

File No. 100702

Committee Item No. 2

Board Item No. 11

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee BUDGET AND FINANCE

Date 6/9/10

Board of Supervisors Meeting

Date 06/22/10

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget Analyst Report                        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Analyst Report                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form (for hearings)             |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
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#### OTHER

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| <input type="checkbox"/> | <input type="checkbox"/> | <u>Interim Proposed Annual Salary Ordinance*</u> |
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Completed by: Gail Johnson

Date 6/4/10

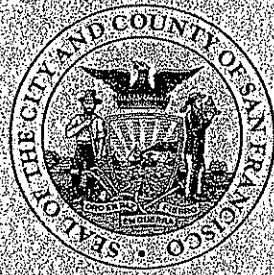
Completed by: Jg

Date 6/10/10

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

Received  
June 1, 2010  
10:58a  
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**CITY AND COUNTY OF  
SAN FRANCISCO  
INTERIM  
PROPOSED  
ANNUAL SALARY  
ORDINANCE**



File No. 100702 Ordinance No. \_\_\_\_\_

**FISCAL YEAR ENDING JUNE 30, 2011 and  
FISCAL YEAR ENDING JUNE 30, 2012 for the**

**San Francisco International Airport, Municipal  
Transportation Agency, Port Commission, and Public Utilities  
Commission**



CITY AND COUNTY OF SAN FRANCISCO  
OFFICE OF THE CONTROLLER

Ben Rosenfield  
Controller  
Monique Zmuda  
Deputy Controller

June 1, 2010

Ms. Angela Calvillo  
Clerk of the Board  
Board of Supervisors  
City Hall, Room 244  
San Francisco, California 94102

*Files 100702  
100747*

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
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Dear Ms. Calvillo:

Enclosed for necessary action is the Interim Annual Salary Ordinance (ASO) for the fiscal year ending June 30, 2011 for all departments and the fiscal year ending June 30, 2012 for the San Francisco International Airport, Municipal Transportation Agency, Port Commission, and Public Utilities Commission. This document is being submitted in accordance with the provisions of Chapter 3 of the San Francisco Administrative Code relating to consideration of the annual appropriation and salary ordinances.

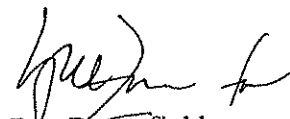
The ASO report format is presented in the same format as the 2009/10 ASO. This ordinance enumerates all permanent and temporary positions created by the Mayor in submitting the budget for the fiscal year ending June 30, 2011 for all departments and the budget for the fiscal year ending June 30, 2012 for the San Francisco International Airport, Municipal Transportation Agency, Port Commission, and Public Utilities Commission.

Please note that there were two changes:

- Paragraph J was added to Section 1.1B.
- Section 2.1 was updated to include the Health Service System's stipend amounts for Public Utilities Commission employees assigned to Hetch Hetchy, and Recreation and Park employees permanently assigned to Camp Mather for FY 2010-11.

The online version will be available on the Controller's website at <http://www.sfcontroller.org/> as well as the Department of Human Resources website at <http://www.sfdhr.org/>. Please contact Gilda Cassanego, Senior Personnel Analyst, at 557-4859 if you have any questions or concerns.

Sincerely,

  
Ben Rosenfield  
Controller

cc: Harvey Rose, Budget Analyst  
Greg Wagner, Mayor's Office  
Micki Callahan, Human Resources Director



CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292  
FAX (415) 252-0461

June 3, 2010

TO: Budget and Finance Committee  
FROM: Budget and Legislative Analyst  
SUBJECT: June 9, 2010 Budget and Finance Committee Meeting

**TABLE OF CONTENTS**

Item	File	Page
1,2,3 & 4	10-0700	Interim Consolidated Budget and Annual Appropriation Ordinance, FYs Ending June 30, 2011, and June 30, 2012
	10-0702	Interim Annual Salary Ordinance, FY Ending June 30, 2011 for all Departments, and for FY Ending June 30, 2012, for the San Francisco International Airport, Municipal Transportation Agency, Port Commission, and Public Utilities Commission
	10-0726	Redevelopment Agency Interim Budget FY 2010-2011
	10-0728	Treasure Island Development Authority Interim Budget FY 2010-2011 .....
		1,2,3 & 4 - 1

<b>Items 1, 2, 3, and 4</b> <b>Files 10-0700, 10- 0702, 10- 0726 and 10- 0728</b>	<b>Department(s):</b>
<b>EXECUTIVE SUMMARY</b>	

1. The proposed legislation would approve for FY 2010-11: (a) the Interim Annual Appropriation Ordinance (File 10-0700), (b) the Interim Annual Salary Ordinance (File 10-0702), and two resolutions approving (c) an Interim Budget for the Redevelopment Agency (File 10-0726), and an Interim Budget for the Treasure Island Development Authority (TIDA) (File 10-0728).

2. The annual budget process for the City and County requires that the Board of Supervisors approve an Interim Annual Appropriation Ordinance and an Interim Annual Salary Ordinance for FY 2010-11 on or before June 30, 2010. The purpose of these interim ordinances and resolutions is to provide position and expenditure authorization for the various departments of the City and County during the time that the Budget and Finance Committee of the Board of Supervisors is reviewing the Mayor's recommended budget for FY 2010-11.

3. The Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance are based on the FY 2010-11 proposed budget recommendations of the Mayor. Therefore, these ordinances include authorization and funding for all programs and program revisions which are included in the Mayor's proposed FY 2010-11 budget. An analysis of departmental programs and program revisions, together with the Budget and Legislative Analyst's recommendations will be submitted in budget reports for the Budget and Finance Committee's budget hearings scheduled from June 16 through 28, 2010.

4. The two proposed resolutions (Item 3, File 10-0726 and Item 4, File 10-0728), approving an Interim Budget for the Redevelopment Agency and TIDA, provide authority for the Redevelopment Agency and TIDA to function under the State Community Redevelopment Law for the period from July 1, 2010 until the FY 2010-11 budgets for the Redevelopment Agency and TIDA are finally approved by the Board of Supervisors, as required by Section 33607 of State Redevelopment law. Approval of these two proposed resolutions would not constitute final approval of (a) any new positions, programs, capital improvements and equipment for the Redevelopment Agency and TIDA or (b) Tax Allocation Bonds for the Redevelopment Agency for 2010-2011.

5. As a general policy, in previous years, the Board of Supervisors has not approved new positions, programs, capital improvements and equipment during the interim budget period without detailed review unless the Budget and Finance Committee and the full Board authorizes exceptions requested by the Mayor's Office. This general policy has been implemented by instructing the Controller not to certify the availability of funds for new positions, programs, capital

improvements and equipment during the interim budget period between July 1 and July 31. If an exception is approved by the Board of Supervisors, new positions can be filled effective July 1. Otherwise, new positions will generally not be filled until October 1 of each fiscal year.

6. The Administrative Provisions of the Interim Annual Appropriation Ordinance states that no funds shall be allotted until August 1 for capital improvements and equipment. However, leased equipment is not subject to this provision.

7. In certain cases, specific exceptions requested by the Mayor's Office to these general policies have been approved by the Board of Supervisors. Exceptions have been based on such factors as new positions and programs that produce revenue or cost savings or prevent major service deficiencies which would result from delays in filling new positions or starting new programs. Approval of some equipment purchases, for example, could result in cost savings. Although the Mayor's Office has stated that two new positions have been included in the interim budget, as of the writing of this report, the Mayor's Office has not provided the Budget and Legislative Analyst with specific requests for exceptions to the Annual Appropriation Ordinance and the Annual Salary Ordinance.

8. According to Ms. Monique Zmuda, Deputy Controller, the Controller has not submitted revisions to the Administrative Provisions of the Interim Annual Appropriation Ordinance (AAO). Ms. Zmuda states that the Controller has submitted proposed revisions to the Administrative Provisions of the final Annual Appropriation Ordinance to the Budget and Finance Committee for approval.

9. The Department of Human Resources has recommended a new Section 1.1B.F of the Administrative Provisions of the Interim Annual Salary Ordinance (ASO) to add:

"Consistent with the Annual Appropriations Ordinance Section 11.2, Professional Service Contracts, the Human Resources Director is authorized to add positions funded in accordance with that section."

Under this provision, funds appropriated for professional service contracts may be transferred to pay for City salaries rather than private contractors on the recommendation of the department head and with the approval of the Director of Human Resources and the Mayor. The Controller must certify that transferring such funds from professional service contracts to salaries would not increase the cost of government.

According to Mr. Ted Yamasaki of the Department of Human Resources, this provision has been added to the FY 2010-11 Annual Salary Ordinance to provide position authority to City departments to perform services in-house rather than with private contractors.

10. Generally, in past years, the Mayor's recommended Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance have been routinely approved by the Board of Supervisors, excluding exceptions for new positions, programs, capital improvements and equipment.

11. In accordance with the FY 2010-11 Budget Calendar, the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance are anticipated to be passed on first reading at the June 15, 2010 meeting of the Board of Supervisors. Final passage of these ordinances is anticipated for June 22, 2010.

12. The Budget and Legislative Analyst has previously been advised by Ms. Adams of the City Attorney's Office that the Board of Supervisors is required to approve an Interim Annual Appropriation Ordinance and an Interim Annual Salary Ordinance (and therefore the Interim Budget). Ms. Adams has further advised the Budget and Legislative Analyst that if these ordinances are not approved by the Board of Supervisors by June 30, the Controller will no longer have authority to issue payroll warrants to City and County employees or to issue other warrants to pay for any other City and County services.

The Controller has advised the Budget and Legislative Analyst that he concurs with the opinion of Ms. Adams. The Controller would cease to issue any further City and County warrants unless the Board of Supervisors approves an Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance (the Interim Budget) by June 30.

#### **Exceptions to the FY 2010-11 Interim Budget**

As noted above, although the Mayor's Office has stated that two new positions have been included in the interim budget, as of the writing of this report, the Mayor's Office has not provided the Budget and Legislative Analyst with specific requests for exceptions to the Annual Appropriation Ordinance and the Annual Salary Ordinance. Therefore, the Budget and Legislative Analyst considers approval of the Annual Appropriation Ordinance (File 10-0700) and Annual Salary Ordinance (File 10-0702) to be a policy matter for the Board of Supervisors.

The Budget and Legislative Analyst recommends that, if such exceptions are submitted, the Budget and Finance Committee should consider all of the Mayor's requested exceptions to the Interim Budget during the scheduled applicable June departmental budget review hearings, pending a report from the Budget and Legislative Analyst pertaining to the justification for any new positions, programs, capital improvements and equipment, in order to provide the Committee with specific analysis and recommendations on such requested new positions, programs, program expansions capital improvements and equipment.


#### **Recommendations**



Recommendations

1. Approval of Item 1, File 10-0700, the Interim Annual Appropriation Ordinance, and Item 2, File 10- 0702, the Interim Annual Salary Ordinance, are policy matters for the Board of Supervisors.

2. Approve Item 3, File 10-0726, the Interim Budget for the Redevelopment Agency and Item 4, File 10-0728, the Interim Budget for the Treasure Island Development Authority.



Harvey M. Rose

- cc: Supervisor Avalos
- Supervisor Mirkarimi
- Supervisor Elsbernd
- Supervisor Maxwell
- Supervisor Campos
- President Chiu
- Supervisor Alioto-Pier
- Supervisor Chu
- Supervisor Daly
- Supervisor Dufty
- Supervisor Mar
- Clerk of the Board
- Cheryl Adams
- Controller
- Greg Wagner

