

File No. 230314

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Appropriations Committee Date March 27, 2024

Board of Supervisors Meeting Date _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Brent Jalipa Date March 21, 2024

Completed by: Brent Jalipa Date _____

1 [Appropriation - General Reserve - San Francisco Public Utilities Commission -
2 \$500,000 - FY~~2022-2023~~2023-2024]

2

3 **Ordinance appropriating \$500,000 of General Fund General Reserves to the San**
4 **Francisco Public Utilities Commission for independent analysis and research on**
5 **sea level rise and groundwater impacts in the Hunters Point Shipyard in Fiscal Year**
6 **(FY) ~~2022-2023~~2023-2024.**

7

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

10

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

11

12

Section 1. The sources of funding outlined below are herein appropriated to
13 reflect the projected sources of funding for FY~~2022-2023~~2023-2024.

14

15

SOURCES Appropriation

16

17

18

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10020 / 230018	10023237- 0001	598040	Designated For	\$500,000
GF Continuing	17064	Designated	General Reserve	
Authority Ctrl/ GEN	General Reserve /	For General		
General City	General Reserve	Reserve		
Responsibility				

19

20

21

22

23

24

25

	Fund /	Project &	Account	Description	Amount
1	Department ID	Activity /			
2		Authority			
3	Total SOURCES Appropriation				\$500,000

6 Section 2. The uses of funding outlined below are herein appropriated to reflect
7 the funding available for FY~~2022-2023~~2023-2024.

9 **USES APPROPRIATION**

	Fund /	Project &	Account	Description	Amount
11	Department ID	Activity /			
12		Authority			
14	25950 / 232396	10036785-0001	506070	Research and	\$500,000
15	WTR Annual	20474/	Programmatic	analysis on sea	
16	Authority Ctrl/	Water Addbacks	Projects	level rise and	
17	WTR01	Master Project/		groundwater	
18	Administration	WTR Neighborhood		impacts in	
19		Steward Program		Hunters Point	
20				Shipyard	
21					
22					
23	Total USES Appropriation				\$500,000

<p>Item 1 Files 23-0314 <i>(Continued from 3/20/24 meeting)</i></p>	<p>Department: Public Utilities Commission (PUC)</p>
<p>EXECUTIVE SUMMARY</p>	
<p>Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed ordinance would appropriate \$500,000 from the General Reserve to the Public Utilities Commission’s Water Enterprise to fund independent analysis and research on sea level rise and groundwater impacts in the Hunters Point Shipyard. <p>Key Points</p> <ul style="list-style-type: none"> • The June 2022 Civil Grand Jury Report, “Buried Problems and a Buried Process: The Hunters Point Shipyard in the Time of Climate Change,” concluded that the City was not adequately monitoring the impact of sea level rise on the environmental contamination in the Hunters Point area. The report recommended that the Mayor and/or City Administrator commission a report on potential interactions of groundwater with hazardous materials and planned modifications to the site under multiple sea level rise scenarios and that the Mayor and Board provide funding for the study. • The Mayor’s Office responded to the report on August 11, 2022, stating that it disagreed (in whole or in part) with the Civil Grand Jury’s six findings and would not implement any of the six recommendations directed to the Mayor’s Office because it deemed them not warranted or unreasonable. The Board of Supervisors agreed with the findings and recommendations related to the sea level rise study. <p>Fiscal Impact</p> <ul style="list-style-type: none"> • The proposed ordinance would appropriate \$500,000 from the General Reserve. <p>Policy Consideration</p> <ul style="list-style-type: none"> • If the Board of Supervisors approves the proposed appropriation, the General Reserve balance would be reduced by \$0.5 million to \$128.2 million. Any uses of the reserve during the current year (FY 2023-24) will increase the required deposit in the next budget year (FY 2024-25) by a like amount. <p>Recommendation</p> <ul style="list-style-type: none"> • Approval of the proposed ordinance is a policy matter for the Board of Supervisors. 	

MANDATE STATEMENT

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

BACKGROUND

The June 2022 Civil Grand Jury Report, “Buried Problems and a Buried Process: The Hunters Point Shipyard in the Time of Climate Change,” concluded, among other things, that the City was not adequately managing and monitoring the impact of sea level rise on the environmental contamination in the Hunters Point area (Finding #1). Recommendation #1 of the Civil Grand Jury was:

“By September 1st, 2022, the Mayor and/or the City Administrator should direct the Office of Resilience and Capital Planning, in collaboration with the Department of Public Health, to commission and manage an independent, third-party study of Hunters Point Shipyard to predict the future shallow groundwater surface, groundwater flows, and potential interactions of groundwater with hazardous materials and planned modifications to the site under multiple sea level rise scenarios.”

Recommendation #2 stated, “the Mayor and the Board of Supervisors should collaborate to provide funding for the study recommended in R1, in the Fiscal Year 22-23 budget, or by October 1st, 2022.” The Board of Supervisors agreed with Finding #1 and Recommendations #1 and #2 (File 22-0721).

The Mayor’s Office responded to the report on August 11, 2022, stating that it disagreed (in whole or in part) with the Civil Grand Jury’s six findings and would not implement any of the six recommendations directed to the Mayor’s Office because it deemed them not warranted or unreasonable.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate \$500,000 from the General Reserve to the Public Utilities Commission’s Water Enterprise to fund independent analysis and research on sea level rise and groundwater impacts in the Hunters Point Shipyard. The ordinance was amended in the March 20, 2024 Budget & Appropriations meeting to change the budget year from FY 2022-23 to FY 2023-24. The Committee also discussed changing the source of funds from the General Reserve to the PUC Water Enterprise fund balance, pending a determination from the City Attorney and Controller on whether Water Enterprise monies could be used for this purpose.

FISCAL IMPACT**General Reserve**

Administrative Code Section 10.60 requires the City to budget a General Reserve of at least 3.0 percent of General Fund revenues to address revenue weakness, excess spending, or other needs not anticipated during the annual budget process. The balance requirement is reduced to 1.5 percent of General Fund revenues if the City withdraws from the Rainy Day Reserve and then increases by 0.25 percent per year until the 3.0 percent balance requirement is fully restored. The General Reserve balance is required to be 2.0 percent of budgeted regular General Fund revenues in FY 2023-24 and 2.25 percent of budgeted General Fund Revenues in FY 2024-25.

According to the Controller's Office FY 2023-24 Six-Month Budget Status Report, the General Reserve's FY 2023-24 ending balance is projected to be \$128.7 million.

If the Board of Supervisors approves the proposed appropriation, the General Reserve balance would be reduced by \$0.5 million to \$128.2 million. Any uses of the reserve during the current year (FY 2023-24) will increase the required deposit in the budget year (FY 2024-25) by a like amount.

RECOMMENDATION

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 1 File 23-0314	Department: Public Utilities Commission
--------------------------------------	---

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance would appropriate \$500,000 from the General Reserve to the Public Utilities Commission’s Water Enterprise to fund independent analysis and research on sea level rise and groundwater impacts in the Hunters Point Shipyard.

Key Points

- The June 2022 Civil Grand Jury Report, “Buried Problems and a Buried Process: The Hunters Point Shipyard in the Time of Climate Change,” concluded that the City was not adequately monitoring the impact of sea level rise on the environmental contamination in the Hunters Point area. The report recommended that the Mayor and/or City Administrator commission a report on potential interactions of groundwater with hazardous materials and planned modifications to the site under multiple sea level rise scenarios and that the Mayor and Board provide funding for the study.
- The Mayor’s Office responded to the report on August 11, 2022, stating that it disagreed (in whole or in part) with the Civil Grand Jury’s six findings and would not implement any of the six recommendations directed to the Mayor’s Office because it deemed them not warranted or unreasonable. The Board of Supervisors agreed with the findings and recommendations related to the sea level rise study.

Fiscal Impact

- The proposed ordinance would appropriate \$500,000 from the General Reserve.

Policy Consideration

- If the Board of Supervisors approves the proposed appropriation, the General Reserve balance would be reduced by \$0.5 million to \$128.2 million. Any uses of the reserve during the current year (FY 2023-24) will increase the required deposit in the next budget year (FY 2024-25) by a like amount.

Recommendation

- Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

MANDATE STATEMENT

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

BACKGROUND

The June 2022 Civil Grand Jury Report, “Buried Problems and a Buried Process: The Hunters Point Shipyard in the Time of Climate Change,” concluded, among other things, that the City was not adequately managing and monitoring the impact of sea level rise on the environmental contamination in the Hunters Point area (Finding #1). Recommendation #1 of the Civil Grand Jury was:

“By September 1st, 2022, the Mayor and/or the City Administrator should direct the Office of Resilience and Capital Planning, in collaboration with the Department of Public Health, to commission and manage an independent, third-party study of Hunters Point Shipyard to predict the future shallow groundwater surface, groundwater flows, and potential interactions of groundwater with hazardous materials and planned modifications to the site under multiple sea level rise scenarios.”

Recommendation #2 stated, “the Mayor and the Board of Supervisors should collaborate to provide funding for the study recommended in R1, in the Fiscal Year 22-23 budget, or by October 1st, 2022.” The Board of Supervisors agreed with Finding #1 and Recommendations #1 and #2 (File 22-0721).

The Mayor’s Office responded to the report on August 11, 2022, stating that it disagreed (in whole or in part) with the Civil Grand Jury’s six findings and would not implement any of the six recommendations directed to the Mayor’s Office because it deemed them not warranted or unreasonable.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate \$500,000 from the General Reserve to the Public Utilities Commission’s Water Enterprise to fund independent analysis and research on sea level rise and groundwater impacts in the Hunters Point Shipyard.

FISCAL IMPACT

General Reserve

Administrative Code Section 10.60 requires the City to budget a General Reserve of at least 3.0 percent of General Fund revenues to address revenue weakness, excess spending, or other needs not anticipated during the annual budget process. The balance requirement is reduced to 1.5 percent of General Fund revenues if the City withdraws from the Rainy Day Reserve and then

increases by 0.25 percent per year until the 3.0 percent balance requirement is fully restored. The General Reserve balance is required to be 2.0 percent of budgeted regular General Fund revenues in FY 2023-24 and 2.25 percent of budgeted General Fund Revenues in FY 2024-25.

According to the Controller's Office FY 2023-24 Six-Month Budget Status Report, the General Reserve's FY 2023-24 ending balance is projected to be \$128.7 million.

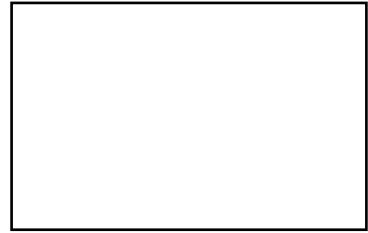
If the Board of Supervisors approves the proposed appropriation, the General Reserve balance would be reduced by \$0.5 million to \$128.2 million. Any uses of the reserve during the current year (FY 2023-24) will increase the required deposit in the budget year (FY 2024-25) by a like amount.

RECOMMENDATION

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Introduction Form

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



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

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

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

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

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

- Yes No

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

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: