

File No. 180091

Committee Item No. 5

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date April 5, 2018

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" 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 |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong Date March 30, 2018

Completed by: Linda Wong Date _____

1 [Adopting a Fixed Two-Year Budget - Various City Departments - FYs 2018-2019 and
2 2019-2020]

3 **Resolution adopting a fixed two-year budgetary cycle for the following various City**
4 **departments: Airport, Child Support Services, Port, and Public Utilities Commission;**
5 **defining terms, and setting deadlines.**

6
7 WHEREAS, Section 9.101 of the Charter of the City and County of San Francisco
8 authorizes the Mayor and Board of Supervisors by resolution to determine in an even-
9 numbered fiscal year that the upcoming budgetary cycle shall be a fixed budgetary cycle for
10 some or all City Departments; and

11 WHEREAS, In a fixed budgetary cycle, the Board of Supervisors does not adopt a new
12 budget for the second fiscal year of the cycle, but may adjust the second-year budget if
13 certain conditions are met; and

14 WHEREAS, Section 9.101 of the Charter of the City and County of San Francisco
15 requires that the resolution declaring that an upcoming budgetary cycle shall be fixed also
16 include a definition of the term "significant increases or decreases in revenues or
17 expenditures" and set deadlines for the Controller to submit a report identifying such
18 increases or decreases and for the Mayor to submit to the Board a proposed amendment to
19 the biennial budget; now, therefore be it

20 RESOLVED, That the upcoming budgetary cycle for these departments: Airport; Child
21 Support Services; Port; Public Utilities Commission; shall be a fixed budgetary cycle in which
22 the biennial budget will remain in effect for the two fiscal years ending June 30, 2019, and
23 June 30, 2020; and, be it

24 FURTHER RESOLVED, That "significant increases or decreases in revenues" in the
25 following funds shall be defined as a greater than five percent increase or decrease between

1 the adopted and projected revenues for the second year of each of these departments'
2 biennial budgets: San Francisco International Airport Funds; Child Support Services Funds;
3 Port of San Francisco Funds; and Public Utilities Commission Funds, including Wastewater,
4 Hetch Hetchy, and Water Department Funds; and, be it

5 FURTHER RESOLVED, That "significant increases or decreases in revenues" in the
6 General Fund shall be defined as a greater than two and one half percent increase or
7 decrease between the adopted and projected revenues for the second year of each of the
8 departments' biennial budgets; and, be it

9 FURTHER RESOLVED, That "significant increases or decreases in expenditures" shall
10 be defined as those expenditure increases or decreases required to address the significant
11 increases or decreases in revenue as defined above; and, be it

12 FURTHER RESOLVED, That no later than May 1, 2019, the Controller will submit to
13 the Mayor and the Board of Supervisors a report stating whether the Controller projects that
14 the funds for the Airport, Child Support Services, Port, and Public Utilities Commission, will
15 experience significant increases or decreases in revenues or expenditures, as defined in this
16 Resolution, during the second year of the budgetary cycle, and will update that report as
17 additional information becomes available; and, be it

18 FURTHER RESOLVED, That no later than June 1, 2019, the Mayor will submit to the
19 Board of Supervisors a proposed amendment to the biennial budget responding to the
20 Controller's report.

<p>Item 5 File 18-0091</p>	<p>Department: Mayor Board of Supervisors</p>
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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would adopt a fixed two-year budgetary cycle for four City departments – Airport, Port, Public Utilities Commission, and Child Support Services – for FY 2018-19 and FY 2019-20.

Key Points

- Under City Charter Section 9.101, the Mayor and Board of Supervisors are authorized to determine in an even-numbered fiscal year that the upcoming budget for some or all City departments should be a fixed two-year budget. The Board of Supervisors only reviews the budget in the second year if there are significant changes in revenues or expenditures.
- Under the proposed resolution, the Board of Supervisors does not adopt a new budget for each of the four departments in FY 2019-20, which is the second year of the fixed two-year budgetary cycle. However, an increase or decrease of more than 5 percent in the revenues or expenditures to the respective departments requires Board of Supervisors approval of a budget amendment.
- The proposed resolution requires (a) the Controller to submit a report on significant increases or decreases in revenues or expenditures to the Board of Supervisors by May 1, 2019; and (b) the Mayor to submit proposed budget amendments responding to the Controller’s report to the Board of Supervisors by June 1, 2019. The proposed budget amendments are subject to Board of Supervisors appropriation approval.

Recommendation

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

MANDATE STATEMENT

City Charter Section 9.101 states that in even-numbered fiscal years, the Mayor and the Board of Supervisors by resolution may determine that the upcoming budgetary cycle or cycles for some or all City departments and offices shall be a fixed budgetary cycle or cycles in which the biennial budget will remain in effect for two fiscal years.

BACKGROUND

In 2009, the voters passed Proposition A, which, among other changes to the budget process, amended the City Charter to adopt rolling two-year budget cycles and allow for the Mayor and the Board of Supervisors to establish fixed two-year budget cycles for some or all departments. Previous to the passage of Proposition A, the City adopted one-year budgets for all departments, except for the San Francisco Municipal Transportation Agency (SFMTA), which has a two-year fixed budget pursuant to City Charter Section 8A.106.

Since the passage of Proposition A, the Board of Supervisors has adopted three resolutions establishing fixed two-year budget cycles for certain City departments, as shown below:

Budget Cycle	FY 2012-13 – FY 2013-14	FY 2014-15 – FY 2015-16	FY 2016-17 – FY 2017-18
Resolution	0464-11	0108-14	0049-16
Departments	Airport Port Public Utilities Commission	Airport Port Public Utilities Commission Child Support Services Retirement System Library	Airport Port Public Utilities Commission Child Support Services

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would adopt a fixed two-year budgetary cycle for four City departments – Airport, Port, Public Utilities Commission, and Child Support Services – for FY 2018-19 and FY 2019-20.

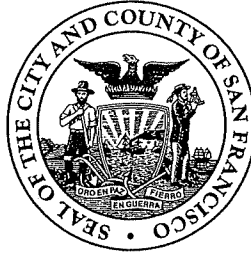
Under the proposed resolution, the Board of Supervisors does not adopt a new budget for each of the four departments in FY 2019-20, which is the second year of the fixed two-year budgetary cycle. However, an increase or decrease of more than 5 percent in the revenues or expenditures to the respective departments requires a budget amendment subject to Board of Supervisors approval.

The proposed resolution requires (a) the Controller to submit a report on significant increases or decreases in revenues or expenditures to the Board of Supervisors by May 1, 2019; and (b) the Mayor to submit proposed budget amendments responding to the Controller's report to the Board of Supervisors by June 1, 2019. The proposed budget amendments are subject to Board of Supervisors appropriation approval.

RECOMMENDATION

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

BOARD of SUPERVISORS



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San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Ivar C. Satero, Airport Director, San Francisco International Airport
Karen Roye, Director, Department of Child Support Services
Elaine Forbes, Executive Director, Port of San Francisco
Harlan Kelly, Jr., General Manager, Public Utilities Commission

FROM: *el*
bor Linda Wong, Assistant Clerk
Budget and Finance Committee

DATE: February 12, 2018

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation, introduced by Supervisor Breed on January 23, 2018:

File No. 180091

Resolution adopting a fixed two-year budgetary cycle for the following various City departments: Airport, Child Support Services, Port, and Public Utilities Commission; defining terms, and setting deadlines.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: linda.wong@sfgov.org.

c: Cathy Widener, San Francisco International Airport
Daley Dunham, Port of San Francisco
Juliet Ellis, Public Utilities Commission
Donna Hood, Public Utilities Commission
John Scarpulla, Public Utilities Commission



BOARD OF SUPERVISORS
SAN FRANCISCO

2018 JAN 23 PM 4:46

OFFICE OF THE MAYOR
SAN FRANCISCO

BY _____

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *Lois* Acting Mayor London Breed *[Signature]*
RE: Adopting a Fixed Two-Year Budget - Various City Departments - FYs
2018-2019 and 2019-2020
DATE: January 23, 2018

Attached for introduction to the Board of Supervisors is a resolution adopting a fixed two-year budgetary cycle for the following various City departments: Airport; Child Support Services; Port; Public Utilities Commission; defining terms; and setting deadlines.

I respectfully request that this item be heard in Budget & Finance Committee on February 1, 2018.

Should you have any questions, please contact Mawuli Tugbenyoh (415) 554-5168.