

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

BUDGET AND FINANCE SUB-COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Malia Cohen, Chair  
Budget and Finance Sub-Committee

FROM: Linda Wong, Assistant Clerk

DATE: April 6, 2018

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**  
Tuesday, April 10, 2018

The following file should be presented as a **COMMITTEE REPORT** at the Board meeting on Tuesday, April 10, 2018, at 2:00 p.m. This item was acted upon at the Sub-Committee Meeting on Thursday, April 5, 2018, at 10:00 a.m., by the votes indicated.

**Item No. 45            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.

### **RECOMMENDED AS COMMITTEE REPORT**

Vote: Supervisor Malia Cohen - Aye  
Supervisor Sandra Lee Fewer - Aye  
Supervisor Catherine Stefani - Excused  
Supervisor Ahsha Safai - Aye

c: Board of Supervisors  
Angela Calvillo, Clerk of the Board  
Jon Givner, Deputy City Attorney  
Alisa Somera, Legislative Deputy Director

File No. 180091

Committee Item No. 5

Board Item No. 45

### COMMITTEE/BOARD OF SUPERVISORS AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date April 15, 2018

Board of Supervisors Meeting

Date April 10, 2018

#### 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 checked="" 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 checked="" 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                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER

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Completed by: Linda Wong

Date March 30, 2018

Completed by: Linda Wong

Date April 6, 2018

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><b>Item 5</b> <b>File 18-0091</b></p>	<p><b>Department:</b> 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:

<b>Budget Cycle</b>	FY 2012-13 – FY 2013-14	FY 2014-15 – FY 2015-16	FY 2016-17 – FY 2017-18
<b>Resolution</b>	0464-11	0108-14	0049-16
<b>Departments</b>	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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1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
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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

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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](mailto: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



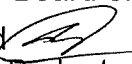


OFFICE OF THE MAYOR  
SAN FRANCISCO

BOARD OF SUPERVISORS  
SAN FRANCISCO

2018 JAN 23 PM 4:46

BY \_\_\_\_\_

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

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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.

Member, Board of Supervisors  
District 10



City and County of San Francisco

**MALIA COHEN**  
**馬莉亞郭嫻**

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DATE: April 4, 2018

TO: Angela Calvillo  
Clerk of the Board of Supervisors *MC*

FROM: Supervisor Malia Cohen  
Chairperson

RE: Budget and Finance Sub-Committee  
COMMITTEE REPORT

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RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2018 APR -5 AM 8:35

Pursuant to Board Rule 4.20, as Chair of the Budget and Finance Sub-Committee, I have deemed the following matter is of an urgent nature and request it be considered by the full Board on Tuesday, April 10, 2018, as a Committee Report:

**180091      Adopting a Fixed Two-Year Budget - Various City Departments - FYs  
2018-2019 and 2019-2020**

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.

This matter will be heard in the Budget and Finance Sub-Committee on April 5, 2018, at 10:00 a.m.