

1 [Amending the Administrative Code to add a new section establishing a deferred maintenance  
2 fund.]

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4 **Ordinance amending Chapter 10, Article XIII of the San Francisco Administrative Code**  
5 **by adding Section 10.100-290 thereto; establishing a San Francisco Deferred**  
6 **Maintenance Fund and accounts within said fund; establishing procedures for the**  
7 **request and approval of appropriations from the San Francisco Deferred Maintenance**  
8 **Fund; and approving remaining balances in the San Francisco Deferred Maintenance**  
9 **Fund for general governmental infrastructure assets.**

10 Note: This section is entirely new.

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

12 Section 1. The San Francisco Administrative Code is hereby amended by adding  
13 Section 10.100-290, to read as follows:

14 SEC. 10.100-290. SAN FRANCISCO DEFERRED MAINTENANCE FUND.

15 (a) Establishment of Fund. The San Francisco Deferred Maintenance Fund is  
16 hereby established as a category eight fund. Within this fund, separate accounts shall be  
17 established.

18 1. There shall be deposited annually into the San Francisco Deferred Maintenance  
19 Fund an amount equal to 1.75 percent of the total General Fund appropriations as reflected in  
20 the Annual Appropriations Ordinance, increasing each fiscal year by 0.25 percent to a  
21 maximum of 3 percent of said General Fund appropriations or such greater sum as may be  
22 required under GASB Statement 34 guidelines or prudent management of infrastructure  
23 assets.

24 2. In addition to the amounts set forth in subsection 1 described above, any  
25 unexpended appropriations or revenues in excess of estimates at the end of a fiscal year

1 exceeding \$40 million available to be closed to General Fund balance instead shall be  
2 transferred by the Controller to the San Francisco Deferred Maintenance Fund.

3           3.       A separate account shall be established for each building, structure, or  
4 infrastructure asset which is financed after the date this ordinance is enacted with revenue  
5 bonds, general obligation bonds, or other evidences of indebtedness (together, "bonds").  
6 Prior to the issuance and sale of any bonds, the Controller and the Director of Public Works  
7 (or, where appropriate, the Controller and the department head charged with the responsibility  
8 of administering bond funds) shall jointly prepare a schedule and fix an amount sufficient to  
9 fund maintenance and repair over the expected life of the building, structure or infrastructure  
10 assets financed by the bonds. The amount fixed in said schedule shall be amortized over the  
11 expected life of the asset and shall be appropriated from the respective, General Fund or the  
12 various special revenue or Enterprise funds, and transferred to the appropriate account  
13 created by this subsection. Amounts deposited in the accounts created by this subsection  
14 shall be in addition to the amounts required to be deposited pursuant to subsection 1  
15 described above.

16           (b)     Use of Fund. The purpose of the San Francisco Deferred Maintenance Fund  
17 and accounts within said fund is to fund items and services in order to maintain and improve  
18 City buildings, structures and infrastructure assets. Appropriations from the accounts within  
19 the San Francisco Deferred Maintenance Fund may only be made to reduce the deterioration,  
20 obsolescence or functional decline of the usefulness of the City's buildings, structures and  
21 infrastructure assets.

22           (c)     Administration of Fund.

23           1.       *Request and Approval of Appropriation.* Each May 1, beginning May 1, 2002,  
24 the Capital Improvement Advisory Committee (CIAC), or its successor, shall submit to the  
25 Mayor and the Board of Supervisors a prioritized list of General Fund and non-self-

1 supporting enterprise fund deferred maintenance projects that are necessary to maintain  
2 the City's buildings, structures and infrastructure assets in a state of good repair and in  
3 efficient and effective condition in accordance with GASB Statement 34 guidelines. The  
4 CIAC shall also include in its list the projects to be funded pursuant to subsection 3  
5 described above. The Mayor shall recommend, and the Board of Supervisors shall in  
6 each annual fiscal year budget appropriate funds from the accounts established by this  
7 section in accordance with the priority established by the CIAC up to the amount of funding  
8 available in the respective accounts. Nothing herein shall restrict the Mayor or the Board  
9 of Supervisors from increasing such funding above amounts which may be available in  
10 said accounts from other available funding sources. In the event the CIAC is abolished, its  
11 successor or the City Administrator shall fulfill the duties charged herein to the CIAC.

12 2. *Annual Appropriations.* The Mayor, as recommended in the budget, and the  
13 Board of Supervisors shall continue to appropriate funds for deferred maintenance at the  
14 levels funded by this section.

15 3. *General Infrastructure Assets.* Unless prohibited by law and with the exception  
16 of the accounts established for self-supporting Enterprise funds, the Board of Supervisors  
17 may use the remaining balances of monies in any account within the San Francisco  
18 Deferred Maintenance Fund for the maintenance of general governmental infrastructure  
19 assets of any City department or agency irrespective of the account from which such  
20 monies were derived.

21 APPROVED AS TO FORM:

22 LOUISE H. RENNE, City Attorney

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24 By: THERESA ALVAREZ  
25 Deputy City Attorney