

File No. 130552

Committee Item No. 20
Board Item No. 34

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: 06/20/2013
06/21/2013

Board of Supervisors Meeting

Date: July 16, 2013

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <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"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Budget Savings Incentive Fund Proposal, FY2014-15</u> |
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Completed by: Victor Young Date June 14, 2013

Completed by: Victor Young Date _____

1 [Approval of Expenditures - Budget Savings Incentive Fund - FYs 2013-2014 and 2014-2015]

2
3 **Resolution approving expenditures from the Budget Savings Incentive Fund for one-**
4 **time purposes in FYs 2013-2014 and 2014-2015.**

5
6 WHEREAS, Section 10.20 of the San Francisco Administrative Code established a
7 Budget Savings Incentive Fund to encourage City Departments to implement cost-saving
8 incentives and allow for the reinvestment of those savings in one-time expenditures that
9 improve the efficiency of departmental operations, reduce the cost of service delivery,
10 generate additional revenue, or meet deferred maintenance needs; and

11 WHEREAS, At the close of FY 2011-2012, \$22.4 million was available in the Fund from
12 savings generated by General Fund Departments and the Controller assumes additional
13 deposits of \$9.4 million from departmental expenditure savings projected for FY 2012-2013,
14 for a total estimated balance of \$23.4 million; and

15 WHEREAS, Departments have made proposals for one-time and efficiency proposals
16 to the Capital Planning Committee and the Committee on Information Technology; and

17 WHEREAS, Through these committees, expenditure proposals have been approved
18 by the Mayor's Budget Director, the Controller and the President of the Board of Supervisors
19 or their designees; and

20 WHEREAS, The expenditure proposals of \$16.7 million have been included in the
21 Mayor's proposed FY 2013-2014 budget and \$6.8 million for the FY 2014-2015 budget, and a
22 listing is on file with the Clerk of the Board of Supervisors in File No. 130552, which is hereby
23 declared to be a part of this resolution as if set forth fully herein; now, therefore, be it
24
25

1 RESOLVED, That the Board of Supervisors approves the use of the Budget Savings
2 Incentive Fund as a funding source for identified one-time expenditures for FY2013-2014 and
3 FY2014-2015.

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FY 2013-14 Budget Savings Incentive Fund Proposal

Dept	Project Title	Total	Committee
Asian Art Museum	Grouting, Caulking, and Stone Replacement	46,000	Capital
Asian Art Museum	Facilities Maintenance	165,000	Capital
Academy of Sciences	AHU Replacement	250,000	Capital
City Administrator's Office	ADA Renewals - Juvenile Probation Admin Building	400,000	Capital
City Administrator's Office	Disabled Access - Master Planning & GSA Projects	500,000	Capital
City Administrator's Office	ADA Renewals- 2010 ADA Recreation Facilities	500,000	Capital
City Administrator's Office	City Hall Emergency Power Capabilities	1,084,203	Capital
City Administrator's Office	SFGH Building 80/90 Elevators	1,235,005	Capital
City Administrator's Office	Disabled Access - Cultural Facilities	1,612,000	Capital
City Administrator's Office	Disabled Access - San Francisco General Hospital, Existing	2,000,000	Capital
City Administrator's Office	Disabled Access- Public Health	700,000	Capital
City Administrator's Office	Facilities Maintenance	263,000	Capital
City Administrator's Office	Facilities Maintenance - Hall of Justice	184,000	Capital
City Administrator's Office	Animal Shelter Roof Replacement	50,000	Capital
Controller	Financial Systems Replacement	1,300,000	COIT
Controller	Citywide Financial Systems DR	1,600,000	COIT
Controller	Financial Transparency Website	300,000	COIT
District Attorney	DAMION Upgrades - JUSTIS implementation	243,480	COIT
Elections	RFID Asset Tracking System	190,576	COIT
Fine Arts Museum	Legion of Honor - Masonry	137,255	Capital
Fine Arts Museum	Legion of Honor - Roof Project	417,254	Capital
Fire Department	Fire Stations Seismic Improvements & Renewals	100,000	Capital
Fire Department	Fire Station Apparatus Door Replacement	100,000	Capital
Fire Department	Exhaust Extractors	250,000	Capital
Fire Department	Boiler System Replacement	282,500	Capital
Fire Department	Underground Storage Tank (UST) Monitoring	289,000	Capital
Fire Department	Facilities Maintenance	600,000	Capital
Juvenile Probation	Replace Culvert and Repair Road Leading to Log Cabin Ranch	200,000	Capital
Juvenile Probation	Facilities Maintenance	347,000	Capital
Juvenile Probation	Fire Notification Replacement and System Upgrades	547,000	Capital
Juvenile Probation	Replace Plumbing Fixtures and Rough-in at Log Cabin Ranch	61,000	Capital
Sheriff's Department	County Jails #1, #3 & #4: Holding Cells /Dorm Safety Compliance & Repairs (425 7th Street &HOJ)	100,000	Capital
Sheriff's Department	County Jails 2 & 4 Kitchen Repairs & Equip Replacement	165,000	Capital
Sheriff's Department	County Jails 3 & 4 (HOJ): Interior Waterproofing	137,000	Capital
Sheriff's Department	County Jails 3 & 4: Lights & Locks Maintenance - HOJ	150,000	Capital
Sheriff's Department	County Jail #2: Cell Security Refurbishment	185,000	Capital
Total		16,691,273	

FY 2014-15 Budget Savings Incentive Fund Proposal

Dept	Project Title	Total	Committee
Asian Art Museum	Security Surveillance System	400,000	COIT
Adult Probation	PROBSTAT implementation	50,000	COIT
City Administrator's Office	Bill Graham Civic Auditorium Roof Repairs	50,000	Capital
Controller	Financial Transparency Website	250,000	COIT
Fine Arts Museum	Legion of Honor - Freight Elevator Cab Refurbishment	20,000	Capital
Fine Arts Museum	de Young - Replace Failed Exterior Lighting	175,000	Capital
Fine Arts Museum	Legion of Honor - Masonry	416,745	Capital
Fire Department	Fire Vehicle Modems	433,000	COIT
Fire Department	Mobile Data Terminal Replacement	500,000	COIT
Fire Department	Fire Station Apparatus Door Replacement	200,000	Capital
Fire Department	Exhaust Extractors	300,000	Capital
Fire Department	Boiler System Replacement	332,500	Capital
Fire Department	Underground Storage Tank (UST) Monitoring	303,000	Capital
Fire Department	Generator Replacements	500,000	Capital
Fire Department	HVAC Systems Repair	250,000	Capital
Juvenile Probation	Log Cabin Ranch Master Plan Development	300,000	Capital
Juvenile Probation	Juvenile Justice Center Buildings Exterior Repair	250,000	Capital
Juvenile Probation	Juvenile Justice Center - Resurface roadways and parking lots	200,000	Capital
Juvenile Probation	HVAC and Insulation Improvements at JJC	400,000	Capital
Juvenile Probation	Roof Replacements at Log Cabin Ranch	350,000	Capital
Sheriff's Department	County Jail #3 & #4 - Visit Area Security Upgrades	110,000	Capital
Sheriff's Department	County Jail #1 & #2 Domestic Hot Water Heating System Replacement Project	205,000	Capital
Sheriff's Department	CJ#5 Kitchen Refrigeration Upgrades & Repairs	132,000	Capital
Sheriff's Department	CJ#4 and CJ#5 Laundry Equipment Replacement & Diversification Projects	60,000	Capital
Sheriff's Department	County Jails 1 & 2 Roof Repair (425 7th Street)	250,000	Capital
Sheriff's Department	Automated Staffing & Shift Mgmt System	175,000	COIT
Total		6,762,245	

The Budget and Legislative Analyst's Report is located in Board of Supervisor's File No. 130535 and at the following website:

<http://www.sfbos.org/index.aspx?page=14753>

The following documents related to the FYs 2013-2014 and 2014-2015 Budget of the City and County of San Francisco are available in the reference file and online at the following websites:

- **The City and County of San Francisco Proposed Budget and Appropriation Ordinance as of May 31, 2013 (BOS File No. 130535)**

<http://www.sfcontroller.org/Modules/ShowDocument.aspx?documentid=4337>

- **The City and County of San Francisco Proposed Salary Ordinance as of May 31, 2013 (BOS File No. 130536)**

<http://www.sfcontroller.org/Modules/ShowDocument.aspx?documentid=4335>

- **Mayor's 2013-2014 and 2014-2015 Proposed Budget (BOS File No. 130536)**

<http://www.sfmayor.org/Modules/ShowDocument.aspx?documentID=266>

OFFICE OF THE MAYOR
SAN FRANCISCO



130550
EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *ra* Mayor Edwin M. Lee *je*
RE: Resolution approving expenditures from the Budget Savings Incentive Fund for FY2013-2014 and FY2014-2015
DATE: May 31, 2013

Attached for introduction to the Board of Supervisors is the resolution approving expenditures from the Budget Savings Incentive Fund for one-time purposes in FY2013-2014 and FY2014-2015.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2013 MAY 31 PM 1:04
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Item 8
File 13-0552

Departments:
Mayor's Office
Controller

EXECUTIVE SUMMARY

Legislative Objective

- The proposed resolution would approve the use of the projected \$23.4 million Budget Savings Incentive Fund as a funding source for (a) \$16,676,880 in the Mayor's Recommended FY 2013-14 budget, and (b)) \$6,750,000 in the Mayor's Recommended FY 2014-15 budget.

Key Points

- Section 10.20(a) of the Administrative Code established a Budget Savings Incentive Fund to encourage City departments to implement cost-saving strategies and allow for the reinvestment of those savings in one-time expenditures.

Fiscal Impacts

- \$13.7 million was deposited into the Budget Savings Incentive Fund at the close of FY 2011-12 and \$9.4 million is projected to be deposited into the Fund at the close of FY 2012-13.
- The Attachment identifies 36 proposed projects totaling \$16,691,273 for ten City departments in FY 2013-14, and 26 proposed projects totaling \$6,762,245 for eight City departments in FY 2014-15, or a total of \$23,453,518. All of these proposed projects are included in the Mayor's proposed FY 2013-14 and FY 2014-15 budgets, based on recommendations by COIT and the Capital Planning Committee.
- However, the proposed FY 2013-14 Budget includes \$16,676,880 of Budget Savings Incentive Funds or \$14,393 less than the \$16,691,273 shown in the Attachment. In addition, the proposed FY 2014-15 Budget includes \$6,750,000 of Budget Savings Incentive Funds or \$12,245 less than the \$6,762,245 shown in the Attachment. According to the Mayor's Office, the minor differences would be funded by the individual City departments with available other General Fund revenues each fiscal year.

Recommendation

- Approve the proposed resolution to use the Budget Savings Incentive Fund as a funding source for various specified projects in the FY 2013-14 and FY 2014-15 budgets.

MANDATE STATEMENT / BACKGROUND

In accordance with Charter Section 2.105, the Board of Supervisors shall act only by written ordinances or resolutions.

Section 10.20(a) of the City's Administrative Code established a Budget Savings Incentive Fund as a category eight fund¹ to encourage City departments to implement cost-saving strategies and allow for the reinvestment of those savings in one-time expenditures, including but not limited to expenditures that (a) improve the efficiency of departmental operations, (b) reduce the cost of service delivery, (c) generate additional revenue or (d) meet deferred maintenance needs. In accordance with Section 10.20(b) of the City's Administrative Code, at the end of each fiscal year, up to 25 percent of the total appropriations closed to the General Fund balance shall be appropriated into the Budget Savings Incentive Fund and placed on Controller's reserve. In accordance with Section 10.20(a), disbursements from the Budget Savings Incentive Fund can only be made to those City departments that generated net year-end expenditure savings at the close of the most recent prior fiscal year, as certified by the Controller. However, the Controller can suspend the carry forward amount in years when the Controller determines that the City's financial condition cannot support deposits into the Fund.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the use of the Budget Savings Incentive Fund as a funding source for (a) \$16,676,880 in the Mayor's Recommended FY 2013-14 budget, and (b) \$6,750,000 in the Mayor's Recommended FY 2014-15 budget, or a total expenditure of \$23,426,880 from the Budget Saving Incentive Fund.

FISCAL IMPACTS

The Attachment, provided by Ms. Cindy Czerwin, the Mayor's Deputy Budget Director identifies 36 proposed projects totaling \$16,691,273 for ten City departments in FY 2013-14, and 26 proposed projects totaling \$6,762,245 for eight City departments in FY 2014-15, or a total of \$23,453,518. The recommendations for funding the proposed Budget Savings Incentive Fund projects, as shown in the Attachment, were based on each department's individual requests to the Committee on Information Technology (COIT) and the Capital Planning Committee for approval of the proposed projects and funding.

The Budget and Legislative Analyst will be reviewing each of the specified projects, for potential reductions, as part of the overall review of each City department's budget.

The Mayor's Recommended FY 2013-14 Budget includes \$16,676,880 of Budget Savings Incentive Funds or \$14,393 less than the \$16,691,273 for proposed FY 2013-14 projects shown in the Attachment. In addition, the proposed FY 2014-15 Budget includes \$6,750,000 of Budget Savings Incentive Funds or \$12,245 less than the \$6,762,245 for proposed FY 2014-15 projects shown in the Attachment. According to Ms. Czerwin, the minor differences would be funded by the individual City departments with available budgeted General Fund revenues for the two fiscal years.

¹ In accordance with Section 10.100-1 of the City's Administrative Code, a category eight fund is automatically appropriated, accumulates interest and carries forward any unexpended and unencumbered fund balance each year.

According to Ms. Czerwin, \$13,725,401 was deposited into the Budget Savings Incentive Fund at the close of FY 2011-12 and \$9,400,000 is projected to be deposited into the Fund at the close of FY 2012-13. Ms. Czerwin advises that the Controller is not able to finalize the actual amount of the estimated \$9.4 million of FY 2012-13 savings that will be achieved until FY 2012-13 year-end close, estimated to occur in October of 2013.

As shown in the Table below, if the proposed resolution is approved, there would be no Budget Savings Incentive Fund Balance as of the end of FY 2014-15, without additional deposits into the Fund at the end of FY 2013-14 and FY 2014-15.

Budget Savings Incentive Fund*	Uses	Deposits	Fund Balance
End of FY 2010-11			\$8.7 million
FY 2011-12		\$13.7 million	22.4 million
FY 2012-13	(\$8.4 million)	9.4 million	23.4 million
FY 2013-14	(16.7 million)		6.7 million
FY 2014-15	(6.8 million)		0

*All numbers are rounded.

As noted above, according to Section 10.20(a), disbursements from the Budget Savings Incentive Fund can only be made to those City departments that generated net year-end expenditure savings at the close of the most recent prior fiscal year, as certified by the Controller. Ms. Czerwin advises that while the amount of expenditure savings from individual departments does not match the amount of projected expenditures, each City department that is proposed to receive Budget Savings Incentive Funds, achieved expenditure savings in the prior fiscal year.

RECOMMENDATION

Approve the proposed resolution to use the Budget Savings Incentive Fund as a funding source for various specified projects in the FY 2013-14 and FY 2014-15 budgets.

