

File No. 190619

Committee Item No. 1

Board Item No. \_\_\_\_\_

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date June 19, 20 & 21, 2019

Board of Supervisors Meeting

Date \_\_\_\_\_

### Cmte Board

- Motion
- Resolution
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- Legislative Digest
- Budget and Legislative Analyst Report
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OTHER (Use back side if additional space is needed)

- Proposed Budget and Appropriation Ordinance
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- Notice of Transfer of Functions
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- \_\_\_\_\_
- \_\_\_\_\_
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- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Completed by: Linda Wong Date June 14, 2019

Completed by: Linda Wong Date \_\_\_\_\_

To view this document in its entirety, please visit the following link:  
[https://sfbos.org/sites/default/files/Proposed\\_Budget\\_and\\_Appropriation\\_Ordinance.pdf](https://sfbos.org/sites/default/files/Proposed_Budget_and_Appropriation_Ordinance.pdf)

**CITY AND COUNTY OF SAN FRANCISCO**

**MAYOR'S PROPOSED  
BUDGET AND APPROPRIATION ORDINANCE**

**AS OF MAY 31, 2019**



File No. 190619 Ordinance                     

**FISCAL YEAR ENDING JUNE 30, 2020 and  
FISCAL YEAR ENDING JUNE 30, 2021**

CITY & COUNTY OF SAN FRANCISCO, CALIFORNIA

To view this document in its entirety, please visit the following link:  
[https://sfbos.org/sites/default/files/Mayor\\_Proposed\\_Budget.pdf](https://sfbos.org/sites/default/files/Mayor_Proposed_Budget.pdf)

MAYOR'S 2019-2020 & 2020-2021

# PROPOSED BUDGET

MAYOR LONDON N. BREED



MAYOR'S OFFICE OF PUBLIC POLICY AND FINANCE

Kelly Kirkpatrick, Director of Mayor's Office of  
Public Policy and Finance

Marisa Pereira Tully, Deputy Budget Director

Raven Anderson, Senior Fiscal and Policy Analyst

Laura Busch, Senior Fiscal and Policy Analyst

Ashley Groffenberger, Senior Fiscal and Policy Analyst

Jillian Johnson, Fiscal and Policy Analyst

Christina Da Silva, Fiscal and Policy Analyst

Anna Duning, Fiscal and Policy Analyst

Lillian Patil, Fiscal and Policy Analyst

Marie Valdez, Fiscal and Policy Aide

**CITY AND COUNTY OF SAN FRANCISCO  
BOARD OF SUPERVISORS  
BUDGET AND LEGISLATIVE ANALYST**

1390 Market Street, Suite 1150, San Francisco, CA 94102  
(415) 552-9292 FAX (415) 252-0461

## **Budget Overview Report**

To: Budget and Finance Committee  
From: Budget and Legislative Analyst's Office  
Re: Overview of the Mayor's Proposed FY 2019-21 Budget  
Date: June 10, 2019

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### **Growth in the City's Budget**

#### **Budget Growth Outstrips Population Growth and Inflation.**

The City's budget has grown by 37.2 percent over the past five years, from \$8.9 billion in FY 2015-16 to \$12.3 billion in the Mayor's proposed FY 2019-20 budget, as shown in Table 1 below. The average annual growth rate in total budgeted expenditures during this period was 8.2 percent.

At the same time, as seen in Table 1 below, the City's population increased at a much slower rate of 2.0 percent from 866,320 as of July 1, 2015 to 883,305 as of July 1, 2018. Notably, the City's population declined by 1,058 residents from July 1, 2017 to July 1, 2018, from 884,363 to 883,305.

The consumer price index for the San Francisco area also grew at a slower rate than the City budget, averaging 3.4 percent growth per year from 2015 to 2018.

#### **General Fund Growth also Faster than Population Growth and Inflation**

The City's General Fund budget has grown by 32.8 percent over the past five years from \$4.6 billion in FY 2015-16 to \$6.1 billion in the Mayor's proposed FY 2019-20 budget, as shown in Table 1 below. The average annual growth rate in General Fund budgeted expenditures during this period was 7.4 percent.

**Table 1: Comparison of Growth in City Budget to Population Growth and Inflation - FY 2015-16 to FY 2019-20**

	FY 2015-16 Budget	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget	FY 2019-20 Proposed	% Increase FY 2015-16 to FY 2019-20
<i>General Fund</i>						
Expenditures	4,587,552,026	4,859,781,042	5,147,557,828	5,511,633,982	6,091,353,796	32.8%
Annual Growth Rate	n/a	5.9%	5.9%	7.1%	10.5%	
<i>Non General Fund</i>						
Expenditures	4,351,222,057	4,727,695,408	4,971,520,172	5,527,561,088	6,169,512,021	41.8%
Total Expenditures	<b>8,938,774,083</b>	<b>9,587,476,450</b>	<b>10,119,078,000</b>	<b>11,039,195,070</b>	<b>12,260,865,817</b>	<b>37.2%</b>
Annual Growth Rate	n/a	7.3%	5.5%	9.1%	11.1%	
City Population <sup>a</sup>	866,320	876,103	884,363	883,305	n/a	2.0%
Annual Growth Rate	n/a	1.1%	0.9%	-0.1%	n/a	
Annual CPI Increase <sup>b</sup>	2.6%	3.0%	3.2%	3.9%	n/a	

Expenditures Source: Adopted Annual Appropriation Ordinances (FY 2015-16 & 2016-17 through FY 2018-19 & 2019-20) and FY 2019-20 & 2020-21 Mayor's Proposed Budget Book.

<sup>a</sup> Source: U.S. Census Bureau <https://www.census.gov/quickfacts/sanfranciscocountycalifornia>; population as of July 1

<sup>b</sup> Consumer Price Index (CPI) Source: U.S. Department of Labor, Bureau of Labor Statistics Historical CPI report (San Francisco-Oakland-Hayward): [https://www.bls.gov/regions/west/data/consumerpriceindex\\_sanfrancisco\\_table.pdf](https://www.bls.gov/regions/west/data/consumerpriceindex_sanfrancisco_table.pdf)

## Position Growth

The City's budgeted full time equivalent (FTE) positions<sup>1</sup> have grown by 7.7 percent over the past five years, from 29,552.57 in FY 2015-16 to 31,830.35 in the Mayor's proposed FY 2019-20 budget as shown in Table 2 below. The average annual rate of growth in positions over this period was 1.9 percent.

**Table 2: Growth in Citywide Positions - FY 2015-16 to FY 2019-20 <sup>a</sup>**

	FY 2015-16 Budget	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget	FY 2019-20 Proposed	% Increase FY 2015-16 to FY 2019-20
Position Count	29,552.57	30,626.47	30,834.61	31,320.62	31,830.35	7.7%
Annual Increase	n/a	1,073.90	208.14	486.01	610.72	
Annual Growth Rate	n/a	3.6%	0.7%	1.6%	2.0%	

Source: Approved Annual Appropriation Ordinances (FY 2015-16 & 2016-17 through FY 2018-19 & 2019-20) and FY 2019-20 & 2020-21 Mayor's Budget Book.

<sup>a</sup> Positions include all authorized FTEs in the operating budget, less attrition due to turnover and vacancies. These positions do not include off-budget positions allocated to capital and other off-budget projects.

<sup>1</sup> This represents the total authorized operating positions, less attrition due to position turnover and vacancies. Off-budget positions that are funded as part of multi-year capital projects or outside agencies are not included.

### Total Salary and Fringe Benefit Growth

Budgeted salaries and mandatory fringe benefits have grown at a higher rate than the total number of positions. Total budgeted salary and mandatory fringe benefits have grown by 25 percent over the last five years from \$4.5 billion in FY 2015-16 to \$5.6 billion in the Mayor's proposed FY 2019-20 budget, shown in Table 3 below, compared to 7.7 percent growth in positions. The average annual growth rate of citywide salary and fringe costs over this period was 5.8 percent.

**Table 3: Growth in Citywide Salary and Fringe Benefit Budgets - FY 2015-16 to FY 2019-20**

	FY 2015-16 Budget	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget	FY 2019-20 Proposed	% Increase FY 2015-16 to FY 2019-20
Salaries	3,125,339,766	3,334,097,142	3,456,800,600	3,604,408,481	3,843,110,821	23.0%
Annual Growth Rate	n/a	6.7%	3.7%	4.3%	6.6%	n/a
Mandatory Fringe Benefits	1,330,216,698	1,408,839,584	1,506,639,742	1,574,371,877	1,727,323,931	29.9%
Annual Growth Rate	n/a	5.9%	6.9%	4.5%	9.7%	n/a
<b>Total</b>	<b>4,455,556,464</b>	<b>4,742,936,726</b>	<b>4,963,440,342</b>	<b>5,178,780,358</b>	<b>5,570,434,752</b>	<b>25.0%</b>
Total Growth Rate	n/a	6.4%	4.6%	4.3%	7.6%	n/a

Source: Approved Annual Appropriation Ordinances (FY 2015-16 & 2016-17 through FY 2018-19 & 2019-20); FY 2019-20 & 2020-21 Mayor's Budget Book; FY 2019-20 & 2020-21 Proposed Annual Appropriation Ordinance

### General Fund Salary and Fringe Benefit Growth

General Fund budgeted salary and mandatory fringe benefits have grown at a higher rate over five years than overall budgeted salary and mandatory fringe benefits: 27.9 percent for General Fund salary and fringe benefits compared to 25 percent overall. The average annual growth rate of citywide General Fund salary and fringe costs over this period was 6.4 percent. Table 4 below shows budgets and growth rates for General Fund salaries and mandatory fringe benefits.

**Table 4: Growth in Citywide General Fund Salary and Mandatory Fringe Benefit Budgets - FY 2015-16 to FY 2019-20**

	FY 2015-16 Budget	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget	FY 2019-20 Proposed	% Increase FY 2015-16 to FY 2019-20
Salaries	1,493,905,280	1,611,668,310	1,658,267,335	1,739,679,663	1,860,670,388	24.6%
Annual Growth Rate	n/a	7.9%	2.9%	4.9%	7.0%	N/A
Mandatory Fringe Benefits	586,289,616	634,090,122	679,078,064	721,181,397	799,045,003	36.3%
Annual Growth Rate	n/a	8.2%	7.1%	6.2%	10.8%	N/A
<b>General Fund Total</b>	<b>2,080,194,896</b>	<b>2,245,758,432</b>	<b>2,337,345,399</b>	<b>2,460,861,060</b>	<b>2,659,715,391</b>	<b>27.9%</b>
Total Growth Rate	n/a	8.0%	4.1%	5.3%	8.1%	N/A

Source: Approved Annual Appropriation Ordinances (FY 2015-16 & 2016-17 through FY 2018-19 & 2019-20); FY 2019-20 & 2020-21 Mayor's Budget Book; FY 2019-20 & 2020-21 Proposed Annual Appropriation Ordinance

**General Fund Position Growth in FY 2019-20**

The Mayor's proposed budget in FY 2019-20 increases the number of General Fund positions by 1.5 percent, from 19,752.31 FTE positions in FY 2018-19 to 20,052.88 FTE positions in FY 2019-20. Almost all of the City's General Fund departments increased the number of FTE positions in the FY 2019-20 budget, either through adding new positions or reducing the amount of budgeted attrition.<sup>2</sup> The City departments with the largest proposed increases in General Fund supported positions in FY 2019-20 are Police (73 positions), Human Services Agency (64 positions), and Administrative Services (45 positions).

**Salary Savings**

City departments spend from two percent to three percent less in General Fund salaries and mandatory fringe benefits than budgeted each year. In FY 2017-18, these salary savings totaled \$34.7 million. Projected salary savings in FY 2018-19 are \$45.5 million, shown in Table 5 below. Some salary savings are offset by reductions in federal, state, or other reimbursements.

<sup>2</sup> As noted above, the number of positions authorized in the City's Annual Salary Ordinance is greater than the number of budgeted positions; the City subtracts from the total amount of salaries in the budget to account for position vacancies and turnover (attrition). City departments reduce their budgeted attrition (i.e., include a smaller negative number, or subtract less) to allow for more hiring.

**Table 5: General Fund Salary and Fringe Benefit Savings –  
FY 2017-18 to FY 2018-19**

	FY 2017-18 Actual	FY 2018-19 Projected
Salary and Fringe Benefit Savings	34,714,491	45,535,816

Source: F&P reports YTD Salary & Benefit Budget vs. Projection Summary for FY 2017-18 (year-end) and FY 2018-19 (as of May 17, 2019 pay period)

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## Discretionary General Fund

The citywide General Fund budget increased by 10.5 percent from \$5.5 billion in FY 2018-19 to \$6.1 billion in FY 2019-20, as noted above. Not all General Fund revenues are discretionary. Some General Fund revenues have been set aside for specific uses by the voters.<sup>3</sup> After subtracting General Fund revenues set aside for specific General Fund purposes, the Mayor’s proposed budget includes \$3.7 billion in discretionary General Fund revenues in FY 2019-20.

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## Budgetary Reserves

The City’s Administrative Code sets policies for budgetary reserves. These include:

- Rainy Day Reserve, in which General Fund revenues in the budget year exceeding five percent of prior year General Fund revenue are deposited; 75 percent of these excess revenues go to the City and 25 percent go to the San Francisco Unified School District.
- General Reserve, which equals 2.75 percent of General Fund revenues in FY 2019-20.
- Budget Stabilization Reserve, which augments the Rainy Day Reserve, and receives deposits of real property transfer taxes in excess of average annual receipts for the prior five fiscal years and unassigned General Fund balances in a given fiscal year.

According to the Mayor’s Budget Book, these reserves totaled \$459.0 million at the end of FY 2017-18, equal to 9.2 percent of General Fund revenues, and are projected to reach their target levels of 10 percent of revenues during FY 2018-19.

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## Impact of November 2018 Ballot Propositions

The Mayor’s proposed FY 2019-20 and FY 2020-21 budget includes programs in the Department of Homelessness and Supportive Housing to be funded by Proposition C, which would impose a 0.5 percent gross receipts tax on businesses with revenue above \$50 million to fund homeless programs. Although this legislation is currently held up in litigation, the Board adopted additional legislation to allow companies to waive their rights to a refund if Proposition C is

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<sup>3</sup> The City currently has 19 budget set-asides approved by the voters.



deemed unconstitutional, in exchange for a 10 percent tax credit on the funds paid under Proposition C. The proposed FY 2019-20 budget includes \$110.3 million in expenditures funded with Proposition C Waiver revenues, of which \$90.3 million will be advanced through a transfer from the General Fund. The departments with allocations from Proposition C funds include the Department of Public Health, the Department of Homelessness & Supportive Housing, and the Mayor's Office of Housing. Table 6 below shows the proposed related budgets for each department.

**Table 6: Proposed Proposition C Waiver Fund Expenditures**

<b>Department</b>	<b>FY 2019-20 Expenditures</b>
Public Health	19,700,000
Homelessness and Supporting Housing	33,800,000
Mayor's Office of Housing	56,790,000
<b>Total Proposed Expenditures</b>	<b>110,290,000</b>

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### **ERAF Surplus Allocations**

The Mayor's FY 2019-20 Proposed Budget includes the recognition of additional reimbursements for "excess" contributions to the Educational Revenue Augmentation Fund (ERAF). These reimbursements include \$109.5 million in discretionary revenue for additional reimbursements for FY 2016-17 and \$142.3 in discretionary revenue for reimbursements for FY 2019-20. Additional allocations of \$39.6 million and \$43 million will be spent on mandated baselines and reserves from the FY 2016-17 and FY 2019-20 excess ERAF, respectively.

As shown in Table 7 below, the Mayor proposes to spend the majority of the discretionary excess ERAF revenue on affordable housing, with additional allocations to homelessness, behavioral health, childcare facilities, educator subsidies, Vision Zero, and emergency response equipment.

**Table 7: Proposed Excess ERAF Sources and Uses- FY 2019-20**

<b>Sources</b>	
FY 2016-17 Excess ERAF	109,500,000
FY 2019-20 Excess ERAF	142,300,000
<i>Total ERAF Sources</i>	<i>251,800,000</i>
<b>Proposed Uses</b>	
Affordable Housing Preservation, Production and Subsidies	179,500,000
Homelessness and Behavioral Health Services and Facilities	35,000,000
Childcare Facilities, SFUSD Stipends, and City College	30,800,000
Vision Zero and Emergency Response Equipment	6,500,000
<i>Total Proposed ERAF Uses</i>	<i>251,800,000</i>

Source: FY 2019-20 & 2020-21 Mayor's Budget Book

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## **Use of One-time Funds to Balance the Budget**

The *Five Year Financial Plan Update for General Fund Supported Operations FY 2019-20 through FY 2023-24*<sup>4</sup> noted that projected revenue growth over the next five years is insufficient to match the projected growth in expenditures. In order to balance the budget in FY 2019-20, the Mayor has allocated \$154.4 million in prior year fund balance as a source of funds. While the use of one-time fund balance allows the City to avoid short-term budget deficits, over the long-term the City's structural deficit continues to increase.

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## **The Board's Budget Priority Areas and the Proposed Budget**

In April and May 2019 the Board of Supervisors adopted three resolutions, which urged the Mayor to incorporate budget priority issues in the proposed budget. The citywide budget priorities adopted by the Board are:

- (1) Homelessness and Affordable Housing (Resolution 224-19), including
  - prevention, problem solving, and speedy exits from homelessness;
  - resources for permanent housing solutions;
  - specialized strategies for vulnerable populations, including seniors, people with disabilities, veterans, transitional age youth, transgender people, and individuals with mental health and substance abuse needs; and
  - production and preservation of affordable housing, including capacity – building for small site acquisition, with geographic balance in districts across the City.
- (2) Public Safety and Behavioral Health (Resolution 249-19), including

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<sup>4</sup> Update to the Joint Report by the Controller's Office, Mayor's Office, and Budget and Legislative Analyst's Office, released March 19, 2019.

- key public safety investments, including an increase in officers assigned to foot patrols and traffic enforcement, language access strategies for police officers, gun violence and property crime prevention, and technology and infrastructure investments;
- key policy changes within the Police Department, particularly with the Department's staffing model, including civilianization efforts and scheduling changes, to maximize investments for public safety; and
- key behavioral health investments, including additional resources and coordination to realize true treatment on demand, additional beds for long-term care, step-down beds for individuals released from acute psychiatric in-patient care, community-based treatment for forensically-involved and dual-diagnosis individuals with complex health challenges, diversion from Psychiatric Emergency Services where applicable, mobile outreach with diagnosis and referral capacity, more medical respite and psychiatric respite shelter beds to prevent the cycle of hospital to street, and investment to acquire cooperative living units for individuals with chronic mental health needs.

(3) Clean and Green Streets, Small Business Support, and Minimum Compensation Ordinance Increases for Nonprofit Workers (Resolution 262-19), including

- key clean and green streets investments, including tree replacement for trees that Public Works has removed and expansion of the canopy and other greening efforts, redesign and innovative strategies for street trash cans, increased staffing for street cleaning, and expansion of pit stop staffing and locations;
- key small business support investments, including support to prevent the closure of brick and mortar small businesses, support for small family-owned grocers, construction mitigation, expanded language capacity, on-site business development, strengthening merchant associations, supporting employees after small business closures, streamlining of licenses and permits for small businesses, and stronger evaluation metrics to assess success for the department's small business support services;
- investments for vulnerable populations, including employment services for homeless individuals, and comprehensive programming to support sex workers in the Mission; and
- investments to address direct impacts of the Minimum Compensation Ordinance on nonprofit organizations, as well as consider funding to sufficiently address wage compaction and equity pressures.


CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292  
FAX (415) 252-0461

June 7, 2019

TO: Budget and Finance Committee  
FROM: Budget and Legislative Analyst   
SUBJECT: June 12, 2019 Budget and Finance Committee Meeting

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<p>Items 3 and 4 Files 19-0619 and 19-0620</p>	<p>Controller</p>
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**MANDATE STATEMENT/ DETAILS OF PROPOSED LEGISLATION**

The proposed FY 2019-20 and FY 2020-21 Annual Appropriation Ordinance (File 19-0619) and Annual Salary Ordinance (File 19-0620) contain the administrative provisions governing these ordinances.

**Administrative Provisions of the Annual Appropriation Ordinance**

Major revisions recommended by the Controller to the administrative provisions of the Annual Appropriation Ordinance (AAO) are as follows:

- Section 32 – Fund Balance Drawdown Reserve: The FY 2019-20 AAO allocates \$213 million of unassigned fund balance from FY 2018-19 to the Fund Balance Drawdown Reserve to be used as a source of funds to balance the FY 2021-22 budget. The Controller’s Office estimates an unassigned fund balance of \$649.9 million, of which \$154.4 million is allocated to FY 2019-20, \$282.5 million is allocated to FY 2020-21, and \$213 million is available for allocation in FY 2021-22.

The \$213 million Fund Balance Drawdown Reserve replaces \$70 million in the prior year Labor Cost Contingency Reserve that was not used.

- Section 33 – Housing Authority Contingency Reserve: The City is in the process of negotiating a Memorandum of Understanding with the federal Department of Housing and Urban Development (HUD) for the City to assume the essential functions of the San Francisco Housing Authority. The FY 2019-20 AAO allocates \$5 million of unassigned fund balance from FY 2018-19 to the Housing Authority Contingency Reserve to mitigate potential funding shortfalls in HUD funding.
- Section 35 – Administration of Appropriation Advances to Contested Taxes: Three measures to increase taxes were approved by San Francisco voters but have not been implemented pending litigation: June 2018 Proposition C Early Care and Education Commercial Rents Tax ordinance, June 2018 Proposition G Living Wage for Educators Parcel Tax, and November 2018 Proposition C Homelessness Gross Receipts Tax ordinance. If the Board of Supervisors appropriates General Fund monies in the budget for expenditures that could be legally funded by these tax revenues, the General Fund appropriations will be treated as advances to address the policy goals of these measures pending the outcome of this litigation. Should the City prevail in litigation, the General Fund will be reimbursed for these advances.

**Administrative Provisions of the Annual Salary Ordinance**

Major revisions to the Annual Salary Ordinance (ASO) administrative provisions include:

- Section 1.1E – Currently, the ASO provides for the Human Resources Director and Controller to revise the ASO to allow for temporary positions to be converted to permanent positions when funding is available and conversion is needed to maintain services and is consistent with collective bargaining agreements between the City and respective labor unions. The proposed ASO revises this provision to add that conversion would be allowed to address the City's staffing needs due to the City's assumption of the essential functions of the San Francisco Housing Authority.
- Section 2.6 – The proposed ASO deletes the provision that allows employees to receive a stipend for use of their personal cell phone for City business.

**Recommendation**

- Approve the administrative provisions to the AAO and the administrative provisions to the ASO.

ADMINISTRATIVE PROVISIONS  
ANNUAL APPROPRIATION ORDINANCE  
FYs ~~2018-2019~~-~~2019-2020~~ and ~~2019-2020~~-~~2020-2021~~

1  
2 Note: **Unchanged text** is in plain Arial font.  
3 **Additions** are in *single-underline italics Times New Roman font.*  
4 **Deletions** are in ~~*strikethrough italics Times New Roman font.*~~  
5 **Board amendment additions** are in double underlined Arial font.  
6 **Board amendment deletions** are in ~~strikethrough Arial font.~~  
7 **Asterisks (\* \* \*)** indicate the omission of unchanged Code  
8 subsections or parts of tables.  
9

10 **SECTION 3. General Authority.**

11 The Controller is hereby authorized and directed to set up appropriate accounts for the items  
12 of receipts and expenditures appropriated herein.  
13

14 **SECTION 3.1 Two-Year Budget.**

15 For departments for which the Board of Supervisors has authorized, or the Charter requires, a  
16 fixed two-year budget, appropriations in this ordinance shall be available for allotment by the  
17 Controller on July 1st of the fiscal year in which appropriations have been approved. The  
18 Controller is authorized to adjust the two year budget to reflect transfers and substitutions  
19 consistent with City's policies and restrictions for such transfers. The Controller is further  
20 authorized to make adjustments to the second year budgets consistent with Citywide  
21 estimates for salaries, fringe benefits, and work orders.  
22

23 **SECTION 4. Interim Budget Provisions.**

24 All funds for equipment and new capital improvements shall be held in reserve until final  
25 action by the Board of Supervisors. No new equipment or capital improvements shall be

1 authorized during the interim period other than equipment or capital improvements that, in the  
2 discretion of the Controller, is reasonably required for the continued operation of existing  
3 programs or projects previously approved by the Board of Supervisors. Authorization for the  
4 purchase of such equipment may be approved by the Board of Supervisors.

5  
6 During the period of the interim annual appropriation ordinance and interim annual salary  
7 ordinance, no transfer of funds within a department shall be permitted without approval of the  
8 Controller, Mayor's Budget Director and the Chair of the Budget Analyst of the Board of  
9 Supervisors Budget and Finance Committee.

10  
11 When the Budget and Finance Committee reserves selected expenditure items pending  
12 receipt of additional information from departments, upon receipt of the required information to  
13 the satisfaction of a ~~financial~~that committee, the Controller may release the previously  
14 reserved funds with no further action required by the Board of Supervisors.

15  
16 If the Budget Committee and Finance of the Board of Supervisors recommends a budget that  
17 increases funding that was deleted in the Mayor's Budget, the Controller shall have the  
18 authority to continue to pay these expenses until final passage of the budget by the Board of  
19 Supervisors, and approval of the budget by the Mayor.

20  
21 **SECTION 4.1 Interim Budget – Positions.**

22 No new position may be filled in the interim period with the exception of those positions which  
23 in the discretion of the Controller are critical for the operation of existing programs or for  
24 projects previously approved by the Board of Supervisors or are required for emergency  
25 operations or where such positions would result in a net increase in revenues or where such



1 positions are required to comply with law. New positions shall be defined as those positions  
2 that are enumerated in the Mayor's budget for the current fiscal year but were not enumerated  
3 in the appropriation and salary ordinances for the prior fiscal year, as amended, through June  
4 30 of the prior fiscal year. In the event the Mayor has approved the reclassification of a  
5 position in the department's budget for the current fiscal year, the Controller shall process a  
6 temporary or "tx" requisition at the request of the department and subject to approval of the  
7 Human Resources Director. Such action will allow for the continued employment of the  
8 incumbent in his or her former position pending action by the Board of Supervisors on the  
9 proposed reclassifications.

10  
11 If the Budget and Finance Committee of the Board of Supervisors recommends a budget that  
12 reinstates positions that were deleted in the Mayor's Budget, the Controller and the Director of  
13 Human Resources Director shall have the authority to continue to employ and pay the salaries  
14 of the reinstated positions until final passage of the budget by the Board of Supervisors, and  
15 approval of the budget by the Mayor.

16  
17 **SECTION 5. Transfers of Functions and Duties.**

18 Where revenues for any fund or department are herein provided by transfer from any other  
19 fund or department, or where a duty or a performance has been transferred from one  
20 department to another, the Controller is authorized and directed to make the related transfer  
21 of funds, provided further, that where revenues for any fund or department are herein  
22 provided by transfer from any other fund or department in consideration of departmental  
23 services to be rendered, in no event shall such transfer of revenue be made in excess of the  
24 actual cost of such service.

1 Where a duty or performance has been transferred from one department to another or  
2 departmental reorganization is effected as provided in the Charter, in addition to any required  
3 transfer of funds, the Controller and Human Resources Director are authorized to make any  
4 personnel transfers or reassignments between the affected departments and appointing  
5 officers at a mutually convenient time, not to exceed 100 days from the effective date of the  
6 ordinance transferring the duty or function. The Controller, ~~the Director of Human Resources~~  
7 Director and Clerk of the Board of Supervisors, with assistance of the City Attorney, are  
8 hereby authorized and directed to make such changes as may be necessary to conform all  
9 applicable ordinances to reflect said reorganization, transfer of duty or performance between  
10 departments.

11  
12 **SECTION 5.1 Agencies Organized under One Department.**

13 Where one or more ~~departments~~ offices or agencies are organized under a single appointing  
14 officer or department head, the component units can continue to be shown as separate  
15 agencies for budgeting and accounting purposes to facilitate reporting. However, the entity  
16 shall be considered a single department for purposes of employee assignment and seniority,  
17 position transfers, and transfers of monies among funds within the ~~dDepartment of Public~~  
18 Health, and reappropriation of funds.

19  
20 **SECTION 5.2 Continuing Funds Appropriated.**

21 In addition to the amount provided from taxes, the Controller shall make available for  
22 expenditure the amount of actual receipts from special funds whose receipts are continuously  
23 appropriated as provided in the ~~Administrative and Municipal Codes~~.

24  
25 **SECTION 5.3 Multi-Year Revenues.**

1 In connection with money received in one fiscal year for departmental services to be  
2 performed in a subsequent year, the Controller is authorized to establish an account for  
3 depositing revenues which are applicable to the ensuing fiscal year, said revenue shall be  
4 carried forward and become a part of the funds available for appropriation in said ensuing  
5 fiscal year.

6

7 **SECTION 5.4 Contracting Funds.**

8 All money received in connection with contracts under which a portion of the moneys received  
9 is to be paid to the contractors and the remainder of the moneys received inures to the City  
10 and County shall be deposited in the Treasury.

11

12 (a) That portion of the money received that under the terms of the contract inures to the  
13 City and County shall be deposited to the credit of the appropriate fund.

14

15 (b) That portion of the money received that under the terms of the contracts is to be paid to  
16 the contractor shall be deposited in special accounts and is hereby appropriated for said  
17 purposes.

18

19 **SECTION 5.5 Real Estate Services.**

20 Rents received from properties acquired or held in trust for specific purposes are hereby  
21 appropriated to the extent necessary for maintenance of said properties, including services of  
22 the General Services Agency.

23

24

25

1 Moneys received from lessees, tenants or operators of City-owned property for the specific  
2 purpose of real estate services relative to such leases or operating agreements are hereby  
3 appropriated to the extent necessary to provide such services.

4  
5 **SECTION 5.6 Collection Services.**

6 In any contracts for the collection of unpaid bills for services rendered to clients, patients or  
7 both by the Department of Public Health in which said unpaid bills have not become  
8 delinquent pursuant to the provisions of Administrative Code Section 10.37 and 10.38, the  
9 Controller is hereby authorized to adjust the estimated revenues and expenditures of the  
10 various divisions and institutions of the Department of Public Health to record such recoveries.  
11 Any percentage of the amounts, not to exceed 25 percent, recovered from such unpaid bills  
12 by a contractor is hereby appropriated to pay the costs of said contract. The Controller is  
13 authorized and is hereby directed to establish appropriate accounts to record total collections  
14 and contract payments relating to such unpaid bills.

15  
16 **SECTION 5.7 Contract Amounts Based on Savings.**

17 When the terms of a contract provide for payment amounts to be determined by a percentage  
18 of cost savings or previously unrecognized revenues, such amounts as are actually realized  
19 from either said cost savings or unrecognized revenues are hereby appropriated to the extent  
20 necessary to pay contract amounts due. The Controller is authorized and is hereby directed to  
21 establish appropriate accounts to record such transactions.

22  
23 **SECTION 5.8 Collection and Legal Services.**

24 In any contracts between the City Attorney's Office and outside counsel for legal services in  
25 connection with the prosecution of actions filed on behalf of the City or for assistance in the

1 prosecution of actions that the City Attorney files in the name of the People, where the fee to  
2 outside counsel is contingent on the recovery of a judgment or other monies by the City  
3 through such action, the Controller is hereby authorized to adjust the estimated revenues and  
4 expenditures of the City Attorney's Office to record such recoveries. A percentage of such  
5 recoveries, not to exceed 25 percent plus the amount of any out-of-pocket costs the Controller  
6 determines were actually incurred to prosecute such action, is hereby appropriated from the  
7 amount of such recoveries to pay the contingent fee due to such outside counsel under said  
8 contract and any costs incurred by the City or outside counsel in prosecuting the action. The  
9 Controller is authorized and hereby directed to establish appropriate accounts to record total  
10 collections and contingent fee and cost payments relating to such actions. The City Attorney  
11 as verified by the Controller shall report to the Board of Supervisors annually on the  
12 collections and costs incurred under this provision, including the case name, amount of  
13 judgment, the fund which the judgment was deposited, and the total cost of and funding  
14 source for the legal action.

15

16 **SECTION 6. Bond Interest and Redemption.**

17 In the event that estimated receipts from other than utility revenues, but including amounts  
18 from ad-valorem taxes, shall exceed the actual requirements for bond interest and  
19 redemption, said excess shall be transferred to a General Bond Interest and Redemption  
20 Reserve account. The Bond Interest and Redemption Reserve is hereby appropriated to meet  
21 debt service requirements including printing of bonds, cost of bond rating services and the  
22 legal opinions approving the validity of bonds authorized to be sold not otherwise provided for  
23 herein.

24

25

1 Issuance, legal and financial advisory service costs, including the reimbursement of  
2 departmental services in connection therewith, for debt instruments issued by the City and  
3 County, to the extent approved by the Board of Supervisors in authorizing the debt, may be  
4 paid from the proceeds of such debt and are hereby appropriated for said purposes.

5  
6 **SECTION 7. Allotment Controls.**

7 Since several items of expenditures herein appropriated are based on estimated receipts,  
8 income or revenues which may not be fully realized, it shall be incumbent upon the Controller  
9 to establish a schedule of allotments, of such duration as the Controller may determine, under  
10 which the sums appropriated to the several departments shall be expended. The Controller  
11 shall revise such revenue estimates periodically. If such revised estimates indicate a  
12 shortage, the Controller shall hold in reserve an equivalent amount of the corresponding  
13 expenditure appropriations set forth herein until the collection of the amounts as originally  
14 estimated is assured, and in all cases where it is provided by the Charter that a specified or  
15 minimum tax shall be levied for any department the amount of appropriation herein provided  
16 derived from taxes shall not exceed the amount actually produced by the levy made for such  
17 department.

18  
19 The Controller in issuing payments or in certifying contracts, purchase orders or other  
20 encumbrances pursuant to Section 3.105 of the Charter, shall consider only the allotted  
21 portions of appropriation items to be available for encumbrance or expenditure and shall not  
22 approve the incurring of liability under any allotment in excess of the amount of such  
23 allotment. In case of emergency or unusual circumstances which could not be anticipated at  
24 the time of allotment, an additional allotment for a period may be made on the  
25 recommendation of the department head and the approval of the Controller. After the

1 allotment schedule has been established or fixed, as heretofore provided, it shall be unlawful  
2 for any department or officer to expend or cause to be expended a sum greater than the  
3 amount set forth for the particular activity in the said allotment schedule so established, unless  
4 an additional allotment is made, as herein provided.

5  
6 Allotments, liabilities incurred and expenditures made under expenditure appropriations herein  
7 enumerated shall in no case exceed the amount of each such appropriation, unless the same  
8 shall have been increased by transfers or supplemental appropriations made in the manner  
9 provided by Section 9.105 of the Charter.

10  
11 **SECTION 7.1 Prior Year Encumbrances.**

12 The Controller is hereby authorized to establish reserves for the purpose of providing funds  
13 for adjustments in connection with liquidation of encumbrances and other obligations of prior  
14 years.

15  
16 **SECTION 7.2 Equipment Purchases Defined.**

17 Funds for the purchase of items of equipment having a significant value of over \$5,000 and a  
18 useful life of three years and over shall only be purchased from appropriations specifically  
19 provided for equipment or lease-purchased equipment, including equipment from capital  
20 projects. Departments may purchase additional or replacement equipment from previous  
21 equipment or lease-purchase appropriations, or from citywide equipment and other non-salary  
22 appropriations, with approval of the Mayor's Office and the Controller.

23  
24 Where appropriations are made herein for the purpose of replacing automotive and other  
25 equipment, the equipment replaced shall be surrendered to the Department of Administrative

1 General Services Agency and shall be withdrawn from service on or before delivery to  
2 departments of the new automotive equipment. When the replaced equipment is sold, in lieu  
3 of being traded-in, the proceeds shall be deposited to a revenue account of the related fund.  
4 Provided, however, that so much of said proceeds as may be required to affect the purchase  
5 of the new equipment is hereby appropriated for the purpose. Funds herein appropriated for  
6 automotive equipment shall not be used to buy a replacement of any automobile superior in  
7 class to the one being replaced unless it has been specifically authorized by the Board of  
8 Supervisors in the making of the original appropriation.

9  
10 Appropriations of equipment from current funds shall be construed to be annual  
11 appropriations and unencumbered balances shall lapse at the close of the fiscal year.

12  
13 **SECTION 7.3 Enterprise Deficits.**

14 Funds appropriated herein to meet estimated enterprise deficits shall be made available to  
15 each such enterprise only to the extent that an actual deficit shall exist and not to exceed the  
16 amount herein provided. Any amount not required for the purpose of meeting an enterprise  
17 fund deficit shall be transferred back to the General Fund at the end of each fiscal year unless  
18 otherwise appropriated by ordinance. ~~Provided, however, that the Board of Supervisors, in the~~  
19 ~~annual budget, may approve approaching such amounts to fund the activities of the enterprise~~  
20 ~~in the succeeding fiscal year.~~

21  
22 **SECTION 8. Expenditure Estimates.**

23 Where appropriations are made for specific projects or purposes which may involve the  
24 payment of salaries or wages, the head of the department to which such appropriations are  
25 made, or the head of the department authorized by contract or interdepartmental order to



1 make expenditures from each such appropriation, shall file with the Controller, when  
2 requested, an estimate of the amount of any such expenditures to be made during the  
3 ensuing period.

4  
5 **SECTION 8.1 State and Federal Funds.**

6 The Controller is authorized to increase Federal and State funds that may be claimed due to  
7 new General Fund expenditures appropriated by the Board of Supervisors. The ~~Director of~~  
8 Human Resources Director is authorized to add civil service positions required to implement  
9 the programs authorized by these funds. The Controller and the ~~Director of Human Resources~~  
10 Director shall report to the Board of Supervisors any actions taken under this authorization  
11 before the Board acts on the Annual Appropriation and Annual Salary Ordinances.

12  
13 **SECTION 8.2 State and Federal Funding Restorations.**

14 If additional State or Federal funds are allocated to the City and County of San Francisco to  
15 backfill State reductions, the Controller shall backfill any funds appropriated to any program to  
16 the General Reserve.

17  
18 **SECTION 8.3 Process for Addressing General Fund Revenue Shortfalls**

19 Upon receiving Controller estimates of revenue shortfalls that exceed the value of the General  
20 Reserve and any other allowances for revenue shortfalls in the adopted City budget, the  
21 Mayor shall inform the Board of Supervisors of actions to address this shortfall. The Board of  
22 Supervisors may adopt an ordinance to reflect the Mayor's proposal or alternative proposals  
23 in order to balance the budget.

24  
25 **SECTION 9. Interdepartmental Services.**

1 The Controller is hereby authorized and directed to prescribe the method to be used in  
2 making payments for interdepartmental services in accordance with the provisions of Section  
3 3.105 of the Charter, and to provide for the establishment of interdepartmental reserves which  
4 may be required to pay for future obligations which result from current performances.  
5 Whenever in the judgment of the Controller, the amounts which have been set aside for such  
6 purposes are no longer required or are in excess of the amount which is then currently  
7 estimated to be required, the Controller shall transfer the amount no longer required to the  
8 fund balance of the particular fund of which the reserve is a part. Provided further that no  
9 expenditure shall be made for personnel services, rent, equipment and capital outlay  
10 purposes from any interdepartmental reserve or work order fund without specific appropriation  
11 by the Board of Supervisors.

12  
13 The amount detailed in departmental budgets for services of other City departments cannot  
14 be transferred to other spending categories without prior agreement from both the requesting  
15 and performing departments.

16  
17 The Controller, pursuant to the provisions of Charter Section 3.105, shall review and may  
18 adjust charges or fees for services that may be authorized by the Board of Supervisors for the  
19 administration of the ~~Computer Store~~Technology Marketplace. Such fees are hereby  
20 appropriated for that purpose.

21  
22 **SECTION 10. Positions in the City Service.**

23 Department heads shall not make appointments to any office or position until the Controller  
24 shall certify that funds are available.

1 Funds provided herein for salaries or wages may, with the approval of the Controller, be used  
2 to provide for temporary employment when it becomes necessary to replace the occupant of a  
3 position while on extended leave without pay, or for the temporary filling of a vacancy in a  
4 budgeted position. The Controller is authorized to approve the use of existing salary  
5 appropriations within departments to fund permanent appointments of up to six months to  
6 backfill anticipated vacancies to ensure implementation of successful succession plans and to  
7 facilitate the transfer of mission critical knowledge. The Controller shall provide a report to the  
8 Board of Supervisors every six months enumerating permanent positions created under this  
9 authority.

10

11 Appointments to seasonal or temporary positions shall not exceed the term for which the  
12 Controller has certified the availability of funds.

13

14 The Controller shall be immediately notified of a vacancy occurring in any position.

15

16 **SECTION 10.1 Positions, Funds, and Transfers for Specific Purposes.**

17 Funds for personnel services may be transferred from any legally available source on the  
18 recommendation of the department head and approval by the ~~Director of Administrative~~  
19 ~~Services~~City Administrator, Board or Commission; for departments under their respective  
20 jurisdiction, and on authorization of the Controller with the prior approval of the Human  
21 Resources Director for:

22

23 (a) Lump sum payments to officers, employees, police officers and fire fighters other than  
24 elective officers and members of boards and commissions upon death or retirement or

25

1 separation caused by industrial accident for accumulated sick leave benefits in accordance  
2 with Civil Service Commission rules.

3  
4 (b) Payment of the supervisory differential adjustment, out of class pay or other negotiated  
5 premium to employees who qualify for such adjustment provided that the transfer of funds  
6 must be made from funds currently available in departmental ~~personnel~~ service  
7 appropriations.

8  
9 (c) Payment of any legal salary or fringe benefit obligations of the City and County  
10 including amounts required to fund arbitration awards.

11  
12 (d) The Controller is hereby authorized to adjust salary appropriations for positions  
13 administratively reclassified or temporarily exchanged by the Human Resources Director  
14 provided that the reclassified position and the former position are in the same functional area.

15  
16 (e) Positions may be substituted or exchanged between the various salary appropriations  
17 or position classifications when approved by the Human Resources Director as long as said  
18 transfers do not increase total departmental personnel service appropriations.

19  
20 (f) The Controller is hereby authorized and directed upon the request of a department  
21 head and the approval by the Mayor's Office to transfer from any legally available funds  
22 amounts needed to fund legally mandated salaries, fringe benefits and other costs of City  
23 employees. Such funds are hereby appropriated for the purpose set forth herein.

1 (g) The Controller is hereby authorized to transfer any legally available funds to adjust  
2 salary and fringe benefit appropriations as required under reclassifications recommended by  
3 the Human Resources Director and approved by the Board of Supervisors in implementing  
4 the Management Compensation and Classification Plan.

5  
6 Amounts transferred shall not exceed the actual amount required including the cost to the City  
7 and County of mandatory fringe benefits.

8  
9 (h) Pursuant to California Labor Code Section 4850.4, the Controller is authorized to make  
10 advance payments from departments' salary accounts to employees participating in CalPERS  
11 who apply for disability retirement. Repayment of these advanced disability retirement  
12 payments from CalPERS and from employees are hereby appropriated to the departments'  
13 salary account.

14  
15 (i) For purposes of defining terms in Administrative Code Section 3.18, the Controller is  
16 authorized to process transfers where such transfers are required to administer the budget  
17 through the following certification process: In cases where expenditures are reduced at the  
18 level of appropriation control during the Board of Supervisors phase of the budget process,  
19 the Chair of the Budget and Finance Committee, on recommendation of the Controller, may  
20 certify that such a reduction does not reflect a deliberate policy reduction adopted by the  
21 Board. The Mayor's Budget Director may similarly provide such a certification regarding  
22 reductions during the Mayor's phase of the budget process.

23  
24 **SECTION 10.2 Professional Services Contracts.**

1 Funds appropriated for professional service contracts may be transferred to the account for  
2 salaries on the recommendation of the department head for the specific purpose of using City  
3 personnel in lieu of private contractors with the approval of the Human Resources Director  
4 and the Mayor and the certification by the Controller that such transfer of funds would not  
5 increase the cost of government.

6  
7 **SECTION 10.3 Surety Bond Fund Administration.**

8 The Controller is hereby authorized to allocate funds from capital project appropriations to the  
9 San Francisco Self-Insurance Surety Bond Fund, as governed by Administrative Code  
10 Section 10.100-317 and in accordance with amounts determined pursuant to Administrative  
11 Code Section 14B.16.

12  
13 **SECTION 10.4 Salary Adjustments, Memoranda of Understanding (MOUs).**

14 The Controller is authorized and directed to transfer from the Salary and Benefits Reserve, or  
15 any legally available funds, amounts necessary to adjust appropriations for salaries and  
16 related mandatory fringe benefits of employees whose compensation is pursuant to Charter  
17 Sections A8.403 (Registered Nurses), A8.404 (Transit Operators), A8.409 (Miscellaneous  
18 Employees), A8.405 and A8.590-1 through A8.590-5 (Police and Firefighters), revisions to  
19 State Law, and/or collective bargaining agreements adopted pursuant to the Charter or  
20 arbitration award. The Controller and ~~Director of Human Resources~~ Director are further  
21 authorized and directed to adjust the rates of compensation to reflect current pay rates for any  
22 positions affected by the foregoing provisions.

1 Adjustments made pursuant to this section shall reflect only the percentage increase required  
2 to adjust appropriations to reflect revised salary and premium pay requirements above the  
3 funding level established in the adopted budget of the respective departments.

4  
5 The Controller is authorized and directed to transfer from reserves or any legally available  
6 funds amounts necessary to provide costs of non-salary benefits in ratified Memoranda of  
7 Understanding or arbitration awards. The Controller's Office shall report to the Budget and  
8 Finance Committee on the status of the Salary and Benefits Reserve, including amounts  
9 transferred to individual City Departments and remaining Reserve balances, ~~following the~~  
10 ~~first quarter of FY 2009-10 and as part of the Controller's Six and Nine Month Budget Status~~  
11 Reports.

12  
13 **SECTION 10.5 MOUs to be Reflected in Department Budgets.**

14 Should the City and County adopt an MOU with a recognized employee bargaining  
15 organization during the fiscal year which has fiscal effects, the Controller is authorized and  
16 directed to reflect the budgetary impact of said MOU in departmental appropriations by  
17 transferring amounts to or from the Salary and Benefits Reserve, or, for self-supporting or  
18 restricted funds, to or from the respective unappropriated fund balance account. All amounts  
19 transferred pursuant to this section are hereby appropriated for the purpose.

20  
21 **SECTION 10.6 Funding Memoranda of Understanding (MOUs).**

22 Whenever the Board of Supervisors has ratified by ordinance or resolution Memoranda of  
23 Understanding ~~or has not contested an arbitration award with~~ recognized employee  
24 organizations or an arbitration award has become effective, and said memoranda or award  
25 contains provisions requiring the expenditure of funds, the Controller, on the recommendation

1 of the Human Resources Director, shall reserve sufficient funds to comply with such  
2 provisions and such funds are hereby appropriated for such purposes. The Controller is  
3 hereby authorized to make such transfers from funds hereby reserved or legally available as  
4 may be required to make funds available to departments to carry out the purposes required by  
5 the Memoranda of Understanding or arbitration award.

6  
7 **SECTION 10.7 Fringe Benefit Rate Adjustments.**

8 Appropriations herein made for fringe benefits may be adjusted by the Controller to reflect  
9 revised amounts required to support adopted or required contribution rates. The Controller is  
10 authorized and is hereby directed to transfer between departmental appropriations and the  
11 General Reserve or other unappropriated balance of funds any amounts resulting from  
12 adopted or required contribution rates and such amounts are hereby appropriated to said  
13 accounts.

14  
15 When the Controller determines that prepayment of the employer share of pension  
16 contributions is likely to be fiscally advantageous, the Controller is authorized to adjust  
17 appropriations and transfers in order to make and reconcile such prepayments.

18  
19 **SECTION 10.8 Police Department Uniformed Positions.**

20 Positions in the Police Department for each of the various ranks that are filled based on the  
21 educational attainment of individual officers may be filled interchangeably at any level within  
22 the rank (e.g., Patrol Officer Q2, Q3 or Q4, Sergeant Q50, Q51, Q52). The Controller and  
23 ~~Director of Human Resources~~ Director are hereby authorized to adjust payrolls, salary  
24 ordinances and other documents, where necessary, to reflect the current status of individual  
25



1 employees; provided however, that nothing in this section shall authorize an increase in the  
2 total number of positions allocated to any one rank or to the Police Department.

3  
4 **SECTION 10.9 Holidays, Special Provisions.**

5 Whenever any day is declared to be a holiday by proclamation of the Mayor after such day  
6 has heretofore been declared a holiday by the Governor of the State of California or the  
7 President of the United States, the Controller, with the approval of the Mayor's Office, is  
8 hereby authorized to make such transfer of funds not to exceed the actual cost of said holiday  
9 from any legally available funds.

10  
11 **SECTION 10.10 Litigation Reserve, Payments.**

12 The Controller is authorized and directed to transfer from the Reserve for Litigation Account  
13 for General Fund supported departments or from any other legally available funds for other  
14 funds, amounts required to make payments required to settle litigation against the City and  
15 County of San Francisco that has been recommended by the City Attorney and approved by  
16 the Board of Supervisors in the manner provided in the Charter. Such funds are hereby  
17 appropriated for the purposes set forth herein.

18  
19 **SECTION 10.11 Changes in Health Services Eligibility.**

20 Should the Board of Supervisors amend Administrative Code Section 16.700 to change the  
21 eligibility in the City's Health Service System, the Controller is authorized and directed to  
22 transfer from any legally available funds or the Salary and Fringe Reserve for the amount  
23 necessary to provide health benefit coverage not already reflected in the departmental  
24 budgets.

1     **SECTION 11. Funds Received for Special Purposes, Trust Funds.**

2     The Controller is hereby authorized and directed to continue the existing special and trust  
3     funds, revolving funds, and reserves and the receipts in and expenditures from each such  
4     fund are hereby appropriated in accordance with law and the conditions under which each  
5     such fund was established.

6  
7     The Controller is hereby authorized and directed to set up additional special and trust funds  
8     and reserves as may be created by either additional grants and bequests or under other  
9     conditions and the receipts in each fund are hereby appropriated in accordance with law for  
10    the purposes and subject to the conditions under which each such fund was established.

11  
12    **SECTION 11.1 Special and Trust Funds Appropriated.**

13    Whenever the City and County of San Francisco shall receive for a special purpose from the  
14    United States of America, the State of California, or from any public or semi-public agency, or  
15    from any private person, firm or corporation, any moneys, or property to be converted into  
16    money, the Controller shall establish a special fund or account evidencing the said moneys so  
17    received and specifying the special purposes for which they have been received and for which  
18    they are held, which said account or fund shall be maintained by the Controller as long as any  
19    portion of said moneys or property remains.

20  
21    Recurring grant funds which are detailed in departmental budget submissions and approved  
22    by the Mayor and Board of Supervisors in the annual budget shall be deemed to have met the  
23    requirements of Administrative Code Section 10.170 for the approval to apply for, receive and  
24    expend said funds and shall be construed to be funds received for a specific purpose as set  
25    forth in this section. Positions specifically approved by granting agencies in said grant awards

1 may be filled as though said positions were included in the annual budget and Annual Salary  
2 Ordinance, provided however that the tenure of such positions shall be contingent on the  
3 continued receipt of said grant funds. Individual grants may be adjusted by the Controller to  
4 reflect actual awards made if granting agencies increase or decrease the grant award  
5 amounts estimated in budget submissions.

6  
7 The expenditures necessary from said funds or said accounts as created herein, in order to  
8 carry out the purpose for which said moneys or orders have been received or for which said  
9 accounts are being maintained, shall be approved by the Controller and said expenditures are  
10 hereby appropriated in accordance with the terms and conditions under which said moneys or  
11 orders have been received by the City and County of San Francisco, and in accordance with  
12 the conditions under which said funds are maintained.

13  
14 The Controller is authorized to adjust transfers to the San Francisco Capital Planning Fund,  
15 established by Administrative Code Section 10.100-286, to account for final capital project  
16 planning expenditures reimbursed from approved sale of bonds and other long term financing  
17 instruments.

18  
19 **SECTION 11.2 Insurance Recoveries.**

20 Any moneys received by the City and County of San Francisco pursuant to the terms and  
21 conditions of any insurance policy are hereby appropriated and made available to the general  
22 city or specific departments for associated costs or claims.

23  
24 **SECTION 11.3 Bond Premiums.**

1 Premiums received from the sale of bonds are hereby appropriated for bond interest and  
2 redemption purposes of the issue upon which it was received.

3  
4 **SECTION 11.4 Ballot Arguments.**

5 Receipts in and expenditures for payment for the printing of ballot arguments, are hereby  
6 appropriated in accordance with law and the conditions under which this appropriation is  
7 established.

8  
9 **SECTION 11.5 Tenant Overtime.**

10 Whenever employees of departments are required to work overtime on account of services  
11 required by renters, lessees or tenants of City-owned or occupied properties, or recipients of  
12 services from City departments, ~~in connection with such properties~~ the cost of such overtime  
13 employment shall be collected by the departments from the requesters of said services and  
14 shall be deposited with the Treasurer to the credit of departmental appropriations. All moneys  
15 deposited therein are hereby appropriated for such purpose.

16  
17 **SECTION 11.6 Refunds.**

18 The Controller is hereby authorized and directed to set up appropriations for refunding  
19 amounts deposited in the Treasury in excess of amounts due, and the receipts and  
20 expenditures from each are hereby appropriated in accordance with law. Where by State  
21 statute, local ordinance or court order, interest is payable on amounts to be refunded, in the  
22 absence of appropriation therefore, such interest is herewith appropriated from the  
23 unappropriated interest fund or interest earnings of the fund involved. The Controller is  
24 authorized, and funds are hereby appropriated, to refund overpayments and any mandated  
25

1 interest or penalties from State, Federal and local agencies when audits or other financial  
2 analyses determine that the City has received payments in excess of amounts due.

3

4 **SECTION 11.7 Arbitrage.**

5 The Controller is hereby authorized and directed to refund excess interest earnings on bond  
6 proceeds (arbitrage) when such amounts have been determined to be due and payable under  
7 applicable Internal Revenue Service regulations. Such arbitrage refunds shall be charged in  
8 the various bond funds in which the arbitrage earnings were recorded and such funds are  
9 hereby appropriated for the purpose.

10

11 **SECTION 11.8 Damage Recoveries.**

12 Moneys received as payment for damage to City-owned property and equipment are hereby  
13 appropriated to the department concerned to pay the cost of repairing such equipment or  
14 property. Moneys received as payment for liquidated damages in a City-funded project are  
15 appropriated to the department incurring costs of repairing or abating the damages. Any  
16 excess funds, and any amount received for damaged property or equipment which is not to be  
17 repaired shall be credited to a related fund.

18

19 **SECTION 11.9 Purchasing Damage Recoveries.**

20 That portion of funds received pursuant to the provisions of Administrative Code Section  
21 21.33 - failure to deliver article contracted for - as may be needed to affect the required  
22 procurement are hereby appropriated for that purpose and the balance, if any, shall be  
23 credited the related fund.

24

25 **SECTION 11.10 Off-Street Parking Guarantees.**

1 Whenever the Board of Supervisors has authorized the execution of agreements with  
2 corporations for the construction of off-street parking and other facilities under which the City  
3 and County of San Francisco guarantees the payment of the corporations' debt service or  
4 other payments for operation of the facility, it shall be incumbent upon the Controller to  
5 reserve from parking meter or other designated revenues sufficient funds to provide for such  
6 guarantees. The Controller is hereby authorized to make payments as previously guaranteed  
7 to the extent necessary and the reserves approved in each Annual Appropriation Ordinance  
8 are hereby appropriated for the purpose. The Controller shall notify the Board of Supervisors  
9 annually of any payments made pursuant to this Section.

10  
11 **SECTION 11.11 Hotel Tax – Special Situations.**

12 The Controller is hereby authorized and directed to make such interfund transfers or other  
13 adjustments as may be necessary to conform budget allocations to the requirements of the  
14 agreements and indentures of the 1994 Lease Revenue and/or San Francisco  
15 Redevelopment Agency Hotel Tax Revenue Bond issues.

16  
17 **SECTION 11.12 Local Transportation Agency Fund.**

18 Local transportation funds are hereby appropriated pursuant to the Government Code.

19  
20 **SECTION 11.13 Insurance.**

21 The Controller is hereby authorized to transfer to the City Risk Manager any amounts  
22 indicated in the budget estimate and appropriated hereby for the purchase of insurance or the  
23 payment of insurance premiums.

1 **SECTION 11.14 Grants to ~~Commission on~~Department of Aging and Adult Services and**  
2 **Department of Child Support Services.**

3 The ~~Commission on~~Department of Aging and Adult Services and the Department of Child  
4 Support Services are authorized to receive and expend available federal and state  
5 contributions and grant awards for their target populations. The Controller is hereby  
6 authorized and directed to make the appropriate entries to reflect the receipt and expenditure  
7 of said grant award funds and contributions.

8  
9 **SECTION 11.15 FEMA, OES, Other Reimbursements.**

10 Whenever the City and County recovers funds from any federal or state agency as  
11 reimbursement for the cost of damages resulting from earthquakes and other disasters for  
12 which the Mayor has declared a state of emergency, such funds are hereby appropriated for  
13 the purpose. The Controller is authorized to transfer such funds to the credit of the  
14 departmental appropriation which initially incurred the cost, or, if the fiscal year in which the  
15 expenses were charged has ended, to the credit of the fund which incurred the expenses.  
16 Revenues received from other governments as reimbursement for mutual aid provided by City  
17 departments are hereby appropriated for services provided.

18  
19 **SECTION 11.16 Interest on Grant Funds.**

20 Whenever the City and County earns interest on funds received from the State of California or  
21 the federal government and said interest is specifically required to be expended for the  
22 purpose for which the funds have been received, said interest is hereby appropriated in  
23 accordance with the terms under which the principal is received and appropriated.

24  
25 **SECTION 11.17 Treasurer – Banking Agreements.**

1 Whenever the Treasurer finds that it is in the best interest of the City and County to use either  
2 a compensating balance or fee for service agreement to secure banking services that benefit  
3 all participants of the pool, any funds necessary to be paid for such agreement are to be  
4 charged against interest earnings and such funds are hereby appropriated for the purpose.

5  
6 The Treasurer may offset banking charges that benefit all participants of the investment pool  
7 against interest earned by the pool. The Treasurer shall allocate other bank charges and  
8 credit card processing to ~~D~~departments or pool participants that benefit from those services.  
9 The Controller may transfer funds appropriated in the budget to ~~g~~General ~~f~~Fund  
10 ~~D~~departments as necessary to support allocated charges.

11  
12 **SECTION 11.18 City Buildings—Acquisition with Certificates of Participation (COPs).**

13 Receipts in and expenditures from accounts set up for the acquisition and operation of City-  
14 owned buildings including, but not limited to 25 Van Ness Avenue and 1660 Mission Street,  
15 are hereby appropriated for the purposes set forth in the various bond indentures through  
16 which said properties were acquired.

17  
18 **SECTION 11.19 Generally Accepted Principles of Financial Statement Presentation.**

19 The Controller is hereby authorized to make adjustments to departmental budgets as part of  
20 the year-end closing process to conform amounts to the Charter provisions and generally  
21 accepted principles of financial statement presentation, and to implement new accounting  
22 standards issued by the Government Accounting Standards Board and other changes in  
23 generally accepted accounting principles.

24  
25 **SECTION 11.20 Fund Balance Reporting and Government Fund Type Definitions.**



1 The Controller is authorized to establish or adjust fund type definitions for restricted,  
2 committed or assigned revenues and expenditures, in accordance with the requirements of  
3 Governmental Accounting Standards Board Statement 54. These changes will be designed to  
4 enhance the usefulness of fund balance information by providing clearer fund balance  
5 classifications that can be more consistently applied and by clarifying the existing  
6 governmental fund type definitions. Reclassification of funds shall be reviewed by the City's  
7 outside auditors during their audit of the City's financial statements.

8  
9 **SECTION 11.21 State Local Public Safety Fund.**

10 Amounts received from the State Local Public Safety Fund (Sales Taxes) for deposit to the  
11 Public Safety Augmentation Fund shall be transferred to the General Fund for use in meeting  
12 eligible costs of public safety as provided by State law and said funds are appropriated for  
13 said purposes.

14  
15 Said funds shall be allocated to support public safety department budgets, but not specific  
16 appropriation accounts, and shall be deemed to be expended at a rate of 75% of eligible  
17 departmental expenditures up to the full amount received. The Controller is hereby directed to  
18 establish procedures to comply with state reporting requirements.

19  
20 **SECTION 11.22 Laguna Honda Employee Development Account.**

21 The Controller is authorized and directed to set up special funds as may be required to  
22 receive employee, corporate and private donations made for the purpose of funding employee  
23 training and development. Donated funds for employee development will be automatically  
24 appropriated for such purpose, and shall be maintained in the City's financial systems.

1     **SECTION 11.23 Affordable Housing Loan Repayments and Interest Earnings.**

2     Loan repayments, proceeds of property sales in cases of defaulted loans, and interest  
3     earnings in special revenue funds designated for affordable housing are hereby appropriated  
4     for affordable housing program expenditures, including payments from loans made by the  
5     former San Francisco Redevelopment Agency and transferred to the Mayor's Office of  
6     Housing and Community Development, the designated the housing successor agency.  
7     Expenditures shall be subject to the conditions under which each such fund was established.

8  
9     **SECTION 11.24 Developer Agreement Implementation Costs.**

10    The Controller is hereby authorized to appropriate reimbursements of City costs incurred to  
11    implement development agreements approved by the Board of Supervisors, including but not  
12    limited to City staff time, consultant services and associated overhead costs to conduct plan  
13    review, inspection, and contract monitoring, and to draft, negotiate, and administer such  
14    agreements. This provision does not apply to development impact fees or developer  
15    exactions, which shall be appropriated by the Board of Supervisors.

16  
17    **SECTION 12. Special Situations.**

18  
19    **SECTION 12.1 Revolving Funds.**

20    Surplus funds remaining in departmental appropriations may be transferred to fund increases  
21    in revolving funds up to the amount authorized by the Board of Supervisors if said Board, by  
22    ordinance, has authorized an increase in said revolving fund amounts.

23  
24    **SECTION 12.2 Interest Allocations.**

1 Interest shall not be allocated to any special, enterprise, or trust fund or account unless said  
2 allocation is required by Charter, state law or specific provision in the legislation that created  
3 said fund. Any interest earnings not allocated to special, enterprise or trust funds or accounts  
4 shall be credited, by the Controller, to General Fund Unallocated Revenues.

5

6 **SECTION 12.3 Property Tax.**

7 Consistent with the State Teeter Plan requirements, the Board of Supervisors elects to  
8 continue the alternative method of distribution of tax levies and collections in accordance with  
9 Revenue and Taxation Code Section 4701. The Board of Supervisors directs the Controller to  
10 maintain the Teeter Tax Losses Reserve Fund at an amount not less than 1% of the total of  
11 all taxes and assessments levied on the secured roll for that year for participating entities in  
12 the county as provided by Revenue and Taxation Code Section 4703. The Board of  
13 Supervisors authorizes the Controller to make timely property tax distributions to the Office of  
14 Community Investment and Infrastructure, the Treasure Island Development Authority, and  
15 City and County of San Francisco Infrastructure Financing Districts as approved by the Board  
16 of Supervisors through the budget, through development pass-through contracts, through tax  
17 increment allocation pledge agreements and ordinances, and as mandated by State law.

18

19 The Controller is authorized to adjust the budget to conform to assumptions in final approved  
20 property tax rates and to make debt service payments for approved general obligation bonds  
21 accordingly.

22

23 The Controller is authorized and directed to recover costs from the levy, collection and  
24 administration of property taxes.

25

1     **SECTION 12.4 New Project Reserves.**

2     Where this Board has set aside a portion of the General Reserve for a new project or program  
3     approved by a supplemental appropriation, any funds not required for the approved  
4     supplemental appropriation shall be returned to the General Fund General Reserve by the  
5     Controller.

6  
7     **SECTION 12.5 Aid Payments.**

8     Aid paid from funds herein provided and refunded during the fiscal year hereof shall be  
9     credited to, and made available in, the appropriation from which said aid was provided.

10  
11    **SECTION 12.6 Department of Public Health Transfer Payments, Indigent Health**  
12    **Revenues, and Realignment Funding to Offset for Low Income Health Programs.**

13    To more accurately reflect the total net budget of the Department of Public Health, this  
14    ordinance shows net revenues received from certain State and Federal health programs.  
15    Funds necessary to participate in such programs that require transfer payments are hereby  
16    appropriated. The Controller is authorized to defer surplus transfer payments, indigent health  
17    revenues, and Realignment funding to offset future reductions or audit adjustments  
18    associated with funding allocations for health services for low income individuals.

19  
20    **SECTION 12.7 Municipal Transportation Agency.**

21    Consistent with the provisions of Proposition E and Proposition A creating the Municipal  
22    Transportation Agency and including the Parking and Traffic function as a part of the  
23    Municipal Transportation Agency, the Controller is authorized to make such transfers and  
24    reclassification of accounts necessary to properly reflect the provision of central services to  
25

1 the Municipal Transportation Agency in the books and accounts of the City. No change can  
2 increase or decrease the overall level of the City's budget.

3  
4 **SECTION 12.8 Treasure Island Authority.**

5 Should the Treasure Island property be conveyed and deed transferred from the Federal  
6 Government, the Controller is hereby authorized to make budgetary adjustments necessary to  
7 ensure that there is no General Fund impact from this conveyance.

8  
9 **SECTION 12.9 Hetch Hetchy Power Stabilization Fund.**

10 Hetch Hetchy has entered into a long-term agreement to purchase a fixed amount of power.  
11 Any excess power from this contract will be sold back to the power market.

12  
13 To limit Hetch Hetchy's risk from adverse market conditions in the future years of the contract,  
14 the Controller is authorized to establish a power stabilization account that reserves any  
15 excess revenues from power sales in the early years of the contract. These funds may be  
16 used to offset potential losses in the later years of the contract. The balance in this fund may  
17 be reviewed and adjusted annually.

18  
19 The power purchase amount reflected in the ~~department's~~ Public Utility Commission's  
20 expenditure budget is the net amount of the cost of power purchased for Hetch Hetchy use.  
21 Power purchase appropriations may be increased by the Controller to reflect the pass through  
22 costs of power purchased for resale under long-term fixed contracts previously approved by  
23 the Board of Supervisors.

24  
25 **SECTION 12.10 Closure of Special Funds, Projects, and Accounts**

1 In accordance with Administrative Code Section 10.100-1(d), if there has been no expenditure  
2 activity for the past two fiscal years, a special fund or project can be closed and repealed. The  
3 Controller is hereby authorized and directed to reconcile and balance funds, projects and  
4 accounts. The Controller is directed to create a clearing account for the purpose of balancing  
5 surpluses and deficits in such funds, projects and accounts, and funding administrative costs  
6 incurred to perform such reconciliations.

7  
8 **SECTION 12.11 Charter-Mandated Baseline Appropriations.**

9 The Controller is authorized to increase or reduce budgetary appropriations as required by the  
10 Charter for baseline allocations to align allocations to the amounts required by formula based  
11 on actual revenues received during the fiscal year. Departments must obtain Board of  
12 Supervisors' approval prior to any expenditure supported by increasing baseline allocations as  
13 required under the Charter and the Municipal Code.

14  
15 **SECTION 12.12 Parking Tax Allocation.**

16 The Controller is authorized to increase or decrease final budgetary allocation of parking tax  
17 in-lieu transfers to reflect actual collections to the Municipal Transportation Agency. The  
18 Municipal Transportation Agency must obtain Board of Supervisors' approval prior to any  
19 expenditure supported by allocations that accrue to the ~~Agencies~~ Agency that are greater than  
20 those already appropriated in the Annual Appropriation Ordinance.

21  
22 **SECTION 12.13 Former Redevelopment Agency Funds.**

23 Pursuant to Board of Supervisors Ordinance 215-12, the Successor Agency to the San  
24 Francisco Redevelopment Agency (also known as the Office of Community Investment and  
25 Infrastructure, or OCII) is a separate legal entity from the City and its budget is subject to

1 separate approval by resolution of the Board of Supervisors. The Controller is authorized to  
2 transfer funds and appropriation authority between and within accounts related to former San  
3 Francisco Redevelopment Agency (SFRA) fund balances to serve the accounting  
4 requirements of the OCII, the Port, the Mayor's Office of Housing and the City Administrator's  
5 office and to comply with State requirements and applicable bond covenants.

6  
7 The Purchaser is authorized to allow the OCII and Ddepartments to follow applicable  
8 contracting and purchasing procedures of the former SFRA and waive inconsistent provisions  
9 of the San Francisco Administrative Code when managing contracts and purchasing  
10 transactions related to programs formerly administered by the SFRA.

11  
12 If during the course of the budget period, the OCII requests Ddepartments to provide  
13 additional services beyond budgeted amounts and the Controller determines that the  
14 Successor Agency has sufficient additional funds available to reimburse Ddepartments for  
15 such additional services, the Ddepartmental expenditure authority to provide such services is  
16 hereby appropriated.

17  
18 When 100% of property tax increment revenues for a redevelopment project area are pledged  
19 based on an agreement that constitutes an enforceable obligation, the Controller will increase  
20 or decrease appropriations to match actual revenues realized for the project area.

21  
22 The Mayor's Office of Housing and Community Development is authorized to act as the fiscal  
23 agent for the Public Initiatives Development Corporation (PIDC) and receive and disburse  
24 PIDC funds as authorized by the PIDC bylaws and the PIDC Board of Directors.

1 **SECTION 12.14 CleanPowerSF.**

2 CleanPowerSF customer payments and all other associated revenues deposited in the  
3 CleanPowerSF special revenue fund are hereby appropriated for fiscal years ~~2018-19 and~~  
4 ~~2019-20~~ in the amounts actually received by the City and County in such each fiscal year.  
5 ~~Estimated amounts of these appropriations are provided for information only.~~ The Controller is  
6 authorized to disburse the revenues appropriated by this section as well as those  
7 appropriated yet unspent from prior fiscal years to pay power purchase obligations and other  
8 operating costs as provided in the program plans and annual budgets, as approved by the  
9 Board of Supervisors for the purposes authorized therein. ~~Estimated customer revenues are~~  
10 ~~\$112,4115,631 in fiscal year 2018-19 and \$156,864,143 in fiscal year 2019-20.~~

11  
12 **SECTION 13. ~~Treasure Island Development Authority.~~**

13 ~~The budget for the Treasure Island Development Authority is subject to separate approval by~~  
14 ~~resolution of the Board of Supervisors. Work performed by City departments for the Treasure~~  
15 ~~Island Development Authority may also be reflected in the City's budget. Administrative~~  
16 ~~support to the Treasure Island Development Authority shall be performed by the General~~  
17 ~~Services Agency. The General Services Agency may include required positions and operating~~  
18 ~~costs in its annual budget, funded by the Treasure Island Development Authority.~~

19  
20 **SECTION 14. Departments.**

21 The term department as used in this ordinance shall mean department, bureau, office, utility,  
22 agency, board or commission, as the case may be. The term department head as used herein  
23 shall be the chief executive duly appointed and acting as provided in the Charter. When one  
24 or more departments are reorganized or consolidated, the former entities may be displayed as  
25 separate units, if, in the opinion of the Controller, this will facilitate accounting or reporting.



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(a) The Public Utilities Commission shall be considered one entity for budget purposes and for disbursement of funds within each of the enterprises. The entity shall retain its enterprises, including Water, Hetch Hetchy, Wastewater, and the Public Utilities Commission, as separate utility fund enterprises under the jurisdiction of the Public Utilities Commission and with the authority provided by the Charter. This section shall not be construed as a merger or completion of the Hetch Hetchy Project, which shall not be deemed completed until a specific finding of completion has been made by the Public Utilities Commission. The consolidated agency will be recognized for purposes of determining employee seniority, position transfers, budgetary authority and transfers or reappropriation of funds.

(b) There shall be a General Services Agency, headed by the City Administrator, including the Department of Public Works, the Department of Telecommunication and Information Services, and the Department of Administrative Services.

The City Administrator shall be considered one entity for budget purposes and for disbursement of funds. This budgetary structure does not affect the separate legal status of the departments placed within the entity: Administrative Services, Medical Examiner, Convention and Facilities Management, and Animal Care and Control. Each of these departments shall retain the duties and responsibilities of departments as provided in the Charter and the Administrative Code, including but not limited to appointing and contracting authority.

(c) There shall be a Human Services Agency, which shall be considered one entity for budget purposes and for disbursement of funds. Within the Human Services Agency shall be

1 two departments: (1) the Department of Human Services, under the Human Services  
2 Commission, and (2) the Department of Aging and Adult Services ("DAAS"), under the  
3 ~~Mayor~~Aging and Adult Services Commission, includes Adult Protective Services, the Public  
4 Administrator/Public Guardian, the Mental Health Conservator, the ~~Office on~~Department of  
5 Aging and Adult Services, the County Veterans' Service Officer, and the In-Home Supportive  
6 Services Program. This budgetary structure does not affect the legal status or structure of the  
7 two departments, unless reorganized under Charter Section 4.132. The ~~Director of Human~~  
8 Resources Director and the Controller are authorized to transfer employees, positions, and  
9 funding in order to effectuate the transfer of the program from one department to the other.  
10 The consolidated agency will be recognized for purposes of determining employee seniority,  
11 position transfers, budgetary authority and transfers or reappropriation of funds.

12  
13 The departments within the Human Services Agency shall coordinate with each other and with  
14 the ~~Commission on~~ Aging and Adult Services Commission to improve delivery of services,  
15 increase administrative efficiencies and eliminate duplication of efforts. To this end, they may  
16 share staff and facilities. The ~~Commission on~~ Aging and Adult Services Commission shall  
17 remain the Area Agency on Aging. This coordination is not intended to diminish the authority  
18 of the ~~Commission on~~ Aging and Adult Services Commission over matters under the  
19 jurisdiction of the Commission.

20  
21 The Director of the ~~Commission on~~ Aging and Adult Services Commission also may serve as  
22 the department head for DAAS, and/or as a deputy director for the Department of Human  
23 Services, but shall receive no additional compensation by virtue of an additional appointment.  
24 If an additional appointment is made, it shall not diminish the authority of the ~~Commission on~~  
25 Aging and Adult Services Commission over matters under the jurisdiction of the Commission.

1  
2 ~~The Department of Homelessness and Supportive Housing (HOM) is an office of the City until~~  
3 ~~the Board of Supervisors adopts an ordinance authorizing the creation of a separate~~  
4 ~~department. The appropriation summary contained herein referring to HOM is for display~~  
5 ~~purposes only.~~

6  
7 **SECTION 15. Travel Reimbursement and Cell Phone Stipends.**

8 The Controller shall establish rules for the payment of all amounts payable for travel for  
9 officers and employees, and for the presentation of such vouchers as the Controller shall  
10 deem proper in connection with expenditures made pursuant to said Section. No allowance  
11 shall be made for traveling expenses provided for in this ordinance unless funds have been  
12 appropriated or set aside for such expenses in accordance with the provisions of the Charter.

13  
14 The Controller may advance the sums necessary for traveling expenses, but proper account  
15 and return must be made of said sums so advanced by the person receiving the same within  
16 ten days after said person returns to duty in the City and County of San Francisco, and failure  
17 on the part of the person involved to make such accounting shall be sufficient cause for the  
18 Controller to withhold from such persons pay check or checks in a sum equivalent to the  
19 amount to be accounted.

20  
21 In consultation with the ~~Director of Human Resources~~ Director, the Controller shall establish  
22 rules and parameters for the payment of monthly stipends to officers and employees who use  
23 their own cells phones to maintain continuous communication with their workplace, and who  
24 participate in a Citywide program that reduces costs of City-owned cell phones.

1     **SECTION 16. Contributed Revenue Reserve and Audit and Adjustment Reserve.**

2     The Controller is hereby authorized to establish a Contributed Revenue and Adjustment  
3     Reserve to accumulate receipts in excess of those estimated revenues or unexpended  
4     appropriations stated herein. Said reserve is established for the purpose of funding the budget  
5     of the subsequent year, and the receipts in this reserve are hereby appropriated for said  
6     purpose. The Controller is authorized to maintain an Audit and Adjustment Reserve to offset  
7     audit adjustments, and to balance expenditure accounts to conform to year-end balancing and  
8     year-end close requirements.

9  
10    **SECTION 17. Airport Service Payment.**

11    The moneys received from the Airport's revenue fund as the Annual Service Payment  
12    provided in the Airline-Airport Lease and Use Agreement are in satisfaction of all obligations  
13    of the Airport Commission for indirect services provided by the City and County of San  
14    Francisco to the Commission and San Francisco International Airport and constitute the total  
15    transfer to the City's General Fund.

16  
17    The Controller is hereby authorized and directed to transfer to the City's General Fund from  
18    the Airport revenue fund with the approval of the Airport Commission funds that constitute the  
19    annual service payment provided in the Airline - Airport Lease and Use Agreement in addition  
20    to the amount stated in the Annual Appropriation Ordinance.

21  
22    On the last business day of the fiscal year, unless otherwise directed by the Airports  
23    Commission, the Controller is hereby authorized and directed to transfer all moneys remaining  
24    in the Airport's Contingency Account to the Airport's Revenue Fund. The Controller is further  
25    authorized and directed to return such amounts as were transferred from the Contingency

1 Account, back to the Contingency Account from the Revenue Fund Unappropriated Surplus  
2 on the first business day of the succeeding fiscal year, unless otherwise directed by the  
3 Airports Commission.

4  
5 **SECTION 18. Pooled Cash, Investments.**

6 The Treasurer and Controller are hereby authorized to transfer available fund balances within  
7 pooled cash accounts to meet the cash management of the City, provided that special and  
8 non-subsidized enterprise funds shall be credited interest earnings on any funds temporarily  
9 borrowed therefrom at the rate of interest earned on the City Pooled Cash Fund. No such  
10 cash transfers shall be allowed where the investment of said funds in investments such as the  
11 pooled funds of the City and County is restricted by law.

12  
13 **SECTION 19. Matching Funds for Federal or State Programs.**

14 Funds contributed to meet operating deficits and/or to provide matching funds for federal or  
15 State aid (e.g. Medicaid under SB 855 or similar legislation for Zuckerberg San Francisco  
16 General Hospital) are specifically deemed to be made exclusively from local property and  
17 business tax sources.

18  
19 **SECTION 20. Advance Funding of Bond Projects – City Departments.**

20 Whenever the City and County has authorized appropriations for the advance funding of  
21 projects which may at a future time be funded from the proceeds of general obligation,  
22 revenue, or lease revenue bond issues or other legal obligations of the City and County, the  
23 Controller shall recover from bond proceeds or other available sources, when they become  
24 available, the amount of any interest earnings foregone by the General Fund as a result of  
25 such cash advance to disbursements made pursuant to said appropriations. The Controller

1 shall use the monthly rate of return earned by the Treasurer on City Pooled Cash Fund during  
2 the period or periods covered by the advance as the basis for computing the amount of  
3 interest foregone which is to be credited to the General Fund.

4  
5 **SECTION 21. Advance Funding of Projects – Transportation Authority.**

6 Whenever the San Francisco County Transportation Authority requests advance funding of  
7 the costs of administration or the costs of projects specified in the City and County of San  
8 Francisco Transportation Expenditure Plan which will be funded from proceeds of the  
9 transactions and use tax as set forth in Article 14 of ~~Part III of the Municipal Business and Tax~~  
10 Regulations Code of the City and County of San Francisco, the Controller is hereby  
11 authorized to make such advance. The Controller shall recover from the proceeds of the  
12 transactions and use tax when they become available, the amount of the advance and any  
13 interest earnings foregone by the City and County General Fund as a result of such cash  
14 advance funding. The Controller shall use the monthly rate of return earned by the Treasurer  
15 on General City Pooled Cash funds during the period or periods covered by the advance as  
16 the basis for computing the amount of interest foregone which is to be credited to the General  
17 Fund.

18  
19 **SECTION 22. Controller to Make Adjustments, Correct Clerical Errors.**

20 The Controller is hereby authorized and directed to adjust interdepartmental appropriations,  
21 make transfers to correct objects of expenditures classifications and to correct clerical or  
22 computational errors as may be ascertained by the Controller to exist in the ~~Annual Budget as~~  
23 ~~adopted by the Board of Supervisors~~ this ordinance. The Controller shall file with the Clerk of  
24 the Board a list of such adjustments, transfers and corrections made pursuant to this Section.

1 The Controller is hereby authorized to make the necessary transfers to correct objects of  
2 expenditure classifications, and corrections in classifications made necessary by changes in  
3 the proposed method of expenditure.

4  
5 **SECTION 22.1 Controller to Implement New Financial and Interfacing SubSystems.**

6 In order to ~~complete~~ further the implementation and adoption of the Financial and  
7 Procurement System's modules Replacement Project, the Controller shall have the authority  
8 to reclassify departments' appropriations to conform to the accounting and project costing  
9 structures established in the new system, as well as reclassify contract authority utilized  
10 (expended) balances and unutilized (available) balances to reflect actual spending.

11  
12 **SECTION 23. Transfer of State Revenues.**

13 The Controller is authorized to transfer revenues among City departments to comply with  
14 provisions in the State budget.

15  
16 **SECTION 24. Use of Permit Revenues from the Department of Building Inspection.**

17 Permit revenue funds from the Department of Building Inspection that are transferred to other  
18 departments as shown in this budget shall be used only to fund the planning, regulatory,  
19 enforcement and building design activities that have a demonstrated nexus with the projects  
20 that produce the fee revenues.

21  
22 **SECTION 25. Board of Supervisors Official Advertising Charges.**

23 The Board of Supervisors is authorized to collect funds from enterprise departments to place  
24 official advertising. The funds collected are automatically appropriated in the budget of the  
25 Board of Supervisors as they are received.

1

2 **SECTION 26. Work Order Appropriations.**

3 The Board of Supervisors directs the Controller to establish work orders pursuant to Board-  
4 approved appropriations, including positions needed to perform work order services, and  
5 corresponding recoveries for services that are fully cost covered, including but not limited to  
6 services provided by one City department to another City department, as well as services  
7 provided by City departments to external agencies, including but not limited to the Office of  
8 Community Investment and Infrastructure, the Treasure Island Development Authority, the  
9 School District, and the Community College. Revenues for services from external agencies  
10 shall be appropriated by the Controller in accordance with the terms and conditions  
11 established to perform the service.

12

13 It is the policy of the Mayor and the Board of Supervisors to allocate costs associated with the  
14 replacement of the City's financial and purchasing system to all City Departments proportional  
15 to the departments' costs and financial requirements. In order to minimize new General Fund  
16 appropriations to complete the project, the Controller is authorized and directed to work with  
17 departments to identify efficiencies and savings in their financial and administrative operations  
18 to be applied to offset their share of the costs of this project, and is authorized to apply said  
19 savings to the project.

20

21 **SECTION 26.1 Property Tax System**

22 In order to minimize new appropriations to the property tax system replacement project, the  
23 Controller is authorized and directed to apply operational savings from the offices of the Tax  
24 Collector, Assessor, and Controller to the project. No later than June 1, 2018 the Controller  
25 shall report to the Budget and Legislative Analyst's Office and Budget and Finance Committee



1 on the specific amount of operational savings, including details on the source of such savings,  
2 in the budgets of Tax Collector, Assessor, and Controller that are re-allocated to the Property  
3 Tax System Replacement Project

4  
5 **SECTION 27. Fee Revenue Reserves and Deferrals.**

6 The Controller is authorized to establish fee reserve allocations for a given program to the  
7 extent that the cost of service exceeds the revenue received in a given fiscal year, including  
8 establishment of deferred revenue or reserve accounts. In order to maintain balance between  
9 budgeted revenues and expenditures, revenues realized in the fiscal year preceding the year  
10 in which they are appropriated shall be considered reserved for the purposes for which they  
11 are appropriated.

12  
13  
14 **SECTION 28. Close-Out of Reserved Appropriations.**

15 On an annual basis, the Controller shall report the status of all reserves, their remaining  
16 balances, and departments' explanations of why funding has not been requested for release.  
17 Continuation of reserves will be subject to consideration and action by the Budget and  
18 Finance Committee. The Controller shall close out reserved appropriations that are no longer  
19 required by the department for the purposes for which they were appropriated.

20  
21 **SECTION 28.1. Reserves Placed on Expenditures by Controller.**

22 Consistent with Charter Section 3.105(d), the Controller is authorized to reserve expenditures  
23 in the City's budget equal to uncertain revenues, as deemed appropriate by the Controller.  
24 The Controller is authorized to remove, transfer, and update reserves to expenditures in the  
25 budget as revenue estimates are updated and received in order to maintain City operations.

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**SECTION 29. Appropriation Control of Capital Improvement Projects and Equipment.**

Unless otherwise exempted in another section of the Administrative Code or Annual Appropriation Ordinance, and in accordance with Administrative Code Section 3.18, departments may transfer funds from one Board-approved capital project to another Board-approved capital project. The Controller shall approve transfers only if they do not materially change the size or scope of the original project. Annually, the Controller shall report to the Board of Supervisors on transfers of funds that exceed 10% of the original appropriation to which the transfer is made.

The Controller is authorized to approve substitutions within equipment items purchased to equip capital facilities providing that the total cost is within the Board-approved capital project appropriation.

The Controller is authorized to transfer approved appropriations between departments to correctly account for capitalization of fixed assets.

**SECTION 30. Business Improvement Districts.**

Proceeds from all special assessments levied on real property included in the property-based business improvement districts in the City and County of San Francisco are hereby appropriated for fiscal years 2018-19 and 2019-20 in the respective amounts actually received by the City and County in such fiscal year for each such district. ~~Estimated amounts of these appropriations for the business improvement districts identified are summarized in the chart below for information only.~~

1 The Controller is authorized to disburse the assessment revenues appropriated by this section  
2 to the respective Owners' Associations (as defined in Section 36614.5 of the Streets and  
3 Highways Code) for such districts as provided in the management district plans, resolutions  
4 establishing the districts, annual budgets and management agreements, as approved by the  
5 Board of Supervisors for each such district, for the purposes authorized therein. The Tourism  
6 Improvement District and Moscone Expansion Business Improvement District assessments  
7 are levied on gross hotel room revenue, ~~not real property~~, and are collected and distributed by  
8 the Tax Collector's Office.

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10  
11 **SECTION 31. Infrastructure Financing and Infrastructure Revitalization Financing**  
12 **Districts.**

13 Pursuant to California Government Code Section 53395 et seq. (IFD Law), the Board of  
14 Supervisors has formed Infrastructure Financing (IFD) and Infrastructure Revitalization  
15 Financing (IRFD) Districts within the City and County of San Francisco. The Board of  
16 Supervisors hereby authorizes the Controller to transfer funds and appropriation authority  
17 between and within accounts related to City and County of San Francisco IFDs and IRFDs to  
18 serve accounting and State requirements, the latest approved Infrastructure Financing Plan  
19 for a District, and applicable bond covenants.

20  
21 When 100% of the portion of property tax increment normally appropriated to the City and  
22 County of San Francisco's General Fund or Special Revenue Fund or to the County's  
23 Educational Revenue Augmentation Fund (ERAF) is instead pledged, based on Board of  
24 Supervisors Ordinance, the Controller may increase or decrease appropriations to match  
25

1 actual revenues realized for the IFD or IRFD. Any increases to appropriations would be  
 2 consistent with the Financing Plan previously approved by the Board of Supervisors.

IFD/IRFD No / Title	Ordinance	Estimated Tax Increment	
		FY 2019-20	FY 2020-21
IFD 2 Port Infrastructure Financing District Subproject Area Pier 70 G-1 Historic Core	27-16	\$ 719,000	\$ 733,000
IFD 2 Port Infrastructure Financing District Subproject Areas Pier 70 G-2, G-3, and G-4	220-18	\$ -	\$ -
IFD 2 Port Infrastructure Financing District Subproject Area I (Mission Rock)	34-18	\$ -	\$ -
IRFD 1 Treasure Island Infrastructure and Revitalization Financing District	21-17	\$ 1,066,000	\$ 2,931,000
IRFD 2 Hoedown Yard Infrastructure and Revitalization Financing District	348-18	\$ -	\$ -

11  
 12 **SECTION 32. Labor Cost Contingency Reserve.**

13 ~~Notwithstanding Section 7.3 of these provisions, seventy million dollars (\$70,000,000) of~~  
 14 ~~unassigned fund balance from fiscal year 2017-18 is hereby assigned to a budget contingency~~  
 15 ~~reserve for the purpose of managing costs related to wage and salary provisions negotiated in~~  
 16 ~~the City's labor contracts in fiscal year 2019-20, and to manage volatility in employee health~~  
 17 ~~and pension benefit costs. This assignment shall not be included in the calculations of~~  
 18 ~~deposits to the Budget Stabilization Reserve as required in Administrative Code Section 10.60~~  
 19 ~~(c).~~

20  
 21 **SECTION 32. Fund Balance Drawdown Reserve.**

22 Two hundred and thirteen million dollars (\$213,000,000) of unassigned fund balance from  
 23 fiscal year FY 2018-19 is hereby assigned to a fund balance drawdown reserve for the  
 24 purpose of preserving fund balance available as a source for budget balancing in fiscal years  
 25 2021-22 and beyond, consistent with the City's adopted Five-Year Financial Plan. This

1 assignment shall not be included in the calculation of deposits to the Budget Stabilization  
2 Reserve as required in Administrative Code Section 10.60 (c)

3  
4  
5  
6 **~~SECTION 33. State and Federal Revenue Risk Reserve.~~**

7 ~~Forty million dollars (\$40,000,000) of unassigned fund balance from fiscal year 2017-18 is~~  
8 ~~hereby assigned to a budget contingency reserve for the purpose of managing state, federal~~  
9 ~~and other revenue uncertainty during the term of the proposed budget. This assignment shall~~  
10 ~~not be included in the calculations of deposits to the Budget Stabilization Reserve as required~~  
11 ~~in Administrative Code Section 10.60 (c).~~

12  
13 **SECTION 33. Housing Authority Contingency Reserve.**

14 Five million dollars (\$5,000,000) of unassigned fund balance from fiscal year 2018-19 is  
15 hereby assigned to a budget contingency reserve for the purpose of managing costs related  
16 to shortfalls in the San Francisco Housing Authority's available funding for housing vouchers  
17 in fiscal year 2019-20 and mitigating uncertainty around future shortfall funding from the  
18 federal Department of Housing and Urban Development. This assignment shall not be  
19 included in the calculations of deposits to the Budget Stabilization Reserve as required in  
20 Administrative Code Section 10.60 (c).

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24 **SECTION 34. Transbay Joint Powers Authority Financing.**  
25

1 Sources received for purposes of payment of debt service for the approved and issued  
2 Transbay Community Facilities District special tax bonds and the approved and drawn City  
3 bridge loan to the Transbay Joint Powers Authority are hereby appropriated.  
4  
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6

7 ~~SECTION 35. Implementation of Proposed November 2018 Ballot Measure to Dedicate~~  
8 ~~Hotel Tax Proceeds.~~

9 ~~This ordinance assumes hotel tax revenue allocations and expenditures necessary to conform~~  
10 ~~with the provisions contained in Board of Supervisors File No. 180122 titled "Initiative~~  
11 ~~Ordinance Business and Tax Regulations and Administrative Codes Hotel Tax Allocations,"~~  
12 ~~which is proposed to be placed on the November 2018 ballot and would, if approved, dedicate~~  
13 ~~hotel taxes for the purposes stated in the measure effective January 1, 2019. Should the~~  
14 ~~measure fail, the Controller is directed to adjust the budget to increase transfers from the~~  
15 ~~General Fund to the Grants for the Arts, the Cultural Equity expenditures in the second half of~~  
16 ~~fiscal year 2018-19.~~

17  
18 SECTION 35. Administration of Appropriation Advances to Contested Taxes.

19 Revenue collected pursuant to three contested taxes approved by voters in 2018 (June 2018  
20 Prop C Early Care and Education Commercial Rents Tax ordinance, June 2018 Prop G Living  
21 Wage for Educators Parcel Tax, and November 2018 Prop C Homelessness Gross Receipts  
22 Tax ordinance) will not be available for appropriation until the conclusion of litigation. General  
23 Fund appropriations in the budget for legally eligible expenditures for each of these measures  
24 shall be treated as advances to address the policy goals of these measures pending the  
25 outcome of this litigation. Should the City prevail in litigation, the General Fund will be

1 reimbursed for these advances. The Controller is authorized to reauthorize appropriations to  
2 facilitate the administration of this section.

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OFFICE OF THE MAYOR  
SAN FRANCISCO



LONDON N. BREED  
MAYOR

To: Angela Calvillo, Clerk of the Board of Supervisors  
From: Kelly Kirkpatrick, Mayor's Budget Director  
Date: May 31, 2019  
Re: Notice of Transfer of Functions under Charter Section 4.132

This memorandum constitutes notice to the Board of Supervisors under Charter Section 4.132 of transfers of functions between departments within the Executive Branch. All positions are regular positions unless otherwise specified. The positions include the following:

- Two positions (2.0 FTE 1820 Junior Administrative Analyst) to be transferred from the Department of Human Resources to the Department of Technology in order to centralize the work of the Office of Civic Innovation. The positions were originally budgeted in the Department of Human Resources, along with other fellowship positions.
- Five positions (1.0 FTE 0922 Manager I, 1.0 FTE 1043 IS Engineer-Senior, 1.0 FTE 1042 IS Engineer-Journey, 1.0 FTE 1824 Principal Administrative Analyst, 1.0 FTE 1823 Senior Administrative Analysts) to be transferred from the Department of Technology to the City Administrator's Office to co-locate the DataSF team with other citywide policy and programmatic functions.
- Three positions (1.0 FTE 5278 Planner II, 1.0 FTE 1823 Senior Administrative Analyst, and 0.5 FTE 1406 Senior Clerk) to be transferred from the City Planning Department and two positions (2.0 FTE 6322 Permit Technician II) to be transferred from the Department of Building Inspections to the City Administrator's Office in order to create a centralized staff for the new Permit Center. The Permit Center will serve as an efficient and streamlined one-stop shop for construction, special events, and business permitting.
- One position (1.0 FTE 1823 Senior Administrative Analyst) to be transferred from the City Administrator's Office of Digital Services team to the Office of Economic and Workforce Development (OEWD) to allow for better alignment of workforce related programming. This position will oversee the continued development of OEWD's workforce connection services and client reporting database.

If you have any questions please feel free to contact my office.

Sincerely,

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

Kelly Kirkpatrick  
Mayor's Budget Director

cc: Members of the Budget and Finance Committee  
Harvey Rose  
Controller

RECEIVED.  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2019 MAY 31 AM 11:07  
BY [Signature]



OFFICE OF THE MAYOR  
SAN FRANCISCO



LONDON N. BREED  
MAYOR

To: Angela Calvillo, Clerk of the Board of Supervisors  
From: Kelly Kirkpatrick, Mayor's Budget Director  
Date: May 31, 2019  
Re: Mayor's FY 2019-20 and FY 2020-21 Budget Submission

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Madam Clerk,

In accordance with City and County of San Francisco Charter, Article IX, Section 9.100, the Mayor's Office hereby submits the Mayor's proposed budget by June 1<sup>st</sup>, corresponding legislation, and related materials for Fiscal Year 2019-20 and Fiscal Year 2020-21.

In addition to the Annual Appropriation Ordinance, Annual Salary Ordinance, and Mayor's Proposed FY 2019-20 and FY 2020-21 Budget Book, the following items are included in the Mayor's submission:

- The budget for the Office of Community Investment and Infrastructure for FY 2019-20
- 18 separate pieces of legislation (see list attached)
- A Transfer of Function letter detailing the transfer of positions from one City department to another. See letter for more details.
- An Interim Exception letter
- A letter addressing funding levels for nonprofit corporations or public entities for the coming two fiscal years

If you have any questions, please contact me at (415) 554-6125.

Sincerely,

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

Kelly Kirkpatrick  
Mayor's Budget Director

cc: Members of the Board of Supervisors  
Harvey Rose  
Controller

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BOARD OF SUPERVISORS  
SAN FRANCISCO  
2019 MAY 31 AM 11:07  
BY [Signature]



To: Angela Calvillo, Clerk of the Board of Supervisors  
From: Kelly Kirkpatrick, Mayor's Budget Director  
Date: May 31, 2019  
Re: Interim Exceptions to the Annual Salary Ordinance

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SAN FRANCISCO  
2019 MAY 31 AM 11:07  
BY [Signature]

I herein present exceptions to the Annual Salary Ordinance (ASO) for consideration by the Budget and Finance Committee of the Board of Supervisors. The City's standard practice is to budget new positions beginning in pay period 7, at 0.77 FTE. Where there is justification for expedited hiring, however, the Board may authorize exceptions to the Interim ASO, which allow new positions to be filled in the first quarter of the fiscal year, prior to final adoption of the budget.

Exceptions are being requested for the following positions:

**General Fund Positions (17.0 FTE)**

- **Homelessness and Supportive Housing (5.0 FTE)**  
9920 Public Service Aide (1.0 FTE); 1820 Junior Administrative Analyst (1.0 FTE); 1824 Principal Administrative Analyst (1.0 FTE); 1241 Human Resources Analyst (1.0 FTE); 2917 Program Support Analyst (1.0 FTE): The 9920 and 1820 are needed to provide continued authority for off-budget positions supported by the State-funded Whole Person Care program. The 1824, 1241, and 2917 were all mid-year temporary positions added as critical support staff to implement initiatives funded through the FY 2018-19 supplemental appropriation of excess Educational Revenue Augmentation Fund (ERAF) and the 1,000 shelter bed expansion. Their addition to the budget reflects the ongoing nature of the work begun in the current budget year.
- **Mayor's Office of Housing and Community Development (3.0 FTE)**  
9774 Senior Community Development Specialist I (1.0 FTE); 1823 Senior Administrative Analyst (1.0 FTE); 0922 Manager I (1.0 FTE): The 9774 position continues an existing limited-duration position to implement an ongoing nuisance abatement loan program for an additional three years; the 1823 continues an existing, limited-duration position for program evaluation of the HOPE SF program; and the 0922 continues the City's Digital Equity Program and moves it to MOHCD. The Digital Equity Program was previously funded as a one-year pilot by the Committee on Information Technology (COIT) and housed in the City Administrator's Office.
- **City Administrator (2.0 FTE)**  
1044 IS Engineer-Principal (2.0 FTE): These positions are off-budget in the Digital Services team to support the City's effort to take permitting from paper to digital. The City is seeking to streamline the permitting process by opening a new one-stop Permit Center. The two positions are critical to bring on board at the start of the new fiscal year in order to ensure the project is able to move forward ahead of the opening of the new Permitting Center.

- **Recreation and Park (2.0 FTE)**  
1657 Accountant IV (2.0 FTE): These positions are needed to support bond-funded capital projects and administration. Specifically, the accountants will be working on reconciliation of the 2008 General Obligation (GO) bond funds and the first issuance 2012 GO Bond fund, the correction of incorrectly cross-walked FAMIS/FSP capital data, creation of a new accounting structure for GO Bonds, and year-end close.
- **Human Resources (2.0 FTE)**  
0922 Manager I (1.0 FTE); 1250 Recruiter (1.0 FTE): These positions support the Mayor's Executive Directive on Ensuring a Diverse, Fair, and Inclusive City Workplace, issued in September 2018. Per the Directive, the Department of Human Resources was directed to hire two full-time staff to focus on diversity recruitment as soon as possible, with on-going support to be included in the FY 2019-20 budget. These positions were hired temporarily during FY 2018-19 and will become permanent on July 1, 2019.
- **Public Defender (3.0 FTE)**  
8142 Public Defender's Investigator (1.0 FTE); 8177 Attorney, Civil/Criminal (2.0 FTE): The positions support the continuation of the Public Defender's jail diversion pilot started in FY17-18, extending the Pretrial Release Unit for two more years. These roles are currently performed by staff on expiring requisitions.

*Non-General Fund Positions (5.36 FTE)*

- **Adult Probation (1.0 FTE)**  
8529 Probation Assistant (0.5 FTE); 8530 Deputy Probation Officer (0.5 FTE): These positions support the continuation of their Law Enforcement Assisted Diversion (LEAD) program through the end of the year. These roles are currently performed by staff on expiring requisitions.
- **District Attorney (2.0 FTE)**  
8132 District Attorney's Investigative Assist (1.0 FTE); 8177 Attorney, Civil/Criminal (1.0 FTE): These positions support the continuation of the Law Enforcement Assistance Diversion (LEAD) program positions through the end of the year to collect more data on the pilot's effectiveness. These roles are currently performed by staff on expiring requisitions.
- **Homelessness and Supportive Housing (1.0 FTE)**  
2917 Program Support Analyst: (1.0 FTE); This position is needed to administer the U.S. Department of Housing and Urban Development (HUD) Continuum of Care program, which also provides funding for the position.
- **Treasurer/Tax Collector (1.36 FTE)**  
1844 Senior Management Assistant (1.36 FTE): This interim exception corrects an error in the past budget cycle to complete and provides 0.36 FTE authority for an existing 0.64 FTE 1844, and provides 1.0 FTE for a new grant-funded role to ensure compliance with the grant provisions and designated timeframe.

Please do not hesitate to contact me if you have any questions regarding the requested interim exceptions to the Annual Salary Ordinance.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly Kirkpatrick". The signature is fluid and cursive, with the first name "Kelly" written in a larger, more prominent script than the last name "Kirkpatrick".

Kelly Kirkpatrick  
Mayor's Budget Director

cc: Members of the Budget and Finance Committee  
Harvey Rose  
Controller

OFFICE OF THE MAYOR  
SAN FRANCISCO



LONDON N. BREED  
MAYOR

To: Angela Calvillo, Clerk of the Board of Supervisors  
From: Kelly Kirkpatrick, Mayor's Budget Director  
Date: May 31, 2019  
Re: Minimum Compensation Ordinance and the Mayor's FY 2019-20 and FY 2020-21  
Proposed Budget

---

Madam Clerk,

Pursuant to San Francisco Administrative Code, SEC 12P.3, the minimum compensation for nonprofit corporations and public entities will be \$16.50 as of July 1, 2019. This letter provides notice to the Board of Supervisors that the Mayor's Proposed Budget for Fiscal Years (FY) FY 2019-20 and FY 2020-21 contains funding to support minimum compensation wage levels for nonprofit corporations and public entities in FY 2019-20 and FY 2020-21.

If you have any questions, please contact my office.

Sincerely,

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

Kelly Kirkpatrick  
Mayor's Budget Director

cc: Members of the Board of Supervisors  
Harvey Rose  
Controller

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BOARD OF SUPERVISORS  
SAN FRANCISCO  
2019 MAY 31 AM 11:08  
BY 