

File No. 230215

Committee Item No. 3

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Appropriations Committee Date March 15, 2023

Board of Supervisors Meeting Date \_\_\_\_\_

#### Cmte Board

- Motion
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- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
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- Application
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#### OTHER (Use back side if additional space is needed)

- Presidential Action Memo – 30-Day Rule Waiver 3/7/2023
- \_\_\_\_\_
- \_\_\_\_\_
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Completed by: Brent Jalipa Date March 9, 2023

Completed by: Brent Jalipa Date \_\_\_\_\_

1 [Appropriation - General Reserve - Public Works - \$25,000,000 - FY2022-2023]

2 **Ordinance appropriating \$25,000,000 of General Fund General Reserves for street**  
 3 **cleaning and graffiti abatement in the Department of Public Works in Fiscal Year**  
 4 **(FY) 2022-2023.**

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

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

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 11 Section 1. The sources of funding outlined below are herein appropriated to  
 12 reflect the projected sources of funding for FY2022-2023.

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 14  
 15 **SOURCES Appropriation**

	<b>Project &amp;</b>				
<b>Fund /</b>	<b>Activity /</b>				
<b>Department ID</b>	<b>Authority</b>	<b>Account</b>	<b>Description</b>	<b>Amount</b>	
10020 / 230018	10023237- 0001	598040	Designated For	\$25,000,000	
GF Continuing	17064	Designated	General Reserve		
Authority Ctrl/ GEN	General Reserve /	For General			
General City	General Reserve	Reserve			
Responsibility					

	<b>Fund /</b>	<b>Project &amp; Activity /</b>	<b>Account</b>	<b>Description</b>	<b>Amount</b>
	<b>Department ID</b>	<b>Authority</b>			
5	<b>Total SOURCES Appropriation</b>				<b>\$25,000,000</b>

Section 2. The uses of funding outlined below are herein appropriated in Department of Public Works for street cleaning and graffiti abatement.

	<b>Fund /</b>	<b>Project &amp; Activity /</b>	<b>Account</b>	<b>Description</b>	<b>Amount</b>
	<b>Department ID</b>	<b>Authority</b>			
13	10020 GF	10034422 – 0009,	501000 –	Permanent	\$6,976,974
14	Continuing	PW-Operating –	Permanent	Salaries-Misc-	
15	Authority Ctrl /	PW Street	Salaries-Misc-	Budget	
16	207956	Cleaning/	Budget		
17	DPW,SES	20680 -			
18	Budgetary	PW – SES Street			
19		Env Services			

	<b>Fund/</b>	<b>Project &amp; Activity/</b>	<b>Account</b>	<b>Description</b>	<b>Amount</b>
	<b>Department ID</b>	<b>Authority</b>	<b>Account</b>	<b>Description</b>	<b>Amount</b>
1					
2					
3	10020 GF	10034422 – 0009,	513000 –	Mandatory Fringe	\$3,323,319
4	Continuing	PW-Operating –	Retirement	Benefits	
5	Authority Ctrl /	PW Street	Budget		
6	207956	Cleaning/			
7	DPW,SES	20680 -			
8	Budgetary	PW – SES Street			
9		Env Services			
10					
11	10020 GF	10034422 – 0009,	520190	Department	\$4,429,861
12	Continuing	PW-Operating –	Department	Overhead	
13	Authority Ctrl /	PW Street	Overhead		
14	207956	Cleaning/			
15	DPW,SES	20680 -			
16	Budgetary	PW – SES Street			
17		Env Services			
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	<b>Fund /</b>	<b>Project &amp; Activity /</b>			
	<b>Department ID</b>	<b>Authority</b>	<b>Account</b>	<b>Description</b>	<b>Amount</b>
1					
2					
3	10020 GF	10034422 – 0009,	520290	Division Overhead	\$2,380,846
4	Continuing	PW-Operating –	Division		
5	Authority Ctrl /	PW Street	Overhead		
6	207956	Cleaning/ 20680 -			
7	DPW,SES	PW – SES Street			
8	Budgetary	Env Services			
9					
10	10020 GF	10034422 – 0009,	527000 –	Professional &	\$2,000,000
11	Continuing	PW-Operating –	Professional &	Specialized	
12	Authority Ctrl /	PW Street	Specialized	Services Budget –	
13	207956	Cleaning/	Services Budget	Graffiti contractor	
14	DPW,SES	20680 - PW –		assistance	
15	Budgetary	SES Street Env			
16		Services			
17					
18	10020 GF	10034422 – 0009,	535000 –	Other Current	\$470,000
19	Continuing	PW-Operating –	Other Current	Expenses –	
20	Authority Ctrl /	PW Street	Expenses –	Budget –	
21	207956	Cleaning/ 20680 -	Budget	Equipment Rental	
22	DPW,SES	PW – SES Street			
23	Budgetary	Env Services			
24					
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	<b>Fund /</b>	<b>Project &amp; Activity /</b>			
	<b>Department ID</b>	<b>Authority</b>	<b>Account</b>	<b>Description</b>	<b>Amount</b>
1					
2	10020 GF	10034422 – 0009,	540000 –	Materials and	\$619,000
3	Continuing	PW-Operating – PW	Materials and	Supplies - Budget	
4	Authority Ctrl /	Street Cleaning/	Supplies -		
5	207956	20680 -	Budget		
6	DPW,SES	PW – SES Street			
7	Budgetary	Env Services			
8					
9	10020 GF	10034424 – 0001,	560000 –	Equipment	\$4,800,000
10	Continuing	PW Equipment –	Equipment	Purchase - Budget	
11	Authority Ctrl /	PW Operating/	Purchase -		
12	207956	20680 -	Budget		
13	DPW,SES	PW – SES Street			
14	Budgetary	Env Services			
15					
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18	<b>Total USES Appropriation</b>				<b>\$25,000,000</b>

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Section 3. The Controller is authorized to record transfers between funds and adjust the accounting treatment of sources and uses appropriated in this ordinance as necessary to conform with Generally Accepted Accounting Principles and other laws.

1 APPROVED AS TO FORM:  
2 DAVID CHIU, City Attorney

FUNDS AVAILABLE:  
BEN ROSENFELD, Controller

3 By: \_\_\_\_\_/s/\_\_\_\_\_  
4 JON GIVNER  
Deputy City Attorney

By: \_\_\_\_\_/s/\_\_\_\_\_  
BEN ROSENFELD  
Controller

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<b>Items 3 &amp; 4</b> <b>Files 23-0214 and 23-0215</b>	<b>Department:</b> Public Works
<b>EXECUTIVE SUMMARY</b>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>• The proposed ordinances would: (a) appropriate \$25 million from the General Fund General Reserve for street cleaning and graffiti abatement performed by Public Works in FY 2022-23 (File 23-0215); and (b) amend the Annual Salary Ordinance for FY 2022-23 and FY 2023-24 to add 56 off-budget positions (18.67 FTEs) in Public Works in FY 2022-23 (File 23-0214).</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• San Francisco Public Works' Street Environmental Services bureau cleans the City's streets, certain sidewalks, and other public spaces through mechanical and manual street sweeping, roadway flushing, graffiti abatement, and power washing. According to City data on street and sidewalk cleaning, the share of street and sidewalk cleaning service requests closed within 48 hours has declined since 2021 due to a significant increase in service requests.</li> <li>• Public Works is proposing to expand street cleaning and graffiti abatement services citywide for 18 months to improve street conditions. The expansion would provide enhanced services across all supervisorial districts but would provide additional services in Districts 5, 6, and 9 due to greater need in those districts.</li> <li>• The proposed appropriation would fund 56 off-budget positions for 12 months, as well as temporary salaries to support 39.0 FTE 9916 Public Service Aides for 12 months, department and bureau overhead, materials and supplies, equipment, and a \$2 million professional and specialized services contract for graffiti abatement. Due to delays in hiring and procurement, the Department expects the program funding to provide 18 months of services.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• Approval of the proposed ordinance would appropriate \$25.0 million from the General Fund General Reserve to Public Works. This would reduce the General Reserve balance to \$83.2 million at the end of FY 2022-23. Any uses of the reserve during the current year (FY 2022-23) will increase the required deposit in the budget year (FY 2023-24) by a like amount.</li> </ul> <p style="text-align: center;"><b>Policy Consideration</b></p> <ul style="list-style-type: none"> <li>• Because the enhancement is for an 18-month period and the positions are not supported by an on-going funding source, we recommend that the Board of Supervisors consider amending File 23-0214 to make the positions three-year limited duration.</li> </ul> <p style="text-align: center;"><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• Consider amending File 23-0214 to make the 56 off-budget positions three-year limited duration.</li> <li>• Approval of the proposed ordinances is a policy matter for the Board of Supervisors.</li> </ul>	



**MANDATE STATEMENT**

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.

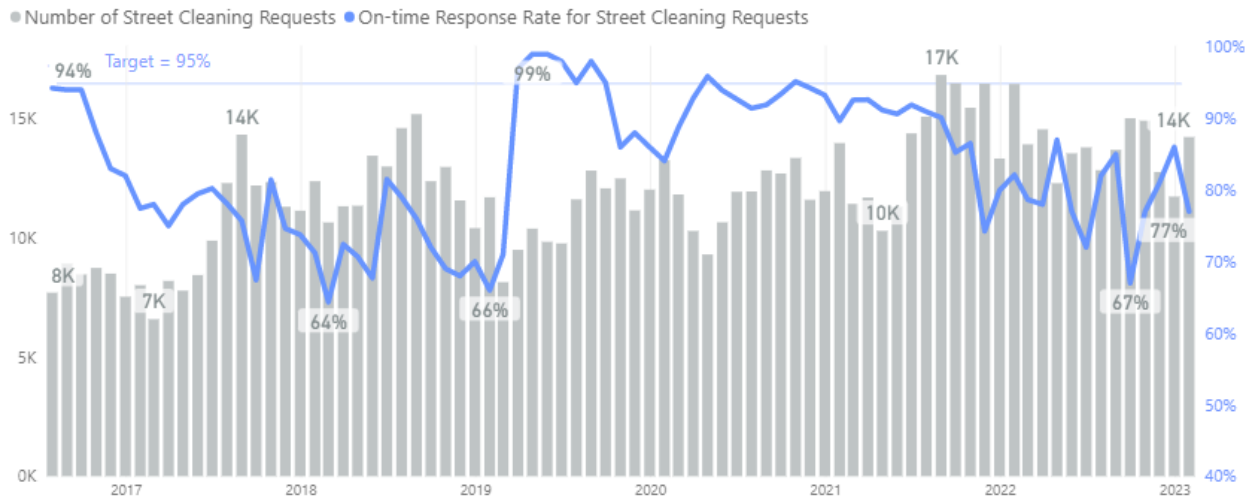
Administrative Code Section 2.1-1 states that the Board of Supervisors shall determine the maximum number of each class of employment in each of the various departments and offices of the City and County, and shall fix rates and schedules of compensation.

**BACKGROUND**

**Street Cleaning and Graffiti Abatement**

San Francisco Public Works’ Street Environmental Services bureau cleans the City’s streets, certain sidewalks, and other public spaces through mechanical and manual street sweeping, roadway flushing, graffiti abatement, and power washing. According to City data on street and sidewalk cleaning, there were 14,223 street and sidewalk cleaning service requests in January 2023, and 77 percent of those service requests were closed by Public Works within 48 hours, compared to the department’s goal of closing 95 percent of service requests within 48 hours. The share of street and sidewalk cleaning service requests closed within 48 hours has declined since 2021 due to a significant increase in service requests, as shown in Exhibit 1 below.

**Exhibit 1: Street and Sidewalk Cleaning Response Performance**



Source: City Performance Scorecards produced by the Controller’s Office

The Street Environmental Services bureau's FY 2022-23 General Fund budget includes 345 FTEs, including temporary staff. Public Works uses temporary staff to off-set vacancies in the bureau and as a pathway<sup>1</sup> for staff to enter the Public Works apprenticeship program.

### *Graffiti Abatement Pilot*

Public Works is responsible for painting over or otherwise removing graffiti on public property, and in July 2022, the Board of Supervisors approved a 27-month pilot program that allows property owners in designated commercial areas to opt into graffiti abatement by Public Works at no cost to the property owner (File 22-0538). The Board of Supervisors added \$2 million in FY 2022-23 and in FY 2023-24 during the Budget and Appropriations Committee phase of the budget for the pilot program. According to Public Works staff, the pilot program began at the end of November 2022 and remains active. To date, 329 property and business owners have opted in, with 78 abatements completed. Public Works cannot do the work when it is raining and anticipates the number of abatements will accelerate after the rainy season.

## DETAILS OF PROPOSED LEGISLATION

The proposed ordinances would:

- appropriate \$25 million from the General Fund General Reserve for street cleaning and graffiti abatement performed by Public Works in FY 2022-23 (File 23-0215); and
- amend the Annual Salary Ordinance for FY 2022-23 and FY 2023-24 to add 56 off-budget positions (18.67 FTEs) in Public Works in FY 2022-23 (File 23-0214).

Public Works is proposing to expand street cleaning and graffiti abatement services citywide for 18 months to improve street conditions. The expansion would provide enhanced services across all supervisorial districts but would provide additional services in Districts 5, 6, and 9 due to greater need in those districts, as demonstrated by the volume of service requests and proactive operations according to Public Works staff.

### **56 Proposed New Positions for Street Cleaning (File 23-0214)**

The proposed ordinance adds 56 off-budget positions effective March 1, 2023, for 18.67 FTEs in FY 2022-23, annualizing to 56.00 FTEs in FY 2023-24. As discussed below, the proposed appropriation adds funding for these positions for 12 months. Exhibit 2 shows the proposed additions as well as existing staffing levels in the same job classifications within the Street Environmental Services bureau. Public Works is proposing to increase staffing levels by 24 percent within these job classifications in the bureau.

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<sup>1</sup> Public Works has a pre-apprenticeship program using the 9916 Public Service Aide job classification, which serves as a pathway for staff to enter the department's apprenticeship program. According to Public Works staff, 81 Public Service Aides are currently employed and salary costs for these positions are budgeted within temporary salaries.

**Exhibit 2: Proposed New Positions and Existing Staffing for Select Job Classifications in Street Environmental Services Bureau, General Fund, FY 2023-24**

Job Classification	FY 2022-23	FY 2023-24			Percent Change
	Proposed Increase	Proposed Increase	Existing	Total	
7514 General Laborer	14.00	42.00	167.50	209.50	25%
7215 General Laborer Supervisor	1.66	5.00	31.00	36.00	16%
7281 Street Environmental Svcs. Operations Supervisor	0.33	1.00	14.00	15.00	7%
7355 Truck Driver	2.00	6.00	22.00	28.00	27%
6230 Street Inspector <sup>a</sup>	0.67	2.00	1.00	3.00	200%
<b>Total</b>	<b>18.66</b>	<b>56.00</b>	<b>235.50</b>	<b>291.50</b>	<b>24%</b>

Source: Proposed Ordinance (Annual Salary Amendment)

<sup>a</sup> Additional 6230 Street Inspectors from other bureaus assist the Street Environmental Services bureau depending on operational needs.

According to Bruce Robertson, Deputy Director of Financial Management and Administration, Public Works expects to fill the 56 positions by the end of the fiscal year. Public Works is actively filling many of these positions in some of the same job classifications and the additional positions can be added to the recruitment to streamline the hiring process according to Deputy Director Robertson.

**Department Vacancies**

According to Public Works’ Hiring and Vacancy Update to the Public Works Commission on March 1, 2023, Public Works had a functional vacancy rate of 20.8 percent, after adjusting for positions that are about to be filled and positions that are expected to be deleted due to the passage of Proposition B in November 2022, which eliminated the Department of Sanitation and Streets and transferred its duties back to DPW. Public Works’ FY 2022-23 budget included funding for a new Human Resources section, and the Human Resources section has a goal to fill 250 positions department-wide by the end of the fiscal year.

According to DPW staff, the 9916 classification is posted continuously and the time to hire is 45-60 days.

**\$25 Million Appropriation (File 23-0215)**

The proposed ordinance appropriates \$25 million from the General Fund General Reserve, including funding for the 56 off-budget positions described above for 12 months, as well as temporary salaries to support 39.0 FTE 9916 Public Service Aides for 12 months, department and bureau overhead, materials and supplies, equipment, and a \$2 million professional and specialized services contract<sup>2</sup> for graffiti abatement. Due to delays in hiring and procurement,

<sup>2</sup> According to Public Works staff, these services would be put out to bid under a request for proposals.

the Department expects the program funding to provide 18 months of services. Sources and uses for the proposed appropriation are shown in Exhibit 3 below.

**Exhibit 3: Proposed FY 2022-23 General Fund General Reserve Appropriation**

<b>Sources &amp; Uses</b>	<b>Amount</b>
<b>Sources</b>	
General Reserve	\$25,000,000
<b>Total Sources</b>	<b>\$25,000,000</b>
<b>Uses</b>	
Salaries	6,976,974
Mandatory Fringe Benefits	3,323,319
Department Overhead	4,429,861
Division Overhead	2,380,846
Professional & Specialized Services for Graffiti Abatement	2,000,000
Equipment Purchase <sup>a</sup>	4,800,000
Equipment Rental <sup>b</sup>	470,000
Materials and Supplies <sup>c</sup>	619,000
<b>Total Uses</b>	<b>\$25,000,000</b>

Source: Proposed Appropriation Ordinance

<sup>a</sup> \$4.8 million equipment purchase budget includes \$3.0 million for six garbage truckers (\$500,000 each) and \$1.2 million for six power washers (\$200,000 each)

<sup>b</sup> Equipment rental for steamers while six power washers to be purchased are being procured

<sup>c</sup> Materials and supplies include cleaning materials, personal, protective, equipment (PPE), barricades, etc.

These funds are being added to a continuing authority fund. Therefore, any funding not spent in FY 2022-23 will roll-over into the following fiscal year.

**FISCAL IMPACT**

**General Reserve**

Administrative Code Section 10.60 requires the City to budget a General Reserve of at least 3.0 percent of General Fund revenues to address revenue weakness, excess spending, or other needs not anticipated during the annual budget process. The balance requirement is reduced to 1.5 percent of General Fund revenues if the City withdraws from the Rainy Day Reserve and then increases 0.25 percent per year until the 3.0 percent balance requirement is fully restored. The General Reserve balance is required to be 1.75 percent of budgeted regular General Fund revenues in FY 2022-23 and 2.00 percent of budgeted General Fund Revenues in FY 2023-24.

According to the Controller's Office FY 2022-23 Six-Month Budget Status Report, the FY 2021-22 ending balance of the General Reserve was \$43.8 million, and the FY 2022-23 approved budget includes a \$64.4 million deposit, resulting in a projected year-end balance of \$108.2 million. In FY 2023-24, the required deposit is projected to be \$18.5 million, resulting in a \$126.7 million balance at the end of FY 2023-24.

If the Board of Supervisors approves the appropriation from the General Reserve to fund street cleaning and graffiti abatement in Public Works, the General Reserve balance would be reduced by \$25.0 million to \$83.2 million at the end of FY 2022-23. In addition, pending before the Board of Supervisors is an appropriation from the General Reserve of \$27,640,247 for police overtime (File 23-0158), \$5,500,000 for wellness hubs to provide drug and alcohol treatment (File 22-1272), and \$199,286 to fund new positions in the Office of the District Attorney to address open-air drug dealing (File 23-0157), which if approved would reduce the General Reserve balance further to \$49.9 million. Any uses of the reserve during the current year (FY 2022-23) will increase the required deposit in the budget year (FY 2023-24) by a like amount.

### **POLICY CONSIDERATION**

Because the enhancement is for an 18-month period and the positions are not supported by an ongoing funding source, we recommend that the Board of Supervisors consider amending the proposed ordinance that would add the 56 off-budget positions (File 23-0214) to make the positions three-year limited duration. According to Deputy Director Robertson, adding the positions as an 18-month limited duration rather than as regular, on-going positions, could make the positions less attractive to potential applicants, resulting in fewer applications and longer hiring timelines. Deputy Director Roberts also notes that because the positions are coded as off-budget, they only can be filled if sufficient funding becomes available. We note that adding the positions as three-year limited duration, rather than 18-month limited duration would provide the department with sufficient flexibility in case hiring takes longer than anticipated and funding from the proposed General Reserve appropriation is still available after 18 months.

### **RECOMMENDATIONS**

1. Consider amending File 23-0214 to make the 56 off-budget positions three-year limited duration.
2. Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

President, District 3  
BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689  
Tel. No. 554-7450  
Fax No. 554-7454  
TDD/TTY No. 544-6546

Aaron Peskin

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**PRESIDENTIAL ACTION**

Date: 3/7/2023

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. 230215 Peskin  
(Primary Sponsor)

Title. Ordinance appropriating \$25,000,000 of General Fund General Reserves for street cleaning and graffiti abatement in the Department of +

- Transferring (Board Rule No 3.3)

File No. 230226 Mayor  
(Primary Sponsor)

Title. Grant Agreement Amendment - Five Keys Schools and Programs - Embarcadero SAFE Navigation Center - Not to Exceed \$36,621,656

From: Homelessness + Behavioral Health <sup>select</sup> Committee

To: Budget & Finance Committee

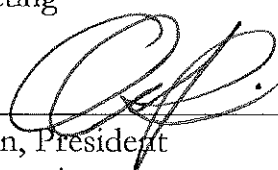
- Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: \_\_\_\_\_ Replacing Supervisor: \_\_\_\_\_

For: \_\_\_\_\_ Meeting  
(Date) (Committee)

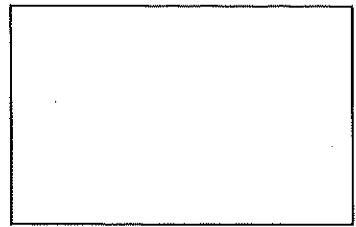
Start Time: \_\_\_\_\_ End Time: \_\_\_\_\_

Temporary Assignment:  Partial  Full Meeting

  
\_\_\_\_\_  
Aaron Peskin, President  
Board of Supervisors

**Introduction Form**

*(by a Member of the Board of Supervisors or the Mayor)*



I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)  
*(Routine, non-controversial and/or commendatory matters only)*
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor [ ] inquires..."
- 5. City Attorney Request
- 6. Call File No. [ ] from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Topic submitted for Mayoral Appearance before the Board on [ ]

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission     Youth Commission     Ethics Commission
- Planning Commission     Building Inspection Commission     Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes                       No

*(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)*

Sponsor(s):

Supervisor Peskin; Safai, Chan, Preston, Ronen

Subject:

[Appropriation - General Reserve - Public Works - \$25,000,000 - FY2022-2023]

Long Title or text listed:

Ordinance appropriating \$25,000,000 of General Fund General Reserves for street cleaning and graffiti abatement in the Department of Public Works in Fiscal Year (FY) 2022-2023.

Signature of Sponsoring Supervisor: