

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

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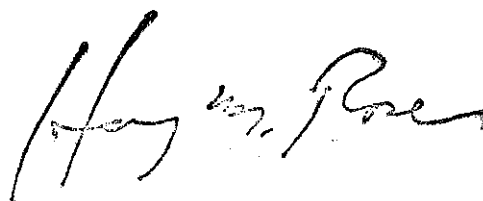
June 23, 2011

TO: Budget and Finance Committee
FROM: Budget and Legislative Analyst
SUBJECT: June 27, 2011 Budget and Finance Committee Meeting

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A handwritten signature in black ink, appearing to read "Harvey M. Rose". The signature is written in a cursive style with a large initial "H" and a long, sweeping underline.

Harvey M. Rose

cc: Supervisor Chu
Supervisor Mirkarimi
Supervisor Kim
Supervisor Wiener
President Chiu
Supervisor Avalos
Supervisor Campos
Supervisor Cohen
Supervisor Elsbernd
Supervisor Farrell
Supervisor Mar
Clerk of the Board
Cheryl Adams
Controller
Greg Wagner

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department's proposed \$32,122,184 budget for FY 2011-12 is \$13,821,856 or 75.5 percent more than the original FY 2010-11 budget of \$18,300,328.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 64.53 FTEs, which is 5.99 FTEs more than the 58.54 FTEs in the original FY 2010-11 budget. This represents a 10.2 percent change in FTEs from the original FY 2010-11 budget.

The Department has requested approval of four positions as an interim exception. The Budget and Legislative Analyst recommends disapproval of these positions as an interim exception, which do not perform revenue generating or critical functions.

Revenue Changes

The Department's revenues of \$25,152,233 in FY 2011-12, are \$13,615,203 or 118.0 percent more than FY 2010-11 revenues of \$11,537,030. General Fund support of \$6,969,951 in FY 2011-12 is \$206,653 or 3.1 percent more than FY 2010-11 General Fund support of \$6,763,298.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$74,744 in FY 2011-12. These reductions would still allow an increase of \$13,747,112 or 75.1 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$4,012 to the General Fund.

Together, these recommendations will result in \$78,756, of which \$78,756 is savings to the City's General Fund.

The Budget and Legislative Analyst recommends that \$3,238,301, equal to \$3,111,850 in funds for work orders with other City departments to prepare for America's Cup events, plus \$126,451 in Budget and Legislative Analyst recommended reductions for America's Cup positions, be placed on Controller's Reserve pending completed work order agreements or memoranda of understanding for use of these funds.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ECN – ECONOMIC AND WORKFORCE DEVELOPMENT

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change 2010-2011	Pct Change
ECONOMIC AND WORKFORCE DEVELOPMENT				
CHILDREN'S BASELINE	314,065	314,065	0	0.0%
ECONOMIC DEVELOPMENT	3,316,813	16,454,359	13,137,546	N/A
FILM SERVICES	944,240	1,207,171	262,931	27.8%
OFFICE OF SMALL BUSINESS AFFAIRS	597,505	613,480	15,975	2.7%
WORKFORCE TRAINING	13,127,705	13,533,109	405,404	3.1%
ECONOMIC AND WORKFORCE DEVELOPMENT	18,300,328	32,122,184	13,821,856	75.5%

The Department's proposed FY 2011-12 budget has increased by \$13,821,856 largely due to:

- \$9,819,360 in General Fund monies to be used in preparation for the 34th America's Cup for (a) obtaining the required permits, (b) the California Environmental Quality Act (CEQA) documents, and (c) a public engagement strategy with impacted merchant, tenant, and neighborhood associations as well as regional transportation providers, public safety personnel and neighboring jurisdictions. These expenditures are expected to be reimbursed by \$12,143,582 in America's Cup Organizing Committee revenues included in the FY 2011-12 budget.
- A Transfer of \$2,183,760 in General Fund monies to the Port in order to reimburse them for projected reduced revenues to be incurred due to the 34th America's Cup during FY 2011-12. These expenditures are expected to be reimbursed by the \$12,143,582 in America's Cup Organizing Committee revenues in the FY 2011-12 budget.
- The Department's new role of administering the Local Hiring Policy for Construction, which was approved in December, 2010 by the Board of Supervisors.

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 64.53 FTEs, which is 5.99 FTEs more than the 58.54 FTEs in the original FY 2010-11 budget. This represents a 10.2 percent change in FTEs from the original FY 2010-11 budget.

The FY 2011-12 Budget includes 8 FTEs that are new positions. Four of these positions are intended to support the new work the Department is undertaking in preparation for the 34th America's Cup:

- Manager VIII position to (a) be responsible for achieving all deliverables and milestones under the Host and Venue Agreement, (b) obtain all Federal and State authorizations for the races, (c) develop, negotiate, and implement plans for the infrastructure required to host the events, (d) coordinate the environmental review process, (e) coordinate and support related initiatives, and (f) interface with the America's Cup Event Authority (ACEA), the America's Cup Organizing Committee (ACOC), and the America's Cup Race Management.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ECN – ECONOMIC AND WORKFORCE DEVELOPMENT

- Manager III position to (a) coordinate interdepartmental and interagency efforts in preparation for the 34th America's Cup, (b) write, present, and update public plans for the interdepartmental and interagency work related to preparation for the 34th America's Cup, (c) secure Memorandums of Understanding (MOU), permits, and service information for regional, state, and federal agencies to allow for event permitting, security, and construction, and (d) work with the ACOC, ACEA and City finance staff to manage the budget, pay contractors, and reimburse partner agencies.
- Manager VI position to (a) coordinate complex real estate development projects through the entitlement and permitting process across multiple city departments, (b) create jobs and enhance the City's housing stock, (b) meet and consult with project sponsors, (c) establish and maintain effective working relationships with Elected Officials, Department Heads and staff, civic organizations, State and Federal agencies, stakeholders and the public in order to resolve complex issues and to facilitate solutions resulting in project approvals and permitting, (d) work with Small Business Assistance Center and various Community Benefit Districts on entitlement, permitting and inspection matters for new and existing small businesses and restaurants, and facade improvements, and (e) prepare and review capital project and maintenance program cost estimates; negotiate with internal agencies & external stakeholders.
- Manager I position to (a) perform overall event coordination, (b) coordinate negotiations regarding the Workforce Development plan, (c) collaborate on creating small business linkages for the event, (d) work with City departmental staff to create youth involvement opportunities and coordinate negotiations regarding the Youth Involvement Plan, (e) coordinate on the development of an education plan to link spectators with the event, (f) assist in the creation of partnerships to link the event with the City's cultural scene, and (g) facilitate advertising efforts of the event.

Four of the new positions are to support the Department's new role in administering the Local Hiring Policy for Construction and the CityBuild Workforce programs:

- Three Senior Community Development Specialist I positions to (a) conduct contractor outreach and engagement efforts on behalf of CityBuild's programs and (b) focus on providing resources towards ensuring contractor success in meeting workforce goals.
- One Senior Community Development Specialist I position to (a) provide data analysis and general support around operations, budget, contract, and grant development, and (b) compile data and develop workforce reports on behalf of the Local Hiring Policy for Construction.

No FTEs are proposed for deletion in FY 2011-12.

The Department has requested approval of four positions as an interim exception. The Budget and Legislative Analyst recommends disapproval of these positions as an interim exception, which do not perform revenue generating or critical functions. However the Budget and Legislative Analyst recommends approval of these four positions effective on August 1, 2011 instead of July 1, 2011.

DEPARTMENT REVENUES:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ECN – ECONOMIC AND WORKFORCE DEVELOPMENT

The Department's revenues of \$25,152,233 in FY 2011-12, are \$13,615,203 or 118.0 percent more than FY 2010-11 revenues of \$11,537,030. General Fund support of \$6,969,951 in FY 2011-12 is \$206,653 or 3.1 percent more than FY 2010-11 General Fund support of \$6,763,298. Specific changes in the Department's FY 2011-12 revenues include:

- An increase in General Fund support for expenses related to preparation for the 34th America's Cup.
- An increase in General Fund support to fund the China SF Initiative, a public/private partnership to connect businesses in China to businesses in the Bay Area and assist Chinese companies looking to locate or invest in North America.
- An increase in General Fund support to fund the Department's administration of the Local Hiring Policy for Construction.
- An American Recovery and Reinvestment Act of 2009 grant received via the Environmental Protection Agency for the cleanup of Mission Bay brownfields, which is land previously used for industrial purposes which may be contaminated by low concentrations of hazardous waste or pollution and has the potential to be reused once it is cleaned up.

34TH AMERICA'S CUP HAS A \$12,203,930 GENERAL FUND IMPACT IN FY 2011-12:

The Budget and Legislative Analyst notes that the proposed revenues of \$12,143,582 to be provided by the America's Cup Organizing Committee to the City to pay for the City's expenses to prepare for the America's Cup are not certain. Therefore, the expenditures associated with the 34th America's Cup have the potential to bear a significant impact on the balance of the General Fund Reserve in FY 2011-12 and going forward up to the event, which will take place in 2013.

According to the Controller's Office, the Budget and Legislative Analyst's recommended reductions of \$126,451 for America's Cup expenditures are limited for use to 34th America's Cup purposes. These limitations, in addition to a reimbursement schedule, will be detailed in the Memorandum of Understanding between the City and the America's Cup Organizing Committee currently being negotiated.

The table below details the Department's \$9,819,360 in estimated expenditures for the 34th America's Cup.

The Department's Estimated FY 2011-12 Expenditures for the 34 th America's Cup	
Salaries and Fringe Benefits	\$819,644
California Environmental Quality Act Requirements	2,612,857
Permitting	1,701,449
Port Expenses for Permitting, Litigation, and Property Management	1,573,560
Other City Department Work Orders Which Have Yet to be Determined	3,111,850
Total	\$9,819,360

The Budget and Legislative Analyst recommends that \$3,238,301, equal to \$3,111,850 in funds for work orders with other City departments noted in the table above, plus \$126,451 in Budget and Legislative

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ECN – ECONOMIC AND WORKFORCE DEVELOPMENT

Analyst recommended reductions, be placed on Controller's Reserve pending completed work order agreements or memoranda of understanding for use of these funds.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$74,744 in FY 2011-12. These reductions would still allow an increase of \$13,747,112 or 75.1 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$4,012 to the General Fund.

Together, these recommendations will result in \$78,756, of which \$78,756 is savings to the City's General Fund.

The Budget and Legislative Analyst recommends that \$3,238,301, equal to \$3,111,850 in funds for work orders with other City departments to prepare for America's Cup events, plus \$126,451 in Budget and Legislative Analyst recommended reductions for America's Cup positions, be placed on Controller's Reserve pending completed work order agreements or memoranda of understanding for use of these funds.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ECN - Economic and Workforce Development

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
BK5 - Economic Development (1G AGF ACP)													
Temporary Salaries - Miscellaneous	1.26	0.61	\$45,000	\$15,000	\$30,000	x			\$45,000	\$15,000	\$30,000	x	
Mandatory Fringe Benefits			\$3,578	\$1,193	\$2,385	x			\$3,578	\$1,193	\$2,385	x	
			<i>Total Savings</i>		\$32,385					<i>Total Savings</i>		\$32,385	
	Reduction based on historical expenditures.							Ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ECN - Economic and Workforce Development

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
Programmatic Projects			\$9,819,360	\$9,819,360	\$0	x				\$9,819,360	\$9,819,360	\$0	
0943 - Manager VIII	1.0	0.0	\$189,878	\$0	\$189,878								
0942 - Manager VII	0.0	0.9	\$0	\$145,376	(\$145,376)								
0941 - Manager VI	1.0	0.9	\$150,828	\$135,745	\$15,083								
0931 - Manager III	1.0	0.0	\$126,048	\$0	\$126,048								
0923 - Manager II	0.0	0.9	\$0	\$105,113	(\$105,113)								
0922 - Manager I	1.0	0.0	\$108,888	\$0	\$108,888								
1824 - Principal Analyst	0.0	0.9	\$0	\$95,168	(\$95,168)								
Mandatory Fringe Benefits			\$196,754	\$164,543	\$32,211								
			<i>Total Savings</i>	<i>\$126,451</i>						<i>Total Savings</i>	<i>\$0</i>		
	<p>The Department requested four new positions for the America's Cup project, including one new Manager VIII, one new Manager VI, one new Manager III and one new Manager I. The Budget and Legislative Analyst recommends:</p> <p>*Downward substitution of the Manager VIII to a Manager VII, which is consistent with the executive level duties of the position and organizational, in which this position reports to the Department Head III, which has lower salary range than the Manager VIII.</p> <p>*Downward substitution of the Manager III to an 0923 Manager I, which is consistent with the executive level duties of the position and</p> <p>*Downward substitution of the Manager I to an 1824 Principal Analyst. This position does not have management responsibility.</p> <p>* Disapproval of the interim exceptions for these four new positions that do not perform revenue generating or critical department functions.</p> <p>Instead of taking a savings, the Budget and Legislative Analyst recommends reprogramming \$126,451, which are reimbursed by America's Cup revenues, for America's Cup program purposes, and placing these funds on Controller's Reserve, as noted below.</p>							Ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ECN - Economic and Workforce Development

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	
	From	To	From	To				From	To	From	To			
Professional & Specialized Services			\$400,000	\$375,000	\$25,000	x	x							
	Reduction based on historical expenditures.													
BL1 - Workforce Training (1G AGF AAP)														
Attrition Savings - Miscellaneous	0.10	0.12	(\$56,206)	(\$68,706)	\$12,500	x				(\$58,622)	(\$71,122)	\$12,500	x	
Mandatory Fringe Benefits			(\$21,847)	(\$26,706)	\$4,859	x				(\$24,819)	(\$30,111)	\$5,292	x	
			<i>Total Savings</i>	<i>\$17,359</i>						<i>Total Savings</i>	<i>\$17,792</i>			
	Increase attrition savings based upon agreement with the Department.							Ongoing reduction.						

**FY 2011-2012
Total Recommended Reductions**

	One-Time	Ongoing	Total
General Fund Impact	\$25,000	\$49,744	\$74,744
Non-General Fund Impact	\$0	\$0	\$0
Total	\$25,000	\$49,744	\$74,744

**Estimated FY 2012-2013 Impact
Total Recommended Reductions**

General Fund Impact	\$50,178
Non-General Fund Impact	\$0
Total	\$50,178

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ECN - Economic and Workforce Development

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		

Reserve Recommendations

BK5 - Economic Development (1G AGF AAA)													
Programmatic Projects - Budget			\$9,819,360	\$9,819,360*									
	<p>The Budget and Legislative Analyst recommends that \$3,238,301, equal to \$3,111,850 in funds for work orders with other City departments to prepare for America's Cup events, plus \$126,451 in Budget and Legislative Analyst recommended reductions for America's Cup positions, be placed on Controller's Reserve pending completed work order agreements or memoranda of understanding for use of these funds.</p>												

FY 2011-2012				Estimated FY 2012-2013 Impact	
Total Reserve Recommendations				Total Reserve Recommendations	
	One-Time	Ongoing	Total		
General Fund Impact	\$0	\$0	\$0	General Fund Impact	\$0
Non-General Fund Impact	\$3,238,301	\$0	\$3,238,301	Non-General Fund Impact	\$0
Total	\$0	\$0	\$3,238,301	Total	\$0

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ECN - Economic and Workforce Development

Vendor Name	Subobject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
NORTH OF MARKET NEIGHBORHOOD IMPROV CORP	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2009	9/21/2010	50,000.00	0.55
COLE HARDWARE	OTHER SAFETY EXPENSES	Yes	2009	9/24/2009	\$4,340	\$2,558.69
NORTHERN CALIFORNIA COMMUNITY LOAN FUND	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	2/16/2011	10,000	0.32
PATRICK & CO	OTHER MATERIALS & SUPPLIES	Yes	2009	8/2/2010	1814.42	1452.2
Total Amount to Return to General Fund						\$4,011.76

Note: The above encumbrance balances are from budget years prior to FY 2010-11. The Department has indicated that the balances of these encumbrances are no longer needed, therefore the balance can be returned to the General Fund.

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department’s proposed \$286,617,000 budget for FY 2011-12 is \$12,933,000 or 4.32 percent less than the original FY 2010-11 budget of \$299,550,000.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 113.5 FTEs, which is 3.0 FTEs more than the 110.5 FTEs in the original FY 2010-11 budget. This represents a 2.7 percent increase in FTEs from the original FY 2010-11 budget.

Revenue Changes

The Department’s property tax increment revenues, proposed to be \$125,274,000 in FY 2011-12, are an increase of \$20,430,000, or 19.5 percent, compared to FY 2010-11 property tax increment revenues of \$104,844,000. Other Departmental revenues are proposed to be \$66,650,000 in FY 2011-12, which represents a decrease of \$68,000, or 0.1 percent less than the Department’s FY 2010-11 other revenues of \$66,718,000.

RECOMMENDATIONS

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$459,572 in FY 2011-12. Of these reductions, \$215,999 or 47 percent are General Fund reductions, and \$459,572 or 100 percent are ongoing reductions.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: RED – REDEVELOPMENT

SUMMARY OF PROGRAM EXPENDITURES:

	FY 2010-11 Budget	FY 2011-12 Proposed	Increase/ (Decrease)	Percent
<u>Total Sources of Funds</u>				
Property Sales, Rentals and Leases	\$16,033,000	\$17,734,000	\$1,701,000	10.6%
Developer Contributions	13,071,000	11,882,000	(1,189,000)	(9.1%)
Other	37,614,000	37,034,000	(580,000)	(1.5%)
Property Tax Increment	<u>104,844,000</u>	<u>125,274,000</u>	<u>20,430,000</u>	19.5%
Total Sources of Funds	171,562,000	191,924,000	20,362,000	11.9%
<u>Total Uses of Funds</u>				
<u>Work Program Uses</u>				
Debt Service	87,696,000	100,630,000	12,934,000	14.7%
Public Improvements	74,201,000	38,004,000	(36,197,000)	(48.8%)
Housing Production and Assistance	66,209,000	56,055,000	(10,154,000)	(15.3%)
Property Maintenance	13,277,000	10,302,000	(2,975,000)	(22.4%)
Business Development	4,375,000	1,588,000	(2,787,000)	(63.7%)
Pass-Through Obligations	11,072,000	24,226,000	13,154,000	118.8%
Job Training	1,360,000	1,147,000	(213,000)	(15.7%)
Other	14,232,000	32,807,000	18,575,000	130.5%
Subtotal Work Program Uses	272,422,000	264,759,000	(7,663,000)	(2.8%)
Personnel Costs	17,127,000	17,750,000	623,000	3.6%
Administrative Costs	4,001,000	4,108,000	107,000	2.7%
Total Uses	293,550,000	286,617,000	(6,933,000)	(2.4%)
Educational Revenue Augmentation Funds	6,000,000	0	(6,000,000)	(100.0%)
	299,550,000	286,617,000	(12,933,000)	(4.3%)
Deficit	(127,988,000)	(94,693,000)	33,295,000	(26.0%)
<u>Other Funding Sources</u>				
Other Property Tax Increment	9,424,000	11,195,000	1,771,000	18.8%
Tax Increment Bond Proceeds	118,564,000	83,498,000	(35,066,000)	(29.6%)
Subtotal, Other Funding Sources	127,988,000	94,693,000	(33,295,000)	(10.8%)
Net Sources Less Uses	\$0	\$0	\$0	0.0%

The Department's proposed FY 2011-12 budget has decreased by \$12,933,000 due to decreases in public improvement projects, housing production and assistance, property maintenance expenditures, business development, job training and deletion of Educational Revenue Augmentation Funds (ERAF) transfers¹:

The Redevelopment Agency's budget includes expenditures for project areas, the Citywide Housing Program, and Administration and Personnel as described below.

¹ Under State law, local governments in FY 2010-11 were required to shift an allocation of property tax revenues to local schools, to meet educational funding requirements under Proposition 98. The Redevelopment Agencies share of this shift was \$6 million. This shift is not required in FY 2011-12, according to the Department.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: RED – REDEVELOPMENT

Redevelopment Project Areas:

A Project Area is a designated redevelopment area, which has been approved by the Board of Supervisors. As shown in the table below, there are 10 existing Project Areas² for which the Redevelopment Agency’s proposed budget for FY 2011-12 provides \$222,473,000 in project areas funding, which is \$53,390,000, or 31.58 percent higher than the approved budget of \$169,083,000 for FY 2010-11. Changes to individual projects programs are as follows:

Project Area Budgets, Current and Proposed				
Project Area*		Approved Budget FY 2010-11	Proposed Budget FY 2011-12	Proposed Increase (Decrease)
1	Bayview Hunters Point Area B	\$6,815,000	\$7,137,000	\$322,000
	<i>Golden Gateway</i>	15,513,000	19,121,000	3,608,000
	<i>Hunters Point (Area "A")</i>	571,000	733,000	162,000
2	Hunters Point Shipyard (Phase I)	7,374,000	4,321,000	(3,053,000)
	Hunters Point Shipyard (Phase II)	5,505,000	24,510,000	19,005,000
	<i>India Basin</i>	561,000	511,000	(50,000)
3	Mid Market	954,000	0	(954,000)
4	Mission Bay North	9,416,000	34,103,000	24,687,000
5	Mission Bay South	18,106,000	46,420,000	28,314,000
6	South Beach Harbor	2,235,000	2,511,000	276,000
	<i>Rincon Point- South Beach</i>	17,461,000	17,923,000	462,000
7	South of Market	7,578,000	4,518,000	(3,060,000)
8	Transbay Terminal	21,308,000	10,564,000	(10,744,000)
	<i>Western Addition</i>	12,495,000	12,617,000	122,000
9	Visitacion Valley	442,000	0	(442,000)
10	Yerba Buena Center	33,771,000	28,607,000	(5,164,000)
	Yerba Buena Gardens & Center for the Arts	8,978,000	8,877,000	(101,000)
Total		\$169,083,000	\$222,473,000	\$53,390,000

**Numbered Areas are Active Project Areas. Italicized Project Areas are expired project areas that have been extended under SB 2113, as discussed below.*

² South Beach Harbor is a part of Rincon Point-South Beach project, and Yerba Buena Gardens & Center for the Arts is a part of the Yerba Buena Center project. In addition, five project areas are expired, non-current project areas, but have been extended under SB 2113, which authorizes the Redevelopment Agency to continue to borrow funds exclusively for Low and Moderate Income Housing Fund activities until January 1, 2014, or until the Agency replaces all of the housing units demolished prior to the requirement for replacement housing obligations in redevelopment areas. The extended project areas are: Golden Gateway, Hunters Point (Area "A"), India Basin, Rincon Point-South Beach and Western Addition.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

RED - Redevelopment Agency

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
Development Services													
Facilities Maintenance Worker	1.0	0.0	\$57,327	\$0	\$57,327	x				\$60,670	\$0	\$60,670	
Mandatory Fringe Benefits			\$30,383	\$0	\$30,383	x				\$32,155	\$0	\$32,155	
	<i>Total Savings</i>				<i>\$87,710</i>			<i>Total Savings</i>				<i>\$92,825</i>	
	Position has been vacant six months, with workload redistributed to remaining staff.							Ongoing reduction.					
Contract Compliance													
Contract Compliance Specialist I	0.5	0.0	\$43,290	\$0	\$43,290	x				\$45,814	\$0	\$45,814	
Mandatory Fringe Benefits			\$22,944	\$0	\$22,944	x				\$24,282	\$0	\$24,282	
	<i>Total Savings</i>				<i>\$66,234</i>			<i>Total Savings</i>				<i>\$70,096</i>	
	Position has been vacant six months, with workload redistributed to remaining staff.							Ongoing reduction.					
Administration													
Payroll Services			\$68,000	\$32,000	\$36,000	x				\$68,000	\$32,000	\$36,000	
	Reduce based on historical expenditures.							Ongoing reduction.					
Staff Training			\$39,600	\$36,500	\$3,100	x				\$39,600	\$36,500	\$3,100	
	Reduce based on historical expenditures.							Ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

RED - Redevelopment Agency

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To				
Postage and Express			\$70,890	\$25,000	\$45,890	x				\$70,890	\$25,000	\$45,890	
	Reduce based on historical expenditures.						Ongoing reduction.						
Purchase Machines/ Equipment/Furniture			\$60,900	\$25,000	\$35,900	x				\$60,900	\$25,000	\$35,900	
	Reduce based on historical expenditures.						Ongoing reduction.						
Maintenance for Machines/ Equipment/Furniture			\$269,718	\$200,000	\$69,718	x				\$269,718	\$200,000	\$69,718	
	Reduce based on historical expenditures.						Ongoing reduction.						
Travel-Local			\$18,060	\$10,000	\$8,060	x				\$18,060	\$10,000	\$8,060	
	Reduce based on historical expenditures.						Ongoing reduction.						
Travel-Out of Town			\$17,700	\$14,000	\$3,700	x				\$17,700	\$14,000	\$3,700	
	Reduce based on historical expenditures.						Ongoing reduction.						
Conference & etc.			\$30,750	\$15,000	\$15,750	x				\$30,750	\$15,000	\$15,750	
	Reduce based on historical expenditures.						Ongoing reduction.						

GF = General Fund

1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

RED - Redevelopment Agency

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To				
Miscellaneous Expenses			\$273,160	\$230,000	\$43,160	x				\$273,160	\$230,000	\$43,160	
	Reduce based on historical expenditures.							Ongoing reduction.					
Office Supplies			\$111,650	\$70,000	\$41,650	x				\$111,650	\$70,000	\$41,650	
	Reduce based on historical expenditures.							Ongoing reduction.					
Supplies- Mimeo/Printing/Photo			\$19,700	\$17,000	\$2,700	x				\$19,700	\$17,000	\$2,700	
	Reduce based on historical expenditures.							Ongoing reduction.					

**FY 2011-2012
Total Recommended Reductions**

	One-Time	Ongoing	Total
General Fund Impact	\$0	\$215,999	\$215,999
Non-General Fund Impact	\$0	\$243,573	\$243,573
Total	\$0	\$459,572	\$459,572

**Estimated FY 2012-2013 Impact
Total Recommended Reductions**

General Fund Impact	\$220,218
Non-General Fund Impact	\$248,331
Total	\$468,549

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department’s proposed \$48,911,896 budget for FY 2011-12 is \$4,907,896 or 11.2 percent more than the original FY 2010-11 budget of \$44,004,000.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 244.88 FTEs, which is 17.41 FTEs more than the 227.47 FTEs in the original FY 2010-11 budget. This represents a 7.7 percent increase in FTEs from the original FY 2010-11 budget.

Revenue Changes

The Department’s revenues, proposed to be \$48,911,896 in FY 2011-12, represent an increase of \$4,907,896 or 11.2 percent more than the department’s FY 2010-11 revenues of \$44,004,000. There is no General Fund support for the Department.

RECOMMENDATIONS

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$984,012 in FY 2011-12. These reductions would still allow an increase of \$3,923,884 or 8.9 percent in the Department’s FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended encumbrances, totaling \$27,721.

Together, these recommendations will result in savings of \$1,011,733.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: DBI – BUILDING INSPECTION

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
ADMINISTRATION/SUPPORT SERVICES	12,886,642	15,987,010	3,100,368	24.1%
HOUSING INSPECTION/CODE ENFORCEMENT SVCS	7,291,661	7,678,239	386,578	5.3%
INSPECTION SERVICES	14,671,742	15,053,023	381,281	2.6%
PLAN REVIEW SERVICES	9,153,955	10,193,624	1,039,669	11.4%
DEPARTMENT OF BUILDING INSPECTION	44,004,000	48,911,896	4,907,896	11.2%

The Department’s proposed FY 2011-12 budget has increased by \$4,907,896 largely due to:

- The Department’s plans to continue its remodeling of the San Francisco Permit Center located at 1660 Mission Street. The 4th and 5th floor were completed in August, 2010 and the Department plans to begin remodeling the 1st, 2nd, and 3rd floors in FY 2011-12.
- The Department’s plans to replace its informational technology infrastructure equipment, including all of its servers. This project has been prioritized in the COIT Plan for FY 2011-12.
- The Department’s plans to fund a new Permit and Project Tracking System, which it is co-funding with the Planning Department. Negotiations have begun with the top scoring vendor selected during the Request For Proposal process. The Department anticipates that the contract will be executed in late summer with a 24-month implementation schedule.
- The Department’s plans to increase its funding for scanning and indexing all currently issued plans to facilitate the retrieval of plans electronically.

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 244.88 FTEs, which is 17.41 FTEs more than the 227.47 FTEs in the original FY 2010-11 budget. This represents a 7.7 percent increase in FTEs from the original FY 2010-11 budget.

Specific proposed changes in the Department’s FY 2010-11 FTE count include the following new positions:

- One position to serve as a second Database Administrator due to increased volume of databases within the Department.
- Four positions for Senior Clerks for both the Central Permit Bureau and Permit Services to process permits, determine fees from other Departments, and manage specialized enforcement programs, among other duties. The Department believes that these positions are necessary due to the slow recovery of the construction industry, resulting in a larger

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: DBI – BUILDING INSPECTION

volume of smaller-sized projects and creating longer lines at the Permit Center on the 1st floor and increased permit processing time.

- Six positions for Principal Clerks for Code Enforcement Services, Central Permit Bureaus, and Permit Review Services to accept, review, approve, and issue construction permits for public and private buildings, issue electrical, plumbing, and street space permits, and assess and collect fees, The Department believes that these positions are necessary due to volume increase in workload.
- Two positions for two Chief Clerks to supervise staff in Code Enforcement Services and Permit Services.
- Three positions, including a Plumbing Inspector, Electrical Inspector, and Building Inspector, needed for inspection of work per the intergovernmental agreements with the following entities: Transbay Joint Powers Authority, San Francisco Public Utilities Commission and the Port of San Francisco. These positions are
- One position for a Building Inspector for coordination of emergency preparedness activities in the Department
- One position for a Chief Building inspector for coordination of emergency preparedness activities in the Department.

DEPARTMENT REVENUES:

The Department's revenues, proposed to be \$48,911,896 in FY 2011-12, represent an increase of \$4,907,896 or 11.2 percent more than the department's FY 2010-11 revenues of \$44,004,000. Specific changes in the Department's FY 2011-12 revenues include:

- An increase in revenues from Charges for Services. This is primarily due to the ongoing multiyear intergovernmental agreements for the Department to (a) provide plan and field inspection services for the construction of the Transbay Transit Center, (b) the construction of a new administration building for the San Francisco Public Utilities Commission, (c) Treasure Island projects, and (d) various projects for the Port of San Francisco including the Exploratorium.
- An increase in Apartment, Rental, and Hotel License Fees. The fees were increased in FY 2009-10. The increase reflects the actual revenues received in FY 2010-11 of \$8,408,000.
- Use of the fund balance in the Strong Motion Fund, which is sourced from a fee charged on building permits to defray personnel and equipment costs for seismic education and improving the preparation for damage assessment after strong seismic motion events, being budgeted in FY 2011-12 for the Disaster Coordination Unit which is being created in FY 2011-12 in order to meet the Mayor's Executive Directive which mandated the creation of a Disaster Preparedness Coordinator for each City Department. The fund balance was not budgeted in FY 2010-11.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: DBI – BUILDING INSPECTION

FIVE YEAR FINANCIAL PLAN:

According to Ms. Pamela Levin, Deputy Director for Administrative Services, the Department anticipates 5 percent growth in its budget between FY 2011-12 and FY 2015-16.

Revenues

- Historically, the construction industry has a 5-year cycle. However, given the current economic environment, the cycle may be longer and revenues may decrease.
- Fees and charges for services must be updated at least on a bi-yearly basis to achieve and maintain full cost recovery.

Expenditures

- The Department considers eliminating positions to be the last alternative, after implementing other expenditure reductions to offset reduced revenues, although salaries and fringe benefits represent 67 percent of its budget.
- The Department will continue to monitor work orders with other City departments and evaluate expenditures to save costs.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$984,012 in FY 2011-12. These reductions would still allow an increase of \$3,923,884 or 8.9 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended encumbrances, totaling \$27,721.

Together, these recommendations will result in savings of \$1,011,733.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DBI - Building Inspection													
Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
BAN - Administration/Support Services (2S BIF ANP)													
0941C - Manager VI	1.0	0.0	\$150,829	\$0	\$150,829			1.00	0.00	\$159,624	\$0	\$159,624	
Mandatory Fringe Benefits			\$53,101	\$0	\$53,101					\$60,535	\$0	\$60,535	
	<i>Total Savings \$203,930</i>						<i>Total Savings \$220,159</i>						
	Delete one vacant Manager VI position that is currently being held vacant for salary savings based on agreement with Department.						Ongoing position reduction						
9993M - Attrition Savings - Misc	-0.54	0.00	(\$45,482)	\$0	(\$45,482)					(\$47,068)	\$0	(\$47,068)	
Mandatory Fringe Benefits			(\$18,711)	\$0	(\$18,711)					(\$21,017)	\$0	(\$21,017)	
	<i>Total Savings (\$64,193)</i>						<i>Total Savings (\$68,085)</i>						
	Decrease attrition savings to offset reduction in positions.						Ongoing attrition savings decrease.						
1004C - IS Operator Analyst	1.0	0.0	\$69,015	\$0	\$69,015			1.0	0.0	\$72,420	\$0	\$72,420	
Mandatory Fringe Benefits			\$30,764	\$0	\$30,764					\$34,548	\$0	\$34,548	
	<i>Total Savings \$99,779</i>						<i>Total Savings \$106,968</i>						
	Delete one IS Operator Analyst position that has been vacant since 2008.						Ongoing position reduction						
1053C - IS Business Analyst - Senior	4.0	3.0	\$399,871	\$299,903	\$99,968			4.0	4.0	\$419,597	\$314,698	\$104,899	
Mandatory Fringe Benefits			\$155,895	\$116,921	\$38,974					\$176,406	\$132,305	\$44,102	
	<i>Total Savings \$138,942</i>						<i>Total Savings \$149,001</i>						
	Delete one IS Business Analyst position that has been vacant since 2008.						Ongoing position reduction						

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DBI - Building Inspection													
Object Title	FY 2011-2012						FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
9993M - Attrition Savings - Misc	(1.61)	(1.00)	(\$136,448)	(\$51,448)	(\$85,000)					(\$141,206)	(\$56,206)	(\$85,000)	
Mandatory Fringe Benefits			(\$56,136)	(\$21,166)	(\$34,970)					(\$63,054)	(\$25,098)	(\$37,956)	
	<i>Total Savings (\$119,970)</i>						<i>Total Savings (\$122,956)</i>						
	Decrease attrition savings to offset reduction in positions.						Ongoing attrition savings decrease.						
Temporary Salaries													
Miscellaneous			\$74,779	\$24,779	\$50,000					\$74,779	\$24,779	\$50,000	
Mandatory Fringe Benefits			\$5,944	\$1,970	\$3,974					\$5,944	\$1,970	\$3,974	
	<i>Total Savings \$53,974</i>						<i>Total Savings \$53,974</i>						
	Reduce to reflect actual expenditures in prior fiscal years.						Ongoing reduction.						
Materials and Supplies			\$671,550	\$400,000	\$271,550					\$671,550	\$400,000	\$271,550	
	Reduce to reflect actual expenditures in prior fiscal years.						Ongoing reduction.						
BAN - Administration/Support Services (2S BIF CPR)													
Professional/Specialized Services			\$600,000	\$200,000	\$400,000			x					
	This proposed contract increase for the Records Management Project, is not sufficiently justified based on historical expenditures. The existing contract amount of \$200,000 is sufficient to accomplish the intended task.												

	Total Recommended Reductions		
	One-Time	Ongoing	Total
General Fund Impact	\$0	\$0	\$0
Non-General Fund Impact	\$400,000	\$584,012	\$984,012
Total	\$400,000	\$584,012	\$984,012

	Estimated FY 2012-2013 Impact
	Total Recommended Reductions
General Fund Impact	\$0
Non-General Fund Impact	\$610,611
Total	\$610,611

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DBI - Building Inspection

Vendor Name	Subsubject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
HEWLETT-PACKARD FINANCIAL SERVICES	DATA PROCESSING EQUIP RENTAL	No	2009	8/12/2010	69,918.08	347.02
TENDERLOIN HOUSING CLINIC INC	COMMUNITY BASED ORGANIZATION SERVICES	No	2010	8/12/2010	80,000.00	4,530.07
CHINATOWN COMMUNITY DEVELOPMENT CENTER	COMMUNITY BASED ORGANIZATION SERVICES	No	2010	8/18/2010	71,436.00	361.44
SAN FRANCISCO APARTMENT ASSOC	COMMUNITY BASED ORGANIZATION SERVICES	No	2010	8/17/2010	50,000.00	1,001.59
SHOE DEPOT INC	OTHER SAFETY EXPENSES	No	2010	7/17/2009	837.68	837.68
SHOE DEPOT INC	OTHER SAFETY EXPENSES	No	2010	7/28/2010	837.68	64.77
SHOE DEPOT INC	OTHER SAFETY EXPENSES	No	2010	7/13/2010	837.68	106.20
GALLS/LONG BEACH UNIFORM	OTHER SAFETY EXPENSES	No	2010	8/24/2010	401.50	256.97
GALLS/LONG BEACH UNIFORM	OTHER SAFETY EXPENSES	No	2010	8/3/2010	401.50	7.33
GALLS/LONG BEACH UNIFORM	OTHER SAFETY EXPENSES	No	2010	7/20/2009	401.49	401.49
GRM INFORMATION MANAGEMENT SERVICES	MISCELLANEOUS FACILITIES RENTAL	No	2010	9/24/2010	38,000.00	660.97
PELICAN DELIVERY INC	FREIGHT/DELIVERY	No	2010	8/3/2010	1,216.00	12.60
STAR REPORTING SERVICE INC	COURT REPORTERS	No	2010	8/17/2010	3,000.00	275.00
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/19/2010	243.34	10.87
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	93.34	93.34
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	4/21/2010	243.34	122.82
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	93.33	93.33
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	93.33	93.33
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	10/20/2009	93.33	94.91
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	93.33	93.33
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	4/12/2010	93.33	48.16
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	12/16/2009	93.33	48.16
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	93.33	93.33
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/15/2010	243.33	140.9
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	93.34	93.34
LINDA KITTLITZ & ASSOC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	93.34	93.34
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/19/2010	199.99	41.76
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	6/1/2010	199.99	56.64
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/14/2010	199.99	46.62
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	5/17/2010	199.99	56.64
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	3/25/2010	199.99	72.89
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	11/10/2009	200.00	101.45
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/19/2010	200.00	433.12

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DBI - Building Inspection

Vendor Name	Subsubject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/19/2010	200.00	103.02
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	6/23/2010	200.00	42.62
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/19/2010	200.01	47.45
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/12/2010	200.01	627.72
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/13/2010	200.01	572.21
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/11/2009	200.01	278.5
GIVE SOMETHING BACK LLC	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	11/10/2009	200.01	101.46
SELECTRON TECHNOLOGIES INC	TRAVEL COSTS PAID TO VENDORS	No	2010	12/24/2010	5,000.00	3,593.25
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	5/12/2010	219.00	52.00
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/25/2010	219.00	142.56
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	1/15/2010	219.00	89.01
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/28/2010	547.50	161.07
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/28/2010	547.50	380.88
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/25/2010	547.50	217.82
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/24/2010	3,832.50	1,576.90
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/25/2010	2,190.00	1,530.66
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	6/1/2010	547.50	166.76
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/25/2010	547.50	667.45
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	5/11/2010	219.00	154.73
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	7/30/2010	219.00	143.42
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	8/25/2010	547.50	34.39
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRACT	No	2010	1/28/2010	500.00	94.96
INTERNATIONAL CODE COUNCIL INC	TRAINING COSTS PAID TO VENDORS	No	2010	12/30/2009	1,500.00	500.00
INTERNATIONAL CODE COUNCIL INC	BOOKS - NON LIBRARY ONLY	No	2010	10/29/2010	500.00	493.81
INTERNATIONAL CODE COUNCIL INC	FREIGHT/DELIVERY	No	2011	10/29/2010	200.00	190.00
FORD GRAPHICS	PRINTING	No	2010	7/14/2010	5000.61	4,873.47
Total Amount Return to Fund Balance						\$27,720.86
General Fund						\$0.00
Non-General Fund						\$27,720.86

Note: The above encumbrance balances are from budget years prior to FY 2010-11. The Department has indicated that the balances of these encumbrances are no longer needed.

BUDGET REVIEW EXECUTIVE SUMMARY**Budget Changes**

The department's proposed \$24,453,040 budget for FY 2011-12 is \$603,068 or 2.5 percent more than the original FY 2010-11 budget of \$23,849,972.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 150.42 FTEs, which is 4.41 FTEs more than the 146.01 FTEs in the original FY 2010-11 budget. This represents 3.0 percent increase in FTEs from the original FY 2010-11 budget.

Revenue Changes

The Department's revenues of \$22,756,122 in FY 2011-12, are \$337,585 or 1.5 percent more than FY 2010-11 revenues of \$22,418,537. General Fund support of \$1,696,917 in FY 2011-12 is \$265,482 or 18.5 percent more than FY 2010-11 General Fund support of \$1,431,435.

The Department has requested approval of one new position as an interim exception. The Budget and Legislative Analyst recommends approval of the interim exception because the position will provide time-sensitive environmental review services for the America's Cup. The Budget and Legislative Analyst recommends approval of this position to be hired on July 1, 2011.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$113,608 in FY 2011-12. These reductions would still allow an increase of \$489,460 or 2.1 percent in the Department's FY 2011-12 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: CPC – CITY PLANNING

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
ADMINISTRATION/PLANNING	7,711,918	7,660,151	(51,767)	(0.7%)
CURRENT PLANNING	7,780,621	7,368,210	(412,411)	(5.3%)
ENVIRONMENTAL PLANNING	3,186,229	4,102,156	915,927	28.7%
LONG RANGE PLANNING	5,171,204	3,916,747	(1,254,457)	(24.3%)
ZONING ADMINISTRATION AND COMPLIANCE	0	1,405,776	1,405,776	N/A
CITY PLANNING	23,849,972	24,453,040	603,068	2.5%

The Department’s proposed FY 2011-12 budget has increased by \$603,068 largely due to:

- The Department’s planned participation in creating a Health Care Master Plan for the City, which includes producing a draft Environmental Impact Report and transportation background studies, project management, land use assessment, and interagency coordination and collaboration with the Department of Public Health, and the development of plan language and review to ensure consistency with Planning Code and implementation feasibility.
- The Department’s role in preparing for the America’s Cup 34, including producing an Environmental Impact Report, conducting urban design and land use review, and providing oversight and review of Historic Resource Evaluation Reports and other historic resource California Environmental Quality Act (CEQA)-related material.
- The Department’s involvement in the Better Market Street project, which will improve Market Street by designing and creating places for people to promenade and engage in a range of social, cultural and economic activities.
- The Zoning Administrator is responsible for interpreting, administering and enforcing the Planning Code for the Department. In FY11-12, this function will be reorganized into a separate division within the Department, which will result in a decrease in expenditures in the FY 2011-12 budget.

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 150.42 FTEs, which is 4.41 FTEs more than the 146.01 FTEs in the original FY 2010-11 budget. This represents 3.0 percent increase in FTEs from the original FY 2010-11 budget.

The increase in FTEs are the result of the Planning Department’s adding 5 new positions, or the equivalent of 2.65 FTEs in FY 2011-12. The remaining 1.76 additional FTEs are the result of annualization of positions or other administrative adjustments.

The Department has an estimated increase in Temporary Salaries of \$25,000 to be used in preparation for the 34th America’s Cup. The Department’s environmental studies and other work in preparation for the 34th America’s Cup will be funded through a work order recovery from the Mayor’s Office of Economic and Workforce Development. The money for these salaries will be paid by the General Fund

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: CPC – CITY PLANNING

Reserve, if the America’s Cup Organizing Committee (ACOC) does not reach its \$12,000,000 fundraising goal for FY 2011-12 out of a total fundraising goal of \$32,000,000.

The Department has requested approval of one position as an interim exception. The Budget and Legislative Analyst recommends approval of the interim exception because the position will provide time-sensitive environmental review services for the America’s Cup. The Budget and Legislative Analyst is recommending approval of this position with a start date of July 1, 2011.

DEPARTMENT REVENUES:

The Department's revenues of \$22,756,122 in FY 2011-12, are \$337,585 or 1.5 percent more than FY 2010-11 revenues of \$22,418,537. General Fund support of \$1,696,917 in FY 2011-12 is \$265,482 or 18.5 percent more than FY 2010-11 General Fund support of \$1,431,435. Specific changes in the Department’s FY 2011-12 revenues include:

- Decrease in federal grant funding due to the elimination of American Recovery and Reinvestment Act of 2009 funding received from the Environmental Protection Agency.
- Significant increases in fees received by the Department from New Construction Building Permits and building permit alterations due to a Consumer Price Index increase and a projected 3 percent increase in revenues due to increased volume of permit activity.
- Significant increases in State grant funding due to the hiring of a Grant Writer in FY 2010-11.

Fee Legislation

Projected revenues for FY 2011-12 are based on a proposed fee increase ordinance as follows:

File No.	Fee Description	FY 2010-11 Original Revenue	Change in FY 2011-12	Annualized Revenue Thereafter	% Cost Recovery
11-0706 & 11-0707	Adjust fees based on the Controller’s annual two-year average consumer price index (CPI) – 2.07%	\$17,878,345	\$370,082	\$18,248,427	100%

File 11-0706 - All planning fees are subject to the Controller’s annual adjustment based on the two-year average Consumer Price Index (CPI) change. The proposed ordinance amends Administrative Code, Chapter 31 by amending Sections 31.22, 31.23, and 31.23.1 to increase all fees based the Controller's annual adjustment, which is based on the two-year average Consumer Price Index (CPI) and include CPI indexing language in Section 31.22(a)(12) - Monitoring Conditions of Approval and Mitigating Monitoring and Section 31.22(b)(1) and (6) - Fee for Installment Payments.

Recommendation: Approve the proposed ordinance.

File 11-0707 - This proposed ordinance amends Planning Code Article 3.5 to: (a) place a cap on the initial fee amount at no more than 50 percent of the estimated construction cost of the project when applying for a Commission or Zoning Administrative Hearing Application (conditional use or variance, including Downtown Applications), certificate of appropriateness, or a building permit application and (b) adjust fees based on the Controller’s annual two-year average CPI.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: CPC – CITY PLANNING

Recommendation: Approval of the proposed fee ordinance is a policy matter for the Board of Supervisors.

FIVE YEAR FINANCIAL PLAN:

The Department anticipates 20 percent growth in its revenue budget and 23 percent growth in its expenditure budget between FY 2011-12 and FY 2015-16.

Revenues

- The Department is assuming that it will receive no Federal grants in the next five years.
- The Department is assuming the State grant program will steadily increase due to the hiring of a Grant Writer who is increasing the Department's State grant revenue and will then level off with consistent funding.
- The Department is expecting that revenues from Charges for Services will steadily increase by 5 percent each year over the next five years.
- The Department is expecting that its General Fund support will remain unchanged over the next five years.

Expenditures

- The Department is expecting that Salaries will increase by 3.8 percent in total over the next five years.
- The Department is expecting that Fringe Benefits will increase by 10.3 percent in total over the next five years.
- The Department is expecting that other non-personnel related expenditures, such as materials, supplies, contract expenses, and services of other departments are expected to have modest increases over the next five years.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$113,608 in FY 2011-12, all of which are ongoing, non-General Fund reductions. These reductions would still allow an increase of \$489,460 or 2.1 percent in the Department's FY 2011-12 budget.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CPC - City Planning

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FAH - Long Range Planning (1G AGF AAA)													
5277C - Planner I	1.00	0.0	\$65,720	\$0	\$65,720			1.0	0.0	\$68,962	\$0	\$68,962	
Mandatory Fringe Benefits			\$29,888	\$0	\$29,888					\$33,531	\$0	\$33,531	
	<i>Total Savings</i>				<i>\$95,608</i>	<i>Total Savings</i>							<i>\$102,493</i>
	Delete one Planner I Position, which has been vacant since 2008.							Ongoing position reduction.					
FAH - Long Range Planning (1G AGF ACP)													
Materials and Supplies			\$11,200	\$6,200	\$5,000					\$11,200	\$6,200	\$5,000	
	<i>Total Savings</i>				<i>\$5,000</i>	<i>Total Savings</i>							<i>\$5,000</i>
	Reduce based on historical expenditures.							Ongoing reduction.					
FEF - Administration/Planning (1G AGF AAA)													
1404C - Clerk	1.00	0.0	\$47,966	\$0	\$47,966			1.0	0.0	\$50,761	\$0	\$50,761	
Mandatory Fringe Benefits			\$24,889	\$0	\$24,889					\$27,868	\$0	\$27,868	
9993M - Attrition Savings - Misc	(1.22)	(0.64)	(\$109,950)	(\$58,027)	(\$51,923)			(1.25)	(0.65)	(\$114,048)	(\$59,369)	(\$54,679)	
Mandatory Fringe Benefits			(\$44,324)	(\$23,392)	(\$20,932)					(\$49,955)	(\$26,005)	(\$23,950)	
	<i>Total Savings</i>				<i>\$0</i>	<i>Total Savings</i>							<i>\$0</i>
	Delete one Clerk position, which has been vacant since 2007. This position was being held vacant for salary savings by the Department. The BLA recommends a decrease in attrition savings to offset this position deletion.												

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CPC - City Planning

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
Training-Budget			\$13,702	\$10,202	\$3,500					\$13,702	\$10,202	\$3,500	
	Reduction based on historical expenditures							Ongoing reduction.					
Training Costs Paid to Vendors			\$5,500	\$4,000	\$1,500					\$5,500	\$4,000	\$1,500	
	Reduction based on historical expenditures							Ongoing reduction.					
Materials and Supplies			\$67,600	\$59,600	\$8,000					\$67,600	\$59,600	\$8,000	
	Reduction based on historical expenditures. Will still allow for an increase of \$9,600 for Materials and Supplies in FY 2011-12.							Ongoing reduction.					

FY 2011-2012			
Total Recommended Reductions			
	One-Time	Ongoing	Total
General Fund Impact	\$0	\$0	\$0
Non-General Fund Impact	\$0	\$113,608	\$113,608
Total	\$0	\$113,608	\$113,608

Estimated FY 2012-2013 Impact	
Total Recommended Reductions	
General Fund Impact	\$0
Non-General Fund Impact	\$120,493
Total	\$120,493

BUDGET REVIEW EXECUTIVE SUMMARY**Budget Changes**

The department's proposed \$20,776,505 budget for FY 2011-12 is \$2,642,181 or 14.6 percent more than the original FY 2010-11 budget of \$18,134,324.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 146.67 FTEs, which is 11.98 FTEs more than the 134.69 FTEs in the original FY 2010-11 budget. This represents a 8.9 percent increase in FTEs from the original FY 2010-11 budget.

The Department has requested approval of seven new positions as an interim exception. The Budget and Legislative Analyst recommends approval as interim exceptions of five limited tenure positions who are currently working in a temporary capacity: three 4261 Real Property Appraisers and two 4265 Senior Real Property Appraisers. We recommend approval of the other two positions to begin on October 1, 2011 instead of July 1, 2011.

Revenue Changes

The Department's revenues of \$3,070,000 in FY 2011-12, are \$70,000 or 2.2 percent less than FY 2010-11 revenues of \$3,140,000. General Fund support of \$17,706,505 in FY 2011-12 is \$2,712,181 or 18.1 percent more than FY 2010-11 General Fund support of \$14,994,324.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$584,211 in FY 2011-12, all of which are General Fund reductions. These reductions would still allow an increase of \$2,057,970 or 11.3 percent in the Department's FY 2011-12 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ASR - ASSESSOR RECORDER

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
ASSESSOR / RECORDER				
PERSONAL PROPERTY	2,611,072	2,870,539	259,467	9.9%
REAL PROPERTY	5,941,790	7,332,038	1,390,248	23.4%
RECORDER	1,371,743	1,565,000	193,257	14.1%
TECHNICAL SERVICES	5,401,736	7,068,089	1,666,353	30.8%
TRANSFER TAX	2,807,983	1,940,838	(867,145)	(30.9%)
TOTAL	18,134,324	20,776,504	2,642,180	14.6%

The Department's proposed FY 2011-12 budget has increased by \$2,642,180 largely due to 19 new limited tenure positions in the Real Property and Personal Property Divisions.

- Currently, the Department has seven temporary Senior Real Property Appraisers and Real Property Appraisers who conduct property valuations for properties whose assessed value has been appealed. The Department proposes to reassign these seven positions, funded by Temporary Salaries in FY 2011-12, to seven limited-tenure positions.
- The Department proposes to add ten new limited-tenure Senior Assessment Services Office Specialist, Real Property Appraiser, Senior Real Property Appraiser, and Principal Real Property Appraiser positions to process the assessment backlog and assessment appeals caseload.
- The Department proposes to add two new limited-tenure Personal Property Auditor and Senior Personal Property Auditor positions to value property improvements for tax assessment purposes.

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 146.67 FTEs, which is 11.98 FTEs more than the 134.69 FTEs in the original FY 2010-11 budget. This represents an 8.9 percent increase in FTEs from the original FY 2010-11 budget, as discussed above.

New Positions in the Real Property Division

The Assessor has requested 17 new positions in the Real Property Division to (a) process assessment appeals caseload, and (b) conduct assessments of new construction or change in property ownership in order to enroll these properties in the Property Tax rolls. Of the 17 new positions, seven are currently working in a temporary capacity and ten are new positions in the Assessor-Recorder's Real Property Division.

Interim Exceptions

The Department has requested approval of seven of the 17 new limited tenure positions as interim exceptions with a hire date of July 1, 2011. The Budget and Legislative Analyst recommends approval of five of the seven positions as interim exceptions: three 4261 Real Property Appraisers and two 4265

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ASR - ASSESSOR RECORDER

Senior Real Property Appraisers. The Budget Analyst does not recommend approval as interim exceptions of one 4205 Senior Assessment Services Office Specialist and one 4265 Principal Property Appraiser. Rather, the Budget and Legislative Analyst recommends approval of these two positions with an adjusted hire date of October 1, 2011.

Real Property Division Workload and Staffing

Real Property Division work load has increased in FY 2010-11. The Real Property Division had 12,926 pending assessments on July 1, 2010, which increased to 16,083 in June 2011. The assessment backlog, as measured by the oldest property transactions, has remained constant at 2.5 years. Additionally, the pending assessment appeals have increased from 5,103 in June 2010 to 7,305 in May 2011. Under State law, the Assessment Appeals Board must respond to the appeal within two years of the filing date.

Based on a review of the Real Property Division's work load, current staffing, and productivity, the Budget and Legislative Analyst recommends approval of 15 of the 17 requested limited tenure positions for FY 2011-12 and FY 2012-13:

- One 4267 Principal Real Property Appraiser (reduced from 1.0 FTE with a hire date of July 1, 2011 to 0.77 FTE with hire date of October 1, 2011)
- One 4205 Senior Assessment Services Specialist (reduced from 1.0 FTE with a hire date of July 1, 2011 to 0.77 FTE with hire date of October 1, 2011)
- Five 4265 Senior Real Property Appraiser positions (two positions or 2.0 FTE as interim exceptions, and three positions with hire dates of October 1, 2011).
- Eight 4261 Real Property Appraiser positions (three positions or 3.0 FTE as interim exceptions, and five positions with hire dates of October 1, 2011).

Approval of these 15 positions would allow the Real Property Division to establish seven assessment teams, with each team comprised of seven to eight team members and headed by one Principal Real Property Appraiser.

While the Budget and Legislative Analyst recommends approval of 15 of the 17 requested new limited tenure positions, the Budget and Legislative Analyst recommends disapproval of two of the 17 requested new limited tenure positions, including one 4267 Principal Real Property Appraiser and one 4261 Real Property Appraiser.

According to the Controller's Office, the Controller's Office has certified \$81.2 million in FY 2011-12 revenues based on the addition of the 17 new positions in the Assessor-Recorder's Office, but will review these revenues during the fiscal year. The Budget and Legislative Analyst continues to recommend disapproval of one 4267 Principal Real Property Appraiser and one 4261 Real Property Appraiser because:

- (1) The 4267 Principal Real Property Appraiser's function is to review and approve the work of the assessment team members. With this recommendation, the Real Property Division will have eight budgeted 4267 Principal Real Property Appraiser positions, which are sufficient to oversee assessment

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ASR - ASSESSOR RECORDER

teams of seven to eight members, consistent with the Real Property Division's definition of the size of assessment teams.

(2) The existing pending assessment and assessment appeals workload can be performed adequately with the addition of 15 new positions and does not require one additional 4261 Real Property Appraiser.

Further, in the Budget and Legislative Analyst's June 22, 2011 report on the *Review of the Impact of New Positions in the FY 2009-10 Assessor-Recorder's Office Budget*, the Budget and Legislative Analyst recommended that the Assessor-Recorder should:

1. Develop (a) productivity measures pertaining to property assessment and assessment appeals functions, which includes all functions and weighs functions by complexity; (b) a Real Property Division staffing plan to meet short term and long term property assessment and assessment appeals workload, including the appropriate mix of temporary and permanent staff; and (c) methodology for estimating revenues based on the staffing plan and productivity measures.
2. Submit productivity measures pertaining to property assessment and assessment appeals functions to the Budget and Finance Committee of the Board of Supervisors on or before October 1, 2011 prior to the hire of new positions.

New Personal Property Auditor Positions

The Assessor-Recorder has requested two new limited tenure positions to value tenant improvements, in response to a State Board of Equalization audit recommendation. According to the Assessor-Recorder's Office, these two positions - one 4222 Senior Personal Property Auditor and one 4220 Personal Property Auditor - are necessary to develop policies and procedures for tenant improvement valuations and to process the current tenant improvement backlog. Because this is a new function, without developed policies and procedures and workload data, the Budget and Legislative Analyst recommends approval of one of the two positions in FY 2011-12, the 4220 Personal Property Auditor, to develop policies and procedures and process tenant improvement valuations.

DEPARTMENT REVENUES:

The Department's revenues of \$3,070,000 in FY 2011-12, are \$70,000 or 2.2 percent less than FY 2010-11 revenues of \$3,140,000. General Fund support of \$17,706,505 in FY 2011-12 is \$2,712,181 or 18.1 percent more than FY 2010-11 General Fund support of \$14,994,324.

Five Year Financial Plan

The decline in property values has resulted in a large increase in appeals by property owners disputing the Assessor Recorder's valuation of their properties. Because the Assessor Recorder must respond to these appeals by statute within two years, the Assessor Recorder foresees the need for and has requested additional staff on a limited tenure basis for the next three fiscal years.

Additionally, the Department has received approval for a \$1,000,000 Committee on Information Technology (COIT) project to create a "customer service portal" at a total expenditure of \$1,500,000 over the next five years. The Department has also stated that it intends to modernize its Property Tax database system but has not specified a cost for modernization or replacement.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ASR - ASSESSOR RECORDER

Revenues

The Department reports that its revenues from recording fees are expected to be stable and increasing in the next 5 years.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$584,211 in FY 2011-12, all of which are General Fund reductions. These reductions would still allow an increase of \$2,057,970 or 11.3 percent in the Department's FY 2011-12 budget. As of the writing of this report, the Assessor disagrees with all of the Budget & Legislative Analyst's recommended reductions.

Additionally, based on the Budget and Legislative Analyst's June 22, 2011 report on the *Review of the Impact of New Positions in the FY 2009-10 Assessor-Recorder's Office Budget*, the Budget and Legislative Analyst recommends that the Assessor-Recorder should:

Develop (a) productivity measures pertaining to property assessment and assessment appeals functions, which includes all functions and weighs functions by complexity; (b) a Real Property Division staffing plan to meet short term and long term property assessment and assessment appeals workload, including the appropriate mix of temporary and permanent staff; and (c) methodology for estimating revenues based on the staffing plan and productivity measures; and

Submit productivity measures pertaining to property assessment and assessment appeals functions to the Budget and Finance Committee of the Board of Supervisors on or before October 1, 2011 prior to the hire of 10 new limited tenure positions not approved as interim exceptions.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ASR - Assessor-Recorder

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FDJ - Real Property (1G AGF AAA)													
Temporary Salaries	4.08	1.7	\$300,000	\$80,000	\$220,000	x				\$300,000	\$50,000	\$250,000	x
Mandatory Fringe Benefits			\$23,851	\$6,360	\$17,491	x				\$23,851	\$3,975	\$19,876	x
			<i>Total Savings</i>		\$237,491					<i>Total Savings</i>		\$269,876	
	Decrease Temporary Salaries. The Real Property Division has sufficient permanent salaries to fund real property appraiser and clerical support positions to meet expected work load in FY 2011-12.							Estimated ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ASR - Assessor-Recorder

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FDJ - Real Property (1G AGF AAA)													
4267 Principal Real Property Appraiser	0.77	0.00	\$80,032	\$0	\$80,032	x		1.0	0.0	\$109,064	\$0	\$109,064	x
4261 Real Property Appraisers	4.62	3.85	\$358,285	\$298,571	\$59,714	x		6.0	5.0	\$465,305	\$387,754	\$77,551	x
Mandatory Fringe Benefits			\$183,207	\$127,156	\$56,051	x				\$240,074	\$186,003	\$54,070	x
			<i>Total Savings</i>		\$195,797					<i>Total Savings</i>		\$240,685	
	<p>The Budget and Legislative Analyst is recommending approval of 15 of the 17 requested new positions in the Real Property Division.</p> <p>This recommendation would delete one new limited tenure 4267 Principal Real Property Appraiser, and one new limited tenure 4261 Real Property Appraiser.</p>							<p>Estimated ongoing reduction.</p>					

GF = General Fund

1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ASR - Assessor-Recorder

Object Title	FY 2011-2012								FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	
	From	To	From	To				From	To	From	To			
FDL - Technical Services (1G AGF ACP)														
4267 Principal Real Property Appraiser	1.0	0.77	\$103,937	\$80,032	\$23,905	x	x							
4205 Senior Assessment Services Specialist	1.0	0.77	\$61,998	\$47,738	\$14,260	x	x							
Mandatory Fringe Benefits			\$68,291	\$52,584	\$15,707	x	x							
			<i>Total Savings</i>	\$53,871		x	x							
	<p>The Budget and Legislative Analyst is recommending approval of 15 of the 17 requested new positions in the Real Property Division. Of these 15 positions, the Assessor-Recorder has requested approval of seven new positions as interim exceptions. The Budget and Legislative Analyst recommends approval of five of the seven positions as interim exceptions, which are currently filled by temporary staff. The Budget and Legislative Analyst does not recommend approval as interim exceptions of one 4205 Senior Assessment Services Office Specialist and one 4267 Principal Property Appraiser. This recommendation would adjust the hire date for these two positions from July 1, 2011 to October 1, 2011.</p>													

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ASR - Assessor-Recorder

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FDK - Personal Property (1G AGF AAA)													
4222 Senior Personal Property Auditor	0.77	0.0	\$69,124	\$0	\$69,124	x		1.0	0.0	\$89,771	\$0	\$89,771	x
Mandatory Fringe Benefits			\$27,927	\$0	\$27,927	x				\$36,269	\$0	\$36,269	x
			<i>Total Savings</i>		\$97,051					<i>Total Savings</i>		\$126,040	
	Disapprove one new limited tenure 4222 Senior Personal Property Auditor. According to the Assessor-Recorder's Office, these two positions one 4222 Senior Personal Property Auditor and one 4220 Personal Property Auditor - are necessary to develop policies and procedures for tenant improvement valuations and to process the current tenant improvement backlog. Because this is a new function, without developed policies and procedures and workload data, the Budget and Legislative Analyst recommends approval of one of the two positions in FY 2011-12, the 4220 Personal Property Auditor, to develop policies and procedures and process tenant improvement valuations.							Ongoing reduction					

FY 2011-2012 Total Recommended Reductions			
	One-Time	Ongoing	Total
General Fund Impact	\$53,871	\$530,339	\$584,211
Non-General Fund Impact	\$0	\$0	\$0
Total	\$53,871	\$530,339	\$584,211

Estimated FY 2012-2013 Impact Total Recommended Reductions	
General Fund Impact	\$636,601
Non-General Fund Impact	\$0
Total	\$636,601

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department's proposed \$28,459,631 budget for FY 2011-12 is \$1,575,663 or 5.9 percent more than the original FY 2010-11 budget of \$26,883,968.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 208.56 FTEs, which is 2.12 FTEs less than the 210.68 FTEs in the original FY 2010-11 budget. This represents a 1.0 percent decrease in FTEs from the original FY 2010-11 budget.

Revenue Changes

The Department's revenues of \$14,778,113 in FY 2011-12, are \$796,387 or 5.1 percent less than FY 2010-11 revenues of \$15,574,500. General Fund support of \$13,681,518 in FY 2011-12 is \$2,372,050 or 21 percent more than FY 2010-11 General Fund support of \$11,309,468.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$188,409 in FY 2011-12. These reductions would still allow an increase of \$1,387,254 or 5.2 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$17,111 to the General Fund.

Together, these recommendations will result in General Fund savings of \$205,520.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: TTX - TREASURER TAX COLLECTOR

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
BUSINESS TAX	5,431,773	6,312,938	881,165	16.2%
DELINQUENT REVENUE	8,815,112	8,745,332	(69,780)	(0.8%)
INVESTMENT	1,609,203	1,982,550	373,347	23.2%
LEGAL SERVICE	179,597	209,736	30,139	16.8%
MANAGEMENT	4,546,554	5,000,830	454,276	10.0%
PROPERTY TAX/LICENSING	2,479,875	2,327,782	(152,093)	(6.1%)
TAXPAYER ASSISTANCE	1,100,876	1,169,403	68,527	6.2%
TRANSFER TAX	0	0	0	N/A
TREASURY	2,720,978	2,711,062	(9,916)	(0.4%)
TREASURER/TAX COLLECTOR	26,883,968	28,459,633	1,575,665	5.9%

The Department's budget increase is mainly attributable to expenditure increases in the Investment, Business Tax and Legal Service Programs.

The increase in Business Tax Division expenditures reflects the Committee on Information Technology (COIT) approved Business Tax Replacement project to replace the Division's mainframe application. The Department reports that the mainframe no longer meets its requirements. The project will include purchase of hardware, software licensing, and a professional services contract for the management of the Business Tax Division (BTS) at a total expenditure of \$900,000 in the upcoming fiscal year. The Department estimates the total project cost at between \$2.2 million and \$5 million. Software licensing and professional services contract will be recurring expenditures.

An RFP (Request for Proposal) for the acquisition and installation of a business tax administration system is scheduled for release in July 2011. The Department reports a new system is needed because the existing system has reached the end of its useful life. The Department estimates ongoing maintenance costs at approximately \$100,000 for software maintenance.

DEPARTMENT PERSONNEL SUMMARY:

The Department has requested interim exceptions for two positions that do not have functions that are revenue generating or critical to the Department's programs. The Budget and Legislative Analyst recommends a hire date of August 1, 2011 instead of July 1, 2011 for these two positions.

DEPARTMENT REVENUES:

The Department's revenues of \$14,778,113 in FY 2011-12, are \$796,387 or 5.1 percent less than FY 2010-11 revenues of \$15,574,500. General Fund support of \$13,309,468 in FY 2011-12 is \$2,372,050 or 21 percent more than FY 2010-11 General Fund support of \$11,309,468.

Decreases in Department revenues result from net decreases in expenditure recoveries from other City departments and reduced interest earnings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: TTX - TREASURER TAX COLLECTOR

COMMENTS:

The Budget Analyst has reviewed the Department's justification for upward substitution of three positions and concurs with the Department's rationale for these adjustments and recommends approval of these upward substitutions.

The Budget and Legislative Analyst reviewed Controller data, updated as of June 22, 2011, that indicates a salary balance of \$1,020,087 including a balance of \$136,189 in Temporary Salaries. Additionally, based on analysis run on June 8, 2011, the Controller's Office projects an end-of-year salary surplus of between \$632,327 and \$748,109 and a Temporary Salary surplus of between \$119,335 and \$121,497.

In light of these expected surpluses, the Budget and Legislative Analyst is recommending reductions in Salaries and Temporary Salaries, and an increase in Attrition Savings.

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$188,409 in FY 2011-12, all of which are General Fund reductions and \$180,625 or 95.9 percent of which are ongoing reductions. These reductions would still allow an increase of \$1,387,254 or 5.2 percent in the Department's FY 2011-12 budget.

As of the writing of this report, the Department disagrees with \$142,842 or 75.8 percent of the Budget and Legislative Analyst's recommended reductions of \$188,409.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$17,111 to the General Fund.

Together, these recommendations will result in General Fund savings of \$205,520.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TTX - Treasurer Tax Collector

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FCO - Business Tax (1G AGF AAA)													
Temporary Salaries	0.82	0.34	\$60,000	\$25,000	\$35,000	x			\$60,000	\$25,000	\$35,000	x	
Mandatory Fringe Benefits			\$4,770	\$1,988	\$2,783	x			\$4,770	\$1,988	\$2,783	x	
			<i>Total Savings</i>		\$37,783					<i>Total Savings</i>		\$37,783	
	Reduce Temporary Salaries by \$35,000. Although the Department requested increases to Temporary Salaries in FY 2011-12, the Controller's Office is projecting a total surplus of between \$119,335 and \$121,497 in FY 2010-11. A reduction of \$35,000 will provide sufficient funding for Temporary Salaries in FY 2011-12.							Estimated ongoing reduction.					
FCN - Property Tax/ Licensing (1G AGF AAA)													
1634 Principal Account Clerk	1.00	0.92	\$67,280	\$61,898	\$5,382	x	x						
Mandatory Fringe Benefits			\$30,027	\$27,625	\$2,402	x	x						
			<i>Total Savings</i>		\$7,785					<i>Total Savings</i>		\$7,785	
	The Department has requested interim exceptions for one Principal Account Clerk position that does not have functions that are revenue generating or critical to the Department's program. The Budget and Legislative Analyst recommends a hire date of August 1, 2011 instead of July 1, 2011 for this two position.												
Temporary Salaries	1.17	0.76	\$85,604	\$55,604	\$30,000	x			\$85,604	\$55,604	\$30,000	x	
Mandatory Fringe Benefits			\$6,805	\$4,420	\$2,385	x			\$6,805	\$4,420	\$2,385	x	
			<i>Total Savings</i>		\$32,385					<i>Total Savings</i>		\$32,385	
	Reduce Temporary Salaries by \$35,000. Although the Department requested increases to Temporary Salaries in FY 2011-12, the Controller's Office is projecting a total surplus of between \$119,335 and \$121,497 in FY 2010-11. A reduction of \$35,000 will provide sufficient funding for Temporary Salaries in FY 2011-12.							Estimated ongoing reduction.					

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TTX - Treasurer Tax Collector

Object Title	FY 2011-2012						FY 2012-2013 (for estimate purposes only)						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FCS - Delinquent Revenue (1G AGF AAA)													
Attrition Savings	(5.70)	(6.45)	(\$382,203)	(\$432,203)	\$50,000	x			(\$382,203)	(\$432,203)	\$50,000	x	
Mandatory Fringe Benefits			(\$173,332)	(\$196,007)	\$22,675	x			(\$173,332)	(\$196,007)	\$22,675	x	
	<i>Total Savings \$72,675</i>						<i>Total Savings \$72,675</i>						
	Increase Attrition Savings to offset projected salary surplus in FY 2010-11. The Controller estimates the Department's FY 2010-11 salary surplus will be between \$632,327 and \$748,109. The recommended increase in attrition savings is 2% of total proposed attrition savings of \$2,188,999.						Estimated ongoing reduction.						
Temporary Salaries	1.14	0.66	\$83,658	\$48,658	\$35,000	x			\$83,658	\$48,658	\$35,000	x	
Mandatory Fringe Benefits			\$6,651	\$3,868	\$2,783	x			\$6,651	\$3,868	\$2,783	x	
	<i>Total Savings \$37,783</i>						<i>Total Savings \$37,783</i>						
	Reduce Temporary Salaries by \$30,000. Although the Department requested increases to Temporary Salaries in FY 2011-12, the Controller's Office is projecting a total surplus of between \$119,335 and \$121,497 in FY 2010-11. A reduction of \$30,000 will provide sufficient funding for Temporary Salaries in FY 2011-12.						Estimated ongoing reduction.						

FY 2011-2012 Total Recommended Reductions			
	One-Time	Ongoing	Total
General Fund Impact	\$7,785	\$180,625	\$188,409
Non-General Fund Impact	\$0	\$0	\$0
Total	\$7,785	\$180,625	\$188,409

Estimated FY 2012-2013 Impact Total Recommended Reductions	
	Total
General Fund Impact	\$180,625
Non-General Fund Impact	\$0
Total	\$180,625

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TTX - Treasurer-Tax Collector

Vendor Name	Subject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
PIVOT INTERIORS INC	MINOR FURNISHINGS	yes	2009	8/28/2008	9602.25	9,602
PIVOT INTERIORS INC	OTHER OFFICE SUPPLIES	yes	2009	5/29/2009	2915.14	2,915
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRAC	yes	2010	3/10/2010	1000	774
DS WATERS OF AMERICA INC DBA ALHAMBRA	OTHER OFFICE SUPPLIES	yes	2008	3/26/2010	7800	2,511
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRAC	yes	2010	5/25/2010	1000	705
STAPLES INC & SUBSIDIARIES	OFFICE SUPPLIES-CITYWIDE CONTRAC	yes	2010	5/25/2010	700	604
Total Amount Return to Fund Balance						\$17,111
General Fund						\$17,111
Non-General Fund						\$0

Note: The above encumbrance balances are from budget years prior to FY 2010-11. The Department has indicated that the balances of these encumbrances are no longer needed, therefore the balance can be returned to the General Fund.

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The Controller’s proposed \$38,188,906 budget for FY 2011-12 is \$5,074,070 or 15.3 percent more than the original FY 2010-11 budget of \$33,114,836.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 201.08 FTEs, which is 7.54 FTEs more than the 193.54 FTEs in the original FY 2010-11 budget. This represents a 3.9 percent increase in FTEs from the original FY 2010-11 budget.

The Department has requested approval of three positions as interim exceptions. The Budget and Legislative Analyst recommends approval of two positions as interim exceptions and disapproval of one position.

Revenue Changes

General Fund support for the Controller’s Office, proposed to be \$10,364,405 in FY 2011-12, is a decrease of \$1,025,513 or 9.0 percent less than the Department’s FY 2010-11 General Fund allocation of \$11,389,918. The Department’s non-General Fund revenues, proposed to be \$27,824,501 in FY 2011-12, represents an increase of \$6,099,583 or 28.1 percent more than the Department’s FY 2010-11 non-General Fund revenues of \$21,724,918.

RECOMMENDATIONS

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$114,629 in FY 2011-12. These reductions would still allow an increase of \$4,959,441 or 15.0 percent in the Department’s FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out \$84,033 of prior year unexpended General Fund encumbrances to the General Fund.

Together, these recommendations will result in \$198,662 savings to the City’s General Fund, which the Budget and Finance Committee accepted on June 20, 2011.

One policy recommendation which would result in a \$100,000 General Fund savings is still pending before the Budget and Finance Committee.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: CON – CONTROLLER

DEPARTMENT PERSONNEL SUMMARY:

The FY 2011-12 budget reflects 7.54 FTEs new positions, including (a) 1.0 FTE 1654 Principal Accountant in the Accounting Operations and Systems Division to provide financial and accounting support for City departments on a charge-back basis, (b) 1.0 FTE 1823 Senior Administrative Analyst for the Economic Analysis Division to provide additional Payroll Tax support and analysis to the two existing Economists, (c) 1.0 FTE 1054 IS Principal Business Analyst and 0.5 FTE 1064 Is Principal Programmer Analyst for Project eMerge implementation activities through December 31, 2011 and the annualization of FY 2011-12 existing Project eMerge positions, and (d) reductions in Attrition Savings.

Three 0.5 Limited Term Project eMerge positions, or a total of 1.5 FTEs, are proposed for deletion effective January 1, 2012. The Controller is not currently proposing to layoff any employees.

The Department has requested approval of three positions as interim exceptions. The Budget and Legislative Analyst recommends approval of two positions as interim exceptions and disapproval of one position.

- Two positions are recommended for approval as interim exceptions based on available prior year project funding to support the final implementation of Project eMerge.
- One position is not recommended for approval as an interim exception based on insufficient project funding to support this Project eMerge position.

DEPARTMENT REVENUES:

Department revenues have increased by \$6,099,583 or 28.1 percent. General Fund support for the Department has decreased by \$1,025,513 or 9.0 percent. Major changes in the Department's FY 2011-12 revenues include:

- The Controller's Office is primarily funded through revenue recoveries from other City departments for City Services Auditor, Project eMerge, and other financial, accounting and payroll services. The balance of the Controller's budget is funded with General Fund revenues.
- Major revenue recovery increases from City departments to reflect the annualization of Project eMerge in FY 2011-12 workorders, including (a) \$2,159,241 from Community Health Service, (b) \$941,047 from San Francisco Municipal Transportation Agency, (c) \$707,106 from General City Responsibility, (d) \$496,694 from the PUC, (e) \$351,621 from Recreation and Park Department, and (f) \$432,894 from Department of Public Works.
- Increased revenue recovery of \$247,571 from the Department of Technology (DT) to reflect (a) \$145,967 for one 1042 Is Journey Engineer on loan to DT for a Data Consolidation Project and (b) \$101,604 for annualization of Project eMerge.
- Increased revenue recovery of \$117,690 from the Human Rights Commission for the Controller to provide additional accounting and financial support.
- \$500,000 of beginning fund balance for City Services Auditor, based on FY 2010-11 projected savings that is used to offset the FY 2011-12 General Fund workorder for this Division.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: CON – CONTROLLER

FIVE YEAR FINANCIAL PLAN:

The Department anticipates only cost of living increases in its budget between FY 2011-12 and FY 2015-16.

Revenues

- Work orders and revenue recoveries from City departments for Controller financial systems, audits, accounting and payroll services would be adjusted annually to reflect actual cost of Controller services, changes in the cost of living and level of services provided to each City department.

Expenditures

- The Controller faces overall cost pressures related to Citywide personnel issues and mandated increases in fringe benefit rates.
- The City's accounting and financial reporting systems are proposed to be replaced over the next five to seven years, with costs projected to be up to \$75 million. In FY 2010-11, through workorders, the Airport provided \$250,000 and the PUC provided \$500,000, for a total of \$750,000, to fund initial project scoping and user requirements for replacement of the City's accounting and financial reporting systems. Once the project scoping and user requirements are completed, the Controller's Office budget would increase in order to fund the implementation of new accounting and financial reporting systems, including design, user requirements, software, hardware, consulting and training costs.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$114,629 in FY 2011-12. Of these recommended reductions, \$114,629 or 100 percent are General Fund reductions. These reductions would still allow an increase of \$4,959,441 or 15.0 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out \$84,033 of prior year unexpended General Fund encumbrances to the General Fund.

Together, these recommendations will result in \$198,662 savings to the City's General Fund, which the Budget and Finance Committee accepted on June 20, 2011.

One policy recommendation which would result in a \$100,000 General Fund savings is still pending before the Budget and Finance Committee.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CON - Controller

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FDC - Payroll and Personnel Services (1G AGF AAA)													
Attrition Savings	(5.81)	(6.12)	(469,614)	(\$494,614)	\$25,000	x		(5.75)	(6.12)	(\$479,332)	(\$510,176)	\$30,844	x
Mandatory Fringe Benefits			(196,911)	(\$207,288)	\$10,377	x				(\$216,861)	(\$230,816)	\$13,955	x
			<i>Total Savings</i>		\$35,377					<i>Total Savings</i>		\$44,799	
	Increase Attrition Savings in the Payroll and Personnel Services Division in the Controller's Office, given the current levels of Attrition Savings realized in FY 2010-11, the number of existing vacancies and anticipated hiring plan.							Ongoing savings.					
FDC - Payroll and Personnel Services (1G AGF ACP)													
1054 IS Principal Business Analyst	1.0	0.5	\$0	\$0	\$0	x	x					\$0	
Mandatory Fringe Benefits			\$0	\$0	\$0	x	x					\$0	
			<i>Total Savings</i>		\$0					<i>Total Savings</i>		\$0	
	As of July 1, 2011, ten Project eMerge positions would be deleted, resulting in three layoffs. The proposed FY 2011-12 budget would retain three Project eMerge positions, at 0.5 FTE each, to continue for six months through December 31, 2011. No additional funding is included in the FY 2011-12 budget for these three positions, based on estimated sufficient existing project funding. However, based on updated funding estimates, there is not sufficient funds to continue all three positions, such that this recommendation would delete one of the two 0.5 FTEs 1054 IS Principal Business Analyst positions with no offsetting savings. This recommendation is not anticipated to result in a layoff, due to an expected vacancy.												
Equipment Purchase			648,000	\$638,748	\$9,252	x	x						
	Based on actual cost of equipment.							One time reduction.					

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CON - Controller

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FDO - City Services Auditor (1G AGF AAP)													
Beginning Fund Balance			\$500,000	\$570,000	\$70,000	x	x						
Expenditure Recoveries			(\$11,626,014)	(\$11,556,014)		x	x						
	The City Services Auditor Division is projected to have an additional \$70,000 of remaining General Fund balance at the end of FY 2010-11, which is not included in the Mayor's proposed FY 2011-12 budget, which will be closed out to the City's General Fund. The \$70,000 was previously funded as Expenditure Recoveries in Salaries, as part of the Human Services workorder.												
FDX - Systems (1G AGF ACP)													
Principal Administrative Analyst - 1824	1.00	0.92	\$105,520	\$96,727	\$8,793	x	x						
Mandatory Fringe Benefits			\$40,447	\$37,076	\$3,371	x	x						\$0
Expenditure Recoveries			(\$145,967)	(\$133,803)	(\$12,164)	x	x						\$0
			<i>Total Savings</i>		\$0								
	Reduction and offsetting recovery due to Budget and Legislative Analyst's proposed Department of Technology workorder reduction. A \$12,164 savings would be realized in the Department of Technology budget.												

	Total Recommended Reductions		
	One-Time	Ongoing	Total
General Fund Impact	\$79,252	\$35,377	\$114,629
Non-General Fund Impact	\$0	\$0	\$0
Total	\$79,252	\$35,377	\$114,629

	Total Recommended Reductions
General Fund Impact	\$44,799
Non-General Fund Impact	\$0
Total	\$44,799

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CON - Controller

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		

Policy Recommendations

FFM - Economic Analysis (1G AGF ACP)													
Programmatic Projects			\$100,000	\$0	\$100,000	x	x					\$0	x
Senior Administrative Analyst 1823-N	1.0	0.0	\$0	0	\$0	x	x					\$0	x
			<i>Total Savings</i>	<i>\$100,000</i>						<i>Total Savings</i>	<i>\$0</i>		
<p>The Controller's Office has requested funding through its 06P Programmatic Projects budget for one new position (the equivalent of 0.77 FTE in FY 2011-12), an 1823 Senior Administrative Analyst, plus fringe benefits, to be funded with General Fund revenues in the Economic Analysis Division to support the two Economists currently working in this Division. The requested new position would predominantly work on a Business Tax study in FY 2011-12 to evaluate current tax structure and analyze alternatives to the City's Payroll Tax. The Budget and Legislative Analyst considers the requested new General Fund position to be a policy decision for the Board of Supervisors because Proposition I, approved by San Francisco voters on November 2, 2004, specified that this Office of Economic Analysis under the Controller would consist of two economists. Any additional support staff would be subject to the budgetary and fiscal provisions of the Charter. Since 2005, this Office has employed two economists as required by Proposition I, funded with General Fund revenues.</p> <p>The Budget and Legislative Analyst questions whether the overall workload of this Office has increased. The requested new position would be the first additional General Funded position for this Division, since approval of Proposition I.</p>													

	FY 2011-2012		
	Total Policy Recommendations		
	One-Time	Ongoing	Total
General Fund Impact	\$100,000	\$0	\$100,000
Non-General Fund Impact	\$0	\$0	\$0
Total	\$100,000	\$0	\$100,000

	Estimated FY 2012-2013 Impact
	Total Policy Recommendations
General Fund Impact	\$0
Non-General Fund Impact	\$0
Total	\$0

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

CON - Controller's Office

Vendor Name	Subobject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
DEPARTMENT OF TECHNOLOGY	IS-TIS-ISD SERVICES	Yes	2009	8/16/2010	\$106,514.00	\$25,978.00
ANACOMP INC	SYSTEMS CONSULTING SERVICES	Yes	2010	8/20/2010	120,000.00	33,625.55
DEPARTMENT OF TECHNOLOGY	IS-PURCH-REPRODUCTION	Yes	2010	8/24/2010	1,385.37	1,385.37
DEPARTMENT OF TECHNOLOGY	GF-TIS-TELEPHONE(AAO)	Yes	2010	8/24/2010	9,967.56	9,967.56
DEPARTMENT OF TECHNOLOGY	IS-TIS-ISD SERVICES	Yes	2010	8/24/2010	12,816.57	12,816.57
DEPARTMENT OF TECHNOLOGY	IS-PURCH-REPRODUCTION	Yes	2010	10/8/2010	1,000.00	259.88
Total Amount to be Returned to the General Fund						\$84,032.93

The above unexpended encumbrance balances are from budget years prior to FY 2010-11.

The Department has indicated that these unexpended encumbrances are no longer needed. Therefore the balance can be returned to the General Fund.

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department's proposed \$572,165,718 budget for FY 2011-12 is \$27,432,941 or 5.0 percent more than the original FY 2010-11 budget of \$544,732,777.

Revenue Changes

The Department's revenues of \$217,729,534 in FY 2011-12, are \$5,115,653 or 2.3 percent less than FY 2010-11 revenues of \$222,845,187. General Fund support of \$354,436,184 in FY 2011-12 is \$32,548,594 or 10.1 percent more than FY 2010-11 General Fund support of \$321,887,590.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,047,030 in FY 2011-12, which are one-time General Fund reductions. These reductions would still allow an increase of \$26,385,911 or 4.8 percent in the Department's FY 2011-12 budget.

One policy recommendation which would result in a \$300,000 General Fund savings is still pending before the Budget and Finance Committee.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: GEN - GENERAL CITY RESPONSIBILITY

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
GENERAL CITY RESPONSIBILITIES	544,732,777	564,870,718	20,137,941	3.7%
INDIGENT DEFENSE/GRAND JURY	0	750,000	750,000	N/A
RETIREE HEALTH CARE - PROP B	0	6,545,000	6,545,000	N/A
GENERAL CITY RESPONSIBILITY	544,732,777	572,165,718	27,432,941	5.0%

The General City Responsibility budget is comprised of general expenditures and revenue transfers that are not the responsibility of other City departments, including General Fund supported debt service, reserves, and General Fund contributions to subsidized enterprise funds such as San Francisco General Hospital and Laguna Honda Hospital.

Major increases to the General City Responsibility budget in FY 2011-12 include:

- Increases in baseline allocations and Property Tax set-asides to the Children’s Fund and Children’s Services (or Children’s Baseline), Public Education Enrichment Fund and Public Education Baseline, Library Preservation Fund, and Municipal Transportation Agency.
- Increased General Fund subsidies to San Francisco General Hospital and Laguna Honda Hospital;
- Increased San Francisco Unified School District withdrawal from the Rainy Day Reserve Fund;
- Increased contribution to retiree health care; and
- New expenditures for the Retiree Health Plan Trust, approved by voters in the June 2008 election.

DEPARTMENT REVENUES:

The Department's revenues of \$217,729,534 in FY 2011-12, are \$5,115,653 or 2.3 percent less than FY 2010-11 revenues of \$222,845,187. General Fund support of \$354,436,184 in FY 2011-12 is \$32,548,594 or 10.1 percent more than FY 2010-11 General Fund support of \$321,887,590. Specific changes in the Department’s FY 2011-12 revenues include:

- Decreased unallocated general Property Tax revenues and bond proceeds; and
- New employer and employee retiree health care contributions to fund the Retiree Health Plan Trust.

The General City Responsibility budget contains (a) the City’s General Fund Reserve, (b) the Litigation Reserve, and (c) Salaries and Benefits Reserve, as shown in the table below:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: GEN - GENERAL CITY RESPONSIBILITY

	FY 2010-11 Original Budget	FY 2011-12 Proposed Budget	Increase (Decrease) Increase/ (Decrease) from FY 2010-11 Original Budget	Percent Increase Percent Increase/ (Decrease) from FY 2010-11 Original Budget
General Fund Reserve	\$25,000,000	\$25,000,000	0	0.00%
Litigation Reserve	11,000,000	11,000,000	0	0.00%
Salaries and Benefits Reserve	11,703,612	13,500,000	1,796,388	15.35%
Total	\$47,703,612	\$49,500,000	\$1,796,388	3.77%

The total Salaries and Benefits Reserve in FY 2011-12 is \$16.0 million, which includes \$13.5 million in new funds plus \$2.5 million in carry forward funds. Increased expenditures in FY 2011-12 from the Salaries and Benefits Reserve include retirement payouts for Police and Layoff Impact Premiums for individuals who were impacted by layoffs or reductions in FY 2008-09 and FY 2009-10.

Legislation

Projected revenues for FY 2011-12 are based on the proposed tax resolution as follows:

File No.	Fee Description	FY 2010-11	FY 2011-12	Change from PY	Annualized	% Cost Recovery
		Projected Revenue	Projected Revenue		Revenue Thereafter	
11-0274	Access Line Tax	\$40,100,000	\$41,000,000	\$900,000	\$41,000,000	N/A
Totals		40,100,000	\$41,000,000	\$900,000	\$41,000,000	

Recommendation: Approval of the proposed tax resolution is a policy matter for the Board of Supervisors. However, the Budget and Legislative Analyst notes that the proposed General City Responsibility budget is balanced based on the assumption that the tax legislation shown above will be approved.

OTHER ISSUES

The General City Responsibility budget contains funding for new programs, including:

- \$925,000 for information technology equipment and infrastructure replacement. This funding is part of the Committee on Information Technology (COIT) five-year plan.
- \$325,000 for the Mayor’s Transition Plan project. According to Mr. Greg Wagner, Mayor’s Budget Director, these funds are one-time and do not have an expenditure plan. The goal is to ensure that the incoming Mayor will have sufficient funding and flexibility to hire staff and fund other

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: GEN - GENERAL CITY RESPONSIBILITY

administration expenditures. The funding will be transferred to the Mayor's Office after the new Mayor takes office and the use of the funds will be determined by the Mayor. Based on discussions with the Mayor's Office, the Budget and Legislative Analyst has recommended a reduction of \$25,000. Furthermore, because there is no detailed expenditure plan for the \$325,000 Mayor's Transition Plan project, and because the proposed Mayor's Transition Plan will result in ongoing expenditures for positions and other Mayor's Office costs, the Budget and Legislative Analyst considers approval of the remaining \$300,000 to be a policy matter for the Board of Supervisors. As an alternative, the Board of Supervisors could consider placing the subject funds on Budget and Finance Committee reserve pending submission of expenditure details to the Budget and Finance Committee.

Indigent Defense Fund

The General City Responsibility FY 2011-12 budget includes \$750,000 in continuing project funds for legal appeals for indigent defendants in criminal court cases. Originally, indigent defense appeals funds were included in the General City Responsibility budget to capture State reimbursements for these appeals costs. However, the State no longer reimburses San Francisco for these costs, so that the costs of indigent defense appeals is paid entirely by the General Fund.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,047,030 in FY 2011-12, which are one-time General Fund reductions. These reductions would still allow an increase of \$26,385,911 or 4.8 percent in the Department's FY 2011-12 budget.

One policy recommendation which would result in a \$300,000 General Fund savings is still pending before the Budget and Finance Committee.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

GEN - General City Responsibility

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To				
FCZ - General City Responsibility													
Audit Reserve			\$ 5,606,153	\$5,106,153	\$500,000	x	x						x
	<p>The Audit Reserve, used to pay claims from prior years' audits, has increased from \$5,486,135 in FY 2010-11 to \$5,606,153 in FY 2011-12. Use of funds includes not only payment of claims from prior years' audits but also to meet shortfalls in internal service funds, work order recoveries, and other uses. Actual use of funds varies from year to year, with \$5.1 million expended in FY 2009-10 and \$1.3 million expended in FY 2010-11.</p> <p>According to the City's Financial and Management Information System (FAMIS), as of June 11, 2011, the Audit Reserve, including FY 2010-11 appropriations and carry forward funds, had an unexpended balance of \$14.5 million. This amount exceeds the estimated Audit Reserve claims in FY 2010-11 of \$7.3 million, which includes actual claims of \$1.3 million and potential claims of \$6 million. \$6 million in potential claims are: \$2 million to Recreation and Park Department to cover prior years' projects' negative balances, \$1 million to the City Attorney to cover shortfalls in work order recoveries, and \$3 million to replenish the loss reserve for settlement payments to the 49ers.</p> <p>With the Budget and Legislative Analyst's proposed reduction of \$500,000 in FY 2011-12, the Audit Reserve should still have sufficient carry-forward funds from FY 2010-11 to cover proposed estimated claims in FY 2011-12 of approximately \$7.2 million (\$14.5 million from the unexpended balance in FY 2010-11 less \$7.3 million in actual and potential claims for FY 2010-11).</p>												
Court Facility Payment			\$1,719,746	\$1,697,716	\$22,030	x	x				\$0	\$0	x
	Reduction equals actual required payment in FY 2011-12.												

GF = General Fund

1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

GEN - General City Responsibility

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To				
Mayor's Transition Plan			\$325,000	\$300,000	\$25,000	x	x						x
	According to Mr. Greg Wagner, Mayor's Budget Director, these funds are one-time and do not have an expenditure plan. Based on a discussion with the Mayor's Office, a reduction of \$25,000 will allow sufficient funding for the Mayor's Transition Plan.												
AML - Court Mandated Legal Services													
Indigent Defense			\$ 750,000	\$250,000	\$500,000	x	x						x
	<p>The General City Responsibility FY 2011-12 budget includes \$750,000 in continuing project funds for legal appeals for indigent defendants in criminal court cases. Originally, indigent defense appeals funds were included in the General City Responsibility budget to capture State reimbursements for these appeals costs. However, the State no longer reimburses San Francisco for these costs, so that the costs of indigent defense appeals is paid entirely by the City's General Fund.</p> <p>As of June 15, 2011, General City Responsibility budget had an unexpended balance of \$1,308,300 in this fund. FY 2009-10 expenditures from this fund were \$113,431 and FY 2010-11 expenditures as of June 15, 2011 were \$681,700. The Budget and Legislative Analyst recommends reducing the proposed FY 2011-12 budget by \$500,000 and carrying forward the \$1,308,300 in unexpended funds from FY 2010-11 to be used for FY 2011-12.</p>												

	FY 2011-2012		
	Total Recommended Reductions		
	One-Time	Ongoing	Total
General Fund Impact	\$1,047,030	\$0	\$1,047,030
Non-General Fund Impact	\$0	\$0	\$0
Total	\$1,047,030	\$0	\$1,047,030

	Estimated FY 2012-2013 Impact
	Total Recommended Reductions
General Fund Impact	\$0
Non-General Fund Impact	\$0
Total	\$0

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

GEN - General City Responsibility

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		

Policy Recommendations

FCZ - General City Responsibility														
Mayor's Transition Plan			\$300,000	\$0	\$300,000	x	x							x
	<p>According to Mr. Greg Wagner, Mayor's Budget Director, these funds are one-time and do not have an expenditure plan. The goal is to ensure that the incoming Mayor will have sufficient funding and flexibility to hire staff and fund other administration expenditures. The funding will be transferred to the Mayor's Office after the new Mayor takes office and the use of the funds will be determined by the Mayor. As noted above, we have recommended a reduction of \$25,000. Because there is no detailed expenditure plan for the \$325,000 Mayor's Transition Plan project, and because the proposed Mayor's Transition Plan will result in ongoing expenditures for positions and other Mayor's Office costs, the Budget and Legislative Analyst considers approval of the remaining \$300,000 to be a policy matter for the Board of Supervisors.</p> <p>As an alternative, the Board of Supervisors could consider placing the subject funds on Budget and Finance Committee reserve pending submission of expenditure details to the Budget and Finance Committee.</p>													

	FY 2011-2012		
	Total Policy Recommendations		
	One-Time	Ongoing	Total
General Fund Impact	\$300,000	\$0	\$300,000
Non-General Fund Impact	\$0	\$0	\$0
Total	\$300,000	\$0	\$300,000

	Estimated FY 2012-2013 Impact	
	Total Policy Recommendations	
General Fund Impact		\$0
Non-General Fund Impact		\$0
Total		\$0

GF = General Fund
1T = One Time

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department's proposed \$251,082,102 budget for FY 2011-12 is \$12,483,834 or 5.2 percent more than the original FY 2010-11 budget of \$238,598,268.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 638.72 FTEs, which is 22.49 FTEs more than the 616.23 FTEs in the original FY 2010-11 budget. This represents 3.6 percent change in FTEs from the original FY 2010-11 budget.

Revenue Changes

The Department's revenues of \$204,629,354 in FY 2011-12, are \$131,214 or 0.1 percent more than FY 2010-11 revenues of \$204,498,140. General Fund support of \$46,452,748 in FY 2011-12 is \$12,352,620 or 36.2 percent more than FY 2010-11 General Fund support of \$34,100,128.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$215,236 in FY 2011-12. These reductions would still allow an increase of \$12,268,598 or 5.1 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$24,596 to the General Fund.

Together, these recommendations will result in savings of \$239,832, of which \$118,026 are savings to the City's General Fund.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ADM – ADMINISTRATIVE SERVICES

SUMMARY OF PROGRAM EXPENDITURES:

Uses by Service Area, Department and Program				
Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
311 CALL CENTER	9,503,714	10,505,685	1,001,971	10.5%
ANIMAL WELFARE	3,963,492	4,092,255	128,763	3.2%
CAPITAL ASSET PLANNING	750,484	750,000	(484)	-0.1%
CITY ADMINISTRATOR - ADMINISTRATION	8,041,540	8,480,428	438,888	5.5%
COUNTY CLERK SERVICES	1,846,443	1,916,295	69,852	3.8%
DISABILITY ACCESS	11,153,585	9,018,116	(2,135,469)	-19.1%
ENTERTAINMENT COMMISSION	678,324	762,374	84,050	12.4%
FACILITIES MGMT & OPERATIONS	42,166,234	40,047,767	(2,118,467)	-5.0%
FLEET MANAGEMENT	1,019,759	1,008,745	(11,014)	-1.1%
GRANTS FOR THE ARTS	11,848,487	11,855,660	7,173	0.1%
IMMIGRANT RIGHTS COMMISSION	1,013,117	1,072,187	59,070	5.8%
JUSTICE PROJECT - CITY ADM OFFICE	0	2,522,601	2,522,601	N/A
LIVING WAGE / LIVING HEALTH (MCO/HCAO)	2,808,993	2,889,352	80,359	2.9%
MEDICAL EXAMINER	5,634,023	12,496,703	6,862,680	N/A
NEIGHBORHOOD BEAUTIFICATION	1,282,778	835,000	(447,778)	-34.9%
OTHER PROGRAMS	0	0	0	N/A
PROCUREMENT SERVICES	4,446,551	4,704,454	257,903	5.8%
REAL ESTATE SERVICES	23,186,478	23,306,303	119,825	0.5%
REPRODUCTION SERVICES	0	5,480,996	5,480,996	N/A
RISK MANAGEMENT / GENERAL	13,655,921	12,583,793	(1,072,128)	-7.9%
TOURISM EVENTS	70,719,217	70,820,558	101,341	0.1%
TREASURE ISLAND	1,510,151	1,626,495	116,344	7.7%
VEHICLE & EQUIPMENT MAIN & FUELING	23,368,977	24,306,335	937,358	4.0%
Total	238,598,268	251,082,102	12,483,834	5.2%

The Department’s proposed FY 2011-12 budget has increased by \$12,483,834 largely due to:

- The Justice Project (Justice Tracking Information System or JUSTIS) is being transferred from the Department of Technology to the City Administrator. JUSTIS is an integrated criminal justice information system to serve the following criminal justice agencies: San Francisco Superior Court, District Attorney, Public Defender, Sheriff, Police Department, Adult Probation Department, Juvenile Probation Department, and the Department on the Status of Women. While each department may have their own case management systems, these systems are to be integrated across departments through the JUSTIS project.

After the Department of Technology changed its mission to focus on the implementation and maintenance of enterprise-wide infrastructure and applications, the Department of Technology has gradually transferred control of department-specific projects and operations over to those departments. With the transfer of JUSTIS, the City Administrator will serve as the executive sponsor and oversee project management.

To date, JUSTIS has servers, but only a small percentage are in use. The Sheriff has been able to connect to the server for over a year. Departments that are in the phase of running tests and are

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ADM – ADMINISTRATIVE SERVICES

slated to interface with JUSTIS in FY 2011-12 are the District Attorney, Adult Probation Department, Public Defender, and the Department on the Status of Women. The Police Department and Superior Court are still in discussions regarding their needs and plans for JUSTIS.

- Reproduction Services is being transferred from the Department of Technology to the City Administrator. The Department of Technology has determined that Reproduction Services are not critical to its core mission Overseeing Citywide information technology infrastructure and applications. Reproduction Services will be returning to the City Administrator, where it was prior to FY 2006-07, so that the program may continue to provide services to support the operations of most City Departments.
- Support and development staff for Customer Relations Management (CRM), the system used to connect 311 Customer Service Agents to various City agency websites and portals, was transferred from the Department of Technology to 311 in FY 2010-11. However, funding for the CRM project was reduced during the transfer. The City Administrator is asking to restore one IT position for technical support, funding for licensing and software, as well as funding to purchase additional computer hardware and equipment for CRM.
- There is an increase in capital project funding for the Medical Examiner in preparation for the relocation of facilities from the Hall of Justice to a more seismically safe location. Though bond funding for the project is proposed for November 2013 and construction to begin in FY 2013-14 according to the City Capital Plan, FY 2011-12 funding will be used for site acquisition, conceptual planning, environmental review, and development of cost estimates.
- There is a net decrease in capital projects funding for the Disability Access Program. While funding from Certificates of Participation for capital projects has decreased, General Fund supported capital funding has increased. Further, the Department anticipates additional sources of capital project funding in FY 2011-12 through a November 2011 Bond initiative. The Department has noted, however, that if the initiative fails, the Department may return to the Board of Supervisors in FY 2011-12 for additional funding for curb ramp construction.

DEPARTMENT PERSONNEL SUMMARY:

The number of Net Operating full-time equivalent positions (FTE) budgeted for FY 2011-12 is 638.72 FTEs, which is 22.49 FTEs more than the 616.23 FTEs in the original FY 2010-11 budget. This represents a 3.6 percent change in FTEs from the original FY 2010-11 budget.

- There is a transfer of eight positions from the Department of Technology to the City Administrator as part of the transfer of the Justice Project to the Department.
- There is a transfer of thirteen positions from the Department of Technology to the City Administrator as part of the transfer of Reproduction Services to the Department.

DEPARTMENT REVENUES:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ADM – ADMINISTRATIVE SERVICES

The Department's revenues of \$204,629,354 in FY 2011-12, are \$131,214 or 0.1 percent more than FY 2010-11 revenues of \$204,498,140. General Fund support of \$46,452,748 in FY 2011-12 is \$12,352,620 or 36.2 percent more than FY 2010-11 General Fund support of \$34,100,128.

FIVE YEAR FINANCIAL PLAN:

The Department provided information on the five-year financial plan for the Convention Facilities Division, which although funded by Hotel Tax allocation, also generates its own revenues from operations.

The Convention Facilities Division anticipates 23 percent growth in its budget between FY 2011-12 and FY 2015-16. However, the Division notes that 10 percent of the growth is in one year—FY 2012-13—when the Moscone Center resumes full scheduled operation, after two years of partial operation during the major capital renovation work that is currently underway.

Revenues

- No increase in rental rates anticipated during this period.
- Tourism Improvement District (TID) rental offset fund of up to \$1,500,000 per year expires on December 31, 2013.
- Major technology sector events are outgrowing available space.

Expenditures

- Maintenance of benefits of union employees is increasing substantially year over year.
- Client expectations for higher level of service at lower costs continue to be a key factor in venue selection.
- Other increases in the cost of labor include the growing multiple uses of space and tight building turnovers between events.
- The demand for state-of-the art technology continues to increase.

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$215,236 in FY 2011-12. Of these recommended reductions, \$93,430 or 43.4 percent are General Fund reductions, all of which are ongoing reductions. These reductions would still allow an increase of \$12,268,598 or 5.1 percent in the Department's FY 2011-12 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$24,596 to the General Fund.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ADM – ADMINISTRATIVE SERVICES

Together, these recommendations will result in savings of \$239,832, of which \$118,026 are savings to the City's General Fund.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ADM - General Services Agency - City Administrator

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
AME - County Clerk Services (1G AGF AAA)													
Professional and Specialized Services			\$83,130	\$61,130	\$22,000	x			\$83,130	\$61,130	\$22,000	x	
	The proposed reduction of \$22,000 reflects historical spending and projected expenditures in FY 2011-12. The Department has not expended funds for services due to reported problems with an existing vendor but has not signed a contract with a new vendor for these services.							Ongoing reduction.					
AUA - Animal Welfare (1G AGF AAA)													
Premium Pay			\$50,000	\$40,000	\$10,000	x			\$50,000	\$40,000	\$10,000	x	
Mandatory Fringe Benefits			\$3,975	\$3,160	\$815	x			\$3,975	\$3,160	\$815	x	
Other Current Expenses			\$32,550	\$33,300	(\$750)	x			\$32,550	\$33,300	(\$750)	x	
			<i>Total Savings</i>		<i>\$10,065</i>				<i>Total Savings</i>		<i>\$10,065</i>		
	The MOUs between the City and the employee unions provide standby pay at 10 percent of the regular rate of pay if the City provides a pager or cell phone, and 25 percent of the regular rate of pay without a pager or cell phone. One Animal Control Supervisor in Animal Care and Control is paid 25 percent standby pay, equal to an estimated \$16,700 in FY 2010-11. The Department would save an estimated \$10,000 by providing a cell phone and paying standby pay equal to 10 percent of salary. The Budget and Legislative Analyst recommends \$750 in new expenditures for cell phone services.							Estimated ongoing reduction.					
BK6 - Treasure Island (1G AGF WOF)													
9993M Attrition Savings	0.0	-0.3	\$0	(\$42,356)	\$42,356		0.00	-0.34	\$0	(\$46,643)	\$46,643	x	
Mandatory Fringe Benefits			\$0	(\$3,385)	\$3,385				\$0	(\$3,727)	\$3,727	x	
			<i>Total Savings</i>		<i>\$45,741</i>				<i>Total Savings</i>		<i>\$50,370</i>		
	Adjust attrition savings to reflect projected expenditures.							Estimated ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ADM - General Services Agency - City Administrator

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	IT	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FAC - City Administrator (1G AGF AAA)													
9993M Attrition Savings	-1.37	-1.45	(\$128,708)	(\$136,266)	\$7,558	x		-1.41	-1.49	(\$133,883)	(\$141,903)	\$8,020	x
Mandatory Fringe Benefits			(\$51,393)	(\$54,405)	\$3,012	x				(\$58,190)	(\$61,627)	\$3,437	x
	<i>Total Savings \$10,570</i>							<i>Total Savings \$11,457</i>					
	Adjust attrition savings to reflect projected expenditures.							Estimated ongoing reduction.					
Materials and Supplies			\$45,038	\$35,038	\$10,000	x				\$45,038	\$35,038	\$10,000	x
	Reduce to reflect historical spending and projected expenditures. According to the Department, these funds are used for IT replacement. However, the Budget and Legislative Analyst reviewed the IT expenditure plan and believes that the recommended budget of \$35,038 is sufficient for FY 2011-12 projected expenditures.							Ongoing reduction.					
FCT - Risk Management / General (1G AGF WOF)													
1820 Junior Administrative Analyst	0.77	0.0	\$45,423	\$0	\$45,423			1.0	0.0	\$62,427	\$0	\$62,427	
Mandatory Fringe Benefits			\$21,423	\$0	\$21,423					\$31,309	\$0	\$31,309	
	<i>Total Savings \$66,846</i>							<i>Total Savings \$93,736</i>					
	Delete a new 1820 Junior Administrative Analyst position that was inadvertently included in the budget.							Estimated ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ADM - General Services Agency - City Administrator

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FFH - Facilities Management and Operations (1G AGF AAA)													
Premium Pay			\$15,000	\$5,000	\$10,000	x			\$15,000	\$5,000	\$10,000	x	
Mandatory Fringe Benefits			\$1,193	\$398	\$795	x			\$1,193	\$398	\$795	x	
	<i>Total Savings \$10,795</i>							<i>Total Savings \$10,795</i>					
	According to the Department of Administrative Services, 1777 Media and Security System Specialists and 1781 Media and Security System Supervisors are assigned to standby during special events, news conferences, or hearings. The Department of Administrative Services plans to eliminate this standby coverage in FY 2011-12.							Estimated ongoing reduction.					
FFI - Real Estate Services (2S RPF SRZ)													
9993M Attrition Savings	-6.69	-6.77	(\$396,095)	(\$400,935)	\$4,840			-6.54	-6.62	(\$401,381)	(\$406,108)	\$4,727	
Mandatory Fringe Benefits			(\$188,156)	(\$192,535)	\$4,379					(\$204,364)	(\$209,267)	\$4,903	
	<i>Total Savings \$9,219</i>							<i>Total Savings \$9,630</i>					
	Adjust attrition savings to reflect projected expenditures.							Estimated ongoing reduction.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ADM - General Services Agency - City Administrator

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To	From	To		
FFO - 311 Call Center (1G AGF AAA)													
Other Current Expenses			\$390,500	\$382,500	\$8,000	x			\$390,500	\$382,500	\$8,000	x	
	The Budget and Legislative Analyst's recommended budget of \$382,500 would allow for (a) \$262,500 for software and licensing and (b) \$120,000 for professional services approved by COIT.							Ongoing reduction.					
Materials and Supplies			\$134,000	\$112,000	\$22,000	x			\$134,000	\$112,000	\$22,000	x	
	The Budget and Legislative Analyst's recommended budget of \$112,000 would allow for expenditures, including (a) \$70,000 for server replacement costs (b) \$35,000 for the replacement of computers and equipment, and (c) \$7,000 for other office supplies. Further, the Budget and Legislative Analyst's recommended budget of \$112,000 is \$92,000, or 460 percent greater than the FY 2010-11 budget of \$20,000.							Ongoing reduction.					
FY 2011-2012							Estimated FY 2012-2013 Impact						
Total Recommended Reductions							Total Recommended Reductions						
			One-Time	Ongoing	Total								
General Fund Impact			\$0	\$93,430	\$93,430		General Fund Impact						\$94,317
Non-General Fund Impact			\$0	\$121,806	\$121,806		Non-General Fund Impact						\$153,736
Total			\$0	\$215,236	\$215,236		Total						\$248,053

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

ADM - City Administrator

Vendor Name	Subobject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
CORPORATE EXPRESS	OTHER OFFICE SUPPLIES	Yes	2007	11/12/2008	557.69	278.89
EXPRESS OVERNITE	FREIGHT/DELIVERY	Yes	2010	6/30/2009	100.00	100.00
GRM INFORMATION MANAGEMENT SERVICES	OTHER CURRENT EXPENSES	Yes	2010	5/17/2010	120.00	88.52
FITZGERALD ELECTRO-MECHANICAL CO INC	OTHER EQUIP MAINT	Yes	2010	9/2/2009	200.00	75.20
THE LIGATURE	PRINTING	Yes	2010	6/30/2009	128.35	128.35
LANGUAGE LINE SERVICES	INTERPRETERS	Yes	2010	2/24/2010	500.00	3,447.61
EXPRESS OVERNITE	FREIGHT/DELIVERY	Yes	2010	8/31/2009	100.00	100.00
BAY AREA VIDEO COALITION	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	6/11/2010	4,200.00	24.00
CROWDED FIRE THEATRE CO	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	5/26/2010	10,600.00	2.00
H R D Q	BOOKS - NON LIBRARY ONLY	Yes	2010	9/9/2009	192.64	192.64
INTERNATIONAL EFFECTIVENESS CENTERS	INTERPRETERS	Yes	2010	10/9/2009	200.00	200.00
ROBERT MOSES' KIN	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	2/10/2010	22,500.00	8.00
SAN FRANCISCO FILM SOCIETY	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	6/16/2010	109,900.00	900.00
USO OF NORTHERN CALIFORNIA, INC.	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	9/15/2009	16,200.00	16,200.00
VIETNAMESE COMM CTR SF	COMMUNITY BASED ORGANIZATION SERVICES	Yes	2010	4/6/2010	2,500.00	250.00
COLE HARDWARE	OTHER BLDG MAINT SUPPLIES	Yes	2010	9/11/2009	130.85	130.85
COLE HARDWARE	OTHER BLDG MAINT SUPPLIES	Yes	2010	9/17/2009	303.07	303.07
OFFICE DEPOT	MINOR FURNISHINGS	Yes	2010	11/4/2009	345.36	345.36
CITY ADMINISTRATOR - RISK MANAGEMENT	GF-RISK MANAGEMENT SERVICES (AAO)	Yes	2010	3/2/2010	475.00	95.00
DEPARTMENT OF PUBLIC WORKS	SR-DPW-ARCHITECTURE	Yes	2010	5/28/2010	80,000.00	1,726.58
Total Amount Return to Fund Balance						\$24,596.07

Note: The above encumbrance balances are from budget years prior to FY 2010-11. The Department has indicated that the balances of these encumbrances are no longer needed, therefore the balance can be returned to the General Fund.

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department's proposed \$74,841,614 budget for FY 2011-12 is \$3,163,071, or 4.1 percent, less than the original FY 2010-11 budget of \$78,004,685.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 196.69 FTEs, which is 13.24 FTEs less than the 209.93 FTEs in the original FY 2010-11 budget.

The Department has requested approval of four new positions as an interim exception. The Budget and Legislative Analyst does not recommend approval of these four positions as an interim exception to begin on July 1, 2011, but does recommend approval of these four new positions to begin on August 15, 2011.

Revenue Changes

The Department's revenues of \$73,386,433 in FY 2011-12, are \$3,279,771 or 4.3 percent less than FY 2010-11 revenues of \$76,666,204. General Fund support of \$1,455,181 in FY 2011-12 is \$116,700 or 8.7 percent more than FY 2010-11 General Fund support of \$1,338,481.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,348,137 in FY 2011-12. Of these recommended reductions, \$1,001,509 or 74.3 percent are General Fund reductions, and \$1,279,778 or 94.9 percent are ongoing reductions.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$291,105 to the General Fund.

Together, these recommendations will result in \$1,639,242 in savings to the City, including \$1,292,614 in General Fund savings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: TIS – DEPARTMENT OF TECHNOLOGY

SUMMARY OF PROGRAM EXPENDITURES:

Program	2010-2011 Budget	2011-2012 Proposed	Change From 2010-2011	Pct Change
GENERAL SERVICES AGENCY - TECHNOLOGY				
ADMINISTRATION	23,811,153	25,640,778	1,829,625	7.7%
GOVERNANCE AND OUTREACH	6,737,518	7,565,870	828,352	12.3%
OPERATIONS	32,177,636	30,878,230	(1,299,406)	(4.0%)
REPRODUCTION SERVICES	5,393,640	0	(5,393,640)	(100.0%)
TECHNOLOGY	2,427,644	1,807,472	(620,172)	(25.5%)
TECHNOLOGY SERVICES:PUBLIC SAFETY	7,457,094	8,949,264	1,492,170	20.0%
GENERAL SERVICES AGENCY - TECHNOLOGY	78,004,685	74,841,614	(3,163,071)	(4.1%)

The Department’s proposed FY 2011-12 budget has decreased by \$3,163,071 largely due to:

- The reduction of \$5.4 million in Reproduction Services work, including print, copy, mail, and delivery services. The responsibility is being transferred from the Department of Technology to Administrative Services.
- The transfer of the JUSTIS project to the GSA, representing a reduction of \$1.7 million.
- The reduction of \$1.3 million in interdepartmental recovery due to the Department resulting from telephone billing costs being subsidized by fund balance.

Reductions in funding have been partially offset by new funding as follows:

- A \$0.5 million increase in the Department’s Public Education and Government (PEG) grant for the provision of government and education services on local cable.
- New funding for projects in FY 2011-12 includes data center consolidation (\$3.0 million); expansion Voice over Information Protocol (VOIP) throughout the City (\$2.5 million); expansion of the City’s fiber optic network (\$0.9 million); creating a Citywide Virtual Desktop Environment (\$0.7 million); COIT security, visibility, and intelligence (\$0.5 million); and expansion of wireless internet access in City buildings (\$0.2 million).

Neutral budgetary changes include staff reorganization, with the reassignment of one position from Administration and nine positions from Operations to Technology Services: Public Safety.

In addition, the data center consolidation project will result in Citywide short-term salary savings totaling \$0.6 million in FY 2011-12, and long-term salary savings of \$2.1 million beginning in FY 2013-14, once the data center is fully operational. A departmental breakdown of the \$0.6 million salary savings, by department, is provided in Table 1 below. According to the Mayor’s Office, while these savings are in the form of attrition savings increases in FY 2011-12, the salary reductions will be matched to actual salaries of eliminated positions once the data center consolidation has been fully implemented.

Table 1.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: TIS – DEPARTMENT OF TECHNOLOGY

**Salary Savings, by Department
of Data Center Consolidation Project**

Department	Share of Data Center Salary Savings
Airport	\$69,601
Controller*	50,041
Building Inspection	16,126
Emergency Management*	18,395
Administrative Services*	12,624
Public Works*	34,283
Human Services Agency*	62,149
Police*	35,669
Public Health*	159,734
Library	12,135
Public Utilities Commission	99,647
Retirement	11,253
Treasurer/Tax Collector*	18,343
<i>General Fund Subtotal</i>	\$391,238
Total	\$600,000

* Denotes General Fund Departments

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 196.69 FTEs, which is 13.24 FTEs less than the 209.93 FTEs in the original FY 2010-11 budget. This represents a 6.3 percent decrease in FTEs from the original FY 2010-11 budget. Major changes include:

- The addition of 7 limited duration positions (5.3 FTEs) to work on the Department’s fiber optic network.
- Transfer of 14.3 positions associated with the Department’s Reproduction Services work and 7.3 positions associated with the JUSTIS program, which are being transferred to Administrative Services.

The Department has requested approval of four new positions as an interim exception. According to the Department, these positions are revenue generating, although such revenue is not assumed in the Department’s budget. According to the Department, these positions could likely be filled by mid-August. The Budget and Legislative Analyst recommends approval of these four new positions to begin on August 15, 2011 instead of July 1, 2011.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: TIS – DEPARTMENT OF TECHNOLOGY

COMMENTS:

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,348,137 in FY 2011-12. Of these recommended reductions, \$1,001,509 or 74.3 percent are General Fund reductions, and \$1,279,778 or 94.9 percent are ongoing reductions.

As of the writing of this report, the Department disagrees with \$776,692, or 58 percent of the recommended reductions of the Budget and Legislative Analyst.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$291,105 to the General Fund.

Together, these recommendations will result in \$1,639,242 in savings to the City, including \$1,292,614 in General Fund savings.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TIS - Department of Technology

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF*	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To				
BK4 - Governance and Outreach (IG AGF AAA)													
Training			\$16,950	\$4,000	\$12,950	x			\$16,950	\$4,000	\$12,950	x	
	Department spent less than \$2,000 on Training in FY 2009-10 and is projected to spend less than \$2,000 on Training in FY 2010-11, despite \$16,950 budgeted in current year. A reduction of \$12,950 will allow for sufficient Training funding in FY 2010-11.							Estimated ongoing savings.					
Materials and Supplies			\$13,051	\$11,051	\$2,000	x			\$13,051	\$11,051	\$2,000	x	
	Department spent less than \$9,000 on Materials and Supplies in FY 2009-10 and is projected to spend approximately \$10,551 on Materials and Supplies in FY 2010-11,. A reduction of \$2,000 will allow for sufficient Training funding in FY 2010-11.							Estimated ongoing savings.					
BAK - Operations (6I TIF AAP)													
Electrical Line Helper - 7432N	2.0	1.75	\$143,371	\$125,450	\$17,921	x	x						
Mandatory Fringe Benefits			\$65,523	\$57,333	\$8,190	x	x						
Electrical Line Worker - 7338N	2.0	1.75	\$168,473	\$147,414	\$21,059	x	x						
Mandatory Fringe Benefits			\$72,200	\$63,175	\$9,025	x	x						
			<i>Total Savings</i>		\$56,195					<i>Total Savings</i>		\$0	
	The Department has requested an interim exception for 4.0 new FTEs: 2.0 new 7432 Electrical Line Helper FTEs and 2.0 new 7338 Electrical Line Worker FTEs. According to the Department, these positions would ultimately be revenue generating, although this revenue is not assumed in the Department's budget. According to the Department, the four positions could be filled by mid-August. Therefore, reduce the 4.0 FTE to 3.50 FTE to reflect an expected hire date of August 15, 2011 instead of July 1, 2011.												

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TIS - Department of Technology

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF*	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To				
Premium Pay			\$60,593	\$20,000	\$40,593	x			\$60,593	\$20,000	\$40,593	x	
Mandatory Fringe Benefits			\$4,817	\$1,590	\$3,227	x			\$4,817	\$1,590	\$3,227	x	
Premium Pay			\$59,638	\$20,000	\$39,638	x			\$59,638	\$20,000	\$39,638	x	
Mandatory Fringe Benefits			\$4,742	\$1,565	\$3,177	x			\$4,742	\$1,565	\$3,177	x	
			<i>Total Savings</i>		\$86,635					<i>Total Savings</i>		\$86,635	
	<p>The Department has \$811,967 budgeted for Premium Pay in FY 2011-12 in this fund. However, the Department is projected to spend less than \$450,000 this year and spent less than \$500,000 in FY 2009-2010. A reduction of \$86,635, including Mandatory Fringe Benefits, will allow sufficient Premium Pay in FY 2011-12.</p>							Estimated ongoing savings.					
Maintenance Services - Equipment			\$320,140	\$120,140	\$200,000	x			\$320,140	\$120,140	\$200,000	x	
			\$93,349	\$47,000	\$46,349	x			\$93,349	\$50,000	\$43,349	x	
			<i>Total Savings</i>		\$246,349					<i>Total Savings</i>		\$243,349	
	<p>The Department has historically underexpended its allocation for Maintenance Services - Equipment by more than \$1,000,000. The Mayor's Office has proposed a reduction of \$588,000 for this line item in FY 2011-12. An additional reduction of \$246,349 will still allow for sufficient Maintenance Services - Equipment funding in FY 2011-12 based on historic spending.</p>							Estimated ongoing savings.					
Other Current Expenses			\$990,592	\$495,296	\$495,296	x			\$990,592	\$495,296	\$495,296	x	
	<p>The Department has historically underexpended its allocation for Other Current Expenses, sometimes by more than \$1,000,000. Although the Mayor's Office has proposed a reduction of \$183,000 for this line item in FY 2011-12, an additional reduction of \$600,000 will still allow for sufficient Other current Expenses funding in FY 2011-12 based on historic spending.</p>							Estimated ongoing savings.					

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TIS - Department of Technology

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF*	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To				
Controller's Management Services			\$145,967	\$133,803	\$12,164	x	x						x
	The proposed workorder with the Controller's Office is budgeted at a full year of salary and fringe for an 1824 Senior Administrative Analyst. The position has been advertised but a selection has not yet occurred. The Department of Technology hopes to have the new hire begin at the end of July. A one-time, one-month salary savings would result in a net savings of \$12,164.												
BTO - Technology Services: Public Safety (6I TIF AAP)													
Premium Pay			\$234,346	\$84,346	\$150,000	x				\$234,346	\$100,000	\$134,346	x
Mandatory Fringe Benefits			\$18,631	\$6,706	\$11,925	x				\$18,631	\$7,950	\$10,681	x
Premium Pay			\$195,928	\$65,000	\$130,928	x				\$195,928	\$65,000	\$130,928	x
Mandatory Fringe Benefits			\$15,577	\$5,168	\$10,409	x				\$15,577	\$5,168	\$10,409	x
			<i>Total Savings</i>	\$303,262						<i>Total Savings</i>	\$286,364		
	The Department has \$811,967 budgeted for Premium Pay in FY 2011-12 in this fund. The Department is projected to spend less than \$450,000 in FY 2010-11 and spent less than \$500,000 in FY 2009-10. A reduction of \$303,262, including Mandatory Fringe Benefits, will allow sufficient Premium Pay in FY 2011-12.							Estimated ongoing savings.					
BIU - Administration (6I TIF AAP)													
Air Travel			\$23,052	\$13,052	\$10,000	x				\$23,052	\$13,052	\$10,000	x
	The Department is projected to spend less than \$10,000 on Air Travel in FY 2010-11. A reduction of \$10,000 will allow for sufficient funding for Air Travel in FY 2011-12.							Estimated ongoing savings.					

GF = General Fund
1T = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TIS - Department of Technology

Object Title	FY 2011-2012							FY 2012-2013 (for estimate purposes only)					
	FTE		Amount		Savings	GF*	1T	FTE		Amount		Savings	GF
	From	To	From	To				From	To				
Training			\$198,446	\$140,000	\$58,446	x			\$198,446	\$140,000	\$58,446	x	
	In FY 2008-09, 2009-10, and 2010-11, the Department has not spent more than \$111,193 for training, including less than \$60,000 in FY 2010-11. A reduction of \$58,446 will allow for sufficient funding for Training in FY 2011-12.							Estimated ongoing savings.					
Other Current Expenses			\$47,057	\$27,057	\$20,000	x			\$47,057	\$27,057	\$20,000	x	
	The Department is projected to spend less than \$19,000 on Other Current Expenses in FY 2010-11. A reduction of \$20,000 will allow for sufficient funding for Other Current Expenses in FY 2011-12.							Estimated ongoing savings.					
Materials and Supplies			\$89,839	\$45,000	\$44,839	x			\$89,839	\$45,000	\$44,839	x	
	The Department is projected to spend less than \$52,000 on Materials and Supplies in FY 2010-11. With ReproMail and Justis no longer the responsibilities of TIS, a reduction of \$44,839 will allow for sufficient funding for Materials and Supplies in FY 2011-12.							Estimated ongoing savings.					

	FY 2011-2012 Total Recommended Reductions		
	One-Time	Ongoing	Total
General Fund Impact*	\$50,586	\$950,923	\$1,001,509
Non-General Fund Impact*	\$17,773	\$328,855	\$346,628
Total	\$68,359	\$1,279,778	\$1,348,137

	Estimated FY 2012-2013 Impact Total Recommended Reductions
General Fund Impact*	\$936,198
Non-General Fund Impact*	\$323,681
Total	\$1,259,879

* Note: The fund 6I TIF AAP is an interdepartmental recovery fund, consisting of approximately 74% General Fund and 26% non-General Fund.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

TIS - Encumbrances

Vendor Name	Subject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance in Financial and Management Information System (FAMIS)
VSA INC DBA CA MEDIA SOLUTIONS	COMMUNICATION SUPPLIES	Yes	2009	1/27/2010	\$4,196	\$709
SPRINT NEXTEL	COMMUNICATION SUPPLIES	Yes	2010	6/4/2010	\$700	503
NATIONAL CAPTIONING INSTITUTE INC	OTHER PROFESSIONAL SERVICES	Yes	2010	9/21/2010	\$125,000	1,450
(DATA CENTER PROJECT)	EQUIPMENT	Yes	2009	6/30/2010	\$1,188,433	288,443
Total amount to be returned to the General Fund						\$291,105

The above encumbrance balances are from budget years prior to FY 2010-11.

The Department has indicated that the balances of these encumbrances are no longer needed. Therefore the balance can be returned to the General Fund.

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The Department's proposed \$8,351,311 budget for FY 2011-12 is \$3,666,592 or 78.3 percent more than the original FY 2010-11 budget of \$4,684,719.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 17.32 FTEs, which is .14 FTEs less than the 17.46 FTEs in the original FY 2010-11 budget. This represents a 0.8 percent reduction in FTEs from the original FY 2010-11 budget.

Revenue Changes

The Department's revenues of \$100,000 in FY 2011-12, are \$22,000 or 28.2 percent more than FY 2010-11 revenues of \$78,000. General Fund support of \$8,251,311 in FY 2011-12 is \$3,644,592 or 79.1 percent more than FY 2010-11 General Fund support of \$4,606,719.

RECOMMENDATIONS

None.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ETH – ETHICS COMMISSION

SUMMARY OF PROGRAM EXPENDITURES:

<u>Program</u>	<u>2010-2011 Budget</u>	<u>2011-2012 Proposed</u>	<u>Change From 2010-2011</u>	<u>Pct Change</u>
ELECTIONS CAMPAIGN FUND	\$2,476,494	\$6,091,332	\$3,614,838	146.0%
ETHICS COMMISSION	2,208,225	2,259,979	\$51,754	2.3%
ETHICS	\$4,684,719	\$8,351,311	\$3,666,592	78.3%

The Department’s proposed FY 2011-12 budget would increase by \$3,666,592 largely due to:

- Increase of \$3,614,838 in the Election Campaign Fund to provide additional public campaign funding for eligible candidates for both the Mayor and Board of Supervisors upcoming elections.
- Increase of \$51,754 for the Ethics Commission required increases in salaries and related fringe benefits.

DEPARTMENT PERSONNEL SUMMARY:

The number of Net Operating full-time equivalent positions (FTE) budgeted for FY 2011-12 is 17.32 FTEs, which is .14 FTEs less than the 17.46 FTEs in the original FY 2010-11 budget. This represents a 0.8 percent reduction in FTEs from the original FY 2010-11 budget.

- The reduction of .14 FTE is due to an increase in Attrition Savings in FY 2011-12.

DEPARTMENT REVENUES:

The Department's revenues of \$100,000 in FY 2011-12, are \$22,000 or 28.2 percent more than FY 2010-11 revenues of \$78,000. General Fund support of \$8,251,311 in FY 2011-12 is \$3,644,592 or 79.1 percent more than FY 2010-11 General Fund support of \$4,606,719.

Specific changes in the Department’s FY 2011-12 revenues include:

- The Department’s increased revenues of \$22,000 include (a) \$19,000 increase in lobbyist registration fees and (b) \$3,000 increase in campaign consultant fees.
- The Department’s additional General Fund support is primarily for the Election Campaign Fund from (a) annual FY 2011-12 General Fund deposits based on \$2.75 contribution per San Francisco resident, and (b) required repayments of prior year underfunding of the Election Campaign Fund.

FIVE YEAR FINANCIAL PLAN:

The Department anticipates primarily cost of living growth in its budget between FY 2011-12 and FY 2015-16.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: ETH – ETHICS COMMISSION

COMMENTS:

No recommendations.