

File No. 240624

Committee Item No. 11

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Appropriations Committee Date June 12, 2024

Board of Supervisors Meeting Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
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| | <input type="checkbox"/> | • MYR Transmittal Letter and Trailing Legislation List 5/31/2024 |
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| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
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OTHER (Use back side if additional space is needed)

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Completed by: Brent Jalipa Date June 7, 2024

Completed by: Brent Jalipa Date _____

Annual Salary Ordinance Fiscal Years 2024-25 and 2025-26

Note: Additions are single-underline italics Times New Roman;
deletions are ~~strikethrough italics Times New Roman~~.
Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

AN ORDINANCE ENUMERATING POSITIONS IN THE ANNUAL BUDGET AND
APPROPRIATION ORDINANCE FOR THE FISCAL YEARS ENDING JUNE 30, 202~~4~~⁵, AND
JUNE 30, 202~~5~~⁶ CONTINUING, CREATING, OR ESTABLISHING THESE POSITIONS;
ENUMERATING AND INCLUDING THEREIN ALL POSITIONS CREATED BY CHARTER OR
STATE LAW FOR WHICH COMPENSATIONS ARE PAID FROM CITY AND COUNTY
FUNDS AND APPROPRIATED IN THE ANNUAL APPROPRIATION ORDINANCE;
AUTHORIZING APPOINTMENTS OR CONTINUATION OF APPOINTMENTS THERETO;
SPECIFYING AND FIXING THE COMPENSATIONS AND WORK SCHEDULES THEREOF;
AND AUTHORIZING APPOINTMENTS TO TEMPORARY POSITIONS AND FIXING
COMPENSATIONS THEREFORE.

BE IT ORDAINED BY THE PEOPLE OF THE CITY AND COUNTY OF SAN FRANCISCO.

SECTION 1. ESTABLISHMENT, CREATION AND CONTINUATION OF POSITIONS.

In accordance with the provisions of the Administrative Code and Labor & Employment Code,
the positions hereinafter enumerated under the respective departments are hereby created,
established, or continued for the fiscal year ending June 30, 202~~4~~⁵. Positions created or
authorized by Charter or State law, compensations for which are paid from City and County
funds and appropriated in the Annual Appropriation Ordinance, as that ordinance may be
modified during the fiscal year in supplemental appropriation or de~~-~~appropriation ordinances

Annual Salary Ordinance Fiscal Years 2024-25 and 2025-26

(together “Annual Appropriation Ordinance”), are enumerated and included herein.

The word “position” or “positions” as used in the ordinance shall be construed to include office or offices, and the word “employee” or “employees” shall be construed to include officer or officers. The terms “requisition” and “request to fill” are intended to be synonymous and shall be construed to mean a position authorization that is required by the Charter.

Section 1.1. APPOINTMENTS AND VACANCIES - PERMANENT POSITIONS.

Section 1.1A. Appointing officers as specified in the Charter are hereby authorized, subject to the provisions of this ordinance, to make or continue appointments as needed during the fiscal year to permanent positions enumerated in their respective sections of this ordinance. Such appointments shall be made in accordance with the provisions of the Charter. Appointing officers shall not make an appointment to a vacancy in a permanent position until the request to fill for such position is approved by the Controller. Provided further, that if the Mayor declares an intent to approve requests to fill due to unanticipated financial reasons, appointing officers shall not make an appointment to a vacancy in a permanent position until the request to fill for such position is approved by the Mayor. Provided further, that if changes occur to the classification, compensation, or duties of a permanent position, appointing officers shall not make an appointment to a vacancy in such position until the request to fill for such position is approved by the Department of Human Resources. Provided further, that in order to prevent the stoppage of essential services, the Human Resources Director may authorize an emergency appointment pending approval or disapproval of a request to fill, if funds are available to pay the compensation of such emergency appointee.

Annual Salary Ordinance Fiscal Years 2024-25 and 2025-26

1
2 Provided that if the proposed employment is for inter-departmental service, the Controller
3 shall approve as to conformity with the following inter-departmental procedure.

4 Appointing officers shall not authorize or permit employees to work in inter-departmental
5 service unless the following provisions are satisfied. The payment of compensation for
6 the employment of persons in inter-departmental service shall be within the limit of the
7 funds made available by certified inter-departmental work orders and such compensation
8 shall be distributed to the inter-departmental work orders against which they constitute
9 proper detailed charges.

10
11 A. If the appointing officer is unable to employ a qualified person to cover the work
12 schedule of a position herein established or authorized, the appointing officer, subject
13 to the provisions of this ordinance and the Annual Appropriation Ordinance and with
14 the approval of the Department of Human Resources, may in the appointing officer's
15 discretion employ more than one person on a lesser work schedule but the combined
16 salaries shall not exceed the compensation appropriated for the position, or may
17 appoint one person on a combined work schedule but subject to the limitation of the
18 appropriation and the compensation schedule for the position and without
19 amendment to this ordinance.

20
21 B. Where a vacancy exists in a position, the Human Resources Director may and is
22 hereby authorized to approve a temporary (diverted) request to fill in a different class,
23 provided that the Controller certifies that funds are available to fill that vacancy on this
24 basis, and provided that no action taken as a result of the application of this section
25 will affect the classification of the position concerned as established in the Annual

Annual Salary Ordinance Fiscal Years 2024-25 and 2025-26

1 Appropriation Ordinance and this ordinance.

2
3 An appointing officer, subject to the provisions of this ordinance, the Annual
4 Appropriation Ordinance, the Controller's certification of funds, and Civil Service
5 certification procedures, may employ more than one person on a combined work
6 schedule not to exceed the permanent full-time equivalent, or may combine the
7 appropriations for more than one permanent part-time position in order to create a single
8 full-time equivalent position limited to classifications of positions herein established or
9 authorized and their respective compensation schedules. Such changes shall be
10 reported to the Department of Human Resources and the Controller's office. No full-time
11 equivalent position which is occupied by an employee shall be reduced in hours without
12 the voluntary consent of the employee, if any, holding that position. However, the
13 combined salaries for part-time positions created shall not exceed the compensation
14 appropriated for the full-time position, nor will the salary of a single full-time position
15 created exceed the compensation appropriated for part-time positions. Each permanent
16 part-time employee shall receive the same benefits as existing permanent part-time
17 employees. The funding of additional fringe benefit costs subject to availability of funds
18 will be from any legally available funds.

19
20 Section 1.1B. The Human Resources Director is solely authorized to administratively
21 adjust the terms of this ordinance as follows:

22
23 A. To change the classification of a position provided that the rate of pay is the
24 same or less and the services are in the same functional area.

Annual Salary Ordinance Fiscal Years 2024-25 and 2025-26

1 B. To adjust the compensation of a position pursuant to an approved Memorandum
2 of Understanding or ordinance.

3
4 C. To reflect the initial rates of compensation for a newly established classification,
5 excluding classes covered under Administrative Code Sections 2A.76 and 2A.90.

6
7 D. To add positions funded in accordance with section 10.22 of the Annual
8 Appropriation Ordinance, regarding Professional Service Contracts, and section 26
9 of the Annual Appropriation Ordinance, regarding work order appropriations.

10
11 The Department of Human Resources shall promptly notify the Controller, the Clerk of the
12 Board, the Mayor's Office and the affected department(s) if the Human Resources Director
13 takes such actions as authorized above.

14
15 Section 1.1C. Provided further, that if requests to fill for vacant permanent positions issued by
16 departments where the appointing officers are elected officials enumerated in Article II and
17 Section 6.100 of the Charter (the Board of Supervisors, Assessor-Recorder, City Attorney,
18 District Attorney, Public Defender, Sheriff, and Treasurer) are approved by the Controller and
19 are not approved or rejected by the Mayor and the Department of Human Resources within 15
20 working days of submission, the requests to fill shall be deemed approved. If such requests
21 to fill are rejected by the Mayor and/or the Department of Human Resources, the appointing
22 officers listed above may appeal that rejection in a hearing before the Budget and Finance
23 and/or Budget and Appropriations Committee of the Board of Supervisors, and the Board of
24 Supervisors in its discretion may then grant approval of said requests to fill.

Annual Salary Ordinance Fiscal Years 2024-25 and 2025-26

1 Section 1.1D. The Human Resources Director is authorized to make permanent exempt
2 appointments for a period of up to 6 months to permit simultaneous employment of an existing
3 City employee who is expected to depart City employment and a person who is expected to
4 be appointed to the permanent position previously held by the departing employee when such
5 an appointment is necessary to ensure implementation of successful succession plans and to
6 facilitate the transfer of mission-critical knowledge within City departments.

7
8 Section 1.1E. The Human Resources Director, with concurrence of the Controller, is
9 authorized to adjust the terms of this ordinance to reflect the conversion of temporary
10 positions to a permanent position(s) when sufficient funding is available and conversion is
11 needed either (A) to maintain services when elimination of temporary positions is consistent
12 with the terms of Memoranda of Understanding, or (B) to address City staffing needs created
13 by the San Francisco Housing Authority's changing scope of work, or (C) when the Human
14 Resources Director determines the conversion is warranted and the Controller certifies that
15 the conversion will not require additional salary appropriations in that fiscal year.

16 17 Section 1.2. APPOINTMENTS - TEMPORARY POSITIONS.

18
19 Section 1.2A. Temporary appointments to positions defined by Charter Section 10.104(16) as
20 seasonal or temporary positions may be made by the respective appointing officers in excess
21 of the number of permanent positions herein established or enumerated and such other
22 temporary services as required at rates not in excess of salary schedules if funds have been
23 appropriated and are available for such temporary service. Such appointments shall be
24 limited in duration to no more than 1040 hours in any fiscal year. No appointment to such
25 temporary or seasonal position shall be made until the Controller has certified the availability

Annual Salary Ordinance Fiscal Years 2024-25 and 2025-26

of funds, and the request to fill for such service is approved by the Controller and the Department of Human Resources. Provided further that in order to prevent the stoppage of essential services, the Human Resources Director may authorize an emergency appointment pending approval or disapproval of the request to fill, if funds are available to pay the compensation of such emergency appointee. No such appointment shall continue beyond the period for which the Controller has certified the availability of funds. Provided that if the proposed employment is for inter-departmental service, the Controller shall approve as to conformity with the following inter-departmental procedure. Appointing officers shall not authorize or permit employees to work in inter-departmental service unless the following provisions are complied with. The payment of compensation for the employment of persons in inter-departmental service shall be within the limit of the funds made available by certified inter-departmental work orders and such compensation shall be distributed to the inter-departmental work orders against which they constitute proper detailed charges.

Section 1.2B. Temporary Assignment, Different Department. When the needs and the best interests of the City require, appointing officers are authorized to arrange among themselves the assignment of personnel from one department to another department on a temporary basis. Such temporary assignments shall not be treated as transfers, and may be used to alleviate temporary seasonal peak load situations, complete specific projects, provide temporary transitional work programs to return injured employees to work, or other circumstances in which employees from one department can be effectively used on a temporary basis in another department. All such temporary assignments between departments shall be reviewed and approved by the Department of Human Resources.

Section 1.3. EXCEPTIONS TO NORMAL WORK SCHEDULES FOR WHICH NO EXTRA

Annual Salary Ordinance Fiscal Years 2024-25 and 2025-26

1 COMPENSATION IS AUTHORIZED.

2
3 Employees appointed to salaried classifications (i.e., designated –Z symbol) shall work such
4 hours as may be necessary for the full and proper performance of their duties and shall
5 receive no additional compensation for work on holidays or in excess of eight hours per day
6 for five days per week, but may be granted compensatory time off under the provisions of any
7 applicable Memorandum of Understanding or ordinance. Provided that, subject to the fiscal
8 provisions of the Charter and the availability of funds, the Human Resources Director may
9 suspend the provisions of this section to allow overtime payment. Approval of overtime
10 payments shall be limited to extraordinary circumstances in which employees are required to
11 work a significant number of hours in excess of their regular work schedules for a prolonged
12 period of time, with a limited ability to use compensatory time off. Further, such payment shall
13 be consistently applied to all personnel in a class.

14
15 SECTION 2. COMPENSATION PROVISIONS.

16
17 Section 2.1. PUC EMPLOYEES ASSIGNED TO HETCH HETCHY AND RECREATION
18 AND PARK EMPLOYEES PERMANENTLY ASSIGNED TO CAMP MATHER.

19
20 The Public Utilities Commission and Recreation and Park Department will pay a stipend of
21 ~~\$408.04~~498.18 per month to employees residing in designated zip code areas enrolled in
22 the Health Services System with employee plus two or more dependents where HMOs are
23 not available and such employees are limited to enrollment to the City Plan I. The Public
24 Utilities Commission will pay a stipend of ~~\$130.81~~149.64 per month to employees residing
25 in designated zip code areas enrolled in the Health Services System with employee plus

Annual Salary Ordinance Fiscal Years 2024-25 and 2025-26

one dependent where HMOs are not available and such employees are limited to enrollment to City Plan I. These rates may be adjusted by the Health Service System Board to reflect the increase in premiums effective January 1, 2024⁴⁵. The City reserves the right to either reimburse the affected employees or provide an equivalent amount directly to the Health Services System.

Section 2.2. MOVING EXPENSES.

Where needed to recruit employees to fill Department Head, Deputy Director or Manager Level IV or higher (Manager V or higher for SFMTA) positions, an appointing authority may authorize the expenditure of pre-offer recruitment expenses, such as interview travel expenses, and reimbursement of post-offer expenses, such as moving, lodging/temporary housing and other relocation costs, not to exceed ~~\$25,678~~26,294. Reimbursement will be made for actual expenses documented by receipts. As an alternative, the Controller may authorize advance payment of approved expenses. Payments under this section are subject to approval by the Controller and the Human Resources Director (except for SFMTA, where the approval is the Controller and Director of Transportation). This amount shall be indexed to the growth rate in the Consumer Price Index – All Urban Consumers (CPI-U), as reported by the Bureau of Labor Statistics for the San Francisco Metropolitan Statistical Area from February to February of the preceding fiscal year.

Section 2.3. SUPPLEMENTATION OF MILITARY PAY.

A. In accordance with Charter Section A8.400(h) and in addition to the benefits provided pursuant to Section 395.01 and 395.02 of the California Military and Veterans Code and

Annual Salary Ordinance Fiscal Years 2024-25 and 2025-26

1 the Civil Service Rules, any City employee who is a member of the reserve corps of the
2 United States Armed Forces, National Guard or other uniformed service organization of
3 the United States and is called into active military service in response to the September
4 11th, 2001 terrorist attacks, international terrorism, conflict in Iraq or related extraordinary
5 circumstances, or to provide medical or logistical support to federal, state, or local
6 government responses to the COVID-19 pandemic shall have the benefits provided for in
7 subdivision (B).

8
9 B. Any employee to whom subdivision (A) applies, while on military leave, shall receive
10 from the City the following supplement to their military pay and benefits:

11
12 1. The difference between the amount of the individual's gross military pay and the
13 amount of gross pay the individual would have received as a City employee, had the
14 employee worked the employee's regular work schedule (excluding overtime unless
15 regularly scheduled as part of the employee's regular work schedule).

16
17 2. Retirement service credit consistent with Section A8.520 of the Charter.

18
19 3. All other benefits to which the employee would have been entitled had the employee
20 not been called to eligible active military service, except as limited under state law or
21 the Charter.

22
23 C. As set forth in Charter Section A8.400(h), this section shall be subject to the following
24 limitations and conditions:

Annual Salary Ordinance Fiscal Years 2024-25 and 2025-26

1 1. The employee must have been called into active service for a period greater than 30
2 consecutive days.

3
4 2. The purpose for such call to active service shall have been to respond to the
5 September 11th, 2001 terrorist attacks, international terrorism, conflict in Iraq or related
6 extraordinary circumstances, or to the COVID-19 pandemic, and shall not include
7 scheduled training, drills, unit training assemblies or similar events.

8
9 3. The amounts authorized under this section shall be offset by amounts required to be
10 paid pursuant to any other law, so there are no double payments to the employee.

11
12 4. Any employee receiving compensation under this section shall execute an
13 agreement providing that if the employee does not return to City service within 60 days
14 of release from active duty (or if the employee is not fit for employment at that time,
15 within 60 days of a determination that the employee is fit for employment), then the
16 compensation described in Sections (B)(1) through (B)(3) shall be treated as a loan
17 payable with interest at a rate equal to the greater of (i) the rate received for the
18 concurrent period by the Treasurer's Pooled Cash Account or (ii) the minimum amount
19 necessary to avoid imputed income under the Internal Revenue Code of 1986, as
20 amended from time to time, and any successor statute. Interest shall begin to accrue
21 90 days after the employee's release from active service or return to fitness for
22 employment. Such loan shall be payable in equal monthly installments over a period
23 not to exceed 5 years, commencing 90 days after the individual's release from active
24 service or return to fitness for employment.

1 5. This section shall not apply to any active duty served voluntarily after the time that
2 the employee is called to active service.

3
4 Section 2.4 CITY EMPLOYEES SERVING ON CHARTER-MANDATED BOARDS AND
5 COMMISSIONS, OR BOARDS, COMMISSIONS AND COMMITTEES CREATED BY
6 INITIATIVE ORDINANCE.

7
8 A. City employees serving on Charter-mandated boards and commissions, or boards,
9 commissions and committees created by initiative ordinance, shall not be compensated for
10 the number of hours each pay period spent in service of these boards and commissions,
11 based on a 40-hour per week compensation assumption.

12
13 B. City employees covered by this provision shall submit to the Controller each pay period
14 a detailed description of the time spent in service, including attending meetings, preparing
15 for meetings, meeting with interested stakeholders or industry, and writing or responding to
16 correspondence. There is a rebuttable presumption that such employees spend 0.25 of
17 their time in service of these duties. This information shall be made publicly available
18 pursuant to the Sunshine Ordinance.

19
20 C. This provision shall not apply to City employees whose service is specified in the
21 Charter or by initiative ordinance, nor shall it apply to City employees serving on
22 interdepartmental or other working groups created by initiative of the Mayor or Board of
23 Supervisors, nor shall it apply to City employees who serve on the Health Service Board,
24 Retiree Health Care Trust Fund Board, or Retirement Board

1 Section 2.5 STIPEND FOR PLANNING COMMISSIONERS FOR ATTENDANCE AT
2 PLANNING COMMISSION MEETINGS.

3
4 Each commissioner serving on the Planning Commission may receive full stipend for that
5 commissioner's attendance at each meeting of the Commission, as enumerated and included
6 herein, if the commissioner is present at the beginning of the first action item on the agenda
7 for such meeting for which a vote is taken until the end of the public hearing on the last
8 calendared item. A commissioner of the Planning Commission who attends a portion of a
9 meeting of the Planning Commission, but does not qualify for full stipend, may receive one-
10 quarter of the stipend available for the commissioner's attendance at each meeting of the
11 commission, as enumerated and included herein

12
13 APPROVED AS TO FORM:
14 DAVID CHIU, City Attorney

15 By: /s/
16 KATE KIMBERLIN
17 Deputy City Attorney
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Annual Salary Ordinance Fiscal Years 2024-25 and 2025-26

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EXPLANATION OF SYMBOLS.

The following symbols used in connection with the rates fixed herein have the significance and meaning indicated.

- B. Biweekly.
- C. Contract rate.
- D. Daily.
- E. Salary fixed by Charter.
- F. Salary fixed by State law.
- G. Salary adjusted pursuant to ratified Memorandum of Understanding.
- H. Hourly.
- I. Intermittent.
- J. Rate set forth in budget.
- K. Salary based on disability transfer.
- L. Salary paid by City and County and balance paid by State.
- M. Monthly.
- O. No funds provided.
- P. Premium rate.
- Q. At rate set under Charter Section A8.405 according to prior service.
- W. Weekly.
- Y. Yearly.

Annual Salary Ordinance Fiscal Years 2024-25 and 2025-26

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Items 10 and 11 Files 24-0623 & 24-0624	Department: Controller
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MANDATE STATEMENT/DETAILS OF PROPOSED LEGISLATION

File 24-0623: Administrative Provisions of the Annual Appropriation Ordinance

The proposed FY 2024-25 and FY 2025-26 Annual Appropriation Ordinance (AAO) contains the administrative provisions governing the appropriation ordinance. The proposed AAO for FY 2024-25 and FY 2025-26 contain the following significant changes to the administrative provisions:

Section 5.8- Collection and Legal Services

The proposed ordinance deletes Section 5.8, which authorizes the Controller to adjust estimated revenues and expenditures to pay the fee to outside counsel when such payment is contingent upon the recovery of a judgment or other monies by the City through the prosecution of actions filed on behalf of the City or for assistance in the prosecution of actions that the City Attorney files in the name of the People.

According to Michelle Allersma, Director of the Controller's Office Budget and Analysis Division (BAD), this section is being deleted to reflect current practice. Director Allersma stated that according to the City Attorney's Office (CAT), payments to outside counsel are made according to the same process as for regular legal expenditures, so the appropriation authority is not needed.

Section 6- Bond Interest and Redemption

The proposed ordinance adds language to Section 6 to authorize the payment of bond rating fees that are incurred and payable prior to the issuance of Board of Supervisors-authorized Certificates of Participation (COPs) when unexpected changes in market conditions cause a delay in issuance. The language authorizes payment of such fees from funds appropriated for annual COPs debt service that exceed the actual requirements for bond interest and redemption.

According to Director Allersma, the City recently experienced a delay in the sale of refunding COPs due to increases in interest rates, which impacted the City's ability to realize its savings threshold and this provision would help the City ensure timely payment to its credit rating providers in times of unexpected changes in market conditions.

Section 10.9- Holidays, Special Provisions

The proposed ordinance revises language in Section 10.9 regarding the Controller's authorization to make transfers of funds to cover the actual costs of holidays. According to Director Allersma, this revision is simply being made to update outdated language regarding the definition of a holiday. The section currently defines a holiday as being proclaimed by the Mayor after such day has been declared a holiday by the Governor of California or the President of the United States. The revised language defines a holiday as being formally declared by the Mayor as a holiday for City employees under the terms of a Memorandum of Understanding.

Section 11.1- Special and Trust Funds Appropriated; Approval of Certain Grant Agreements under Charter Section 9.118

The proposed ordinance adds language to Section 11.1, which would deem all recurring grants exceeding \$1 million or with duration exceeding 10 years to be approved by the Board of Supervisors under Charter Section 9.118. According to Director Allersma, this language is being added to reflect current practice. Existing language in the AAO states that, “recurring grant funds which are detailed in departmental budget submissions and approved by the Mayor and Board of Supervisors in the annual budget shall be deemed to have met the requirements of Administrative Code Section 10.170 for the approval to apply for, receive and expend said funds and shall be construed to be funds received for a specific purpose as set forth in this section.”

Section 11.7- Arbitrage

The proposed ordinance adds language to Section 11.7, which would authorize the Controller to make payments to the IRS from annual budget appropriations for lease payments based on expected savings amounts when bond indentures or fiscal agent agreements require interest earnings to be used to offset annual lease financing payments.

According to Director Allersma, annual lease payments for debt service are budgeted in the AAO in the full amounts due. To the extent that there are offsetting interest earnings that may be used to partially offset any budgeted lease payment, those savings are then realized by the City at the end of the fiscal year. The proposed language will allow for the use of such savings from budgeted debt service to make timely payments as needed to the IRS for any required rebate payments (i.e., arbitrage), and would clarify that separate Board action to appropriate those rebate payments would not be necessary. Rebate payments are typically due to the IRS within 60 days after a required reporting period, after which they may incur additional penalties. According to Director Allersma, that is not sufficient time for enactment of a supplemental appropriation. Due to the current higher interest rate environment, the City has begun accruing arbitrage rebate liabilities on certain outstanding debt issues, so these rebate payments will become necessary on a more frequent basis.

Section 11.8- Damage Recoveries and Restitution

The proposed ordinance adds language to Section 11.8 to clarify that moneys received as restitution in a criminal proceeding to reimburse the City for losses caused by an employee or third party are appropriated to the departments that incurred the losses.

Section 11.15- FEMA, OES, Other Reimbursements

The proposed ordinance adds language to Section 11.15 that would appropriate any remaining balances in the Give2SF-COVID-19 Fund, including amounts from previously identified and unidentifiable donors, for COVID-19 related costs and programs. The language also specifies that donation balances and uses of funds shall be included in the San Francisco Disaster and Emergency Response and Recovery Fund annual report to the Board of Supervisors, pursuant to Administrative Code Section 10.100-100(d).

Section 11.26- Refuse Rate Order Changes

The proposed ordinance adds Section 11.26 to authorize the Controller to adjust appropriations from the Solid Waste Impound Account to reconcile with the final adopted refuse rate order established by the Refuse Rate Board, provided that such adjustments shall not result in a total increase in appropriations from the fund.

According to Director Allersma, this Section is being added to address timing differences between when the budget is approved and when the final refuse rate order is adopted. Prop F (November 2021) allows two-to-five-year rate cycles, as determined by the Refuse Rate Board, and rate years begin October 1st. The most recent order was adopted in August 2023, just after the final adoption of the budget, and had a slightly different spending allocation than the budget, and the Board stipulated a two-year cycle.

Section 12.4- New Project Reserves

The proposed ordinance adds language to Section 12.4 to authorize the Controller to allocate project budgets appropriated in citywide accounts to the department where the expense will be incurred.

According to Director Allersma, this language is being added to codify the assumption that the Controller has authority to move expenditure budgets from General City Responsibility to operating departments where the actual expenditures will occur. This became an issue in the current year when the Controller's Office had to move funds from the APEC project in General City Responsibility to departments. The Controller's Office has explicit authority to move budgets for MOU, litigation, and audit reserves (and had temporary authority to move budgets for the COVID emergency) and would like to make explicit the generally held assumption that they can do this for other appropriations like APEC and the Cost of Doing Business for non-profit City partners. This change would not affect the Controller's authority to move monies put on reserve by the Board of Supervisors.

Section 14(d)- Local Agency Formation Commission (LAFCo)

The proposed ordinance adds language to Section 14(d) to clarify that City staff, including but not limited to the Clerk of the Board of Supervisors, may not perform work for LAFCo, except as authorized by a memorandum of understanding between the City and LAFCo, subject to required approvals. According to Director Allersma, this language was added to reflect current law.

Section 15.1- State of California Travel Program

The proposed ordinance adds Section 15.1 to authorize the Controller's Office to implement rules and regulations required of departments to participate in the State of California's Statewide Travel Program, which provides access to State-negotiated rates with hotel, airline, and car rental providers in adherence with the State's competitive procurement solicitation and contract award rules and regulations.

Section 29- Appropriation Control of Capital Improvement Projects and Equipment

The proposed ordinance adds language to Section 29 to authorize the Controller to revise COP debt service appropriations within General Fund supported COP debt service funds for authorized but unissued debt, in order to make final debt service payments due upon issuance of authorized debt. Such revisions are only permitted if the Controller determines it is financially advantageous to do so and if such revisions do not increase or decrease approved expenditure authority, and can only be done for the purpose of reducing interest costs in future years.

According to Director Allersma, COP issuance can be delayed by a number of factors, including design, technical, and administrative issues related to projects. Director Allersma has asserted that this change is being proposed to allow the Controller's Office to avoid the added expense of capitalized interest (i.e., increasing the amount borrowed to finance the first interest payment on the debt) by moving budgeted debt service funds from a project experiencing delays to a project for which the City is able to spend proceeds right away.

Section 31- Infrastructure Financing, Infrastructure Revitalization and Financing, and Enhanced Infrastructure Financing Districts

The proposed ordinance adds language to Section 31 to add Enhanced Infrastructure Financing Districts (EIFDs) to the types of voluntary tax increment financing districts that the Board of Supervisors has formed. According to Director Allersma, this section is being revised to include EIFDs now that the City has created the Power Station EIFD in the current fiscal year.

Section 32.3- Fiscal Cliff Reserve

The proposed ordinance adds Section 32.3 to amend the uses for the Fiscal Cliff Reserve (Administrative Provision 32.1 from FY 2021-22) to include managing shortfalls of business tax revenues. The Fiscal Cliff Reserve can be used to manage projected budget shortfalls following the spenddown of federal and state stimulus funds and other one-time sources used to balance the budget. The proposed section also stipulates that this new assignment of the Fiscal Cliff Reserve shall not be included in the calculations of deposits to the Budget Stabilization Reserve described in Administrative Code Section 10.60(c).

File 24-0624: Administrative Provisions of the Annual Salary Ordinance

The proposed FY 2024-25 and FY 2025-26 Annual Salary Ordinance (ASO) contains the administrative provisions governing the salary ordinance. The changes to the proposed ASO for FY 2024-25 and FY 2025-26 are related to updating compensation provisions to account for changes in inflation, specifically for stipends to employees permanently assigned to Hetch Hetchy and Camp Mather and for moving expenses for new employees in the Manager IV classification or higher.

RECOMMENDATIONS

1. Approve the administrative provisions of the Annual Appropriation Ordinance and Annual Salary Ordinance when considering approval of the Mayor's proposed FY 2024-25 and FY 2025-26 budget.

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

2024 MAY 31 PM 3:32
FY 2024-25
MAY 31 2024

To: Angela Calvillo, Clerk of the Board of Supervisors
From: Anna Duning, Mayor's Budget Director
Date: May 31, 2024
Re: Mayor's June 1 FY 2024-25 and FY 2025-26 Budget Submission

Madam Clerk,

In accordance with City and County of San Francisco Administrative Code, Section 3.3, the Mayor's Office hereby submits the Mayor's proposed June 1 budget, corresponding legislation, and related materials for Fiscal Year (FY) 2024-25 and FY 2025-26.

In addition to the Mayor's Proposed FY 2024-25 and FY 2025-26 June 1 Budget Book, the following items are included in the Mayor's submission:

- The June 1 Proposed Interim Annual Appropriation Ordinance (AAO) and Proposed Interim Annual Salary Ordinance (ASO)
- The June 1 Proposed Annual Appropriation Ordinance (AAO) and Proposed Annual Salary Ordinance (ASO), along with Administrative Provisions
- The Proposed Interim Budget and the Proposed Budget for the Office of Community Investment and Infrastructure (OCII)
- 30 separate pieces of trailing legislation (see list attached)
- A Transfer of Function letter detailing the transfer of positions from one City department to another
- An Interim Exception letter to the ASO
- A letter addressing funding levels for nonprofit corporations or public entities for the coming two fiscal years
- A letter and supporting documentation detailing technical adjustments to the Mayor's Proposed May 1 Budget for FY 2024-25 and FY 2025-26, per Charter Section 9.101
- Memo to the Board President requesting for 30-day rule waivers on ordinances

Please note the following:

- Technical adjustments to the June 1 budget are being prepared, but are not submitted with this set of materials.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anna Duning", with a long, sweeping flourish extending to the right.

Anna Duning
Mayor's Budget Director

cc: Members of the Board of Supervisors
Budget & Legislative Analyst's Office
Controller

DEPT	Item	Description	Type of Legislation	File #
ADM	New Prop J	Office of the Medical Examiner security services	Resolution	240613
ADM	Continuing Prop J	City Administrator's Office fleet security services, Real Estate Division custodial services and security services, and convention facilities management for FY 2024-25	Resolution	240612
BOS	Continuing Prop J	Board of Supervisors Budget and Legislative Analyst Services for FY 2024-25	Resolution	240612
DPH	Continuing Prop J	Department of Public Health security services for FY 2024-25	Resolution	240612
DPW	Continuing Prop J	Department of Public Works security services for FY 2024-25	Resolution	240612
HOM	Continuing Prop J	Homelessness and Supportive Housing security services for FY 2024-25	Resolution	240612
HSA	Continuing Prop J	Human Services Agency Security Services for FY 2024-25	Resolution	240612
MOHCD	Continuing Prop J	Mayor's Office of Housing and Community Development security services for FY 2024-25	Resolution	240612
REG	Continuing Prop J	Department of Elections Assembly of Vote by Mail Services for FY 2024-25	Resolution	240612
SHF	Continuing Prop J	Sheriff's Department County Jails Food Services for FY 2024-25	Resolution	240612
ADM	Code Amendment	Amending the Police Code to adjust to current amounts the license fees for Billiard Parlor, Dance Hall Keeper, Extended Hours Premises, Fixed Place Outdoor Amplified Sound, Limited Live Performance, Mechanical Amusement Device, and Place of Entertainment permits	Ordinance	240598
ADM	Code Amendment	Amending the Administrative Code to adjust the fees imposed by the County Clerk, and authorizing the Controller to make future adjustments to the fees	Ordinance	240597
DPH	Patient Rates	Amending the Health Code to set patient rates and rates for other healthcare services provided by the Department of Public Health, for Fiscal Years 2024-2025 and 2025-2026	Ordinance	240600
DPW	Code Amendment	Amending the Public Works Code to modify certain permit fees and other charges and affirming the Planning	Ordinance	240601

		Department's determination under the California Environmental Quality Act		
REC	Code Amendment	Amending the Park Code to authorize the Recreation and Park Department to charge a fee for reserving tennis and pickleball courts at locations other than the Golden Gate Park Tennis Center	Ordinance	240603
REC	Code Amendment	Amending the Park Code to impose an additional \$5 charge for recreation programs	Ordinance	240602
DAT	Joint Powers Grant	Authorizing the Office of the District Attorney to accept and expend a grant in the amount of \$2,530,992 from the California Victim Compensation Board	Resolution	240617
REC	Habitat Conservation Fund Grants	Retroactively authorizing the Recreation and Park Department to accept and expend grant funding in the amount of \$400,000 from the Habitat Conservation Fund	Resolution	240615
REC	BAAQMD Grant	Authorizing the Recreation and Park Department to accept and expend a grant in the amount of \$619,085 from the Bay Area Air Quality Management District to install level-2 electric vehicle chargers at six park sites	Resolution	240614
REC	USDA Urban Forest Grant	Authorizing the Recreation and Park Department to accept and expend a grant in the amount of \$2,000,000 from the USDA Forest Service to develop a Workforce Development Program and implement Reforestation Projects	Resolution	240616
DPH	Recurring State Grants	Authorizing the acceptance and expenditure of Recurring State grant funds by the San Francisco Department of Public Health for Fiscal Year (FY) 2024-2025	Resolution	240618
HOM/HSR	CAAP Client Housing Legislation	Approving the FYs 2024-2025 and 2025-2026 Expenditure Plan for the Department of Homelessness and Supportive Housing Fund	Resolution	240620
HSR/DPH	Funding Reallocation – Our City, Our Home Homelessness Gross Receipts Tax	Reallocating approximately \$13,676,000 in unappropriated earned interest revenues from the Our City, Our Home Fund to allow the City to use such revenues from the	Ordinance	240607

		Homelessness Gross Receipts Tax for certain types of services to address homelessness		
DEC	Early Care and Education Commercial Rents Tax Baseline	Amending the baseline funding requirements for early care and education programs in Fiscal Years 2024-2025 through 2027-2028, to enable the City to use the interest earned from the Early Care and Education Commercial Rents Tax for those baseline programs	Ordinance	240604
OCII	OCII Interim Budget Resolution	Approving the Fiscal Year 2024-25 Interim Budget of the Office of Community Investment and Infrastructure	Resolution	240610
OCII	OCII Budget Resolution	Approving the Fiscal Year 2024-25 Budget of the Office of Community Investment and Infrastructure	Resolution	240611
CON	Access Line Tax (ALT) Tax Rates	Concurring with the Controller's establishment of the Consumer Price Index for 2024, and adjusting the Access Line Tax by the same rate	Resolution	240619
CON	Neighborhood Beautification Fund	Adopting the Neighborhood Beautification and Graffiti Clean-up Fund Tax designation ceiling for tax year 2024	Ordinance	240608
DPH	Code Amendment	Amending the Administrative Code to repeal the Maddy Emergency Services Fund	Ordinance	240606
DPH	Code Amendment	Authorizing the Department of Public Health to award a one-time grant to Planned Parenthood Northern California by waiving the competitive solicitation requirements of the Administrative Code	Ordinance	240605
POL/SHF	Overtime Supplemental	De-appropriating surplus amounts from and re-appropriating amounts to overtime at the Police Department and Sheriff Department to support projected increases in spending as required per Administrative Code Section 3.17	Ordinance	240609
ADM/DPH	Cannabis Inspection Fees	Amending the Business and Tax Regulations Code to eliminate fees charged to permitted cannabis businesses to cover the cost of inspections of those businesses by the Department of Public Health	Ordinance	240599