

File No. 210651

Committee Item No. 7

Board Item No. 18

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Budget & Appropriations Committee

Date June 21, 2021

Board of Supervisors Meeting

Date July 13, 2021

### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Resolution                                   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

### OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Mayor's Office Budget Submission Memo</u> |
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Completed by: Linda Wong Date June 17, 2021

Completed by: Linda Wong Date July 7, 2021

1 [Appropriation - San Francisco Public Utilities Commission - \$20,716,252 - Reducing  
2 Appropriation - Airport Commission - \$272,379,116 - Reducing Appropriation - Port  
3 Commission - \$17,664,260 - FY2021-2022]

4 **Ordinance appropriating \$20,716,252 in the San Francisco Public Utilities Commission**  
5 **and reducing appropriations by \$272,379,116 in the Airport Commission and by**  
6 **\$17,664,260 in the Port Commission; this Ordinance requires a two-thirds approval vote**  
7 **of all members of the Board of Supervisors for \$59,659,237 in the San Francisco Public**  
8 **Utilities Commission, for \$10,061,693 in the Airport Commission and for \$3,796,402 in**  
9 **the Port Commission appropriations, pursuant to Charter, Section 9.113(c).**

10  
11 Note: Additions are single-underline italics Times New Roman;  
12 deletions are ~~strikethrough italics Times New Roman~~.  
13 Board amendment additions are double underlined.  
Board amendment deletions are ~~strikethrough normal~~.

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

15  
16 Section 1. The sources of funding outlined below are herein appropriated to reflect the  
17 projected revenue available for FY2021-2022.

18 **Sources**

19  
20 San Francisco Public Utilities Commission

21

Account Code	Account Description	Change
4600	Charges for Services	\$7,227,118
4750	Other Revenue	(\$5,498,000)
4860	Expenses Received from Other Departments	\$2,588,447

22  
23  
24  
25

1	<b>Account Code</b>	<b>Account Description</b>	<b>Change</b>
2	4930	Operating Transfers In	(\$1,614,462)
3	4950	Intrafund Transfers In	\$1,175,180
4	4999	Beg Fund Balance	\$18,794,149
5	9999	ELIMSD TRANSFER Adjustment-Sources	(\$1,956,180)
6			
7	<b>Total SF Public Utilities Commission Sources</b>		<b>\$ 20,716,252</b>
8			
9	<b>Airport Commission</b>		
10	4250	Fines and Penalties	(\$1,023,000)
11	4300	Interest and Investments	\$2,308,000
12	4350	Rent and Concessions	(\$172,147,000)
13	4400I	Federal Grants	\$103,064,748
14	4450I	State Grants	(\$1,000)
15	4600	Charges for Services	(\$291,957,000)
16	4750	Other Revenue	(\$7,221,000)
17	4950	Intrafund Transfers In	(\$65,634,490)
18	4999	Beg Fund Balance	\$84,627,085
19	9999	ELIMSD TRANSFER Adjustment-Sources	\$75,604,541
20			
21	<b>Total Airport Commission Sources</b>		<b>(\$ 272,379,116)</b>
22			
23			
24	<b>Port Commission</b>		
25			

1	<b>Account Code</b>	<b>Account Description</b>	<b>Change</b>
2	4250	Fines and Penalties	(\$321,532)
3	4300	Interest and Investments	(\$551,348)
4	4350	Rent and Concessions	(\$10,662,048)
5	4400I	Federal Grants	\$1,742,107
6	4600	Charges for Services	(\$74,398)
7	4750	Other Revenue	\$732,317
8	4950	Intrafund Transfers In	\$24,081,614
9	4999	Beg Fund Balance	(\$8,529,358)
10	9999	ELIMSD TRANSFER Adjustment-Sources	(\$24,081,614)
11	<b>Total Port Commission Sources</b>		<b>(\$ 17,664,260)</b>

12  
13 Section 2. The uses of funding outlined below are herein appropriated to reflect the  
14 projected funding available for FY2021-2022.

15  
16 **USES**

17  
18 San Francisco Public Utilities Commission

19	<b>Fund Code</b>	<b>Fund Title</b>	<b>Change</b>
20	20160	WWE Op Annual Account Ctrl	\$6,548,406
21	24750	HH CleanPowerSF Op Annual Account Ctrl	(\$432,628)
22	24970	HHWP Op Annual Account Ctrl	\$11,876,350
23	25940	WTR Op Annual Account Ctrl	\$1,350,029
24	27180	PUC Operating Fund	\$269,538
25	20170	WWE Annual Authority Ctrl	\$931,808

1	<b>Fund Code</b>	<b>Fund Title</b>	<b>Change</b>
2	24980	HH CleanPowerSF Op Annual Acct Ctrl	(\$1,095,000)
3	25950	WTR Annual Authority Ctrl	(\$629,000)
4	24870	HH CleanPowerSF Cust Trust Fd	\$1,896,749
5	<b>Total – San Francisco Public Utilities Commission Uses</b>		<b>\$20,716,252</b>

6			
7	Airport Commission		
8	<b>Fund Code</b>	<b>Title</b>	<b>Change</b>
9	17960	AIR Op Annual Account Ctrl	(\$255,977,878)
10	17970	AIR Op Annual Authority Ctrl	(\$603,468)
11	17980	AIR Continuing Authority Ctrl	(\$2,500,000)
12	19120	AIR Capital Operating Fund AOF	(\$71,770)
13	19950	AIR K9 Explosives SRF K9F	
14		10022278 - K9 Explosives Detection Program	(\$1,010,000)
15		10037040 - AC TSA K9 2020-2024	\$1,010,000
16	18020	AIR Operating GASB 45 PEB	(\$13,226,000)
17	<b>Total - Airport Commission Uses</b>		<b>(\$272,379,116)</b>

18			
19	Port Commission		
20	<b>Fund Code</b>	<b>Title</b>	<b>Change</b>
21	23680	PRT-OP Annual Account Ctrl	\$16,119,740
22	23690	PRT-OP Annual Authority Ctrl	(\$148,712)
23	24530	PRT-SBH Annual Authority Ctrl	\$209,201
24	23700	PRT-OP Continuing Authority Ctrl	(\$35,377,395)
25			

1	<b>Fund Code</b>	<b>Title</b>	<b>Change</b>
2	24540	PRT-SBH Continuing Authority Ctrl	(\$209,201)
3	24090	PRT-CP PROJ-Federal	\$1,742,107
4	<b>Total - Port Commission Uses</b>		<b>(\$17,664,260)</b>

6 Section 3. A total of \$59,659,237 in the San Francisco Public Utilities Commission,  
7 \$10,061,693 in the Airport Commission, and \$3,796,402 in the Port Commission requires a  
8 2/3 approval vote by the Board of Supervisors pursuant to Charter Section 9.113(c) as set  
9 forth below.

11 Appropriation changes requiring a 2/3 approval vote:

12	<b>Department</b>	<b>Fund</b>	<b>Account</b>	<b>Amount</b>
13	Airport Commission	17960 - AIR Op Annual Account Ctrl	5010 Salaries	\$10,061,693
14				
15	<b>Total 17960 - AIR Op Annual Account Ctrl</b>			<b>\$10,061,693</b>
16	<b>Grand Total AIR appropriations requiring a 2/3 Approval Vote</b>			<b>\$10,061,693</b>

19	<b>Department</b>	<b>Fund</b>	<b>Account</b>	<b>Amount</b>
20	San Francisco	20160 - WWE Op Annual Account	5010 Salaries	\$4,718,834
21	Public Utilities	Ctrl		
22	Commission			
23			5210 Non-Personnel	\$609,242
24			Services	

1	Department	Fund	Account	Amount
2			5600 Capital Outlay	\$1,123,295
3			5400 Materials &	\$268,550
4			Supplies	
5			5200 Overhead and	\$4,678,416
6			Allocations	
7			<b>Total 20160 - WWE Op Annual Account Ctrl</b>	<b>\$11,398,337</b>
8				
9				
10	24970 - HHWP Op Annual Account		5010 Salaries	\$2,146,639
11	Ctrl			
12			5210 Non-Personnel	\$10,523,226
13			Services	
14			5200 Overhead and	\$2,578,884
15			Allocations	
16			5810 Services of	\$661,414
17			Other Depts	
18			<b>Total 24970 - HHWP Op Annual Account Ctrl</b>	<b>\$15,910,163</b>
19				
20				
21	24750 - HH CleanPowerSF Op		5010 Salaries	\$368,372
22	Annual Account			
23			5200 Overhead and	\$139,656
24			Allocations	
25				

1	Department	Fund	Account	Amount
2			5810 Services of	\$109,627
3			Other Depts	
4	<b>Total 24750 - HH CleanPowerSF Op Annual Account</b>			<b>\$617,635</b>
5				
6		27180 – PUC Operating Fund	5010 Salaries	\$5,314,040
7				
8			5130 Mandatory	\$96,278
9			Fringe Benefits	
10			5210 Non-	\$2,883,580
11			Personnel	
12			Services	
13			5400 Materials	\$583,978
14			& Supplies	
15	<b>Total 27180 – PUC Operating Fund</b>			<b>\$8,904,876</b>
16				
17		24870 - HH CleanPowerSF Cust Trust Fd	20543	\$1,896,749
18			CleanPowerSF	
19			Customer Trst	
20			Fund	
21	<b>Total 24870 - HH CleanPowerSF Cust Trust Fd</b>			<b>\$1,896,749</b>
22				
23				
24		25940 - WTR Op Annual Account Ctrl	5010 Salaries	\$6,128,066
25				



1	Department	Fund	Account	Amount
2			5210 Non-	\$1,800,000
3			Personnel	
4			Services	
5			5600 Capital	\$204,642
6			Outlay	
7			5200 Overhead	\$12,798,769
8			and Allocations	
9	<b>Total 25940 - WTR Op Annual Account</b>			<b>\$20,931,477</b>
10		Ctrl		
11				
12	<b>Grand Total PUC appropriations requiring a 2/3 Approval Vote</b>			<b>\$59,659,237</b>
13				
14	Port Commission			
15				
16	Department	Fund	Account	Amount
17	Port Commission	23680 - PRT-OP Annual Account Ctrl	5010 Salaries	\$567,385
18			5210	\$3,019,816
19			Nonpersonnel	
20			Services	
21	<b>Total 23680 - PRT-OP Annual Account</b>			<b>\$3,587,201</b>
22		Ctrl		
23				
24				
25				

1	<b>Department</b>	<b>Fund</b>	<b>Account</b>	<b>Amount</b>
2		24530 - PRT-SBH Annual Authority Ctrl	17321 - South	\$209,372
3			Beach Harbor	
4			Project	
5	<b>Total PRT-SBH Annual Authority Ctrl</b>			<b>\$209,372</b>
6				
7				
8	<b>Grand Total Port Commission appropriations requiring a 2/3 Approval Vote</b>			<b>\$3,796,402</b>
9				

10           Section 4. The Controller is authorized to record transfers between funds and adjust  
11 the accounting treatment of sources and uses appropriated in this Ordinance as necessary to  
12 conform with Generally Accepted Accounting Principles.  
13  
14  
15

16 APPROVED AS TO FORM:  
17 DENNIS J. HERRERA, City Attorney

18 FUNDS AVAILABLE:  
19 BEN ROSENFELD, Controller

20  
21 By:               /s/                
22       JONATHAN GIVNER  
23       Deputy City Attorney

24 By:               /s/                
25       BEN ROSENFELD  
26       Controller

**Items 7 & 8****Files 21-0651 and 21-0652****Department:**

Airport, Port, and Public Utilities Commission

**EXECUTIVE SUMMARY****Legislative Objectives**

- File 21-0651 is an ordinance (a) appropriating \$20,716,252 in the San Francisco Public Utilities Commission and (b) reduces appropriations by (i) \$272,379,116 in the Airport Commission and (ii) \$17,664,260 in the Port Commission. These appropriations revise the FY 2021-22 budget, previously approved by the Board of Supervisor. The ordinance requires a two-thirds approval vote of all members of the Board of Supervisors for \$59,659,237 in the Public Utilities Commission, for \$10,061,693 in the Airport Commission and for \$3,796,402 in the Port Commission appropriations.
- File 21-0652 is an ordinance amending the Salary Ordinance for FY 2020-21 and FY 2021-22 to reflect the substitution of 3 positions (0.00 FTEs) at the Airport Commission, and the substitution of 9 positions (0.00 FTEs) and the addition of 24 positions (20.81 FTEs) at the San Francisco Public Utilities Commission in FY 2021-22.

**Key Points**

- The Airport's reduction of \$272.4 million includes \$256.0 million reduction in the annual operating budget and approximately \$18.4 million reduction in projects and other uses. The Airport is using \$84.6 million of fund balance to balance the FY 2021-22 budget, resulting in an ending fund balance of \$0. According to Airport staff, the Airport will begin refunding the fund balance and OPEB liability when Airport finances improve.
- The Port's reduction of \$17.7 million includes \$16.1 million increase in the annual operating budget (of which \$12.8 million is a deposit to the Port's fund balance), offset by net reductions of approximately \$33.6 million in capital projects.
- SFPUC proposes an increase of \$20.7 million, allocated to the SFPUC Operating Fund, and CleanPowerSF, Hetch Hetchy Water and Power Enterprise, Wastewater Enterprise, and Water Enterprise. SFPUC is proposing 22 new positions in FY 2021-22.

**Fiscal Impact**

- Based on our evaluation of SFPUC's proposed organization and position descriptions, we recommend approval of 21 of the 22 new positions.

**Recommendations**

- Amend File 21-0652 to (1) delete 0.77 FTE 1823 Senior Administrative Analyst in the PUC Operating Fund; and (2) revise 0.77 FTE 0933 Manager V to 0.77 FTE 0932 Manager IV in the PUC Operating Fund.
- Approve File 21-0652 as amended and File 21-0651.

**MANDATE STATEMENT**

City Charter Section 9.101 provides for two-year budgets and authorizes the Board of Supervisors to determine by resolution which budgets are on a two-year fixed budget. Section 9.101(g) provides for the Mayor to submit an ordinance to the Board of Supervisors, amending the second-year budgets of City departments with fixed two-year budgets, if the Controller projects that the City will experience significant increases or decreases in revenues or expenditures during the second year of such budgetary cycle.

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

**BACKGROUND**

The Controller's FY 2020-21 Nine Month Budget Status Report reported on the budget status of the Airport, Port, and San Francisco Public Utilities Commission (SFPUC).

**Airport**

The projected Airport revenue deficit is \$356.8 million in FY 2020-21, offset by expenditure savings of \$383.0 million, for a net operating surplus of \$26.2 million. The revenue deficit is due primarily to reduced travel and flight cancellations, and associated decreases in parking, concession, and other revenues. Expenditure savings are largely from use of federal CARES Act funds, and operating savings, including salary savings and reduced Annual Service Payments to the General Fund due to reduced concession revenues. The projected FY 2020-21 year-end fund balance is \$65.7 million.

**Port**

The projected Port revenue surplus is \$10.3 million in FY 2020-21, and expenditure savings are \$6.5 million, for a net operating surplus of \$16.8 million. The revenue surplus is due to continued revenues from warehouse and industrial tenants. Expenditure savings are largely from salary savings and other operating expenses. The projected FY 2020-21 year-end fund balance is \$30 million.

**San Francisco Public Utilities Commission**

According to the Controller's report, SFPUC projects net operating surpluses for the Hetch Hetchy Operating Fund, the Water Enterprise Fund and the Clean Power Fund. A net operating deficit is projected for the Wastewater Operations Fund.

*Hetch Hetchy Enterprise*

The projected Hetch Hetchy Enterprise revenue surplus is approximately \$3.9 million in FY 2020-21, and expenditure savings are \$41.3 million, for a net operating surplus of \$37.4 million. The revenue surplus is from increases in miscellaneous income, offset by reduced wholesale and retail electricity sales, reduced recoveries from City departments, and other reductions.

Expenditure savings are largely from reduced electricity purchase and distribution costs, and maintenance and capital costs. The projected FY 2020-21 year-end fund balance is \$81.6 million.

#### *CleanPowerSF*

The projected CleanPowerSF revenue deficit is \$16.3 million in FY 2020-21, and expenditure savings are \$19.8 million, for a net operating surplus of \$3.5 million. The revenue deficit is due largely to lower than budgeted electricity sales. Expenditure savings are largely from salary and other operating budget savings and from reduced deposits to budgeted reserves. The projected FY 2020-21 year-end fund balance is \$32.5 million.

#### *Wastewater Enterprise*

The projected Wastewater Enterprise revenue deficit is \$23.9 million in FY 2020-21, and expenditure savings are \$19.7 million, for a net operating deficit of \$4.2 million. The revenue deficit is due largely to lower than budgeted sewer service charges and COVID discounts. Expenditure savings are largely from salary and other operating budget savings and from reduced maintenance and capital project costs. The projected FY 2020-21 year-end fund balance is \$195.1 million.

#### *Water Enterprise*

The projected Water Enterprise revenue deficit is \$10.6 million in FY 2020-21, and expenditure savings are \$14.6 million, for a net operating surplus of \$4.0 million. The revenue deficit is due largely to lower than budgeted retail water sales, offset by an increase in wholesale water sales. Expenditure savings are largely from debt service savings and from reduced maintenance and capital project costs. The projected FY 2020-21 year-end fund balance is \$206.6 million.

## DETAILS OF PROPOSED LEGISLATION

**File 21-0651:** The proposed ordinance (a) appropriates \$20,716,252 in the San Francisco Public Utilities Commission and (b) reduces appropriations by (i) \$272,379,116 in the Airport Commission and (ii) \$17,664,260 in the Port Commission. The ordinance requires a two-thirds approval vote of all members of the Board of Supervisors for \$59,659,237 in the Public Utilities Commission, for \$10,061,693 in the Airport Commission and for \$3,796,402 in the Port Commission appropriations, pursuant to Charter Section 9.113(c).<sup>1</sup>

**File 21-0652:** The proposed ordinance amends the Salary Ordinance for FY 2020-21 and FY 2021-22 to reflect the substitution of 3 positions (0.00 FTEs) at the Airport Commission, and the

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<sup>1</sup> Charter Section 9.113(c) states that “In the event the Mayor or a member of the Board of Supervisors recommends a supplemental appropriation ordinance after the adoption of the budget for any budgetary cycle and prior to the close of the budgetary cycle containing any item which had been rejected by the Mayor in his/her review of departmental budget estimates for the budgetary cycle or which had been rejected by the Board of Supervisors in its consideration of the Mayor's proposed budget for the budgetary cycle, it shall require a vote of two-thirds of all members of the Board of Supervisors to approve such supplemental appropriation ordinance”.

substitution of 9 positions (0.00 FTEs) and the addition of 24 positions (20.81 FTEs) at the San Francisco Public Utilities Commission in FY 2021-22.<sup>2</sup>

### Sources of Funds

Increases and decreases in funding sources in the FY 2021-22 budgets for the Airport, Port, and SFPUC are shown in Exhibit 1 below.

**Exhibit 1: Sources of Funds FY 2021-22**

	SFPUC	Airport	Port
Charges for Services	\$7,227,118	(\$291,957,000)	(\$74,398)
Other Revenues	(5,498,000)	(7,221,000)	732,317
Expenses from Other Departments	2,588,447		
Operating Transfers In	(1,614,462)		
Intrafund Transfers In	1,175,180	(65,634,490)	24,081,614
ELIMSD TRANSFER Adjustment <sup>3</sup>	(1,956,180)	75,604,541	(24,081,614)
Fines and Penalties		(1,023,000)	(321,532)
Interest and Investments		2,308,000	(551,348)
Rent and Concessions		(172,147,000)	(10,662,048)
Federal Grants		103,064,748	1,742,107
State Grants		(1,000)	
Beginning Fund Balance	18,794,149	84,627,085	(8,529,358)
<b>Total</b>	<b>\$20,716,252</b>	<b>(\$272,379,116)</b>	<b>(\$17,664,260)</b>

Source: Proposed Ordinance

### FISCAL IMPACT

#### Airport (Reduction \$272,379,116)

##### Sources and Uses of Funds

The Airport's reduction of \$272.4 million includes \$256.0 million reduction in the annual operating budget and approximately \$18.4 million reduction in projects and other uses, shown in Exhibit 2 below.

**Exhibit 2: Reduction in Airport Budget FY 2021-22**

	Amount
Annual Operating Budget	(\$255,977,878)
Annual Project Budget	(603,468)
Continuing Budget	(2,500,000)
Capital Operating Fund	(71,770)
Other Post-Employment Benefits (OPEB)	(13,226,000)
<b>Total</b>	<b>(\$272,379,116)</b>

Source: Proposed Ordinance

<sup>2</sup> The number of Airport and SFPUC positions in the amended Annual Salary Ordinance differs from the number of positions in the revised budget.

<sup>3</sup> ELIMSD transfer adjustment accounts for the internal transfer of funds.

The Airport's \$256.0 million reduction in the annual operating budget in FY 2021-22 consists primarily of debt service savings due to debt restructuring, reduction in contracts for passenger services, reduction in the Annual Service Payment to the General Fund due to reduced concession revenues, and other budget adjustments in the revised FY 2021-22 budget, shown in Exhibit 3 below.

**Exhibit 3: Proposed Reduction in FY 2021-22 Airport Operating Budget**

	<b>FY 2021-22 Change</b>	<b>Notes</b>
Salaries & Fringe Benefits	\$8,297,003	Negotiated wage increases, position reassignments, and salary savings due to hiring freeze.
Professional Service	(53,311,128)	Reduction in contracts for passenger services
Materials and Supplies	(3,422,119)	Reduction in materials & supplies due to reduced passenger volume
Capital Outlay	(106,038)	
Debt Service	(153,961,993)	Debt service reduction based on anticipated debt restructuring/refunding.
Services of Other Departments	(5,422,028)	Reduction to Police MOU, no new Police Academy classes offset by increase to PUC MOU for utilities charges.
Annual Service Payment to General Fund	(23,083,900)	Reduction based on projected concession revenues
Reduction in Reserves	(24,967,675)	
<b>Total Operating Budget</b>	<b>(\$255,977,878)</b>	

Source: Airport

Other reductions to the Airport budget, totaling \$18.4 million, include reductions in temporary salaries, facilities maintenance, small capital projects, and reductions in the funding of the Airport's OPEB liability.

The Airport is using \$84.6 million of fund balance to balance the FY 2021-22 budget, resulting in an ending fund balance of \$0. According to Airport staff, the Airport will begin refunding the fund balance and OPEB liability when Airport finances improve.

Proposed Position Changes

The Airport is proposing nine position substitutions, resulting in salary and fringe benefit increases of \$119,292, shown in Exhibit 4 below.

**Exhibit 4: Proposed Airport Position Substitutions**

FTE	Current Position	Current Salary	Proposed Position	Proposed Salary	Increase
1.00	Senior Airport Noise Abatement Specialist	\$158,883	Planner II	\$159,754	\$871
1.00	Electrician	175,418	Assistant Materials Coordinator	175,945	527
1.00	Chemist	173,696	Chemist III	206,596	32,900
2.00	Senior Human Resources Analyst	374,862	Principal Human Resources Analyst	466,680	91,818
1.00	Senior Human Resources Analyst	187,431	Health Program Coordinator III	190,753	3,322
1.00	Executive Secretary III	157,487	Senior Management Assistant	163,901	6,414
1.00	Principal Administrative Analyst	204,758	Manager II	223,988	19,230
1.00	Steamfitter Supervisor II	219,098	Water Service Inspector	183,308	(35,790)
<b>9.00</b>		<b>\$1,651,633</b>		<b>\$1,770,925</b>	<b>\$119,292</b>

Source: Budget System

**Port (Reduction \$17,664,260)**Sources and Uses of Funds

The Port's reduction of \$17.7 million includes \$16.1 million increase in the annual operating budget, offset by net reductions of approximately \$33.6 million in capital projects, shown in Exhibit 5 below.

**Exhibit 5: Proposed Reduction in FY 2021-22 Port Budget**

Port Fund	Amount
Annual Operating Budget	\$16,119,740
Annual Project Budget	(148,712)
Continuing Project	(35,377,395)
Federal Projects	1,742,107
<b>Subtotal Harbor Fund</b>	<b>(\$17,664,260)</b>
<b>South Beach Harbor Fund</b>	
Annual Project	209,201
Continuing Project	(209,201)
<b>Subtotal South Beach</b>	<b>\$0</b>

Source: Proposed Ordinance

The Port is proposing the following changes to the FY 2021-22 budget:

- Increase of \$16.1 million in the annual operating budget, including an approximately \$3 million increase to the Port's office lease at Pier 1, and \$12.8 million deposit to the Port's fund balance; offset by other changes to operating expenses;
- Reduction of \$148,712, including reductions to architect/engineering consulting contracts, and park and facility maintenance; offset by increases to other facility improvements;



- Reduction of \$35.4 million to Port capital projects with previously appropriated but unspent balances, ranked as low priority by Port staff based on the Port's maritime mission, life safety needs, and long-term revenue capacity; and
- \$1.7 million federal Transportation Safety Administration (TSA) grant for Port security improvements.

### San Francisco Utilities Commission (Increase of \$20,716,252)

#### Sources and Uses of Funds

The San Francisco Public Utilities Commission (SFPUC) proposed increase of \$20.7 million in FY 2021-22 is shown in Exhibit 6 below.

#### **Exhibit 6: Proposed Increase in FY 2021-22 SFPUC Budget**

	<b>Amount</b>
<i>Clean Power SF</i>	
Annual Operating Budget	(\$1,527,628)
Customer Trust Fund	<u>\$1,896,749</u>
<b>Subtotal Clean Power</b>	<b>\$369,121</b>
<i>Hetch Hetchy Water and Power</i>	
Annual Operating Budget	<u>\$11,876,350</u>
<b>Subtotal Hetch Hetchy</b>	<b>\$11,876,350</b>
<i>PUC Operating Fund</i>	
PUC Operating Fund	<u>\$269,538</u>
<b>Subtotal PUC Operating</b>	<b>\$269,538</b>
<i>Water Enterprise</i>	
Annual Operating Budget	\$1,350,029
Annual Project Budget	<u>(\$629,000)</u>
<b>Subtotal Water</b>	<b>\$721,029</b>
<i>Wastewater Enterprise</i>	
Annual Operating Budget	\$6,548,406
Annual Project Budget	<u>\$931,808</u>
<b>Subtotal Wastewater</b>	<b>\$7,480,214</b>
<b>Total</b>	<b>\$20,716,252</b>

Source: Proposed Ordinance

The proposed changes to the FY 2021-22 budget are summarized below.

#### *CleanPower SF*

The proposed FY 2021-22 includes (a) a reduction in debt service due to the final payment of a loan from Hetch Hetchy Power to CleanPowerSF; and (b) an increase in the CleanPowerSF Customer Trust Fund due to increases in the cost of power purchases.

#### *Hetch Hetchy Water and Power*

The proposed FY 2021-22 increase is primarily due to an increase in the PG&E wholesale distribution tariff, increasing the cost of power purchases.

*SFPUC Operating Fund*

The proposed FY 2021-22 increase represents an adjustment in the SFPUC operating fund, which is funded by the Water, Wastewater, HHWP and CleanPowerSF operating funds through an overhead allocation.

*Water Enterprise*

The proposed FY 2021-22 increase is mainly related to (a) climate change and environmental programs, including wildfire mitigation and environmental compliance, and (b) implementation of racial equity initiatives. These increases are offset by reductions in debt service costs.

*Wastewater Enterprise*

The proposed FY 2021-22 increase is due primarily to (a) maintenance of infrastructure and equipment, and green infrastructure, (b) implementation of racial equity initiatives, and (c) staff and operating costs to manage the new Southeast Community Center.

Proposed Position Changes

SFPUC is proposing 11 position substitutions (shown in Exhibit 7 below) and 22 new positions in FY 2021-22 (shown in Exhibit 8 below).

**Exhibit 7: Proposed SFPUC Substitutions**

<b>FTE</b>	<b>Current Position</b>	<b>Salary</b>	<b>Proposed Position</b>	<b>Salary</b>	<b>Increase</b>
<i>PUC Operating</i>					
1.00	Manager III	\$239,031	Manager IV	\$254,270	\$15,239
1.00	Administrative Analyst	156,218	Senior Administrative Analyst	179,856	23,638
1.00	Planner III-Environmental Review	0	Manager IV	254,270	254,270
1.00	Planner I	0	Principal Administrative Analyst	204,758	204,758
1.00	Planner III-Environmental Review	0	Manager II	223,988	223,988
<i>Water Enterprise</i>					
1.00	Engineer	235,258	Associate Engineer	206,628	(28,630)
1.00	Junior Administrative Analyst	122,611	Administrative Analyst	156,218	33,607
<i>Wastewater Enterprise</i>					
1.00	Telecommunication Supervisor	218,402	Manager II	223,988	5,586
1.00	Manager IV	254,270	Manager V	271,796	17,526
1.00	IT Operations Support Administrator III	159,754	Construction Inspector	179,163	19,409
1.00	Truck Driver	149,425	Maintenance Planner	197,755	48,330
<b>11.00</b>		<b>\$1,534,969</b>		<b>\$2,352,690</b>	<b>\$817,721</b>

Source: Budget System

**Exhibit 8: SFPUC Proposed New Positions**

	FY 2021-22		FY 2022-23	
	FTES	Salary & Benefits	FTES	Salary & Benefits
<u>PUC Operating Fund</u>				
IS Business Analyst-Principal	0.77	183,194	1.00	244,271
Manager II	0.77	172,471	1.00	230,224
Manager IV	0.77	195,788	1.00	522,448
Manager V	0.77	209,283	1.00	279,170
Principal Administrative Analyst	0.77	157,663	1.00	420,646
Senior Administrative Analyst	0.77	138,490	1.00	184,806
<b>PUC Operating Fund</b>	<b>4.62</b>	<b>1,056,889</b>	<b>6.00</b>	<b>1,899,610</b>
<u>PUC Personnel Fund</u>				
Principal Administrative Analyst II	0.77	182,486	1.00	243,331
<b>PUC Personnel Fund</b>	<b>0.77</b>	<b>182,486</b>	<b>1.00</b>	<b>243,331</b>
<u>Water Enterprise</u>				
Associate Engineer	1.54	318,206	2.00	424,472
Junior Management Assistant	0.77	99,849	1.00	133,382
Maintenance Machinist Assistant Supervisor	0.77	139,951	1.00	186,813
Manager V	0.77	209,283	1.00	279,170
Plumber	0.77	140,001	1.00	186,947
Principal Administrative Analyst	0.77	157,663	1.00	210,323
Regulatory Specialist	0.77	143,113	1.00	190,948
Water Service Inspector	0.77	141,147	1.00	188,471
Watershed Keeper	0.77	-	1.00	-
Watershed Keeper Supervisor	0.77	-	1.00	-
<b>Water Enterprise</b>	<b>8.47</b>	<b>1,349,213</b>	<b>11.00</b>	<b>1,800,526</b>
<u>Wastewater Enterprise</u>				
Electronic Instrumentation Tech	0.77	-	1.00	-
Manager II	0.77	172,471	1.00	230,224
Principal Administrative Analyst	0.77	157,663	1.00	210,323
Stationary Engineer, Sewage Plant	0.77	-	1.00	-
<b>Wastewater Enterprise</b>	<b>3.08</b>	<b>330,134</b>	<b>4.00</b>	<b>440,547</b>
<b>SFPUC Total</b>	<b>16.94</b>	<b>2,918,722</b>	<b>22.00</b>	<b>4,806,516</b>

Source: Budget System

**Position Recommendations***New and Substituted Positions for Racial Equity Initiatives*

SFPUC has proposed 12 new and substituted positions to support Racial Equity initiatives, shown in Exhibit 9 below.

**Exhibit 9: SFPUC Proposed Staffing for Racial Equity New Initiatives**

<b>Employee Labor Relations</b>	<b>People Science &amp; Strategy</b>	<b>Equity Group</b>
	<u>New Positions</u>	
	0932 Manager IV	1825 Principal Administrative Analyst II
	0923 Manager II	1824 Principal Administrative Analyst
	1824 Principal Administrative Analyst	1824 Principal Administrative Analyst
	1823 Senior Administrative Analyst	1054 Principal IS Business Analyst
	<u>Position Substitutions</u>	
0932 Manager IV	1823 Senior Administrative Analyst	0932 Manager IV 1824 Principal Administrative Analyst

The Employee Labor Relations position is an existing position within Human Resources Services. The People Science & Strategy unit was formerly the Enterprise Workforce Planning unit; SFPUC is proposing adding five positions to this unit to provide human resources data and analytical report. The Equity Group is in the General Manager’s Office, and SFPUC is proposing adding six positions with responsibility for implementing SFPUC’s Racial Equity Action Plan.

Based on our evaluation of proposed organization and position descriptions, we recommend approval of seven of eight of the new positions as follows:

- SFPUC proposes two 1823 Senior Administrative Analyst positions (one new and one substituted) to be added to the People Science & Strategy unit for data management. These two positions are in addition to the existing 1824 Principal Administrative Analyst position for this purpose. Overall, SFPUC is adding five positions to the People Science & Strategy unit for data and analytical support. Given that this is an expanding function, and the total work and staffing needs are not yet fully known, we recommend amending File 21-0652 to delete 0.77 FTE 1823 Senior Administrative Analyst in the PUC Operating Fund.
- SFPUC proposes one new 0933 Manager V to enhance the Department’s audit function. Based on the level of responsibility required for this position, we consider that this position could be more appropriately filled as a 0932 Manager IV, and therefore recommend amending File 21-0652 to revise 0.77 FTE 0933 Manager V to 0.77 FTE 0932 Manager IV in the PUC Operating Fund.

**POLICY CONSIDERATION**

According to the proposed ordinance, the following appropriation amounts require a 2/3 vote of the Board of Supervisors:

- \$10,061,693 in the Airport FY 2021-22 budget for salaries;
- \$3,769,402 in the Port’s FY 2021-22 budget, including \$567,385, \$3,019,816 for Nonpersonnel Services, and \$209,372 for the South Beach Harbor Project; and
- \$59,659,237 in the SFPUC FY 2021-22 budget as follows:

- \$11,398,337 in the Wastewater Enterprise
- \$15,910,163 in the Hetch Hetchy Water and Power Enterprise
- \$617,635 in CleanPowerSF
- \$1,896,749 in the CleanPowerSF Customer Trust Fund
- \$8,904,876 in the SFPUC Operating Fund
- \$20,931,477 in the Water Enterprise

## RECOMMENDATIONS

- Amend File 21-0652 to (1) delete 0.77 FTE 1823 Senior Administrative Analyst in the PUC Operating Fund; and (2) revise 0.77 FTE 0933 Manager V to 0.77 FTE 0932 Manager IV in the PUC Operating Fund.
- Approve File 21-0652 as amended and File 21-0651.



To: Angela Calvillo, Clerk of the Board of Supervisors  
From: Ashley Groffenberger, Mayor's Budget Director  
Date: June 1, 2021  
Re: Mayor's FY 2021-22 and FY 2022-23 Budget Submission

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Madam Clerk,

In accordance with City and County of San Francisco Charter, Article IX, Section 9.100, the Mayor's Office hereby submits the Mayor's proposed budget by June 1<sup>st</sup>, corresponding legislation, and related materials for Fiscal Year (FY) 2021-22 and FY 2022-23.

In addition to the Mayor's Proposed FY 2021-22 and FY 2022-23 Budget Book, the following items are included in the Mayor's submission:

- The Annual Appropriation Ordinance and Annual Salary Ordinance, along with Administrative Provisions, physical copies of which will be delivered by the Controller's Office
- The proposed budget for the Office of Community Investment and Infrastructure for FY 2021-22
- 22 separate pieces of trailing legislation (see list attached)
- A Transfer of Function letter detailing the transfer of positions from one City department to another
- An Interim Exception letter
- A letter addressing funding levels for nonprofit corporations or public entities for the coming two fiscal years
- Memo to the Board President requesting for 30-day rule waivers on ordinances
- Request for release of Budget and Appropriations Committee Reserve

Please note the following:

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

Sincerely,

Ashley Groffenberger  
Mayor's Budget Director

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

<b>DEPT</b>	<b>Item</b>	<b>Relevance to Budget</b>	<b>Type of Legislation</b>
ADM	Critical Repair/Recovery Stimulus COPs	Authorizes COPs to finance or refinance the capital plan in the budget.	Ordinance
CON	Prop J Certification - new	Costs related to Prop J services assumed in budget.	Resolution
CON	Prop J Certification - previously approved	Costs related to Prop J services assumed in budget.	Resolution
CON	Access Line Tax	Sets Access Line Tax. Revenues assumed in budget.	Resolution
CON	Neighborhood Beautification Fund	Neighborhood Beautification Fund contribution levels assumed in budget.	Ordinance
CON	Supplemental Enterprise Budget - AAO	Amendment to the AAO for the Airport, Port, and the PUC	Ordinance
CON	Supplemental Enterprise Budget - ASO	Amendment to the ASO for the Airport, Port, and the PUC	Ordinance
DPH	Annual Update to Patient Rates	Fee revenue assumed in budget.	Ordinance
DPH	Recurring State Grants	Grant revenue assumed in budget.	Resolution
DPH	DPH City Option Payouts	Approves the execution of a payment agreement assumed in budget.	Resolution
DPH	Emergency Medical Services Fee Transfer of Function	Transfer of function for positions reflected in the budget	Ordinance
HSH	Annual HSH Fund Expenditures	Expenditure plan assumed in budget.	Resolution
LIB	In-Kind Grant of Friends of San Francisco Public Library	Grant assumed in budget.	Resolution
LIB	In-Kind Grant of Friends of San Francisco Public Library Mission Branch	Grant assumed in budget.	Resolution
PUC	Hetch Hetchy Capital Budget	Appropriates funds to support PUC Hetch Hetchy capital budget expenditures.	Ordinance
PUC	Wastewater Capital Budget	Appropriates funds to support PUC Wastewater Enterprise capital budget expenditures.	Ordinance
PUC	Hetch Hetchy Debt Authorization	Authorizes bond issuance to finance Hetch Hetchy capital projects.	Ordinance
PUC	Wastewater Debt Authorization	Authorizes bond issuance to finance Wastewater capital projects.	Ordinance
REC	Continuing Flexible Pricing Model for REC Owned Gardens	Continues current pricing model for REC-owned gardens-- revenues reflected in budget.	Ordinance
REC	Parking Rates and Codes Revision	Authorizes SFMTA to implement paid parking and revise existing rates at certain parking lots-- revenues reflected in budget.	Ordinance
RNT	Direct Administration of the Rent Board Fee	Legislation that allows the Rent Board to directly collect the annual fee on rent-controlled units-- revenues reflected in budget.	Ordinance
TTX	Street Artist Fee	Lowers the fee of a street artist certificate— revenues reflected in budget.	Ordinance



TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Sophia Kittler  
RE: Appropriation – \$20,716,252 - Public Utilities Commission –  
(\$272,379,116) - Airport Commission – (\$17,664,260) - Port Commission -  
FY2021-2022  
DATE: June 1, 2021

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**Ordinance Appropriating \$20,716,252 in the San Francisco Public Utilities Commission and reducing appropriations by \$272,379,116 in the Airport Commission and by \$17,664,260 in the Port Commission. This Ordinance requires a two-thirds approval vote of all members of the Board of Supervisors for \$59,659,237 in the Public Utilities Commission, for \$10,061,693 in the Airport Commission and for \$3,796,402 in the Port Commission appropriations, pursuant to Charter Section 9.113(c).**

Should you have any questions, please contact Sophia Kittler at 415-554-6153.





TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Sophia Kittler  
RE: 30-Day Waiver Requests  
DATE: June 2, 2021

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Madam Clerk,

The Mayor's Office respectfully requests 30-day hold waivers for the following pieces of trailing legislation:

- Appropriation – \$20,716,252 - Public Utilities Commission – (\$272,379,116) - Airport Commission – (\$17,664,260) - Port Commission - FY2021-2022
- Public Employment – Amendment to the Salary Ordinance for the Airport Commission and the San Francisco Public Utilities Commission– Fiscal Year 2021-2022

Should you have any questions, please contact Sophia Kittler at 415-554-6153.

President, District 10  
BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689  
Tel. No. 554-6516  
Fax No. 554-7674  
TDD/TTY No. 544-6546

**Shamann Walton**

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**PRESIDENTIAL ACTION**

Date: 6/3/2021

To: Angela Calvillo, Clerk of the Board of Supervisors

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Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No.

210651

Mayor

(Primary Sponsor)

Title.

Appropriation - Public Utilities Commission - \$20,716,252 - Reducing Appropriation - Airport Commission - \$272,379,116 - Reducing Appropriation - Port Commission - \$17,664,260 - FY2021-2022

Transferring (Board Rule No 3.3)

File No.

(Primary Sponsor)

Title.

From:

Committee

To:

Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor:

Replacing Supervisor:

For:

(Date)

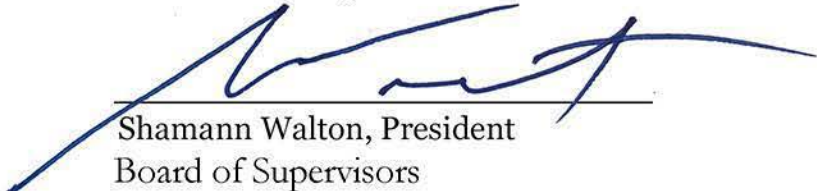
(Committee)

Meeting

Start Time:

End Time:

Temporary Assignment:  Partial  Full Meeting

  
Shamann Walton, President  
Board of Supervisors

**From:** [Kittler, Sophia \(MYR\)](#)  
**To:** [BOS Legislation, \(BOS\)](#)  
**Cc:** [Owens, Morgan \(MYR\)](#); [Bangcaya, Matthew \(MYR\)](#); [Peacock, Rebecca \(MYR\)](#); [Campbell, Severin \(BUD\)](#); [Delepine, Boris \(PRT\)](#); [Dyanna Volek \(AIR\)](#); [Scarpulla, John \(PUC\)](#)  
**Subject:** Mayor -- [Ordinance] -- [Appropriation – \$20,716,252 - Public Utilities Commission – (\$272,379,116) - Airport Commission – (\$17,664,260) - Port Commission - FY2021-2022]  
**Date:** Tuesday, June 1, 2021 3:11:34 PM  
**Attachments:** [Fixed Budget Dept AAO Amendment.zip](#)

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Attached for introduction to the Board of Supervisors is an **Ordinance Appropriating \$20,716,252 in the San Francisco Public Utilities Commission and reducing appropriations by \$272,379,116 in the Airport Commission and by \$17,664,260 in the Port Commission. This Ordinance requires a two-thirds approval vote of all members of the Board of Supervisors for \$59,659,237 in the Public Utilities Commission, for \$10,061,693 in the Airport Commission and for \$3,796,402 in the Port Commission appropriations, pursuant to Charter Section 9.113(c).**

Please let me know if you have any questions.

Sophia Kittler  
Liaison to the Board of Supervisors  
Office of Mayor London N. Breed  
(415) 554 6153 | [Sophia.kittler@sfgov.org](mailto:Sophia.kittler@sfgov.org)