

File No. 110999

Committee Item No. 10

Board Item No. 17

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: October 26, 2011

Board of Supervisors Meeting

Date 11/1/2011

#### Cmte Board

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget & Legislative Analyst Report          |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ethics Form 126                              |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form (for hearings)             |
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#### OTHER

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Completed by: Victor Young

Date: October 21, 2011

Completed by: Victor Young

Date: \_\_\_\_\_

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

[Administrative Code - Financial Policy Regarding Selected Nonrecurring Revenues]

1  
2 **Ordinance amending the San Francisco Administrative Code by amending**  
3 **Section 10.60 and adding Section 10.61, to adopt a binding financial policy under**  
4 **Charter Section 9.120 providing that selected nonrecurring revenues may only be spent**  
5 **on nonrecurring expenditures.**

6  
7 NOTE: Additions are *single-underline italics Times New Roman*;  
8 deletions are ~~*strike-through italics Times New Roman*~~.  
9 Board amendment additions are double-underlined;  
10 Board amendment deletions are ~~strikethrough normal~~.

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

12 Section 1. Binding Financial Policy. This ordinance is a financial policy adopted under  
13 Charter Section 9.120. As such, it must be adopted as an ordinance approved by the Mayor  
14 and passed by a two-thirds' vote of the Board of Supervisors. The City may not adopt a  
15 budget that the Controller determines is inconsistent with any of the provisions of this  
16 ordinance. Upon a two-thirds' vote, the Board of Supervisors by resolution may suspend, in  
17 whole or in part, this ordinance for the succeeding fiscal year.

18 Section 2. The San Francisco Administrative Code is hereby amended by amending  
19 Section 10.60 and adding Section 10.61, to read as follows:

20 SEC. 10.60. RESERVE POLICIES.

21 (a) Rainy Day Reserve. To enable the public to find all City reserve policies in one  
22 place, this ordinance includes a summary of the Charter-mandated Rainy Day Reserve. This  
23 summary is intended only for convenience and does not modify or supersede the Charter  
24 provisions.

25 Mayor Lee, President Chiu, Chu, Controller  
BOARD OF SUPERVISORS

1 The City maintains a "Rainy Day" or economic stabilization reserve under Charter  
2 Section 9.113.5. In any year when the Controller projects that total General Fund revenues  
3 for the upcoming budget year are going to be more than 5 percent higher than the General  
4 Fund revenues for the current year, the City automatically deposits one-half of the "excess  
5 revenues," meaning the revenues above and beyond the current year plus 5 percent growth,  
6 in the Rainy Day Reserve. The total amount of money in the Rainy Day Reserve may not  
7 exceed 10 percent of the City's actual total General Fund revenues.

8 The City may spend money from the Rainy Day Reserve for any lawful governmental  
9 purpose, but only in years when the Controller projects that total General Fund revenues for  
10 the upcoming year will be less than the current year's total General Fund revenues, i.e., years  
11 when the City expects to take in less money than it had taken in for the current year. In those  
12 years, the City may spend up to half the money in the Rainy Day Reserve, but no more than is  
13 necessary to bring the City's total available General Fund revenues up to the level of the  
14 current year. The City may also spend up to 25 percent of the balance of the Rainy Day  
15 Reserve to help the School District in years when certain conditions are met.

16 (b) General Reserve. In addition to the Rainy Day Reserve, the City budget shall  
17 include a General Reserve. The General Reserve is intended to address revenue  
18 weaknesses, expenditure overages, or other programmatic goals not anticipated during the  
19 annual budget process. The Mayor and the Board of Supervisors may, at any time following  
20 adoption of the annual budget, appropriate monies from the General Reserve for any lawful  
21 governmental purpose through passage of a supplemental appropriation ordinance by a  
22 simple majority vote.

23 For purposes of this Section, "regular General Fund revenues" shall mean total  
24 General Fund sources less budgeted fund balances, budgeted uses of reserves, and net  
25 transfers, as determined by the Controller. The City shall fund the General Reserve at no less

1 than two percent of budgeted regular General Fund revenues no later than fiscal year 2016-  
2 2017 according to the following schedule:

3 1. The General Reserve shall be no less than \$25 million in the budget for fiscal  
4 year 2010-11;

5 2. The General Reserve shall be no less than \$25 million in the budget for fiscal  
6 year 2011-12;

7 3. The General Reserve shall be no less than 1.0 percent of budgeted regular  
8 General Fund revenues in fiscal year 2012-13;

9 4. The General Reserve shall be no less than 1.25 percent of budgeted regular  
10 General Fund revenues in the budget for fiscal year 2013-14;

11 5. The General Reserve shall be no less than 1.5 percent of budgeted regular  
12 General Fund revenues in the budget for fiscal year 2014-15;

13 6. The General Reserve shall be no less than 1.75 percent of budgeted regular  
14 General Fund revenues in the budget for fiscal year 2015-16; and,

15 7. The General Reserve shall be no less than 2.0 percent of budgeted regular  
16 General Fund revenues in the budget for fiscal year 2016-17 and in the budget for each fiscal  
17 year thereafter.

18 Year-end balances in the General Reserve shall be carried forward to subsequent  
19 years. When necessary, the City shall appropriate sufficient funds to the General Reserve in  
20 the Annual Appropriation Ordinance to restore the fund balance to the level this ordinance  
21 requires.

22 (c) Budget Stabilization Reserve. The City shall establish a Budget Stabilization  
23 Reserve to augment the Rainy Day Reserve that the City maintains under Charter Section  
24 9.113.5, and to further mitigate the negative effects of significant economic downturns. The  
25

1 Controller shall deposit funds to the Budget Stabilization Reserve as required under this  
2 Section.

3 The City may withdraw funds from the Budget Stabilization Reserve when the  
4 Controller projects that budgeted regular General Fund revenues for the upcoming budget  
5 year will be less than the current year's regular General Fund revenues, or less than the  
6 highest of any of the prior four fiscal years' regular General Fund revenues plus two percent,  
7 for each intervening year. If the Controller determines that either condition is met, the City  
8 may withdraw funds from the Budget Stabilization Reserve according to the following  
9 guidelines:

10 1. The City may not withdraw funds from the Budget Stabilization Reserve in  
11 any given year until it has withdrawn the maximum amount that the Controller determines is  
12 allowable from the Rainy Day Reserve.

13 2. The City may not withdraw funds from the Budget Stabilization Reserve in  
14 any given year in an amount exceeding the remaining shortfall in General Fund regular  
15 revenues, as defined above, after any withdrawals from the Rainy Day Reserve for the benefit  
16 of the City.

17 3. If the Controller determines that a withdrawal trigger for the Budget  
18 Stabilization Reserve was not met in the current fiscal year, but projects that it will be met for  
19 the upcoming fiscal year, the City may withdraw from the Budget Stabilization Reserve up to  
20 30 percent of the combined value of the Budget Stabilization Reserve and Rainy Day Reserve  
21 less monies withdrawn from the Rainy Day Reserve for any lawful governmental purpose in  
22 the upcoming budget year.

23 4. If the Controller determines that a withdrawal trigger for the Budget  
24 Stabilization Reserve was met in the current fiscal year and projects that it will also be met for  
25 the upcoming fiscal year, the City may withdraw from the Budget Stabilization Reserve up to

1 50 percent of the combined value of the Budget Stabilization Reserve and Rainy Day Reserve  
2 less monies withdrawn from the Rainy Day Reserve for any lawful governmental purpose in  
3 the upcoming budget year.

4 5. If the Controller determines that the withdrawal trigger for the Budget  
5 Stabilization Reserve was met in the current and prior fiscal year as well as the upcoming  
6 fiscal year, the Board may withdraw up to the full balance of the Budget Stabilization Reserve  
7 for any lawful governmental purpose in the upcoming budget year.

8 In order to fund the Budget Stabilization Reserve, the Controller shall deposit  
9 75 percent of the following revenue sources to the Budget Stabilization Reserve:

10 1. Real Property Transfer Tax proceeds in excess of the average annual actual  
11 receipts level for the prior five fiscal years, adjusted for any transfer tax rate increases  
12 adopted by the voters during the prior five year period; *and,*

13 *2. Revenues from the sale of land or other fixed assets to the extent the transfer to the*  
14 *Budget Stabilization Reserve does not violate the Charter, state or federal law, and the Controller*  
15 *determines it does not conflict with any previously adopted City policies affecting such sales; and,*

16 *2 3. Ending unassigned General Fund balances in a given fiscal year as*  
17 *reported in the City's most recent independent annual audit beyond those appropriated as a*  
18 *source in the subsequent year's budget.*

19 At the conclusion of the fiscal year, the Controller shall revise, if necessary, the balance  
20 in the Budget Stabilization Reserve to reflect year-end actual revenue receipts, as stated in  
21 the City's most recent independent annual audit.

22 There shall be no minimum fund balance for the Budget Stabilization Reserve.  
23 Notwithstanding the above, the Controller shall not make deposit to the Budget Stabilization  
24 Reserve, including deposits from the revenue sources identified above, if the combined fund  
25 balances of the Budget Stabilization Reserve and the Rainy Day Reserve equal or exceed

1 10 percent of actual regular General Fund revenues, as stated in the City's most recent  
2 independent annual audit.

3 The Controller shall not make deposits to the Budget Stabilization Reserve in years in  
4 which the Controller determines that the City is eligible to make withdrawals from the Budget  
5 Stabilization Reserve.

6 In the event that monies are deposited into the Rainy Day Reserve for any given year,  
7 any amount which would otherwise be deposited into the Budget Stabilization Reserve shall  
8 be reduced by the amount of the deposit to the Rainy Day Reserve.

9 The City, by a resolution of the Board of Supervisors adopted by a two-thirds' vote,  
10 may temporarily suspend the provisions of this subsection (c) for the current or upcoming  
11 budget year. The Board of Supervisors may suspend these provisions following a natural  
12 disaster that has caused the Mayor or the Governor to declare an emergency, or for any other  
13 purpose.

14 (d) Annual Reporting on Reserves. The Controller shall submit to the Mayor and the  
15 Board of Supervisors an annual report on the status of the General Reserve, the Rainy Day  
16 Reserve, and the Budget Stabilization Reserve.

17  
18 SEC. 10.61. USE OF SELECTED NONRECURRING REVENUES.

19 (a) Nonrecurring Revenues. For purposes of this Section, "Selected Nonrecurring Revenues"  
20 shall mean:

21 (1) A General Fund prior year-end unassigned fund balance, before deposits to the  
22 Rainy Day Reserve or Budget Stabilization Reserve, in excess of the average of the preceding five  
23 years;

1                   (2) The General Fund share of revenues from prepayments provided under long-term  
2 leases, concessions, or contracts after accounting for any Charter-mandated revenue transfers, set-  
3 asides, or deposits to reserves;

4                   (3) Otherwise unrestricted revenues from legal judgments and settlements; and,

5                   (4) Otherwise unrestricted revenues from the sale of land or other fixed assets.

6                   (b) Nonrecurring Expenditures. The City may only spend Selected Nonrecurring Revenues on  
7 Nonrecurring Expenditures. For purposes of this Section, "Nonrecurring Expenditures" shall mean  
8 expenditures or other uses that do not create liability for or expectation of substantial ongoing costs,  
9 including, but not limited to:

10                   (1) Discretionary funding of reserves;

11                   (2) Acquisition of capital equipment;

12                   (3) Capital projects included in the City's capital plans;

13                   (4) Development of affordable housing;

14                   (5) Discretionary prepayment of pension, debt, or other long term obligations.

15 Provided, however, that the City may appropriate Selected Nonrecurring Revenues to fund recurring  
16 expenditures, such as operating expenses for a program or routine maintenance for a facility, through  
17 an ordinance approved by the Mayor and passed by a two-thirds' vote of the Board of Supervisors; or,

18                   (6) Substitution for budgeted reserves when new revenues disallow previously  
19 budgeted withdrawals from the Rainy Day Reserve or Budget Stabilization Reserve.

20                   Upon the request of the Mayor or a member of the Board of Supervisors, the Controller shall  
21 certify whether the proposed use of a Selected Nonrecurring Revenue would be a Nonrecurring  
22 Expenditure, and his or her determination shall be final.

23                   (c) Implementation. The Mayor shall identify all Selected Nonrecurring Revenues and their  
24 proposed uses in his or her June 1 budget submission. As part of the Controller's Opinion on Revenue  
25 Estimates required under Charter Section 9.102, the Controller shall identify all Selected Nonrecurring



1 Revenues included in the Mayor's budget submission and certify whether the proposed uses of those  
2 revenues constitute Nonrecurring Expenditures.

3 (d) Temporary Suspension. The City, by a resolution of the Board of Supervisors adopted by a  
4 two-thirds' vote, may temporarily suspend the provisions of subsection (b) for the current or upcoming  
5 budget year. The Board of Supervisors may suspend these provisions following a natural disaster that  
6 has caused the Mayor or the Governor to declare an emergency, or for any other purpose.

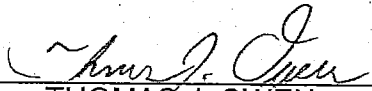
7  
8 Section 3. Effective Date; Operative Date.

9 (a) This ordinance shall become effective 30 days from the date of passage.

10 (b) This ordinance shall become operative on June 1, 2012, and shall govern  
11 appropriation ordinances for Fiscal Year 2012-13 and subsequent fiscal years.

12  
13  
14 APPROVED AS TO FORM:  
15 DENNIS J. HERRERA, City Attorney

16  
17 By:

  
18 THOMAS J. OWEN  
19 Deputy City Attorney

**LEGISLATIVE DIGEST**

(Amendment of the Whole, dated 10/26/2011)

[Administrative Code - Financial Policy Regarding Selected Nonrecurring Revenues]

**Ordinance amending the San Francisco Administrative Code by amending Section 10.60 and adding Section 10.61, to adopt a binding financial policy under Charter Section 9.120 providing that selected nonrecurring revenues may only be spent on nonrecurring expenditures.**

Existing Law

Current law generally does not limit how the City may spend otherwise-unrestricted revenues based on whether the revenues are of a recurring or non-recurring nature. Charter Section 9.113.5 ("the Rainy Day Reserve") does limit the appropriation and spending of certain "excess revenues," defined as General Fund revenues that exceed the prior year's level by more than five percent. Administrative Code Section 10.60 also makes it binding City policy to deposit 75 percent of revenues from the sale of land or other fixed assets in the City's Budget Stabilization Reserve.

Amendments to Current Law

The proposal is an ordinance that would amend the Administrative Code to provide that the City could only spend Selected Nonrecurring Revenues on Nonrecurring Expenditures.

"Selected Nonrecurring Revenues " would consist of:

- A General Fund prior year-end unassigned fund balance, before deposits to the Rainy Day Reserve or Budget Stabilization Reserve, in excess of the average of the preceding five years;
- The General Fund share of revenues from prepayments provided under long-term leases, concessions, or contracts after accounting for any Charter-mandated revenue transfers, set-asides, or deposits to reserves;
- Otherwise unrestricted revenues from legal judgments and settlements; and,

- Otherwise unrestricted revenues from the sale of land or other fixed assets.

"Nonrecurring Expenditures" would mean "expenditures or other uses that do not create liability for or expectation of substantial ongoing costs." Examples of Nonrecurring Expenditures would include:

- Discretionary funding of reserves;
- Acquisition of capital equipment;
- Capital projects included in the City's capital plans;
- Development of affordable housing;
- Discretionary prepayment of pension, debt, or other long term obligations; or,
- Repayments to the Rainy Day Reserve or Budget Stabilization Reserve required when, because the City collected more revenues than anticipated in the budget, the City was no longer authorized to make budgeted withdrawals from those reserves.

The Controller would certify whether the proposed uses of Selected Nonrecurring Revenues were Nonrecurring Expenditures, and his or her determination would be final. But the City could use Selected Nonrecurring Revenues for ordinary operating expenses if that use was authorized by an ordinance approved by the Mayor and passed by a two-thirds' vote of the Board of Supervisors. The City could also suspend the requirements of the policy for the current or upcoming fiscal year by a resolution adopted by a two-thirds' vote of the Board of Supervisors.

The proposal would also amend the provisions of Administrative Code Section 10.60 addressing the deposit of a portion of the proceeds of land sales into the Budget Stabilization Reserve to make those revenues subject to the new policy instead.

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Controller, Mayor Lee, President Chiu  
**BOARD OF SUPERVISORS**

### Background Information

Proposition A, adopted by the voters in November 2009, added Section 9.120 to the City Charter. Section 9.120 requires the Controller to propose, and the Mayor and the Board of Supervisors to adopt, long-range financial policies for the City. The policies must be in the form of ordinances approved by the Mayor and passed by a two-thirds' vote of the Board of Supervisors. The proposal would be such an ordinance.

The City may not adopt a budget that the Controller determines is inconsistent with any of the provisions of such an ordinance. Upon a two-thirds' vote, the Board of Supervisors by resolution may suspend, in whole or in part, a financial policy ordinance, including the proposal, for the succeeding fiscal year.

\* \* \*

*This amendment of the whole, dated 10/26/2011, makes two clarifications to the legislation on file, dated 9/13/2011.*

*First, it amends the ordinance to provide that the General Fund prior year-end fund balance would be determined, for purposes of identifying Selected Nonrecurring Revenues, before any deposits are made to the Rainy Day Reserve or the Budget Stabilization Reserve.*

*Second, it adds as an additional example of a Nonrecurring Expenditure, repayments to the Rainy Day Reserve or Budget Stabilization Reserve required when, because the City collected more revenues than anticipated in the budget, the City is no longer authorized to make budgeted withdrawals from those reserves.*

Items 9, 10, 11, 12  
Files 11-1000, 11-1099, 11-1001, 11-1009

Departments:  
Controller, Office of Public Finance

## EXECUTIVE SUMMARY

### Legislative Objectives

- File 11-0999: The proposed ordinance would amend Section 10.60 and add Section 10.61 to the City's Administrative Code to adopt a binding financial policy that Selected Nonrecurring Revenues may only be expended on Nonrecurring Expenditures.
- File 11-1000: The proposed ordinance would add Section 10.62 to the Administrative Code to adopt a binding financial policy regarding the City's use of Certificates of Participation and Commercial Paper.
- File 11-1001: The proposed ordinance would amend Sections 3.3, 3.4, 3.5, 3.6, 3.20, 22A.6, and 88.4 and repeal Sections 88.8 and 88.10 of the Administrative Code to: (1) update budget procedures to accommodate two-year budget cycles and five year financial planning requirements; and (2) eliminate outdated and duplicative reporting requirements.
- File 11-1009: The proposed resolution would adopt a fixed two-year budget cycle for the Airport, Port, and Public Utilities Commission, defining terms, and setting deadlines.

### Key Points

- On November 3, 2009, Proposition A was approved by San Francisco's voters, amending the City's Charter regarding budget and financial policies. Under Proposition A, the Controller may recommend additional financial policies or amendments no later than October 1 of each year.
- Under Charter Section 9.120, Files 11-0999 and 11-1000 are considered binding financial policies which cannot be amended by the Board of Supervisors and which would each require approval by two-thirds' vote of the Board of Supervisors.
- File 11-0999 would restrict Selected Nonrecurring Revenues to be exclusively expended on Nonrecurring Expenditures, in both the Mayor's proposed budget and in the Board of Supervisors reappropriation or "addback" process. While this proposed ordinance provides limited, precise definitions of Selected Nonrecurring Revenues, it provides an open-ended definition of Nonrecurring Expenditures, granting the Controller's Office sole interpretation of whether proposed future expenditures would qualify as Nonrecurring Expenditures. The Board of Supervisors could only override a classification of Nonrecurring Expenditure by a two-thirds vote.
- File 11-1000 adds a Certificate of Participation (COPs) Policy and Commercial Paper Policy to the Administrative Code. These two policies would restrict the types of expenditures on which the City could expend revenue from COPs payable or secured by the City's General Fund (General Fund COPs) and Commercial Paper, and would cap the debt service payable on General Fund COPs and Lease Revenue Bonds to 3.25 percent of General Fund discretionary revenue. The 3.25 percent cap is consistent with the City's Ten Year Capital Plan, previously adopted by the Board of Supervisors.
- File 11-1001 would amend the Administrative Code to (1) coordinate and streamline the City's long-term financial planning procedures; (2) eliminate the required Three Year Budget Financial Plan (Joint Report) and instead incorporate the Joint Report in the new Five Year Financial Plan; (3) remove several redundant departmental reporting requirements; and (4) eliminate outdated Administrative Code language.



- File 11-1009 would switch the budget cycles of the Airport, Port, and Public Utilities Commission from rolling two-year budgets, with annual review, to fixed two-year budgets, with review every two years by the Board of Supervisors, unless there was a change in revenues or expenses greater than five percent in the second year, which would trigger automatic but limited review.
- Under the two proposed Binding Financial Policy ordinances (Files 11-0999 and 11-1000), the Board of Supervisors could not adopt a budget that the Controller determined to be inconsistent with any of the provisions of these proposed ordinances.
- This report is based on Amendments of the Whole submitted by the Controller to the Budget and Legislative Analyst.

#### Fiscal Impacts

- File 11-0999 would require that Select Nonrecurring Revenues could only be expended on Nonrecurring Expenditures. In the FY 2011-12 budget, as finally approved by the Board of Supervisors, the proposed ordinance would have resulted in \$43 million in General Fund revenues being designated as Select Nonrecurring Revenues that could only have been expended on Nonrecurring Expenditures.
- File 11-1000 would restrict the annual debt service on General Fund COPs and Lease Revenue Bonds to 3.25 percent of General Fund discretionary revenues, and would effectively restrict the issuance of any General Fund COPs in Fiscal Years 2012-13, 2013-14, and 2014-15.
- The Controller estimates that Files 11-1001 and 11-1009 could result in various staffing efficiencies but are not anticipated to result in any direct cost savings.

#### Recommendations

- As is noted above, the Controller's definition of Nonrecurring Expenses is open-ended. Therefore, request the Controller to amend File 11-0999 to define Nonrecurring Expenses as the six expenses listed in the proposed ordinance as (1) discretionary funding of reserves; (2) acquisition of capital equipment; (3) capital projects included in the City's capital plans; (4) development of affordable housing; (5) discretionary prepayment of pension, debt, or other long term obligations; or (6) substitution for budgeted reserves when new revenues disallow previously budgeted withdrawals from the Rainy Day Reserve or Budget Stabilization Reserve by striking "expenditures or other uses that do not create liability for or expectation of substantial ongoing costs, including, but not limited to" from Page 7, Lines 8 and 9 of the proposed ordinance. Mr. Rosenfield advises that the Controller disagrees with this recommendation, because it is possible that the Controller will identify additional Nonrecurring Expenditures besides the six included in the proposed ordinance.
- File 11-1009, which proposes changing from the existing rolling two-year budgets for the Port, Airport and PUC, under which the Board of Supervisors reviews such budgets every year, to a fixed two-year budget with reviews by the Board of Supervisors every two years is a policy decision for the Board of Supervisors.
- The trigger threshold for reviewing the second year of a fixed two-year budget (File 11-1009) has been proposed if budget costs or revenues are projected to change more than five percent in the second year. Approval of that five percent trigger threshold amount is a policy matter for the Board of Supervisors.
- Approval of the three proposed ordinances (Files 11-0999, as amended, and Files 11-1000 and 11-1001) and one proposed resolution (File 11-1009, as amended), are policy matters for the Board of Supervisors.

## MANDATE STATEMENT AND BACKGROUND

### Mandate Statement

Based on San Francisco voters approval of Proposition A on November 3, 2009, City Charter Section 9.120(a) provides that the Controller shall propose, and the City shall adopt, long-range financial policies that are consistent with generally recognized principles of public finance, including at a minimum: (1) creation and maintenance of adequate reserves; (2) use of volatile revenues; (3) issuance of debt; and (4) institution of extraordinary financial and budgetary measures to facilitate the City's recovery from earthquakes or other physical calamities. City Charter Section 9.120(a) also provides that the City may not adopt a budget that the Controller determines is inconsistent with one or more of these financial policies.

In accordance with City Charter Section 9.120(b), the Controller is required to recommend an initial set of financial policies to the Mayor no later than March 1, 2010, and may recommend additional financial policies or amendments to existing policies no later than October 1 of any subsequent year. Within 60 days of such recommendations, the Mayor and the Board of Supervisors shall consider the Controller's recommended policies. Approval of individual financial policies requires approval of both the Mayor and two-thirds approval of the Board of Supervisors, as ordinances to be codified in the City's Administrative Code. Charter Section 9.120(c) also provides that by a two-thirds' vote, the Board of Supervisors, by resolution, may suspend, for any reason, in whole or in part, any ordinance containing these financial policies for a succeeding fiscal year.

### Background

On March 1, 2010, the Controller recommended the creation of a General Reserve and a Budget Stabilization Reserve, in accordance with Section 9.120 of the City Charter. On April 20, 2010 the Board of Supervisors approved an ordinance amending the City's Administrative Code to create a General Reserve and a Budget Stabilization Reserve and providing rules for deposits to and withdrawals from those Reserves (File 10-0248).

On September 13, 2011, the Controller submitted to the Mayor and the Board of Supervisors two proposed binding financial policy ordinances (Files 11-0999 and 11-1000), an additional proposed ordinance amending the City's Administrative Code (File 11-1001), and a proposed resolution amending the City's two-year budgeting process (File 11-1009). As stated in a September 13, 2011 memorandum from the Controller to the Mayor and the Board of Supervisors, the three proposed ordinances and one proposed resolution are parts of the Controller's "continuing work to implement the budget improvement measures approved by voters in November 2009" (Proposition A Budget Process). The Controller added that the subject three proposed ordinances and one proposed resolution "are intended to improve the City's ability to continue to balance budgets and provide for the long term financial stability of our City." This report is based on Amendments of the Whole submitted by the Controller to the Budget and Legislative Analyst.



## DETAILS OF PROPOSED LEGISLATION

Approval of the three proposed ordinances, Files 11-0999, 11-1000, and 11-1001, require a two-thirds vote of the Board of Supervisors. The one proposed resolution, File 11-1009, requires a simple majority vote of the Board of Supervisors.

Under Charter Section 9.120, Files 11-0999 and 11-1000 can be either approved or disapproved by the Board of Supervisors, but these two proposed ordinances are not subject to amendment by the Board of Supervisors. However, according to Mr. Ben Rosenfield, City Controller, the Controller's Office is open to suggested changes from the Board of Supervisors, which the Controller's Office would consider.

In accordance with the Proposition A Budget Process, approved by the Voters in November of 2009, the proposed legislation described below includes various budget improvement measures, including a Nonrecurring Revenue Policy (File 11-0999), a new debt policy (File 11-1000), and updates to the Administrative Code to create biennial schedules for select Citywide planning documents and departmental budget reviews (Files 11-1001 and 11-1009), as further explained on pages 4 through 9 of this report.

### File 11-0999

Neither the City's Charter nor Administrative Code currently restricts the uses of nonrecurring revenues and therefore nonrecurring revenues can be expended for recurring expenditures as well as nonrecurring expenditures. The proposed ordinance would amend Section 10.60 and add Section 10.61 of the City's Administrative Code, to adopt a Binding Financial Policy in accordance with Charter Section 9.120, to require that Selected Nonrecurring Revenues may only be expended on Nonrecurring Expenditures. The proposed ordinance defines **Selected Nonrecurring Revenue** as:

- 1.A prior year-end unassigned General Fund balance in excess of the average of the preceding five years;
- 2.The General Fund share of revenues from prepayments provided under long-term leases, concessions, or contracts after accounting for any Charter-mandated revenue transfers, set-asides, or deposits to reserves;
- 3.Other wise unrestricted revenues from legal judgments and settlements; or
- 4.Other wise unrestricted revenues from the sale of land or other fixed assets.

The proposed ordinance defines **Nonrecurring Expenses** as expenditures or other uses that do not create a fiscal liability or an expectation of substantial ongoing costs, which would include, but not be limited to:

1. Discretionary funding of reserves;
2. Acquisition of capital equipment;
3. Capital projects included in the City's capital plans;
4. Development of affordable housing;
5. Discretionary prepayment of pension, debt, or other long term obligations; or
6. Substitution for budgeted reserves when new revenues disallow previously budgeted withdrawals from the Rainy Day Reserve or Budget Stabilization Reserve.<sup>1</sup>

In accordance with the proposed ordinance, additional types of expenses could be classified as Nonrecurring Expenses by the Controller, and such classifications would not be subject to further Board of Supervisors approval.

Under the proposed ordinance (File 11-0999), as part of the Controller's Opinion on Revenue Estimates required under Charter Section 9.102, the Controller would (a) identify all Selected Nonrecurring Revenues that are included in the Mayor's annual June 1 General Fund budget submission to the Board of Supervisors and (b) certify whether the Selected Nonrecurring Revenues are proposed to pay for Nonrecurring Expenditures. According to the Controller, this certification would be provided to the Board of Supervisors in early June of each year.

The proposed ordinance would not impact recurring revenues, which could continue to be expended on both nonrecurring expenditures and recurring expenditures, subject to Board of Supervisors appropriation approval. Furthermore, in accordance with the proposed ordinance, the proposed restrictions, as requested by the Controller on uses of Selected Nonrecurring Revenues, can be temporarily suspended, for any reason, by a two-thirds vote of the Board of Supervisors.

#### File 11-1000

The proposed ordinance would add Section 10.62 to the City's Administrative Code to adopt a Binding Financial Policy in accordance with Charter Section 9.120, regarding the City's use of Certificates of Participation (COPs) and Commercial Paper.

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<sup>1</sup> According to Mr. Leo Levenson, Director of Budget, Analysis, and Reconciliation for the Controller's Office, if the City budgets Rainy Day Reserve or Budget Stabilization Reserve revenues, but is unable to access those Reserves due to unforeseen receipt of Nonrecurring Revenues, expenditure of the unforeseen Nonrecurring Revenue on those uses for which the Rainy Day Reserve or Budget Stabilization Reserve had been intended would be considered a Nonrecurring Expense under the proposed ordinance (File 11-0999).

*Certificates of Participation (COPs)*

Under the proposed ordinance, use of COPs payable or secured by the City's General Fund would be restricted to:

1. The acquisition or improvement of existing facilities or construction of new facilities that result in immediate or future savings in expenditures currently made or to be made by the City's General Fund;
2. The leveraging of grant and other monies to reduce operating costs of the City;
3. The construction, improvement, or acquisition of facilities to address legal mandates; or
4. The construction, improvement, or acquisition of facilities for critical public health and safety needs.<sup>2</sup>

The proposed ordinance would require the Director of Public Finance to identify specific revenue sources within the General Fund to be used to repay the debt service costs, including the principal, on COPs payable or secured by the City's General Fund (General Fund COPs). According to Director of Public Finance, Ms. Nadia Sesay, such General Fund revenue sources could include new taxes or fees that could pay for the debt service of the proposed General Fund COPs. For example, if the City was proposing to issue General Fund COPs to help construct a City office building that would have private subtenants, the lease revenues from those subtenants would be a new General Fund revenue source. Under the proposed ordinance, the Director of Public Finance would also be required to ensure that the General Fund COPs repayment schedules were appropriate and otherwise prudent.

The proposed ordinance also restricts the total amount of General Fund COPs that the City can issue. Under the proposed ordinance, the annual debt service cost of any General Fund COPs, plus the annual debt service cost of any General Fund Lease Revenue Bonds, cannot exceed 3.25 percent of General Fund discretionary revenues.<sup>3</sup> The 3.25 percent cap is consistent with the City's Ten Year Capital Plan, previously adopted by the Board of Supervisors.

As shown in the Attachment, provided by the Office of Public Finance, General Fund discretionary revenues total \$2,074,070,000 in the FY 2011-12 budget year, 3.25 percent of which would be \$67,407,275. The Attachment also shows that the annual debt service for the City's authorized and issued General Fund COPs and Lease Revenue Bonds is equal to \$60,092,560 or 2.90 percent of General Fund discretionary revenues. The City has authorized, but has not issued, an additional \$4,067,575 in General Fund COPs and Lease Revenue Bonds, or 0.20 percent of General Fund Discretionary Revenues. Combined, the City has authorized

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<sup>2</sup> According to Mr. Rosenfield, whether a project would address the City's "critical public health and safety needs" would be determined by the Board of Supervisors, as is the case under current, non-codified practices.

<sup>3</sup> "General Fund discretionary revenues" is defined in the proposed amended ordinance (File 11-1000) according to the definition provided in City Charter Sections 8A.105 and 16.109, meaning "revenues received by the City which are unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any lawful City purpose."

3.10 percent of the General Fund discretionary revenues, or 0.15 percent less than the 3.25 percent cap proposed under File 11-1000.

As is also shown in the Attachment, the City's authorized General Fund COPs and General Fund Lease Revenue Bonds would be equivalent to the proposed cap of 3.25 percent of General Fund discretionary revenues for each of the forthcoming three fiscal years: FY 2012-13, 2013-14, and 2014-15, such that no additional General Fund COPs or Lease Revenue Bonds could be authorized for those three fiscal years

### *Commercial Paper*

Under the proposed ordinance, the Director of Public Finance may, subject to Board of Supervisors approval, issue tax-exempt and taxable Commercial Paper to provide interim funds to finance the acquisition, construction, and rehabilitation of capital improvements and capital equipment. The proposed ordinance requires the Director of Public Finance to provide the Board of Supervisors with a written report 12 months following the initial issuance of Commercial Paper and annually thereafter, until no commercial paper remain outstanding. These written reports would describe (1) any Commercial Paper issued since commencement of the Commercial Paper Program, (2) the status of projects financed with Commercial Paper, and (3) the long term plans to redeem such Commercial Paper to be replaced by General Obligation (GO) bonds, COPs, or other long term obligations.

### *Exceptions to the General Fund COPs and Commercial Paper Policy*

The proposed ordinance permits the Board of Supervisors, by a two-thirds vote, to suspend the proposed new General Fund COPs and Commercial Paper requirements for a current or upcoming budget year, or for an individual transaction. In addition, the proposed ordinance only applies to COPs or Commercial Paper secured with the City's General Fund, and does not apply to other City departments, including the Airport, Mayor's Office of Housing, the Municipal Transportation Authority, the Port Commission, or the Public Utilities Commission.

### File 11-1001

The proposed ordinance would amend Sections 3.3, 3.4, 3.5, 3.6, 3.20, 22A.6, and 88.4, and repeal Sections 88.8 and 88.10 of the City's Administrative Code to: (1) update budget procedures to accommodate two-year budget cycles and five year financial planning requirements; and (2) eliminate outdated and duplicative reporting requirements.

According to Mr. Rosenfield, the proposed changes would (1) coordinate and streamline the City's long-term financial planning processes; (2) eliminate the current Three Year Budget Projection (the Controller, Mayor and Budget and Legislative Analyst's Joint Report) and incorporate the Joint Report with the new Five Year Financial Plan; (3) remove several redundant departmental reporting requirements and (4) eliminate outdated Administrative Code language. The changes are summarized in Table 1, below.

**Table 1. Summary of Administrative Code Amendments Under File 11-1001**

Administrative Code Section	Proposed Amendment
Section 3.3	Delete an outdated sentence from Section 3.3(d) and add new language to Section 3.3(h) to allow departments to enter into the second year of a fixed two-year budgetary cycle.
Section 3.4	Delete outdated budget requirements pertaining to Area Plans designated by the Planning Department.
Section 3.5	Add new language that exempts a department, board, commission or agency (department) from developing a strategic plan if that department cooperated with the preparation of the City's most recent Five Year Financial Plan.
Section 3.6	<p>Replace Three-Year Budget Projection in whole with a new Section 3.6 Five-Year Financial Plan, requiring a new Plan every other year, with Plan updates in alternate years:</p> <ul style="list-style-type: none"> <li>• In odd-numbered years, the Mayor would submit to the Board of Supervisors a new Five-Year Financial Plan, as required under City Charter Section 9.119, including an estimated summary budget or baseline projection for the General Fund jointly prepared by the Mayor, the Budget and Legislative Analyst, and the Controller, subject to review, amendment, and adoption by the Board of Supervisors; and</li> <li>• In even-numbered years, the Mayor, the Budget and Legislative Analyst, and the Controller would submit an updated estimated summary budget for the remaining four years of the five-year financial plan, with any revisions to the five-year financial plan subject to review, amendment, and adoption by the Board of Supervisors.</li> </ul>
Section 3.7	Remove section "Replacing Grant-Funded Positions" in whole, as technical improvements to the City's Budgeting System have made these changes transparent and reporting therefore unnecessary.
Section 3.20	Change the schedule of the Ten Year Capital Expenditure Plan from every year to every odd-numbered year, to allow the Mayor and Board of Supervisors to update the plan as necessary to reflect the City's priorities, resources and requirements.
Section 22A.6	Amend to rename the "ICT Capital and Operating Plan" the "Information and Communication Technology Operating Plan," and change the schedule of the Plan from every year to every odd-numbered year, to allow the Mayor and Board of Supervisors to update the plan as necessary and appropriate.
Section 88.9	Remove outdated section "Pilot Projects" in whole, as it was concluded in 2004.
Section 88.10	Remove outdated section "Board of Supervisors' Oversight and Legislation" in whole, as it pertains to the outdated Section 88.10 "Pilot Projects" proposed for removal.

File 11-1009

The proposed resolution would adopt a fixed two-year budgetary cycle for the Airport, the Port, and the Public Utilities Commission (PUC), defining terms, and setting deadlines. Proposition A specified that the normal procedure for two-year budgeting would be a rolling two-year budget that would be adopted by the Board of Supervisors annually. The City implemented such rolling two-year budgets for the Airport, Port, and PUC during the FY 2010-11 budget cycle, such that the Board of Supervisors approved both the FY 2010-11 and the FY 2011-12 budgets for these Enterprise Departments. Similarly, in July of 2011, the Board of Supervisors approved both the FY 2011-12 and the FY 2012-13 budgets for the Airport, Port, and PUC.

City Charter Section 9.101(g) allows the City to switch from a rolling two-year budget cycle to a fixed two-year budget cycle, for some or all departments, subject to a two-thirds approval by the Board of Supervisors.

Under the proposed resolution, in May of 2012 the Mayor would submit two-year budgets for the Airport, Port, and PUC to the Board of Supervisors for fiscal years FY 2012-13 and 2013-14. Following appropriation approval by the Board of Supervisors in May of 2012, the budget would be fixed for two years, and the next two-year budget review for the Airport, Port, and PUC by the Board of Supervisors would occur in May of 2014.

According to the proposed resolution, if revenues or expenses in the second budget year change by more than five percent for the Airport, Port or PUC, the Controller would notify the Mayor and the Board of Supervisors prior to March 1 of the first year of the two-year budget cycle. In such an event, the Board of Supervisors would not conduct a full budget review, but instead would be requested to consider any revisions to that specific department's budget due to the revenue or expense change, similar to a supplemental appropriation request.

**FISCAL IMPACTS**File 11-0999

The proposed ordinance would codify and therefore restrict the expenditure of Selected Nonrecurring Revenues only for Nonrecurring Expenditures, resulting in a limitation on the Board of Supervisors options for reappropriating savings achieved by the Board of Supervisors in the Board's annual budget review. According to Mr. Rosenfield, the proposed restriction would have resulted in a restriction on the Board of Supervisors reappropriation of revenues at least two times in the previous ten years: in the FY 2007-08 budget, when \$16 million would have been met the definition of Select Nonrecurring Revenue, and in the FY 2011-12 budget, when \$43 million would have met the definition of Select Nonrecurring Revenue.

In his September 13, 2011 memorandum to the Mayor and the Board of Supervisors, Mr. Rosenfield proposed the Non-Recurring Revenues Policy based on best practices issued by the Government Financial Officers Association in order to prevent "key services from being disrupted if nonrecurring revenues used to fund a program do not recur in subsequent fiscal years."

File 11-1000

The proposed ordinance would codify and therefore restrict the types of uses for which the City could debt finance Certificates of Participation payable or secured by the City's General Fund (General Fund COPs) and Commercial Paper. Furthermore, under the proposed ordinance, the annual debt service cost of any General Fund COPs, plus the annual debt service cost of any General Fund Lease Revenue Bonds, could not exceed 3.25 percent of General Fund discretionary revenues, or the equivalent of \$67,407,275 in FY 2011-12. According to Ms. Sesay, the City's annual debt service costs of COPs plus the annual debt service cost of General Fund Lease Revenue Bonds has not previously exceeded 3.25 percent of General Fund discretionary revenues, although as shown in the Attachment, the City is projected to be at the 3.25 percent limit in Fiscal Years 2012-13, 2013-14, and 2014-15. Therefore, if the proposed ordinance is approved, the City could not authorize any additional General Fund COPs, or any General Fund Lease Revenue Bonds, until FY 2015-16.

File 11-1001

According to Mr. Rosenfield, the proposed ordinance would improve efficiency in the use of City staff in various departments for analysis and reporting of budget projections to the Mayor and Board of Supervisors by consolidating the Three Year Budget Projection into the Five Year Financial Plan, and changing the schedule of the Five Year Financial Plan from every year to every two years on the odd numbered years, with updates provided on the alternate even numbered years. In addition, (a) the Ten Year Capital Plan and the Information and Communication Technology Operating Plan would be updated every other year, instead of every year, and (b) departments that participate in the preparation of the Five Year Financial Plans no longer would be required to prepare strategic plans, resulting in further City staff efficiencies. However, approval of the proposed ordinance is not anticipated to result in any direct cost savings to the City.

File 11-1009

By adopting fixed two-year budgets in even-number years, the proposed resolution would allow for a savings of staff hours in odd-numbered years from the Airport, Port, and PUC, as well as the Mayor, Controller, Board of Supervisors, and Budget and Legislative Analyst that would otherwise be involved in the annual budget review of the Airport, Port, and PUC budgets. However, approval of the proposed resolution is not anticipated to result in any direct cost savings for these City departments.

**POLICY CONSIDERATIONS****File 11-0999 Would Restrict the Board of Supervisors Discretion during the Reappropriation or "Add-Back" Process of the Annual Budget Review**

File 11-0999 would restrict the Board of Supervisors reappropriation of savings achieved by the Board during the annual budget review process for "add-backs" and restorations: Under the proposed ordinance, any savings that are identified by the Controller to be Selected Nonrecurring Revenues during the Board's annual budget review process could only be reappropriated to

Nonrecurring Expenditures, such as capital expenditures or one-time purchases of equipment, and could not be reappropriated for Recurring Expenditures.

### **File 11-0999 Provides the Controller With an Open-Ended Definition of Nonrecurring Expenditures**

The proposed ordinance (File 11-0999) provides a limited, precise definition of Selected Nonrecurring Revenues. However, the proposed ordinance provides an open-ended definition of Nonrecurring Expenditures, leaving the Controller room to interpret proposed future expenditures that would qualify as Nonrecurring Expenditures. In addition, the proposed ordinance does not provide the Board of Supervisors with an opportunity to dispute the Controller's interpretation of what is, and what is not, a Nonrecurring Expenditure. The only recourse available to the Board of Supervisors, in the event that the Board of Supervisors wished to object to the Controller's classification of certain Nonrecurring Expenditures, would be to make a one-time suspension of the provisions of File 11-0999 by a two-thirds vote of the Board of Supervisors.

In order to remove the open-ended definition of Nonrecurring Expenditures from the proposed ordinance (File 11-0999), the Budget and Legislative Analyst recommends that the Board of Supervisors request the Controller to amend File 11-0999 to exclusively define Nonrecurring Expenses as the six expenses – (1) discretionary funding of reserves; (2) acquisition of capital equipment; (3) capital projects included in the City's capital plans; (4) development of affordable housing; (5) discretionary prepayment of pension, debt, or other long term obligations; or (6) substitution for budgeted reserves when new revenues disallow previously budgeted withdrawals from the Rainy Day Reserve or Budget Stabilization Reserve – by striking “expenditures or other uses that do not create liability for or expectation of substantial ongoing costs, including, but not limited to” from Page 7, Lines 8 and 9 of the proposed ordinance.

### **Changes in Two-Year Budgets and the Five Percent Proposed in File 11-1009 Are Policy Considerations for the Board of Supervisors**

File 11-1009 would switch the budget cycles of the Airport, Port, and Public Utilities Commission from the current rolling two-year budgets, with annual reviews by the Board of Supervisors, to fixed two-year budgets, with review every two years by the Board of Supervisors, unless there was a change in revenues or expenses greater than five percent in the second year, which would trigger automatic but significantly more limited budget reviews by the Board of Supervisors. According to Mr. Rosenfield, this more limited budget review of the second year, were it to be triggered, would take the form of a supplemental appropriation, rather than a full annual budget review. These proposed changes from (a) annual review of the Airport's, Port's, and PUC's two-year budgets to a biennial review of those budgets, and (b) the specified five percent trigger for limited review of the second year of the two-year budget, are policy considerations for the Board of Supervisors.

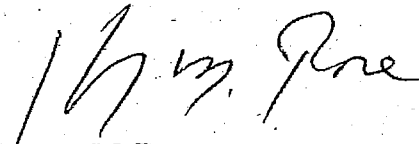


### **Under File 11-1001, the Five-Year Financial Plan Would Replace and Include the Three-Year Budget Projection (the Joint Report)**

The proposed ordinance (File 11-1001) would replace Administrative Code Section 3.6 Three Year Budget Projection with a new Section 3.6 Five Year Financial Plan. The Controller and Mayor issued the first Five Year Financial Plan in June of 2011. According to Mr. Rosenfield, the proposed Administrative Code changes would incorporate the Three Year Budget Projection, including an estimated summary budget or baseline projection for the General Fund, jointly prepared by the Mayor, the Budget and Legislative Analyst, and the Controller, into the Five Year Financial Plan. As is noted in Table 1 above, in even-numbered years, the Mayor, the Budget and Legislative Analyst, and the Controller would submit an updated estimated summary budget for the remaining four years of the five-year financial plan, with any revisions to the five-year financial plan subject to review, amendment, and adoption by the Board of Supervisors. Therefore, under the proposed ordinance, the Board of Supervisors would continue to receive the fiscal projections provided in the Three Year Budget Projection, within the Five Year Financial Plan submitted to the Board of Supervisors in odd-numbered years and within the Five Year Financial Plan updated estimated summary budget presented to the Board of Supervisors in even-numbered years.

## **RECOMMENDATIONS**

1. As is noted above, the Controller's definition of Nonrecurring Expenses is open-ended. Therefore, request the Controller to amend File 11-0999 to define Nonrecurring Expenses as the six expenses listed in the proposed ordinance as (1) discretionary funding of reserves; (2) acquisition of capital equipment; (3) capital projects included in the City's capital plans; (4) development of affordable housing; (5) discretionary prepayment of pension, debt, or other long term obligations; or (6) substitution for budgeted reserves when new revenues disallow previously budgeted withdrawals from the Rainy Day Reserve or Budget Stabilization Reserve by striking "expenditures or other uses that do not create liability for or expectation of substantial ongoing costs, including, but not limited to" from Page 7, Lines 8 and 9 of the proposed ordinance. Mr. Rosenfield advises that the Controller disagrees with this recommendation, because it is possible that the Controller will identify additional Nonrecurring Expenditures besides the six included in the proposed ordinance.
2. File 11-1009, which proposes changing from the existing rolling two-year budgets for the Port, Airport and PUC, under which the Board of Supervisors reviews such budgets every year, to a fixed two-year budget with reviews by the Board of Supervisors every two years is a policy decision for the Board of Supervisors.
3. The trigger threshold for reviewing the second year of a fixed two-year budget (File 11-1009) has been proposed if budget costs or revenues are projected to change more than five percent in the second year. Approval of that five percent trigger threshold amount is a policy matter for the Board of Supervisors.
4. Approval of the three proposed ordinances (Files 11-0999, as amended, and Files 11-1000 and 11-1001) and one proposed resolution (File 11-1009, as amended), are policy matters for the Board of Supervisors.



Harvey M. Rose

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

City and County of San Francisco  
 General Fund Debt and Other Long-Term Lease Obligations  
 Lease Payment Schedule (as of October 2011)

Fiscal Year	Authorized & Issued Lease Payment	% of GF	Authorized & Unissued Lease Payment	% of GF	Total % of GF	Dedicated to Lease Payments	GF Disc Total (5-Yr Plan, 4.5% thereafter)
FY 11-12	60,092,560	2.90%	4,067,575	0.20%	3.09%	3.25%	2,074,070,000
FY 12-13	65,089,428	2.99%	5,517,150	0.25%	3.25%	3.25%	2,174,760,000
FY 13-14	67,824,211	3.01%	5,514,700	0.24%	3.25%	3.25%	2,256,930,000
FY 14-15	62,205,731	2.66%	13,771,488	0.59%	3.25%	3.25%	2,338,330,000
FY 15-16	57,330,520	2.37%	18,991,750	0.78%	3.15%	3.25%	2,423,790,000
FY 16-17	53,509,382	2.11%	18,994,463	0.75%	2.86%	3.25%	2,532,860,560
FY 17-18	50,972,942	1.93%	18,994,888	0.72%	2.64%	3.25%	2,646,839,275
FY 18-19	32,134,294	1.16%	18,996,238	0.69%	1.85%	3.25%	2,765,947,042
FY 19-20	33,901,080	1.17%	18,991,650	0.66%	1.83%	3.25%	2,890,414,659
FY 20-21	34,017,185	1.13%	18,989,175	0.63%	1.75%	3.25%	3,020,483,319
FY 21-22	31,724,168	1.01%	18,996,488	0.60%	1.61%	3.25%	3,156,405,068
FY 22-23	29,226,901	0.89%	18,995,775	0.58%	1.46%	3.25%	3,298,443,296
FY 23-24	29,422,789	0.85%	18,994,875	0.55%	1.40%	3.25%	3,446,873,244
FY 24-25	24,402,461	0.68%	18,996,138	0.53%	1.20%	3.25%	3,601,982,540
FY 25-26	24,468,669	0.65%	18,991,425	0.50%	1.15%	3.25%	3,764,071,755
FY 26-27	24,515,886	0.62%	18,992,925	0.48%	1.11%	3.25%	3,933,454,984
FY 27-28	24,738,278	0.60%	18,997,175	0.46%	1.06%	3.25%	4,110,460,458
FY 28-29	24,749,658	0.58%	18,995,525	0.44%	1.02%	3.25%	4,295,431,179
FY 29-30	24,931,394	0.56%	18,994,163	0.42%	0.98%	3.25%	4,488,725,582
FY 30-31	14,006,610	0.30%	15,084,313	0.32%	0.62%	3.25%	4,690,718,233
FY 31-32	14,008,113	0.29%	13,481,775	0.28%	0.56%	3.25%	4,901,800,553
FY 32-33	14,009,650	0.27%	13,479,613	0.26%	0.54%	3.25%	5,122,381,578
FY 33-34	14,010,600	0.26%	13,480,938	0.25%	0.51%	3.25%	5,352,888,749

Prepared by Controller's Office of Public Finance

