

ADMINISTRATIVE PROVISIONS
ANNUAL APPROPRIATION ORDINANCE
FYs 2019-2020 and 2020-2021

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Note: **Unchanged text** is in plain Arial font.
Additions are in *single-underline italics Times New Roman font*.
Deletions are in *strikethrough italics Times New Roman font*.
Board amendment additions are in double underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

SECTION 3. General Authority.

The Controller is hereby authorized and directed to set up appropriate accounts for the items of receipts and expenditures appropriated herein.

SECTION 3.1 Two-Year Budget.

For departments for which the Board of Supervisors has authorized, or the Charter requires, a fixed two-year budget, appropriations in this ordinance shall be available for allotment by the Controller on July 1st of the fiscal year in which appropriations have been approved. The Controller is authorized to adjust the two year budget to reflect transfers and substitutions consistent with City’s policies and restrictions for such transfers. The Controller is further authorized to make adjustments to the second year budgets consistent with Citywide estimates for salaries, fringe benefits, and work orders.

SECTION 4. Interim Budget Provisions.

All funds for equipment and new capital improvements shall be held in reserve until final action by the Board of Supervisors. No new equipment or capital improvements shall be

1 authorized during the interim period other than equipment or capital improvements that, in the
2 discretion of the Controller, is reasonably required for the continued operation of existing
3 programs or projects previously approved by the Board of Supervisors. Authorization for the
4 purchase of such equipment may be approved by the Board of Supervisors.

5
6 During the period of the interim annual appropriation ordinance and interim annual salary
7 ordinance, no transfer of funds within a department shall be permitted without approval of the
8 Controller, Mayor's Budget Director and the Chair of the Board of Supervisors Budget and
9 Finance Committee

10
11 When the Budget and Finance Committee reserves selected expenditure items pending
12 receipt of additional information from departments, upon receipt of the required information to
13 the satisfaction of that committee, the Controller may release the previously reserved funds
14 with no further action required by the Board of Supervisors.

15
16 If the Budget Committee and Finance of the Board of Supervisors recommends a budget that
17 increases funding that was deleted in the Mayor's Budget, the Controller shall have the
18 authority to continue to pay these expenses until final passage of the budget by the Board of
19 Supervisors, and approval of the budget by the Mayor.

20
21 **SECTION 4.1 Interim Budget – Positions.**

22 No new position may be filled in the interim period with the exception of those positions which
23 in the discretion of the Controller are critical for the operation of existing programs or for
24 projects previously approved by the Board of Supervisors or are required for emergency
25 operations or where such positions would result in a net increase in revenues or where such

1 positions are required to comply with law. New positions shall be defined as those positions
2 that are enumerated in the Mayor's budget for the current fiscal year but were not enumerated
3 in the appropriation and salary ordinances for the prior fiscal year, as amended, through June
4 30 of the prior fiscal year. In the event the Mayor has approved the reclassification of a
5 position in the department's budget for the current fiscal year, the Controller shall process a
6 temporary or "tx" requisition at the request of the department and subject to approval of the
7 Human Resources Director. Such action will allow for the continued employment of the
8 incumbent in his or her former position pending action by the Board of Supervisors on the
9 proposed reclassifications.

10

11 If the Budget and Finance Committee of the Board of Supervisors recommends a budget that
12 reinstates positions that were deleted in the Mayor's Budget, the Controller and the Human
13 Resources Director shall have the authority to continue to employ and pay the salaries of the
14 reinstated positions until final passage of the budget by the Board of Supervisors, and
15 approval of the budget by the Mayor.

16

17 **SECTION 5. Transfers of Functions and Duties.**

18 Where revenues for any fund or department are herein provided by transfer from any other
19 fund or department, or where a duty or a performance has been transferred from one
20 department to another, the Controller is authorized and directed to make the related transfer
21 of funds, provided further, that where revenues for any fund or department are herein
22 provided by transfer from any other fund or department in consideration of departmental
23 services to be rendered, in no event shall such transfer of revenue be made in excess of the
24 actual cost of such service.

25

1 Where a duty or performance has been transferred from one department to another or
2 departmental reorganization is effected as provided in the Charter, in addition to any required
3 transfer of funds, the Controller and Human Resources Director are authorized to make any
4 personnel transfers or reassignments between the affected departments and appointing
5 officers at a mutually convenient time, not to exceed 100 days from the effective date of the
6 ordinance transferring the duty or function. The Controller, Human Resources Director and
7 Clerk of the Board of Supervisors, with assistance of the City Attorney, are hereby authorized
8 and directed to make such changes as may be necessary to conform all applicable
9 ordinances to reflect said reorganization, transfer of duty or performance between
10 departments.

11

12 **SECTION 5.1 Agencies Organized under One Department.**

13 Where one or more offices or agencies are organized under a single appointing officer or
14 department head, the component units can continue to be shown as separate agencies for
15 budgeting and accounting purposes to facilitate reporting. However, the entity shall be
16 considered a single department for purposes of employee assignment and seniority, position
17 transfers, and transfers of monies among funds within the department, and reappropriation of
18 funds.

19

20 **SECTION 5.2 Continuing Funds Appropriated.**

21 In addition to the amount provided from taxes, the Controller shall make available for
22 expenditure the amount of actual receipts from special funds whose receipts are continuously
23 appropriated as provided in the Municipal Codes.

24

25 **SECTION 5.3 Multi-Year Revenues.**

1 In connection with money received in one fiscal year for departmental services to be
2 performed in a subsequent year, the Controller is authorized to establish an account for
3 depositing revenues which are applicable to the ensuing fiscal year, said revenue shall be
4 carried forward and become a part of the funds available for appropriation in said ensuing
5 fiscal year.

6

7 **SECTION 5.4 Contracting Funds.**

8 All money received in connection with contracts under which a portion of the moneys received
9 is to be paid to the contractors and the remainder of the moneys received inures to the City
10 and County shall be deposited in the Treasury.

11

12 (a) That portion of the money received that under the terms of the contract inures to the
13 City and County shall be deposited to the credit of the appropriate fund.

14

15 (b) That portion of the money received that under the terms of the contracts is to be paid to
16 the contractor shall be deposited in special accounts and is hereby appropriated for said
17 purposes.

18

19 **SECTION 5.5 Real Estate Services.**

20 Rents received from properties acquired or held in trust for specific purposes are hereby
21 appropriated to the extent necessary for maintenance of said properties, including services of
22 the General Services Agency.

23

24

25

1 Moneys received from lessees, tenants or operators of City-owned property for the specific
2 purpose of real estate services relative to such leases or operating agreements are hereby
3 appropriated to the extent necessary to provide such services.
4

5 **SECTION 5.6 Collection Services.**

6 In any contracts for the collection of unpaid bills for services rendered to clients, patients or
7 both by the Department of Public Health in which said unpaid bills have not become
8 delinquent pursuant to the provisions of Administrative Code Section 10.37 and 10.38, the
9 Controller is hereby authorized to adjust the estimated revenues and expenditures of the
10 various divisions and institutions of the Department of Public Health to record such recoveries.
11 Any percentage of the amounts, not to exceed 25 percent, recovered from such unpaid bills
12 by a contractor is hereby appropriated to pay the costs of said contract. The Controller is
13 authorized and is hereby directed to establish appropriate accounts to record total collections
14 and contract payments relating to such unpaid bills.
15

16 **SECTION 5.7 Contract Amounts Based on Savings.**

17 When the terms of a contract provide for payment amounts to be determined by a percentage
18 of cost savings or previously unrecognized revenues, such amounts as are actually realized
19 from either said cost savings or unrecognized revenues are hereby appropriated to the extent
20 necessary to pay contract amounts due. The Controller is authorized and is hereby directed to
21 establish appropriate accounts to record such transactions.
22

23 **SECTION 5.8 Collection and Legal Services.**

24 In any contracts between the City Attorney's Office and outside counsel for legal services in
25 connection with the prosecution of actions filed on behalf of the City or for assistance in the

1 prosecution of actions that the City Attorney files in the name of the People, where the fee to
2 outside counsel is contingent on the recovery of a judgment or other monies by the City
3 through such action, the Controller is hereby authorized to adjust the estimated revenues and
4 expenditures of the City Attorney's Office to record such recoveries. A percentage of such
5 recoveries, not to exceed 25 percent plus the amount of any out-of-pocket costs the Controller
6 determines were actually incurred to prosecute such action, is hereby appropriated from the
7 amount of such recoveries to pay the contingent fee due to such outside counsel under said
8 contract and any costs incurred by the City or outside counsel in prosecuting the action. The
9 Controller is authorized and hereby directed to establish appropriate accounts to record total
10 collections and contingent fee and cost payments relating to such actions. The City Attorney
11 as verified by the Controller shall report to the Board of Supervisors annually on the
12 collections and costs incurred under this provision, including the case name, amount of
13 judgment, the fund which the judgment was deposited, and the total cost of and funding
14 source for the legal action.

15

16 **SECTION 6. Bond Interest and Redemption.**

17 In the event that estimated receipts from other than utility revenues, but including amounts
18 from ad-valorem taxes, shall exceed the actual requirements for bond interest and
19 redemption, said excess shall be transferred to a General Bond Interest and Redemption
20 Reserve account. The Bond Interest and Redemption Reserve is hereby appropriated to meet
21 debt service requirements including printing of bonds, cost of bond rating services and the
22 legal opinions approving the validity of bonds authorized to be sold not otherwise provided for
23 herein.

24

25

1 Issuance, legal and financial advisory service costs, including the reimbursement of
2 departmental services in connection therewith, for debt instruments issued by the City and
3 County, to the extent approved by the Board of Supervisors in authorizing the debt, may be
4 paid from the proceeds of such debt and are hereby appropriated for said purposes.

5

6 **SECTION 7. Allotment Controls.**

7 Since several items of expenditures herein appropriated are based on estimated receipts,
8 income or revenues which may not be fully realized, it shall be incumbent upon the Controller
9 to establish a schedule of allotments, of such duration as the Controller may determine, under
10 which the sums appropriated to the several departments shall be expended. The Controller
11 shall revise such revenue estimates periodically. If such revised estimates indicate a
12 shortage, the Controller shall hold in reserve an equivalent amount of the corresponding
13 expenditure appropriations set forth herein until the collection of the amounts as originally
14 estimated is assured, and in all cases where it is provided by the Charter that a specified or
15 minimum tax shall be levied for any department the amount of appropriation herein provided
16 derived from taxes shall not exceed the amount actually produced by the levy made for such
17 department.

18

19 The Controller in issuing payments or in certifying contracts, purchase orders or other
20 encumbrances pursuant to Section 3.105 of the Charter, shall consider only the allotted
21 portions of appropriation items to be available for encumbrance or expenditure and shall not
22 approve the incurring of liability under any allotment in excess of the amount of such
23 allotment. In case of emergency or unusual circumstances which could not be anticipated at
24 the time of allotment, an additional allotment for a period may be made on the
25 recommendation of the department head and the approval of the Controller. After the

1 allotment schedule has been established or fixed, as heretofore provided, it shall be unlawful
2 for any department or officer to expend or cause to be expended a sum greater than the
3 amount set forth for the particular activity in the allotment schedule so established, unless an
4 additional allotment is made, as herein provided.

5
6 Allotments, liabilities incurred and expenditures made under expenditure appropriations herein
7 enumerated shall in no case exceed the amount of each such appropriation, unless the same
8 shall have been increased by transfers or supplemental appropriations made in the manner
9 provided by Section 9.105 of the Charter.

10

11 **SECTION 7.1 Prior Year Encumbrances.**

12 The Controller is hereby authorized to establish reserves for the purpose of providing funds
13 for adjustments in connection with liquidation of encumbrances and other obligations of prior
14 years.

15

16 **SECTION 7.2 Equipment Purchases.**

17 Funds for the purchase of items of equipment having a significant value of over \$5,000 and a
18 useful life of three years and over shall only be purchased from appropriations specifically
19 provided for equipment or lease-purchased equipment, including equipment from capital
20 projects. Departments may purchase additional or replacement equipment from previous
21 equipment or lease-purchase appropriations, or from citywide equipment and other non-salary
22 appropriations, with approval of the Mayor's Office and the Controller.

23

24 Where appropriations are made herein for the purpose of replacing automotive and other
25 equipment, the equipment replaced shall be surrendered to the General Services Agency and

1 shall be withdrawn from service on or before delivery to departments of the new automotive
2 equipment. When the replaced equipment is sold, in lieu of being traded-in, the proceeds shall
3 be deposited to a revenue account of the related fund. Provided, however, that so much of
4 said proceeds as may be required to affect the purchase of the new equipment is hereby
5 appropriated for the purpose. Funds herein appropriated for automotive equipment shall not
6 be used to buy a replacement of any automobile superior in class to the one being replaced
7 unless it has been specifically authorized by the Board of Supervisors in the making of the
8 original appropriation.

9

10 Appropriations of equipment from current funds shall be construed to be annual
11 appropriations and unencumbered balances shall lapse at the close of the fiscal year.

12

13 **SECTION 7.3 Enterprise Deficits.**

14 Funds appropriated herein to meet estimated enterprise deficits shall be made available to
15 each such enterprise only to the extent that an actual deficit shall exist and not to exceed the
16 amount herein provided. Any amount not required for the purpose of meeting an enterprise
17 fund deficit shall be transferred back to the General Fund at the end of each fiscal year unless
18 otherwise appropriated by ordinance.

19 **SECTION 8. Expenditure Estimates.**

20 Where appropriations are made for specific projects or purposes which may involve the
21 payment of salaries or wages, the head of the department to which such appropriations are
22 made, or the head of the department authorized by contract or interdepartmental order to
23 make expenditures from each such appropriation, shall file with the Controller, when
24 requested, an estimate of the amount of any such expenditures to be made during the
25 ensuing period.

1

2 **SECTION 8.1 State and Federal Funds.**

3 The Controller is authorized to increase Federal and State funds that may be claimed due to
4 new General Fund expenditures appropriated by the Board of Supervisors. The Human
5 Resources Director is authorized to add civil service positions required to implement the
6 programs authorized by these funds. The Controller and the Human Resources Director shall
7 report to the Board of Supervisors any actions taken under this authorization before the Board
8 acts on the Annual Appropriation and Annual Salary Ordinances.

9

10 **SECTION 8.2 State and Federal Funding Restorations.**

11 If additional State or Federal funds are allocated to the City and County of San Francisco to
12 backfill State reductions, the Controller shall backfill any funds appropriated to any program to
13 the General Reserve.

14

15 **SECTION 8.3 Process for Addressing General Fund Revenue Shortfalls**

16 Upon receiving Controller estimates of revenue shortfalls that exceed the value of the General
17 Reserve and any other allowances for revenue shortfalls in the adopted City budget, the
18 Mayor shall inform the Board of Supervisors of actions to address this shortfall. The Board of
19 Supervisors may adopt an ordinance to reflect the Mayor's proposal or alternative proposals
20 in order to balance the budget.

21

22 **SECTION 9. Interdepartmental Services.**

23 The Controller is hereby authorized and directed to prescribe the method to be used in
24 making payments for interdepartmental services in accordance with the provisions of Section
25 3.105 of the Charter, and to provide for the establishment of interdepartmental reserves which

1 may be required to pay for future obligations which result from current performances.
2 Whenever in the judgment of the Controller, the amounts which have been set aside for such
3 purposes are no longer required or are in excess of the amount which is then currently
4 estimated to be required, the Controller shall transfer the amount no longer required to the
5 fund balance of the particular fund of which the reserve is a part. Provided further that no
6 expenditure shall be made for personnel services, rent, equipment and capital outlay
7 purposes from any interdepartmental reserve or work order fund without specific appropriation
8 by the Board of Supervisors.

9
10 The amount detailed in departmental budgets for services of other City departments cannot
11 be transferred to other spending categories without prior agreement from both the requesting
12 and performing departments.

13
14 The Controller, pursuant to the provisions of Charter Section 3.105, shall review and may
15 adjust charges or fees for services that may be authorized by the Board of Supervisors for the
16 administration of the Technology Marketplace. Such fees are hereby appropriated for that
17 purpose.

18
19 **SECTION 10. Positions in the City Service.**
20 Department heads shall not make appointments to any office or position until the Controller
21 shall certify that funds are available.

22
23 Funds provided herein for salaries or wages may, with the approval of the Controller, be used
24 to provide for temporary employment when it becomes necessary to replace the occupant of a
25 position while on extended leave without pay, or for the temporary filling of a vacancy in a

1 budgeted position. The Controller is authorized to approve the use of existing salary
2 appropriations within departments to fund permanent appointments of up to six months to
3 backfill anticipated vacancies to ensure implementation of successful succession plans and to
4 facilitate the transfer of mission critical knowledge. The Controller shall provide a report to the
5 Board of Supervisors every six months enumerating permanent positions created under this
6 authority.

7
8 Appointments to seasonal or temporary positions shall not exceed the term for which the
9 Controller has certified the availability of funds.

10

11 The Controller shall be immediately notified of a vacancy occurring in any position.

12

13 **SECTION 10.1 Positions, Funds, and Transfers for Specific Purposes.**

14 Funds for personnel services may be transferred from any legally available source on the
15 recommendation of the department head and approval by the City Administrator, Board or
16 Commission, for departments under their respective jurisdiction, and on authorization of the
17 Controller with the prior approval of the Human Resources Director for:

18

19 (a) Lump sum payments to officers, employees, police officers and fire fighters other than
20 elective officers and members of boards and commissions upon death or retirement or
21 separation caused by industrial accident for accumulated sick leave benefits in accordance
22 with Civil Service Commission rules.

23

24 (b) Payment of the supervisory differential adjustment, out of class pay or other negotiated
25 premium to employees who qualify for such adjustment provided that the transfer of funds

1 must be made from funds currently available in departmental personnel service
2 appropriations.

3

4 (c) Payment of any legal salary or fringe benefit obligations of the City and County
5 including amounts required to fund arbitration awards.

6

7 (d) The Controller is hereby authorized to adjust salary appropriations for positions
8 administratively reclassified or temporarily exchanged by the Human Resources Director
9 provided that the reclassified position and the former position are in the same functional area.

10

11 (e) Positions may be substituted or exchanged between the various salary appropriations
12 or position classifications when approved by the Human Resources Director as long as said
13 transfers do not increase total departmental personnel service appropriations.

14

15 (f) The Controller is hereby authorized and directed upon the request of a department
16 head and the approval by the Mayor's Office to transfer from any legally available funds
17 amounts needed to fund legally mandated salaries, fringe benefits and other costs of City
18 employees. Such funds are hereby appropriated for the purpose set forth herein.

19

20 (g) The Controller is hereby authorized to transfer any legally available funds to adjust
21 salary and fringe benefit appropriations as required under reclassifications recommended by
22 the Human Resources Director and approved by the Board of Supervisors in implementing
23 the Management Compensation and Classification Plan.

24

25

1 Amounts transferred shall not exceed the actual amount required including the cost to the City
2 and County of mandatory fringe benefits.

3
4 (h) Pursuant to California Labor Code Section 4850.4, the Controller is authorized to make
5 advance payments from departments' salary accounts to employees participating in CalPERS
6 who apply for disability retirement. Repayment of these advanced disability retirement
7 payments from CalPERS and from employees are hereby appropriated to the departments'
8 salary account.

9
10 (i) For purposes of defining terms in Administrative Code Section 3.18, the Controller is
11 authorized to process transfers where such transfers are required to administer the budget
12 through the following certification process: In cases where expenditures are reduced at the
13 level of appropriation control during the Board of Supervisors phase of the budget process,
14 the Chair of the Budget and Finance Committee, on recommendation of the Controller, may
15 certify that such a reduction does not reflect a deliberate policy reduction adopted by the
16 Board. The Mayor's Budget Director may similarly provide such a certification regarding
17 reductions during the Mayor's phase of the budget process.

18
19 **SECTION 10.2 Professional Services Contracts.**
20 Funds appropriated for professional service contracts may be transferred to the account for
21 salaries on the recommendation of the department head for the specific purpose of using City
22 personnel in lieu of private contractors with the approval of the Human Resources Director
23 and the Mayor and the certification by the Controller that such transfer of funds would not
24 increase the cost of government.

25

1 **SECTION 10.3 Surety Bond Fund Administration.**

2 The Controller is hereby authorized to allocate funds from capital project appropriations to the
3 San Francisco Self-Insurance Surety Bond Fund, as governed by Administrative Code
4 Section 10.100-317 and in accordance with amounts determined pursuant to Administrative
5 Code Section 14B.16.

6

7 **SECTION 10.4 Salary Adjustments, Memoranda of Understanding (MOUs).**

8 The Controller is authorized and directed to transfer from the Salary and Benefits Reserve, or
9 any legally available funds, amounts necessary to adjust appropriations for salaries and
10 related mandatory fringe benefits of employees whose compensation is pursuant to Charter
11 Sections A8.403 (Registered Nurses), A8.404 (Transit Operators), A8.409 (Miscellaneous
12 Employees), A8.405 and A8.590-1 through A8.590-5 (Police and Firefighters), revisions to
13 State Law, and/or collective bargaining agreements adopted pursuant to the Charter or
14 arbitration award. The Controller and Human Resources Director are further authorized and
15 directed to adjust the rates of compensation to reflect current pay rates for any positions
16 affected by the foregoing provisions.

17

18 Adjustments made pursuant to this section shall reflect only the percentage increase required
19 to adjust appropriations to reflect revised salary and premium pay requirements above the
20 funding level established in the adopted budget of the respective departments.

21

22 The Controller is authorized and directed to transfer from reserves or any legally available
23 funds amounts necessary to provide costs of non-salary benefits in ratified Memoranda of
24 Understanding or arbitration awards. The Controller's Office shall report to the Budget and
25 Finance Committee on the status of the Salary and Benefits Reserve, including amounts

1 transferred to individual City departments and remaining Reserve balances, as part of the
2 Controller's Six and Nine Month Budget Status Reports.

3

4 **SECTION 10.5 MOUs to be Reflected in Department Budgets.**

5 Should the City and County adopt an MOU with a recognized employee bargaining
6 organization during the fiscal year which has fiscal effects, the Controller is authorized and
7 directed to reflect the budgetary impact of said MOU in departmental appropriations by
8 transferring amounts to or from the Salary and Benefits Reserve, or, for self-supporting or
9 restricted funds, to or from the respective unappropriated fund balance account. All amounts
10 transferred pursuant to this section are hereby appropriated for the purpose.

11

12 **SECTION 10.6 Funding Memoranda of Understanding (MOUs).**

13 Whenever the Board of Supervisors has ratified by ordinance or resolution Memoranda of
14 Understanding with recognized employee organizations or an arbitration award has become
15 effective, and said memoranda or award contains provisions requiring the expenditure of
16 funds, the Controller, on the recommendation of the Human Resources Director, shall reserve
17 sufficient funds to comply with such provisions and such funds are hereby appropriated for
18 such purposes. The Controller is hereby authorized to make such transfers from funds hereby
19 reserved or legally available as may be required to make funds available to departments to
20 carry out the purposes required by the Memoranda of Understanding or arbitration award.

21

22 **SECTION 10.7 Fringe Benefit Rate Adjustments.**

23 Appropriations herein made for fringe benefits may be adjusted by the Controller to reflect
24 revised amounts required to support adopted or required contribution rates. The Controller is
25 authorized and is hereby directed to transfer between departmental appropriations and the

1 General Reserve or other unappropriated balance of funds any amounts resulting from
2 adopted or required contribution rates and such amounts are hereby appropriated to said
3 accounts.

4
5 When the Controller determines that prepayment of the employer share of pension
6 contributions is likely to be fiscally advantageous, the Controller is authorized to adjust
7 appropriations and transfers in order to make and reconcile such prepayments.

8

9 **SECTION 10.8 Police Department Uniformed Positions.**

10 Positions in the Police Department for each of the various ranks that are filled based on the
11 educational attainment of individual officers may be filled interchangeably at any level within
12 the rank (e.g., Patrol Officer Q2, Q3 or Q4, Sergeant Q50, Q51, Q52). The Controller and
13 Human Resources Director are hereby authorized to adjust payrolls, salary ordinances and
14 other documents, where necessary, to reflect the current status of individual employees;
15 provided however, that nothing in this section shall authorize an increase in the total number
16 of positions allocated to any one rank or to the Police Department.

17

18 **SECTION 10.9 Holidays, Special Provisions.**

19 Whenever any day is declared to be a holiday by proclamation of the Mayor after such day
20 has heretofore been declared a holiday by the Governor of the State of California or the
21 President of the United States, the Controller, with the approval of the Mayor's Office, is
22 hereby authorized to make such transfer of funds not to exceed the actual cost of said holiday
23 from any legally available funds.

24

25 **SECTION 10.10 Litigation Reserve, Payments.**

1 The Controller is authorized and directed to transfer from the Reserve for Litigation Account
2 for General Fund supported departments or from any other legally available funds for other
3 funds, amounts required to make payments required to settle litigation against the City and
4 County of San Francisco that has been recommended by the City Attorney and approved by
5 the Board of Supervisors in the manner provided in the Charter. Such funds are hereby
6 appropriated for the purposes set forth herein.

7

8 **SECTION 10.11 Changes in Health Services Eligibility.**

9 Should the Board of Supervisors amend Administrative Code Section 16.700 to change the
10 eligibility in the City's Health Service System, the Controller is authorized and directed to
11 transfer from any legally available funds or the Salary and Fringe Reserve for the amount
12 necessary to provide health benefit coverage not already reflected in the departmental
13 budgets.

14

15 **SECTION 11. Funds Received for Special Purposes, Trust Funds.**

16 The Controller is hereby authorized and directed to continue the existing special and trust
17 funds, revolving funds, and reserves and the receipts in and expenditures from each such
18 fund are hereby appropriated in accordance with law and the conditions under which each
19 such fund was established.

20

21 The Controller is hereby authorized and directed to set up additional special and trust funds
22 and reserves as may be created by either additional grants and bequests or under other
23 conditions and the receipts in each fund are hereby appropriated in accordance with law for
24 the purposes and subject to the conditions under which each such fund was established.

25

1 **SECTION 11.1 Special and Trust Funds Appropriated.**

2 Whenever the City and County of San Francisco shall receive for a special purpose from the
3 United States of America, the State of California, or from any public or semi-public agency, or
4 from any private person, firm or corporation, any moneys, or property to be converted into
5 money, the Controller shall establish a special fund or account evidencing the said moneys so
6 received and specifying the special purposes for which they have been received and for which
7 they are held, which said account or fund shall be maintained by the Controller as long as any
8 portion of said moneys or property remains.

9

10 Recurring grant funds which are detailed in departmental budget submissions and approved
11 by the Mayor and Board of Supervisors in the annual budget shall be deemed to have met the
12 requirements of Administrative Code Section 10.170 for the approval to apply for, receive and
13 expend said funds and shall be construed to be funds received for a specific purpose as set
14 forth in this section. Positions specifically approved by granting agencies in said grant awards
15 may be filled as though said positions were included in the annual budget and Annual Salary
16 Ordinance, provided however that the tenure of such positions shall be contingent on the
17 continued receipt of said grant funds. Individual grants may be adjusted by the Controller to
18 reflect actual awards made if granting agencies increase or decrease the grant award
19 amounts estimated in budget submissions.

20

21 The expenditures necessary from said funds or said accounts as created herein, in order to
22 carry out the purpose for which said moneys or orders have been received or for which said
23 accounts are being maintained, shall be approved by the Controller and said expenditures are
24 hereby appropriated in accordance with the terms and conditions under which said moneys or

25

1 orders have been received by the City and County of San Francisco, and in accordance with
2 the conditions under which said funds are maintained.

3
4 The Controller is authorized to adjust transfers to the San Francisco Capital Planning Fund,
5 established by Administrative Code Section 10.100-286, to account for final capital project
6 planning expenditures reimbursed from approved sale of bonds and other long term financing
7 instruments.

8
9 **SECTION 11.2 Insurance Recoveries.**

10 Any moneys received by the City and County of San Francisco pursuant to the terms and
11 conditions of any insurance policy are hereby appropriated and made available to the general
12 city or specific departments for associated costs or claims.

13
14 **SECTION 11.3 Bond Premiums.**

15 Premiums received from the sale of bonds are hereby appropriated for bond interest and
16 redemption purposes of the issue upon which it was received.

17
18 **SECTION 11.4 Ballot Arguments.**

19 Receipts in and expenditures for payment for the printing of ballot arguments, are hereby
20 appropriated in accordance with law and the conditions under which this appropriation is
21 established.

22
23 **SECTION 11.5 Tenant Overtime.**

24 Whenever employees of departments are required to work overtime on account of services
25 required by renters, lessees or tenants of City-owned or occupied properties, or recipients of

1 services from City departments the cost of such overtime employment shall be collected by
2 the departments from the requesters of said services and shall be deposited with the
3 Treasurer to the credit of departmental appropriations. All moneys deposited therein are
4 hereby appropriated for such purpose.

5

6 **SECTION 11.6 Refunds.**

7 The Controller is hereby authorized and directed to set up appropriations for refunding
8 amounts deposited in the Treasury in excess of amounts due, and the receipts and
9 expenditures from each are hereby appropriated in accordance with law. Where by State
10 statute, local ordinance or court order, interest is payable on amounts to be refunded, in the
11 absence of appropriation therefore, such interest is herewith appropriated from the
12 unappropriated interest fund or interest earnings of the fund involved. The Controller is
13 authorized, and funds are hereby appropriated, to refund overpayments and any mandated
14 interest or penalties from State, Federal and local agencies when audits or other financial
15 analyses determine that the City has received payments in excess of amounts due.

16

17 **SECTION 11.7 Arbitrage.**

18 The Controller is hereby authorized and directed to refund excess interest earnings on bond
19 proceeds (arbitrage) when such amounts have been determined to be due and payable under
20 applicable Internal Revenue Service regulations. Such arbitrage refunds shall be charged in
21 the various bond funds in which the arbitrage earnings were recorded and such funds are
22 hereby appropriated for the purpose.

23

24 **SECTION 11.8 Damage Recoveries.**

25

1 Moneys received as payment for damage to City-owned property and equipment are hereby
2 appropriated to the department concerned to pay the cost of repairing such equipment or
3 property. Moneys received as payment for liquidated damages in a City-funded project are
4 appropriated to the department incurring costs of repairing or abating the damages. Any
5 excess funds, and any amount received for damaged property or equipment which is not to be
6 repaired shall be credited to a related fund.

7

8 **SECTION 11.9 Purchasing Damage Recoveries.**

9 That portion of funds received pursuant to the provisions of Administrative Code Section
10 21.33 - failure to deliver article contracted for - as may be needed to affect the required
11 procurement are hereby appropriated for that purpose and the balance, if any, shall be
12 credited the related fund.

13

14 **SECTION 11.10 Off-Street Parking Guarantees.**

15 Whenever the Board of Supervisors has authorized the execution of agreements with
16 corporations for the construction of off-street parking and other facilities under which the City
17 and County of San Francisco guarantees the payment of the corporations' debt service or
18 other payments for operation of the facility, it shall be incumbent upon the Controller to
19 reserve from parking meter or other designated revenues sufficient funds to provide for such
20 guarantees. The Controller is hereby authorized to make payments as previously guaranteed
21 to the extent necessary and the reserves approved in each Annual Appropriation Ordinance
22 are hereby appropriated for the purpose. The Controller shall notify the Board of Supervisors
23 annually of any payments made pursuant to this Section.

24

25 **SECTION 11.11 Hotel Tax – Special Situations.**

1 The Controller is hereby authorized and directed to make such interfund transfers or other
2 adjustments as may be necessary to conform budget allocations to the requirements of the
3 agreements and indentures of the 1994 Lease Revenue and/or San Francisco
4 Redevelopment Agency Hotel Tax Revenue Bond issues.

5

6 **SECTION 11.12 Local Transportation Agency Fund.**

7 Local transportation funds are hereby appropriated pursuant to the Government Code.

8

9 **SECTION 11.13 Insurance.**

10 The Controller is hereby authorized to transfer to the City Risk Manager any amounts
11 indicated in the budget estimate and appropriated hereby for the purchase of insurance or the
12 payment of insurance premiums.

13

14 **SECTION 11.14 Grants to Department of Aging and Adult Services and Department of**
15 **Child Support Services.**

16 The Department of Aging and Adult Services and the Department of Child Support Services
17 are authorized to receive and expend available federal and state contributions and grant
18 awards for their target populations. The Controller is hereby authorized and directed to make
19 the appropriate entries to reflect the receipt and expenditure of said grant award funds and
20 contributions.

21

22 **SECTION 11.15 FEMA, OES, Other Reimbursements.**

23 Whenever the City and County recovers funds from any federal or state agency as
24 reimbursement for the cost of damages resulting from earthquakes and other disasters for
25 which the Mayor has declared a state of emergency, such funds are hereby appropriated for

1 the purpose. The Controller is authorized to transfer such funds to the credit of the
2 departmental appropriation which initially incurred the cost, or, if the fiscal year in which the
3 expenses were charged has ended, to the credit of the fund which incurred the expenses.
4 Revenues received from other governments as reimbursement for mutual aid provided by City
5 departments are hereby appropriated for services provided.

6

7 **SECTION 11.16 Interest on Grant Funds.**

8 Whenever the City and County earns interest on funds received from the State of California or
9 the federal government and said interest is specifically required to be expended for the
10 purpose for which the funds have been received, said interest is hereby appropriated in
11 accordance with the terms under which the principal is received and appropriated.

12

13 **SECTION 11.17 Treasurer – Banking Agreements.**

14 Whenever the Treasurer finds that it is in the best interest of the City and County to use either
15 a compensating balance or fee for service agreement to secure banking services that benefit
16 all participants of the pool, any funds necessary to be paid for such agreement are to be
17 charged against interest earnings and such funds are hereby appropriated for the purpose.

18

19 The Treasurer may offset banking charges that benefit all participants of the investment pool
20 against interest earned by the pool. The Treasurer shall allocate other bank charges and
21 credit card processing to departments or pool participants that benefit from those services.
22 The Controller may transfer funds appropriated in the budget to General Fund departments as
23 necessary to support allocated charges.

24

25 **SECTION 11.18 City Buildings–Acquisition with Certificates of Participation (COPs).**

1 Receipts in and expenditures from accounts set up for the acquisition and operation of City-
2 owned buildings including, but not limited to 25 Van Ness Avenue and 1660 Mission Street,
3 are hereby appropriated for the purposes set forth in the various bond indentures through
4 which said properties were acquired.

5
6 **SECTION 11.19 Generally Accepted Principles of Financial Statement Presentation.**

7 The Controller is hereby authorized to make adjustments to departmental budgets as part of
8 the year-end closing process to conform amounts to the Charter provisions and generally
9 accepted principles of financial statement presentation, and to implement new accounting
10 standards issued by the Government Accounting Standards Board and other changes in
11 generally accepted accounting principles

12
13 **SECTION 11.20 Fund Balance Reporting and Government Fund Type Definitions.**

14 The Controller is authorized to establish or adjust fund type definitions for restricted,
15 committed or assigned revenues and expenditures, in accordance with the requirements of
16 Governmental Accounting Standards Board Statement 54. These changes will be designed to
17 enhance the usefulness of fund balance information by providing clearer fund balance
18 classifications that can be more consistently applied and by clarifying the existing
19 governmental fund type definitions. Reclassification of funds shall be reviewed by the City's
20 outside auditors during their audit of the City's financial statements.

21
22 **SECTION 11.21 State Local Public Safety Fund.**

23 Amounts received from the State Local Public Safety Fund (Sales Taxes) for deposit to the
24 Public Safety Augmentation Fund shall be transferred to the General Fund for use in meeting

25

1 eligible costs of public safety as provided by State law and said funds are appropriated for
2 said purposes.

3
4 Said funds shall be allocated to support public safety department budgets, but not specific
5 appropriation accounts, and shall be deemed to be expended at a rate of 75% of eligible
6 departmental expenditures up to the full amount received. The Controller is hereby directed to
7 establish procedures to comply with state reporting requirements.

8
9 **SECTION 11.22 Laguna Honda Employee Development Account.**

10 The Controller is authorized and directed to set up special funds as may be required to
11 receive employee, corporate and private donations made for the purpose of funding employee
12 training and development. Donated funds for employee development will be automatically
13 appropriated for such purpose, and shall be maintained in the City's financial systems.

14
15 **SECTION 11.23 Affordable Housing Loan Repayments and Interest Earnings.**

16 Loan repayments, proceeds of property sales in cases of defaulted loans, and interest
17 earnings in special revenue funds designated for affordable housing are hereby appropriated
18 for affordable housing program expenditures, including payments from loans made by the
19 former San Francisco Redevelopment Agency and transferred to the Mayor's Office of
20 Housing and Community Development, the designated the housing successor agency.
21 Expenditures shall be subject to the conditions under which each such fund was established.

22
23 **SECTION 11.24 Developer Agreement Implementation Costs.**

24 The Controller is hereby authorized to appropriate reimbursements of City costs incurred to
25 implement development agreements approved by the Board of Supervisors, including but not

1 limited to City staff time, consultant services and associated overhead costs to conduct plan
2 review, inspection, and contract monitoring, and to draft, negotiate, and administer such
3 agreements. This provision does not apply to development impact fees or developer
4 exactions, which shall be appropriated by the Board of Supervisors.

5

6 **SECTION 12. Special Situations.**

7

8 **SECTION 12.1 Revolving Funds.**

9 Surplus funds remaining in departmental appropriations may be transferred to fund increases
10 in revolving funds up to the amount authorized by the Board of Supervisors if said Board, by
11 ordinance, has authorized an increase in said revolving fund amounts.

12

13 **SECTION 12.2 Interest Allocations.**

14 Interest shall not be allocated to any special, enterprise, or trust fund or account unless said
15 allocation is required by Charter, state law or specific provision in the legislation that created
16 said fund. Any interest earnings not allocated to special, enterprise or trust funds or accounts
17 shall be credited, by the Controller, to General Fund Unallocated Revenues.

18

19 **SECTION 12.3 Property Tax.**

20 Consistent with the State Teeter Plan requirements, the Board of Supervisors elects to
21 continue the alternative method of distribution of tax levies and collections in accordance with
22 Revenue and Taxation Code Section 4701. The Board of Supervisors directs the Controller to
23 maintain the Teeter Tax Losses Reserve Fund at an amount not less than 1% of the total of
24 all taxes and assessments levied on the secured roll for that year for participating entities in
25 the county as provided by Revenue and Taxation Code Section 4703. The Board of

1 Supervisors authorizes the Controller to make timely property tax distributions to the Office of
2 Community Investment and Infrastructure, the Treasure Island Development Authority, and
3 City and County of San Francisco Infrastructure Financing Districts as approved by the Board
4 of Supervisors through the budget, through development pass-through contracts, through tax
5 increment allocation pledge agreements and ordinances, and as mandated by State law.

6
7 The Controller is authorized to adjust the budget to conform to assumptions in final approved
8 property tax rates and to make debt service payments for approved general obligation bonds
9 accordingly.

10
11 The Controller is authorized and directed to recover costs from the levy, collection and
12 administration of property taxes.

13

14 **SECTION 12.4 New Project Reserves.**

15 Where this Board has set aside a portion of the General Reserve for a new project or program
16 approved by a supplemental appropriation, any funds not required for the approved
17 supplemental appropriation shall be returned to the General Fund General Reserve by the
18 Controller.

19

20 **SECTION 12.5 Aid Payments.**

21 Aid paid from funds herein provided and refunded during the fiscal year hereof shall be
22 credited to, and made available in, the appropriation from which said aid was provided.

23

24 **SECTION 12.6 Department of Public Health Transfer Payments, Indigent Health**
25 **Revenues, and Realignment Funding to Offset for Low Income Health Programs.**

1 To more accurately reflect the total net budget of the Department of Public Health, this
2 ordinance shows net revenues received from certain State and Federal health programs.
3 Funds necessary to participate in such programs that require transfer payments are hereby
4 appropriated. The Controller is authorized to defer surplus transfer payments, indigent health
5 revenues, and Realignment funding to offset future reductions or audit adjustments
6 associated with funding allocations for health services for low income individuals.

7

8 **SECTION 12.7 Municipal Transportation Agency.**

9 Consistent with the provisions of Proposition E and Proposition A creating the Municipal
10 Transportation Agency and including the Parking and Traffic function as a part of the
11 Municipal Transportation Agency, the Controller is authorized to make such transfers and
12 reclassification of accounts necessary to properly reflect the provision of central services to
13 the Municipal Transportation Agency in the books and accounts of the City. No change can
14 increase or decrease the overall level of the City's budget.

15

16 **SECTION 12.8 Treasure Island Authority.**

17 Should the Treasure Island property be conveyed and deed transferred from the Federal
18 Government, the Controller is hereby authorized to make budgetary adjustments necessary to
19 ensure that there is no General Fund impact from this conveyance.

20

21 **SECTION 12.9 Hetch Hetchy Power Stabilization Fund.**

22 Hetch Hetchy has entered into a long-term agreement to purchase a fixed amount of power.
23 Any excess power from this contract will be sold back to the power market.

24

25

1 To limit Hetch Hetchy’s risk from adverse market conditions in the future years of the contract,
2 the Controller is authorized to establish a power stabilization account that reserves any
3 excess revenues from power sales in the early years of the contract. These funds may be
4 used to offset potential losses in the later years of the contract. The balance in this fund may
5 be reviewed and adjusted annually.

6
7 The power purchase amount reflected in the Public Utility Commission’s expenditure budget is
8 the net amount of the cost of power purchased for Hetch Hetchy use. Power purchase
9 appropriations may be increased by the Controller to reflect the pass through costs of power
10 purchased for resale under long-term fixed contracts previously approved by the Board of
11 Supervisors.

12

13 **SECTION 12.10 Closure of Special Funds, Projects, and Accounts**

14 In accordance with Administrative Code Section 10.100-1(d), if there has been no expenditure
15 activity for the past two fiscal years, a special fund or project can be closed and repealed. The
16 Controller is hereby authorized and directed to reconcile and balance funds, projects and
17 accounts. The Controller is directed to create a clearing account for the purpose of balancing
18 surpluses and deficits in such funds, projects and accounts, and funding administrative costs
19 incurred to perform such reconciliations.

20

21 **SECTION 12.11 Charter-Mandated Baseline Appropriations.**

22 The Controller is authorized to increase or reduce budgetary appropriations as required by the
23 Charter for baseline allocations to align allocations to the amounts required by formula based
24 on actual revenues received during the fiscal year. Departments must obtain Board of
25

1 Supervisors' approval prior to any expenditure supported by increasing baseline allocations as
2 required under the Charter and the Municipal Code.

3

4 **SECTION 12.12 Parking Tax Allocation.**

5 The Controller is authorized to increase or decrease final budgetary allocation of parking tax
6 in-lieu transfers to reflect actual collections to the Municipal Transportation Agency. The
7 Municipal Transportation Agency must obtain Board of Supervisors' approval prior to any
8 expenditure supported by allocations that accrue to the Agency that are greater than those
9 already appropriated in the Annual Appropriation Ordinance.

10

11 **SECTION 12.13 Former Redevelopment Agency Funds.**

12 Pursuant to Board of Supervisors Ordinance 215-12, the Successor Agency to the San
13 Francisco Redevelopment Agency (also known as the Office of Community Investment and
14 Infrastructure, or OCII) is a separate legal entity from the City and its budget is subject to
15 separate approval by resolution of the Board of Supervisors. The Controller is authorized to
16 transfer funds and appropriation authority between and within accounts related to former San
17 Francisco Redevelopment Agency (SFRA) fund balances to serve the accounting
18 requirements of the OCII, the Port, the Mayor's Office of Housing and the City Administrator's
19 office and to comply with State requirements and applicable bond covenants.

20

21 The Purchaser is authorized to allow the OCII and departments to follow applicable
22 contracting and purchasing procedures of the former SFRA and waive inconsistent provisions
23 of the San Francisco Administrative Code when managing contracts and purchasing
24 transactions related to programs formerly administered by the SFRA.

25

1 If during the course of the budget period, the OCII requests departments to provide additional
2 services beyond budgeted amounts and the Controller determines that the Successor Agency
3 has sufficient additional funds available to reimburse departments for such additional services,
4 the departmental expenditure authority to provide such services is hereby appropriated.

5
6 When 100% of property tax increment revenues for a redevelopment project area are pledged
7 based on an agreement that constitutes an enforceable obligation, the Controller will increase
8 or decrease appropriations to match actual revenues realized for the project area.

9
10 The Mayor's Office of Housing and Community Development is authorized to act as the fiscal
11 agent for the Public Initiatives Development Corporation (PIDC) and receive and disburse
12 PIDC funds as authorized by the PIDC bylaws and the PIDC Board of Directors.

13
14 **SECTION 12.14 CleanPowerSF.**
15 CleanPowerSF customer payments and all other associated revenues deposited in the
16 CleanPowerSF special revenue fund are hereby appropriated for in the amounts actually
17 received by the City and County in each fiscal year. The Controller is authorized to disburse
18 the revenues appropriated by this section as well as those appropriated yet unspent from prior
19 fiscal years to pay power purchase obligations and other operating costs as provided in the
20 program plans and annual budgets, as approved by the Board of Supervisors for the purposes
21 authorized therein.

22
23
24 **SECTION 14. Departments.**

25

1 The term department as used in this ordinance shall mean department, bureau, office, utility,
2 agency, board or commission, as the case may be. The term department head as used herein
3 shall be the chief executive duly appointed and acting as provided in the Charter. When one
4 or more departments are reorganized or consolidated, the former entities may be displayed as
5 separate units, if, in the opinion of the Controller, this will facilitate accounting or reporting.

6
7 (a) The Public Utilities Commission shall be considered one entity for budget purposes and
8 for disbursement of funds within each of the enterprises. The entity shall retain its enterprises,
9 including Water, Hetch Hetchy, Wastewater, and the Public Utilities Commission, as separate
10 utility fund enterprises under the jurisdiction of the Public Utilities Commission and with the
11 authority provided by the Charter. This section shall not be construed as a merger or
12 completion of the Hetch Hetchy Project, which shall not be deemed completed until a specific
13 finding of completion has been made by the Public Utilities Commission. The consolidated
14 agency will be recognized for purposes of determining employee seniority, position transfers,
15 budgetary authority and transfers or reappropriation of funds.

16
17 (b) There shall be a General Services Agency, headed by the City Administrator, including
18 the Department of Public Works, the Department of Telecommunication and Information
19 Services, and the Department of Administrative Services.

20
21 The City Administrator shall be considered one entity for budget purposes and for
22 disbursement of funds. This budgetary structure does not affect the separate legal status of
23 the departments placed within the entity: Administrative Services, Medical Examiner,
24 Convention and Facilities Management, and Animal Care and Control. Each of these
25 departments shall retain the duties and responsibilities of departments as provided in the

1 Charter and the Administrative Code, including but not limited to appointing and contracting
2 authority.

3
4 (c) There shall be a Human Services Agency, which shall be considered one entity for
5 budget purposes and for disbursement of funds. Within the Human Services Agency shall be
6 two departments: (1) the Department of Human Services, under the Human Services
7 Commission, and (2) the Department of Aging and Adult Services ("DAAS"), under the Aging
8 and Adult Services Commission, includes Adult Protective Services, the Public
9 Administrator/Public Guardian, the Mental Health Conservator, the Department of Aging and
10 Adult Services, the County Veterans' Service Officer, and the In-Home Supportive Services
11 Program. This budgetary structure does not affect the legal status or structure of the two
12 departments, unless reorganized under Charter Section 4.132. The Human Resources
13 Director and the Controller are authorized to transfer employees, positions, and funding in
14 order to effectuate the transfer of the program from one department to the other. The
15 consolidated agency will be recognized for purposes of determining employee seniority,
16 position transfers, budgetary authority and transfers or reappropriation of funds.

17
18 The departments within the Human Services Agency shall coordinate with each other and with
19 the Aging and Adult Services Commission to improve delivery of services, increase
20 administrative efficiencies and eliminate duplication of efforts. To this end, they may share
21 staff and facilities. The Aging and Adult Services Commission shall remain the Area Agency
22 on Aging. This coordination is not intended to diminish the authority of the Aging and Adult
23 Services Commission over matters under the jurisdiction of the Commission.

24
25

1 The Director of the Aging and Adult Services Commission also may serve as the department
2 head for DAAS, and/or as a deputy director for the Department of Human Services, but shall
3 receive no additional compensation by virtue of an additional appointment. If an additional
4 appointment is made, it shall not diminish the authority of the Aging and Adult Services
5 Commission over matters under the jurisdiction of the Commission.

6
7

8 **SECTION 15. Travel Reimbursement and Cell Phone Stipends.**

9 The Controller shall establish rules for the payment of all amounts payable for travel for
10 officers and employees, and for the presentation of such vouchers as the Controller shall
11 deem proper in connection with expenditures made pursuant to said Section. No allowance
12 shall be made for traveling expenses provided for in this ordinance unless funds have been
13 appropriated or set aside for such expenses in accordance with the provisions of the Charter.

14

15 The Controller may advance the sums necessary for traveling expenses, but proper account
16 and return must be made of said sums so advanced by the person receiving the same within
17 ten days after said person returns to duty in the City and County of San Francisco, and failure
18 on the part of the person involved to make such accounting shall be sufficient cause for the
19 Controller to withhold from such persons pay check or checks in a sum equivalent to the
20 amount to be accounted.

21

22 In consultation with the Human Resources Director, the Controller shall establish rules and
23 parameters for the payment of monthly stipends to officers and employees who use their own
24 cells phones to maintain continuous communication with their workplace, and who participate
25 in a Citywide program that reduces costs of City-owned cell phones.

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SECTION 16. Contributed Revenue Reserve and Audit and Adjustment Reserve.

The Controller is hereby authorized to establish a Contributed Revenue and Adjustment Reserve to accumulate receipts in excess of those estimated revenues or unexpended appropriations stated herein. Said reserve is established for the purpose of funding the budget of the subsequent year, and the receipts in this reserve are hereby appropriated for said purpose. The Controller is authorized to maintain an Audit and Adjustment Reserve to offset audit adjustments, and to balance expenditure accounts to conform to year-end balancing and year-end close requirements.

SECTION 17. Airport Service Payment.

The moneys received from the Airport's revenue fund as the Annual Service Payment provided in the Airline-Airport Lease and Use Agreement are in satisfaction of all obligations of the Airport Commission for indirect services provided by the City and County of San Francisco to the Commission and San Francisco International Airport and constitute the total transfer to the City's General Fund.

The Controller is hereby authorized and directed to transfer to the City's General Fund from the Airport revenue fund with the approval of the Airport Commission funds that constitute the annual service payment provided in the Airline - Airport Lease and Use Agreement in addition to the amount stated in the Annual Appropriation Ordinance.

On the last business day of the fiscal year, unless otherwise directed by the Airport Commission, the Controller is hereby authorized and directed to transfer all moneys remaining in the Airport's Contingency Account to the Airport's Revenue Fund. The Controller is further

1 authorized and directed to return such amounts as were transferred from the Contingency
2 Account, back to the Contingency Account from the Revenue Fund Unappropriated Surplus
3 on the first business day of the succeeding fiscal year, unless otherwise directed by the
4 Airport Commission.

5

6 **SECTION 18. Pooled Cash, Investments.**

7 The Treasurer and Controller are hereby authorized to transfer available fund balances within
8 pooled cash accounts to meet the cash management of the City, provided that special and
9 non-subsidized enterprise funds shall be credited interest earnings on any funds temporarily
10 borrowed there from at the rate of interest earned on the City Pooled Cash Fund. No such
11 cash transfers shall be allowed where the investment of said funds in investments such as the
12 pooled funds of the City and County is restricted by law.

13

14 **SECTION 19. Matching Funds for Federal or State Programs.**

15 Funds contributed to meet operating deficits and/or to provide matching funds for federal or
16 State aid (e.g. Medicaid under SB 855 or similar legislation for Zuckerberg San Francisco
17 General Hospital) are specifically deemed to be made exclusively from local property and
18 business tax sources.

19

20 **SECTION 20. Advance Funding of Bond Projects – City Departments.**

21 Whenever the City and County has authorized appropriations for the advance funding of
22 projects which may at a future time be funded from the proceeds of general obligation,
23 revenue, or lease revenue bond issues or other legal obligations of the City and County, the
24 Controller shall recover from bond proceeds or other available sources, when they become
25 available, the amount of any interest earnings foregone by the General Fund as a result of

1 such cash advance to disbursements made pursuant to said appropriations. The Controller
2 shall use the monthly rate of return earned by the Treasurer on City Pooled Cash Fund during
3 the period or periods covered by the advance as the basis for computing the amount of
4 interest foregone which is to be credited to the General Fund.

5

6 **SECTION 21. Advance Funding of Projects – Transportation Authority.**

7 Whenever the San Francisco County Transportation Authority requests advance funding of
8 the costs of administration or the costs of projects specified in the City and County of San
9 Francisco Transportation Expenditure Plan which will be funded from proceeds of the
10 transactions and use tax as set forth in Article 14 of the Business and Tax Regulations Code
11 of the City and County of San Francisco, the Controller is hereby authorized to make such
12 advance. The Controller shall recover from the proceeds of the transactions and use tax when
13 they become available, the amount of the advance and any interest earnings foregone by the
14 City and County General Fund as a result of such cash advance funding. The Controller shall
15 use the monthly rate of return earned by the Treasurer on General City Pooled Cash funds
16 during the period or periods covered by the advance as the basis for computing the amount of
17 interest foregone which is to be credited to the General Fund.

18

19 **SECTION 22. Controller to Make Adjustments, Correct Clerical Errors.**

20 The Controller is hereby authorized and directed to adjust interdepartmental appropriations,
21 make transfers to correct objects of expenditures classifications and to correct clerical or
22 computational errors as may be ascertained by the Controller to exist in this ordinance. The
23 Controller shall file with the Clerk of the Board a list of such adjustments, transfers and
24 corrections made pursuant to this Section.

25

1 The Controller is hereby authorized to make the necessary transfers to correct objects of
2 expenditure classifications, and corrections in classifications made necessary by changes in
3 the proposed method of expenditure.

4
5 **SECTION 22.1 Controller to Implement New Financial and Interfacing Subsystems.**

6 In order to further the implementation and adoption of the Financial and Procurement
7 System's modules, the Controller shall have the authority to reclassify departments'
8 appropriations to conform to the accounting and project costing structures established in the
9 new system, as well as reclassify contract authority utilized (expended) balances and
10 unutilized (available) balances to reflect actual spending.

11
12 **SECTION 23. Transfer of State Revenues.**

13 The Controller is authorized to transfer revenues among City departments to comply with
14 provisions in the State budget.

15
16 **SECTION 24. Use of Permit Revenues from the Department of Building Inspection.**

17 Permit revenue funds from the Department of Building Inspection that are transferred to other
18 departments as shown in this budget shall be used only to fund the planning, regulatory,
19 enforcement and building design activities that have a demonstrated nexus with the projects
20 that produce the fee revenues.

21
22 **SECTION 25. Board of Supervisors Official Advertising Charges.**

23 The Board of Supervisors is authorized to collect funds from enterprise departments to place
24 official advertising. The funds collected are automatically appropriated in the budget of the
25 Board of Supervisors as they are received.

1

2 **SECTION 26. Work Order Appropriations.**

3 The Board of Supervisors directs the Controller to establish work orders pursuant to Board-
4 approved appropriations, including positions needed to perform work order services, and
5 corresponding recoveries for services that are fully cost covered, including but not limited to
6 services provided by one City department to another City department, as well as services
7 provided by City departments to external agencies, including but not limited to the Office of
8 Community Investment and Infrastructure, the Treasure Island Development Authority, the
9 School District, and the Community College. Revenues for services from external agencies
10 shall be appropriated by the Controller in accordance with the terms and conditions
11 established to perform the service.

12

13 It is the policy of the Mayor and the Board of Supervisors to allocate costs associated with the
14 replacement of the City's financial and purchasing system to all City Departments proportional
15 to the departments' costs and financial requirements. In order to minimize new General Fund
16 appropriations to complete the project, the Controller is authorized and directed to work with
17 departments to identify efficiencies and savings in their financial and administrative operations
18 to be applied to offset their share of the costs of this project, and is authorized to apply said
19 savings to the project.

20

21 **SECTION 26.1 Property Tax System**

22 In order to minimize new appropriations to the property tax system replacement project, the
23 Controller is authorized and directed to apply operational savings from the offices of the Tax
24 Collector, Assessor, and Controller to the project. No later than June 1, 2018 the Controller
25 shall report to the Budget and Legislative Analyst's Office and Budget and Finance Committee

1 on the specific amount of operational savings, including details on the source of such savings,
2 in the budgets of Tax Collector, Assessor, and Controller that are re-allocated to the Property
3 Tax System Replacement Project
4

5 **SECTION 27. Revenue Reserves and Deferrals.**

6 The Controller is authorized to establish fee reserve allocations for a given program to the
7 extent that the cost of service exceeds the revenue received in a given fiscal year, including
8 establishment of deferred revenue or reserve accounts. In order to maintain balance between
9 budgeted revenues and expenditures, revenues realized in the fiscal year preceding the year
10 in which they are appropriated shall be considered reserved for the purposes for which they
11 are appropriated.
12
13

14 **SECTION 28. Close-Out of Reserved Appropriations.**

15 On an annual basis, the Controller shall report the status of all reserves, their remaining
16 balances, and departments' explanations of why funding has not been requested for release.
17 Continuation of reserves will be subject to consideration and action by the Budget and
18 Finance Committee. The Controller shall close out reserved appropriations that are no longer
19 required by the department for the purposes for which they were appropriated.
20

21 **SECTION 28.1. Reserves Placed on Expenditures by Controller.**

22 Consistent with Charter Section 3.105(d), the Controller is authorized to reserve expenditures
23 in the City's budget equal to uncertain revenues, as deemed appropriate by the Controller.
24 The Controller is authorized to remove, transfer, and update reserves to expenditures in the
25 budget as revenue estimates are updated and received in order to maintain City operations.

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SECTION 29. Appropriation Control of Capital Improvement Projects and Equipment.

Unless otherwise exempted in another section of the Administrative Code or Annual Appropriation Ordinance, and in accordance with Administrative Code Section 3.18, departments may transfer funds from one Board-approved capital project to another Board-approved capital project. The Controller shall approve transfers only if they do not materially change the size or scope of the original project. Annually, the Controller shall report to the Board of Supervisors on transfers of funds that exceed 10% of the original appropriation to which the transfer is made.

The Controller is authorized to approve substitutions within equipment items purchased to equip capital facilities providing that the total cost is within the Board-approved capital project appropriation.

The Controller is authorized to transfer approved appropriations between departments to correctly account for capitalization of fixed assets.

SECTION 30. Business Improvement Districts.

Proceeds from all special assessments levied on real property included in the property-based business improvement districts in the City and County of San Francisco are hereby appropriated in the respective amounts actually received by the City and County in such fiscal year for each such district.

The Controller is authorized to disburse the assessment revenues appropriated by this section to the respective Owners' Associations (as defined in Section 36614.5 of the Streets and Highways Code) for such districts as provided in the management district plans, resolutions

1 establishing the districts, annual budgets and management agreements, as approved by the
2 Board of Supervisors for each such district, for the purposes authorized therein. The Tourism
3 Improvement District and Moscone Expansion Business Improvement District assessments
4 are levied on gross hotel room revenue, and are collected and distributed by the Tax
5 Collector's Office.

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8 **SECTION 31. Infrastructure Financing and Infrastructure Revitalization Financing**
9 **Districts.**

10 Pursuant to California Government Code Section 53395 et seq. (IFD Law), the Board of
11 Supervisors has formed Infrastructure Financing (IFD) and Infrastructure Revitalization
12 Financing (IRFD) Districts within the City and County of San Francisco. The Board of
13 Supervisors hereby authorizes the Controller to transfer funds and appropriation authority
14 between and within accounts related to City and County of San Francisco IFDs and IRFDs to
15 serve accounting and State requirements, the latest approved Infrastructure Financing Plan
16 for a District, and applicable bond covenants.

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18 When 100% of the portion of property tax increment normally appropriated to the City and
19 County of San Francisco's General Fund or Special Revenue Fund or to the County's
20 Educational Revenue Augmentation Fund (ERAF) is instead pledged, based on Board of
21 Supervisors Ordinance, the Controller may increase or decrease appropriations to match
22 actual revenues realized for the IFD or IRFD. Any increases to appropriations would be
23 consistent with the Financing Plan previously approved by the Board of Supervisors.

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IFD/IRFD No / Title	Ordinance	Estimated Tax Increment	
		FY 2019-20	FY 2020-21
IFD 2 Port Infrastructure Financing District Subproject Area Pier 70 G-1 Historic Core	27-16	\$ 719,000	\$ 733,000
IFD 2 Port Infrastructure Financing District Subproject Areas Pier 70 G-2, G-3, and G-4	220-18	\$ -	\$ -
IFD 2 Port Infrastructure Financing District Subproject Area I (Mission Rock)	34-18	\$ -	\$ -
IRFD 1 Treasure Island Infrastructure and Revitalization Financing District	21-17	\$ 1,066,000	\$ 2,931,000
IRFD 2 Hoedown Yard Infrastructure and Revitalization Financing District	348-18	\$ -	\$ -

SECTION 32. Fund Balance Drawdown Reserve.

Two hundred and thirteen million dollars (\$213,000,000) of unassigned fund balance from fiscal year FY 2018-19 is hereby assigned to a fund balance drawdown reserve for the purpose of preserving fund balance available as a source for budget balancing in fiscal years 2021-22 and beyond, consistent with the City's adopted Five-Year Financial Plan. This assignment shall not be included in the calculation of deposits to the Budget Stabilization Reserve as required in Administrative Code Section 10.60 (c)

SECTION 33. Housing Authority Contingency Reserve.

Five million dollars (\$5,000,000) of unassigned fund balance from fiscal year 2018-19 is hereby assigned to a budget contingency reserve for the purpose of managing costs related to shortfalls in the San Francisco Housing Authority's available funding for housing vouchers

1 in fiscal year 2019-20 and mitigating uncertainty around future shortfall funding from the
2 federal Department of Housing and Urban Development. This assignment shall not be
3 included in the calculations of deposits to the Budget Stabilization Reserve as required in
4 Administrative Code Section 10.60 (c).

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8 **SECTION 34. Transbay Joint Powers Authority Financing.**

9 Sources received for purposes of payment of debt service for the approved and issued
10 Transbay Community Facilities District special tax bonds and the approved and drawn City
11 bridge loan to the Transbay Joint Powers Authority are hereby appropriated.

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16 **SECTION 35. Administration of Appropriation Advances to Contested Taxes.**

17 Revenue collected pursuant to three contested taxes approved by voters in 2018 (June 2018
18 Prop C Early Care and Education Commercial Rents Tax ordinance, June 2018 Prop G Living
19 Wage for Educators Parcel Tax, and November 2018 Prop C Homelessness Gross Receipts
20 Tax ordinance) will not be available for appropriation until the conclusion of litigation. General
21 Fund appropriations in the budget for legally eligible expenditures for each of these measures
22 shall be treated as advances to address the policy goals of these measures pending the
23 outcome of this litigation. Should the City prevail in litigation, the General Fund will be
24 reimbursed for these advances. The Controller is authorized to recategorize appropriations to
25 facilitate the administration of this section.

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