

File No. 130414

Committee Item No. 3

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: 05/22/2013

Board of Supervisors Meeting

Date: _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
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| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER (Use back side if additional space is needed)

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Completed by: Victor Young Date May 17, 2013

Completed by: Victor Young Date _____

1 [Appropriation - \$1,697,907 for the San Francisco Airport Commission - FY2013-2014]

2
3 **Ordinance appropriating amended estimated receipts and amended estimated**
4 **expenditures of \$1,697,907 for the San Francisco Airport Commission for the fiscal**
5 **year ending June 30, 2014.**

6
7 **NOTE:** Additions are *single-underline italics Times New Roman*;
8 deletions are *strike-through italics Times New Roman*.
9 Board amendment additions are double-underlined;
Board amendment deletions are ~~strikethrough normal~~.

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

11 **SECTION 1.** The amounts of estimated receipts, income, prior-year fund balance, prior-year
12 reserves, de-appropriations, and revenue enumerated herein are hereby appropriated to the
13 funds within the San Francisco Airport Commission as indicated in this ordinance for the
14 purpose of meeting appropriations herein.

15
16 **SECTION 2.** The amounts of proposed expenditures are hereby appropriated to the funds
17 within the San Francisco Airport Commission as enumerated herein. The San Francisco
18 Airport Commission is hereby authorized to use, in the manner approved by law, the amounts
19 so appropriated for the purposes specified in this amended appropriation ordinance.

1 Department: AIR : AIRPORT COMMISSION

\$ Change From
Adopted Budget
2013-2014

2
3 Sources of Funds Detail by Subject

4 OPERATING:

5 5A AAA AAA: SFIA-OPERATING-NON-PROJ-CONTROLLED FD

6 99999B BEGINNING FUND BALANCE - BUDGET BASIS \$ 1,697,907

7 Total Sources of Funds \$ 1,697,907

8
9 Uses of Funds Detail Appropriation

10 OPERATING:

11 5A AAA AAA: SFIA-OPERATING-NON-PROJ-CONTROLLED FD

12 001 SALARIES \$ 313,095

13 013 MANDATORY FRINGE BENEFITS \$ 116,827

14 0931G OTO TO 1G-GENERAL FUND \$ 1,267,985

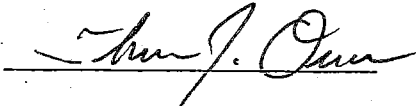
15 Total Uses of Funds \$ 1,697,907


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17 SECTION 3. The Controller is authorized to record transfers between funds and adjust the
18 accounting treatment of sources and uses appropriated in this ordinance as necessary to
19 conform to Generally Accepted Accounting Principles.
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APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

FUNDS AVAILABLE:
BEN ROSENFELD, Controller

By: 
Deputy City Attorney

By: 
Date: April 29, 2013

Items 3 and 4
Files 13-0414 and 13-0417

Department:
Airport

EXECUTIVE SUMMARY

Legislative Objectives

- File 13-0414 is an ordinance amending the Annual Appropriation Ordinance to appropriate \$1,697,907 in the Airport's FY 2013-14 budget to fund salaries and benefits for new and substituted positions (\$429,922) and transfer funds to the City's General Fund (\$1,267,985).
- File 13-0417 is an ordinance amending the Annual Salary Ordinance to (a) approve five new positions (3.85 FTEs in FY 2013-14) and substitution of six existing positions in the Airport's FY 2013-14 operating budget; and (b) approve 16 new positions (12.32 FTEs in FY 2013-14) and substitution of five existing positions in the Airport's FY 2013-14 capital budget.

Key Points

The Airport is requesting:

- Six position substitutions in the FY 2013-14 operating budget, including (a) upward substitution of three information technology positions in the Administration Division to support the Security Local Area Network infrastructure, and Airport business applications; (b) upward substitution of two positions in the Facilities Maintenance Division to provide management support to electrical workers, and oversee the Airport's preventative maintenance program; and (c) downward substitution of a position in the Operations and Security Division to serve as the Regulatory Compliance Manager;
- Five new positions in the FY 2013-14 operating budget, including (a) one new Parts Storekeeper in the Facilities Maintenance Division to manage electrical supplies; (b) one new Wastewater Control Inspector in the Facilities Maintenance Division to support regulatory compliance; and (c) three new Airport Safety Officers in the Operations and Security Division to respond to information requests from the Federal Transportation Security Administration;
- Five position substitutions in the FY 2013-14 capital budget (off-budget positions) to provide architect, engineering, and project management services for the Airport's Capital Plan; and
- 16 new positions in the FY 2013-14 capital budget (off-budget positions) to (a) provide information technology support to Capital Plan projects; (b) perform work related to flight information, security checkpoints, and other terminal improvements; and (c) oversee construction of the Airport Hotel and other Airport projects.

Fiscal Impact

- The Airport's original FY 2013-14 budget included transfer of \$35,683,000 to the City's General Fund, or 15% of estimated Airport Concession revenues. Based on revised concession revenue projections, the FY 2013-14 transfer to the City's General Fund is \$36,950,985, an increase of \$1,267,985.
- Because the Airport has a large projected salary surplus in FY 2012-13, the Budget and Legislative Analyst recommends increasing attrition savings by \$313,095, from \$139,909 in the proposed ordinance (File 13-0414) to \$453,004. This recommendation would result in a decrease in the proposed supplemental appropriation of \$429,922.

Recommendations

- Amend File 13-0414 to increase attrition savings by \$313,095, from \$139,909 to \$453,004, resulting in a reduction in the proposed supplemental appropriation by \$429,922, from \$1,697,907 to \$1,267,985.
- Approve Files 13-0414 and 13-0417 as amended.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

Charter Section 9.105 requires Board of Supervisors' approval of Annual Appropriation Ordinance amendments, after the Controller certifies the availability of funds.

Charter Section 9.101 authorizes the Mayor and Board of Supervisors by resolution to determine in an even-numbered fiscal year that the upcoming budgetary cycle shall be a fixed budgetary cycle for some or all City Departments. In a fixed budgetary cycle, the Board of Supervisors does not adopt a new budget for the second fiscal year of the cycle, but may adjust the second-year budget if certain conditions are met.

Background

The Board of Supervisors approved a resolution in 2011 (Resolution 464-11), adopting a fixed two-year budget for the Airport, Port, and Public Utilities Commission. The Board of Supervisors approved the Airport's two-year fixed budget for FY 2012-13 and FY 2013-14 in July 2012. As shown in Table 1 below, the budget increased by 15%, and the number of full time equivalent positions (FTEs) increased by 6% in the two-year period from FY 2011-12 to FY 2013-14.

**Table 1: Airport Budget
FY 2011-12 though FY 2013-14**

Program	FY 2011-12	FY 2012-13	FY 2013-14	Increase FY 2011-12 to FY 2013-14	Percent Increase
ADMINISTRATION	\$36,899,762	\$42,001,587	\$44,571,534	\$7,671,772	21%
AIRPORT DIRECTOR	16,579,536	8,793,873	9,005,531	(7,574,005)	-46%
BUREAU OF DESIGN AND CONSTRUCTION	5,621,140	14,263,376	15,030,190	9,409,050	167%
BUSINESS & FINANCE	428,766,832	448,300,394	467,723,072	38,956,240	9%
CAPITAL PROJECTS AND GRANTS	39,498,903	86,498,209	76,229,491	36,730,588	93%
CHIEF OPERATING OFFICER	4,595,869	4,806,312	5,139,585	543,716	12%
COMMUNICATIONS & MARKETING	5,862,433	6,488,281	6,776,008	913,575	16%
CONTINUING PROJECTS, MAINT AND RENEWAL	7,075,000	10,500,000	9,310,000	2,235,000	32%
FACILITIES	148,844,080	154,682,430	163,551,499	14,707,419	10%
FIRE AIRPORT BUREAU NON-PERSONNEL COST	811,248	668,947	589,191	(222,057)	-27%
OPERATIONS AND SECURITY	55,098,535	59,421,756	61,928,562	6,830,027	12%
PLANNING DIVISION	4,019,107	3,547,012	3,844,127	(174,980)	-4%
POLICE AIRPORT BUREAU NON-PERSONNEL COST	2,472,777	3,552,285	3,162,982	690,205	28%
AIRPORT Total	\$756,145,222	\$843,524,462	\$866,861,772	\$110,716,550	15%
Full Time Equivalent Positions (FTE)	1,377.31	1,443.36	1,461.70	84.39	6%

DETAILS OF PROPOSED LEGISLATION

File 13-0414 is an ordinance amending the FY 2012-13 and FY 2013-14 Annual Appropriation Ordinance to appropriate \$1,697,907 in the Airport's FY 2013-14 budget, as shown in Table 2 below, increasing the FY 2013-14 budget by approximately 0.2% from \$866,861,772 to \$868,559,679.

**Table 2: Requested Supplemental Appropriation
FY 2013-14**

Source of Funds	
Airport Fund Balance	\$1,697,907
Uses of Funds	
Salaries	313,095
Fringe Benefits	<u>116,827</u>
Subtotal Salaries and Fringe Benefits	429,922
Transfer to General Fund	<u>1,267,985</u>
Total Uses	\$1,697,907

File 13-0417 is an ordinance amending the FY 2012-13 and FY 2013-14 Annual Salary Ordinance to:

- Add 5 new positions (3.85 FTEs in FY 2013-14), and approve substitution of 6 exiting positions in the Airport's FY 2013-14 operating budget; and
- Add 16 new positions (12.32 FTEs in FY 2013-14), and approve substitution of 5 existing positions in the Airport's FY 2013-14 capital budget.

Requested New and Substituted Positions in the Airport's FY 2013-14 Operating Budget

Request for 5 New Positions in the Operating Budget

Table 3 below shows the 5 requested new positions in the operating budget (3.85 FTEs in FY 2013-14).

Table 3: 5 New Positions in the FY 2013-14 Operating Budget

Position	FY 2013-14 FTEs	Total Positions	Salaries
<u>Facilities Maintenance</u>			
1929 Parts Storekeeper	0.77	1.00	\$48,690
6115 Wastewater Control Inspector	0.77	1.00	70,705
<u>Operations and Security</u>			
9212 Airport Safety Officer	<u>2.31</u>	<u>3.00</u>	<u>194,617</u>
Subtotal, New Positions	3.85	5.00	\$314,012
One-Day Adjustment			1,227
Attrition Savings			(139,909)
Total New Positions	3.85	5.00	\$175,330

The Airport is requesting 5 new positions as follows:

- One new 1929 Parts Storekeeper in the Facilities Maintenance Division to order, receive, inspect and inventory large quantities of electrical supplies, which are currently performed by three different staff;
- One new 6115 Wastewater Control Inspector in the Facilities Maintenance Division to assist with the inspection, investigation and reporting of waste water discharges, ensuring compliance with local, state and federal environmental regulations, previously performed by engineering staff; and

Three new 9212 Airport Safety Officers in the Operations and Security Division to respond to requests from TSA for follow up enforcement activities and information and video footage related to incidents.

Requested Substitution of 6 Existing Positions in the Airport's Operating Budget

Table 4 below shows the requested substitution of 6 existing positions in the FY 2013-14 operating budget.

Table 4: Substitution of 6 Existing Positions in the FY 2013-14 Operating Budget

Position	FY 2013-14 FTEs	Total Positions	Salaries
Operating Budget (on-budget positions)			
<u>Administration</u>			
1. 1022 IS Administrator II	(1.00)	(1.00)	(\$83,675)
1044 IS Engineer Principal	<u>1.00</u>	<u>1.00</u>	<u>136,468</u>
	(1.00)	(1.00)	52,793
2. 1022 IS Administrator II	(1.00)	(1.00)	(83,675)
1054 IS Business Analyst - Principal	<u>1.00</u>	<u>1.00</u>	<u>123,792</u>
	0.00	0.00	40,117
3. 1023 IS Administrator III	(1.00)	(1.00)	(101,722)
1070 IS Project Director	<u>1.00</u>	<u>1.00</u>	<u>136,468</u>
	0.00	0.00	34,746
<u>Facilities Maintenance</u>			
4. 9242 Head Airport Electrician	(1.00)	(1.00)	(116,859)
0931 Manager III	<u>1.00</u>	<u>1.00</u>	<u>130,805</u>
	0.00	0.00	13,946
5. 7334 Stationary Engineer	(1.00)	(1.00)	(76,556)
7262 Maintenance Planner	<u>1.00</u>	<u>1.00</u>	<u>101,061</u>
	0.00	0.00	24,505
<u>Operations and Security</u>			
6. 0923 Manager II	(1.00)	(1.00)	(149,567)
5211 Engineer/Architect	<u>1.00</u>	<u>1.00</u>	<u>121,225</u>
	0.00	0.00	(28,342)
Subtotal, Substitutions	0.00	0.00	\$137,765

The Airport is requesting upward substitution of three information technology positions in Administration as follows:

- 1022 IS Administrator II to 1044 IS Engineer Principal to provide technical support for new Security Local Area Network infrastructure, and infrastructure engineering needs related to Cyber Security;
- 1022 IS Administrator II to 1054 IS Business Analyst Principal to serve as the Data Warehouse Developer to design and develop Data Warehouse applications; and
- 1023 IS Administrator III to 1070 IS Project Director to serve as the Application Architect to develop and maintain all Airport business applications, websites, kiosk applications, and mobile applications.

The Airport requests upward substitution of two positions in the Facilities Maintenance Division as follows:

- 9242 Head Electrician to 0931 Manager III, based on the Department of Human Resources recommendation to reclassify the Head Electrician position, represented by the United Brotherhood of Electrical Workers Local 6, to a management position, which will manage a

staff of over 77 employees who perform a wide variety of skilled technical and electrical work and maintenance throughout the Airport facilities; and

- 7334 Stationary Engineer to 7262 Maintenance Planner to oversee the preventative maintenance program for the certification of the Fire Suppression System, Fire Alarm Systems, and Smoke Control Systems.

The Airport requests the downward substitution of a position in the Operations and Security Division as follows:

- 5211 Engineer/Architect/Landscape Architect to 0923 Manager II to serve as the Regulatory Compliance Manager, managing aviation security offers that are responsible for responding to Transportation Security Agency (TSA) requests for incident information, video footage, and employee personnel information.

Table 5 below summarizes the salary and fringe benefit costs of the requested 5 new and 6 substituted positions in the Airport’s FY 2013-14 operating budget.

Table 5: FY 2013-14 Salary and Fringe Benefit Costs

Salaries	
5 New Positions	\$314,012
One Day Adjustment	1,227
Attrition Savings	<u>(139,909)</u>
Subtotal, New Positions	175,330
6 Position Substitutions	137,765
Salaries (Total)	313,095
Fringe Benefits	116,827
Salaries and Fringe Benefits (Total)	\$429,922

Requested New and Substituted Positions in the Airport’s FY 2013-14 Capital Budget

Request for new positions in the capital budget

Table 6 below shows the 16 requested new positions in the Airport’s capital budget (12.32 FTEs in FY 2013-14). These are off-budget positions funded by capital project budgets.

Table 6: 16 New Positions in the FY 2013-14 Capital Budget

Position	FY 2013-14 FTEs	Total Positions
<u>Administration</u>		
1043 IS Engineer Senior	2.31	3.00
1054 IS Business Analyst - Principal	1.54	2.00
<u>Facilities Maintenance</u>		
7318 Electronic Maintenance Technician	2.31	3.00
7345 Electrician	2.31	3.00
5211 Engineer/Architect	0.77	1.00
6242 Plumbing Inspector	0.77	1.00
6331 Building Inspector	0.77	1.00
<u>Design and Construction</u>		
5207 Associate Engineer	0.77	1.00
5506 Project Manager III	0.77	1.00
Total Capital Budget	12.32	16.00

The Airport is requesting 16 new off-budget positions (12.32 FTEs), as shown in Table 5 above, including:

- Five information technology positions in the Administration Division to support the information technology components of the Airport’s Capital Plan projects, including renovations to Terminal 3, Cyber Security project, and other projects included in the Airport’s Capital Improvement Program.
- Nine positions in the Facilities Maintenance Division to perform work related to flight information and other electronic displays; in-house construction of security checkpoints and other modifications to existing facilities; plan review and inspections; and engineering work for treatment plant improvements.
- Two positions in the Design and Construction Division to oversee the construction of a new Airport Hotel and other Airport projects, such as the Runway Safety Area and Terminal 3 East projects.

Requested Substitution of 5 Existing Positions in the Airport’s Capital Budget

Table 7 below shows the requested substitution of 5 existing positions in the Airport’s FY 2013-14 capital budget. These are off-budget positions, funded by capital project budgets.

Table 7: Substitution of 5 Existing Positions in the FY 2013-14 Capital Budget

	Position	FY 2013-14 FTEs	Total Positions
Capital Budget (off-budget positions)			
Design and Construction			
1.	5260 Architectural Assistant I	(1.00)	(1.00)
	5266 Architectural Associate II	1.00	1.00
2.	5212 Engineer/Architect Principal	(1.00)	(1.00)
	5506 Project Manager III	1.00	1.00
3.	5362 Engineering Assistant	(1.00)	(1.00)
	5504 Project Manager II	1.00	1.00
4.	5207 Associate Engineer	(1.00)	0.00
	5241 Engineer	1.00	1.00
5.	5362 Engineering Assistant	(1.00)	(1.00)
	5366 Engineering Associate	1.00	1.00
	Subtotal, Substitutions	0.00	0.00

The Airport is requesting substitution of five off-budget positions in the Design and Construction Division, as shown in Table 7 above, to provide architect, engineering and project management services for projects in the Airport's Capital Plan, including Security Checkpoint expansion, Long-Term Parking Garage project, Terminal One expansion, and the Runway Safety Area program.

FISCAL IMPACT

Annual Service Payment

The proposed ordinance appropriates \$1,267,985 to the City's General Fund. Under the Airport's agreement with airlines, the Airport pays¹ an Annual Service Payment of 15% of concession revenues to the City's General Fund. The Airport's original FY 2013-14 budget, approved by the Board of Supervisors in July 2012, included an Annual Service Payment of \$35,683,000. Based on revised concession revenue projections, the Airport has revised the FY 2013-14 Annual Service Payment to \$36,950,985, which is an increase of \$1,267,985 and equal to 15% of projected FY 2013-14 concession revenues of \$246,339,900.

Airport's FY 2012-13 Salary Surplus

The proposed ordinance appropriates for \$429,922 for salaries and fringe benefits for the requested substituted and new positions in the operating budget, shown in Table 2 above. According to the Controller's Monthly Salary and Fringe Benefit Projection for March 2013, the Airport projects a FY 2012-13 salary surplus between \$4.7 million to \$5.2 million.

In order to utilize the Airport's projected salary surplus, the Budget and Legislative Analyst recommends increasing attrition savings by \$313,095, from \$139,909, as shown in Table 3

¹ The Federal Aviation Administration, which oversees airport agreements with airlines, authorized these payments.

above, to \$453,004. This recommendation would result in a decrease in the proposed supplemental appropriation of \$429,922 (\$313,095 in salaries plus \$116,827 in associated fringe benefits).

RECOMMENDATIONS

1. Amend File 13-0414 to increase attrition savings by \$313,095, from \$139,909 to \$453,004, resulting in a reduction in the proposed supplemental appropriation by \$429,922, from \$1,697,907 to \$1,267,985.
2. Approve Files 13-0414 and 13-0417 as amended.

COB Leg. Dep
BDS-11 Comm Clerks

President, Board of Supervisors
District 3



City and County of San Francisco

DAVID CHIU
邱信福
市參事會主席

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2013 MAY 17 AM 9:08

TO: Angela Calvillo, Clerk of the Board
 FROM: Supervisor David Chiu
 DATE: May 16, 2013
 RE: Waive 30 day hold on items 130465, ~~130465~~, 130417, 130415 and 130416

130414

Madam Clerk,

I hereby waive the 30-Day Rule on the following file:

130465 Settlement of Claims, Litigation, and Appropriation - SFPUC Water Pipeline Break - 15th Avenue and Wawona Street - Not to Exceed \$4,000,000

130414

~~130465~~ - Appropriation - \$1,697,907 for the San Francisco Airport Commission - FY2013-2014; Sponsor: Mayor; introduced 05/07/13 under the 30 day rule.

130417 - Public Employment - Amendment to the Annual Salary Ordinance, FYs 2012-2013 and 2013-2014 - San Francisco Airport Commission] Sponsor: Mayor; introduced 05/07/13 under the 30 day rule

130415 - Public Employment - Amendment to the Annual Salary Ordinance, FYs 2012-2013 and 2013-2014 - Port of San Francisco; Sponsor: Mayor; introduced 05/07/13 under the 30 day rule.

130416 - Appropriation - \$3,857,224 for the Port of San Francisco - FY2013-2014; Sponsor: Mayor; introduced 05/07/13 under the 30 day rule.

Thank you for your prompt assistance in this matter.

###

David Chiu