staff increase of 277 comes on top of continuous increases over the past decade resulting in an agency with over 6,000 employees making it the second largest city department. We believe that the agency needs an independent management audit to look at the effectiveness of its current structure before considering additional staffing..

MTAs recent performance has been at best mediocre. The Agency has a history of poor project decisions and even poorer project management.

Traffic congestion continues to worsen and Muni ridership has failed to increase even with substantial population growth and robust economic activity. The budget needs more focus on transit service and emphasis on better coordination of road projects to facilitate transit movement.

We believe that a number of specific issues with respect to the budget need to be addressed:

- 1) Lack of adequate time for the public to review the budget. The budget book was not available until very shortly before the MTA Board hearing, which made considered review impossible.
- 2) There was no meaningful narrative about the budget changes. Expenditures were not linked to specific programs and staffing levels.
- 3) The use of operating reserves to balance the current budget is unsustainable and flies in the face of intelligent fiscal planning. Instead we urge the MTA to reduce current costs and to identify new sources of revenue.

By returning the MTA budget to the Agency for revision, the Board of Supervisors will send a powerful message that MTAs current way of doing business needs to change.

Save Muni urges the Board to send that message.

Sincerely,

Bob Feinbaum  
Chair, Save Muni

