



April 4, 1994

The Honorable Frank M. Jordan  
Mayor, City and County of San Francisco  
Room 200, City Hall

The Honorable Board of Supervisors  
Room 235, City Hall

Re: 1993-94 Budget Status Report After Eight Months

Dear Mayor Jordan, Ladies and Gentlemen:

Charter Section 3.302 directs the Controller to issue a report on the "projected financial condition of the City and County...(after) the first eight month period of each fiscal year." The report for the 1993-94 year is attached. It shows a **projected General Fund Reserve of \$2.9 million** if current trends continue through the remainder of the year.

### Revenues

**Property Taxes** are up \$3.5 million over budget for a number of reasons described in the report. Please note we have established a reserve for property tax assessment appeals to allow us to pay back taxes collected this year under appeals that will not be heard by the Assessment Appeals Board until 1994-95.

**Business Taxes** are projected to be \$6 million under budget. Approximately \$2 million of this problem is due to growth in business tax collections being less than projected. In addition, the final wording of the business tax changes adopted last summer to lower the threshold for small businesses was confusing but has now been interpreted to mean that we cannot expect to receive \$2.6 million of expected revenue in the Summer of 1994 for the prepayment of 1994 business taxes. Finally, the delay in implementing the rental car tax results in approximately a \$1.3 million shortfall.

**Sales Tax**, including holiday sales, are flat with last year as opposed to expected modest growth. **Hotel taxes** are up 4% but not as high as were budgeted.

**Expenditures**

Virtually all departments are doing quite well living within their budgets. The two major exceptions are Muni Railway and the Fire Department.

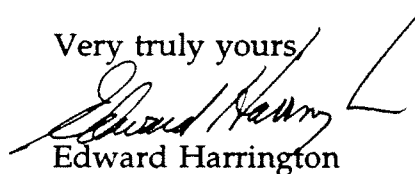
**Muni Railway** is expected to overspend its budget and need an additional \$3.1 million to complete the year. Problems exist in revenue, funding the City's obligation to the Peninsula Joint Powers Authority for Caltrain operations, materials and supplies, salaries/fringe benefits, workers' compensation and claims and judgements. These problems are fully described on pages 12 and 13.

The **Fire Department** expects to need an additional \$1.5 million to pay projected salary and fringe needs for the rest of the year. In calculating their \$4.9 million supplemental request which was granted in December, 1993, the Department failed to include the cost for two classes of new firefighters and miscalculated fringe benefit rates. In addition, the Department is projected to overspend its workers' compensation budget by \$1.1 million which is expected to be covered by the Citywide reserve for workers' comp.

**Workers' Compensation** projected deficits have decreased since my last report from \$5.3 million to \$4.3 million. The \$4 million reserve for Workers' Comp created in December, 1993 should substantially cover any problems in this area.

My staff and I are available to respond to any questions or concerns related to this report.

Very truly yours,



Edward Harrington  
Controller

emh\Proj2.94

CITY AND COUNTY OF SAN FRANCISCO  
SUMMARY OF CHANGES IN GENERAL FUND PROJECTED RESERVE  
Fiscal Year Ending June 30, 1994  
As of February 28, 1994  
(in Thousands)

**General Fund Reserve (Original Budget) \$10,476**

Activity through December 31, 1993:

Sources

Board Reserves	\$15,380	
Controller's Reserves	5,578	
Public Safety Sales tax (half year)	22,000	
Retirement Rate Change	16,200	
Displacement Reserve	1,931	
Airport/Audit Close-outs	3,300	\$64,389

Needs

Approved Supplemental Appropriations		(\$57,664)
--------------------------------------	--	------------

**Revised General Fund Reserve \$17,201**

Less: Needs Reported Prior to December 31, 1993

Workers' Compensation	(\$4,000)	
Municipal Railway - Fare Revenue	(5,400)	
Municipal Railway - State Allocation	(600)	(\$10,000)

**Available General Fund Reserve (December 31, 1993) \$7,201**

Less: Zero Base Budget Study		(225)
------------------------------	--	-------

**Available General Fund Reserve (February 28, 1994) \$6,976**

Less:

Decrease in Projected Revenues	(\$2,601)	
Additional Municipal Railway Needs*	(3,181)	
Additional San Francisco General Hospital Needs*	(214)	
Additional Workers' Compensation	(325)	
Charter-Required Cash Reserve Increase	(3,400)	(9,721)

Plus:

Underspending by General Fund Departments*	\$4,852	
Underspending by Laguna Honda Hospital*	769	5,621

**Projected General Fund Reserve \$2,876**

\* Excluding Workers' Compensation. (See Footnote (w). Page 11.)

SCHEDULE OF BUDGETED AND PROJECTED REVENUES  
Fiscal Year Ending June 30, 1994  
As of February 28, 1994  
(In Thousands)

	FY 93-94			
	ACTUAL FY92-93	REVISED BUDGET	CURRENT PROJECTION	VARIANCE FAVORABLE (UNFAVORABLE)
<b>GENERAL FUND</b>				
<b>PROPERTY TAXES</b>				
Current Year Revenue	\$425,254	\$336,520	\$352,181	\$15,661
Reserved for Assessment Appeals			(12,162)	(12,162)
<b>Total property taxes</b>	<b>\$425,254</b>	<b>\$336,520</b>	<b>✓\$340,019</b>	<b>\$3,499 (a)</b>
<b>BUSINESS TAXES</b>				
Business registration tax	\$6,917	\$7,588	\$7,764	\$176
Vehicle renter tax	0	2,596	1,290	(1,306)
Gross receipts tax	17,673	20,962	24,983	4,021
Payroll tax	129,691	136,556	127,700	(8,856)
<b>Total business taxes</b>	<b>\$154,281</b>	<b>\$167,702</b>	<b>\$161,737</b>	<b>(\$5,965) (b)</b>
<b>OTHER LOCAL TAXES</b>				
Franchise tax	\$7,177	\$7,235	\$7,235	\$0
Real property transfer tax	13,065	13,700	14,800	1,100 (c)
Admission tax	1,014	1,000	1,200	200
Parking tax	23,950	23,565	26,300	2,735 (d)
Utility users tax	37,440	45,614	45,235	(379) (e)
Hotel room tax	20,797	29,518	27,937	(1,581) (f)
Sales tax	83,964	86,869	84,000	(2,869) (g)
<b>Total other local taxes</b>	<b>\$187,407</b>	<b>\$207,501</b>	<b>\$206,707</b>	<b>(\$794)</b>
<b>GRANTS AND SUBVENTIONS</b>				
Homeowner's exemption reimb.	\$5,348	\$4,000	\$4,117	\$117
Trial court funding	18,432	15,300	15,415	115
Motor vehicle in lieu - county	34,558	37,382	35,721	(1,661) (h)
Motor vehicle in lieu - city	25,628	25,249	25,373	124 (h)
Prop 99 tobacco tax	9,271	10,628	10,628	0
Mental health subventions	27,813	32,058	33,355	1,297 (i)
Health subventions	4,498	8,004	8,470	466
Child support incentive	8,606	10,175	9,704	(471)
Social service subventions	171,167	180,776	185,837	5,061 (j)
Health and welfare realignment	87,509	85,434	83,892	(1,542) (k)
Public safety sales tax	0	44,000	42,000	(2,000) (l)
Recurring grants	0	61,066	61,066	0 (m)
Other	2,654	3,029	4,312	1,283 (n)
<b>Total grants and subventions</b>	<b>\$395,484</b>	<b>\$517,101</b>	<b>\$519,890</b>	<b>\$2,789</b>

SCHEDULE OF BUDGETED AND PROJECTED REVENUES  
Fiscal Year Ending June 30, 1994  
As of February 28, 1994  
(In Thousands)

	FY 93-94			VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL FY92-93	REVISED BUDGET	CURRENT PROJECTION	
<u>GENERAL FUND</u>				
LICENSES, FINES AND PENALTIES				
Licenses	\$5,144	\$5,114	\$5,114	\$0
Traffic fines - parking	39,399	43,526	40,937	(2,589) (o)
Traffic fines - moving	1,592	1,520	1,420	(100)
Other fines and penalties	650	666	525	(141)
Total licenses, fines and penalties	<u>\$46,785</u>	<u>\$50,826</u>	<u>\$47,996</u>	<u>(\$2,830)</u>
USE OF MONEY OR PROPERTY				
Interest & other investment earnings	\$5,619	\$14,944	\$15,969	\$1,025 (p)
Garage and other space rental	5,362	5,127	5,200	73
Total use of money or property	<u>\$10,981</u>	<u>\$20,071</u>	<u>\$21,169</u>	<u>\$1,098</u>
CHARGES FOR SERVICES				
Parking meter collections	\$8,000	\$8,000	\$8,000	\$0 (q)
General government service charges	16,701	12,500	11,724	(776) (r)
Public safety service charges	5,664	6,192	6,238	46
Other service charges	7,126	7,800	7,355	(445) (s)
Total charges for service	<u>\$37,491</u>	<u>\$34,492</u>	<u>\$33,317</u>	<u>(\$1,175)</u>
RECOVERY OF GENERAL GOVT. COSTS	<u>\$8,561</u>	<u>\$7,885</u>	<u>\$8,604</u>	<u>\$719</u>
OTHER REVENUES	<u>\$273</u>	<u>\$263</u>	<u>\$321</u>	<u>\$58</u>
PROCEEDS FROM ADVANCE	<u>\$25,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 (t)</u>
TOTAL REVENUES	<u>\$1,291,517</u>	<u>\$1,342,361</u>	<u>\$1,339,760</u>	<u>(\$2,601)</u>

Notes to Revenue Projection  
Fiscal Year Ending June 30, 1994  
As of February 28, 1994

(a) Property Tax

The decrease from prior year revenue to the current budget results primarily from the required property tax shift to the schools and the increased share of property taxes apportioned to the Children's Fund.

The surplus in projected current revenue results from: (1) growth in the property tax rolls which exceeded budget expectations; (2) the effect of the City's conversion to the "Teeter" property tax allocation plan; and (3) delays in the hearings of taxpayer assessment appeals which could result in refunds of prior year taxes, as well as reductions in current and future taxes. The reserved amount reflects the estimated losses that will result from appeals filed in 1993 and earlier years which have not yet been heard.

(b) Business Taxes

Projected revenue based on taxes received through March is \$6.0 million below budget. The budget assumed revenue growth of 3% (before structural changes), but collections to date reflect slower growth. Payroll tax losses are partially offset by increased gross receipts revenue.

The projection is still somewhat uncertain because annual revenue includes a second payment which is due in July. The projected shortfall includes an estimated loss of \$2.6 million in July payments from small businesses due to a change in legislation which inadvertently exempted small businesses from tax prepayments.

The Vehicle Renter Tax shows a shortfall of \$1.3 million, in part because budget estimates were based on a different tax structure and earlier implementation.

(c) Real Property Transfer Tax

Property transfer tax receipts are projected to be \$1.1 million higher than budgeted due to receipt of transfer taxes for One Market Plaza. The owners of One Market Plaza are expected to challenge the application of the tax in court.

(d) Parking Tax

The projected revenue increase of \$2.7 million results from collections of delinquent taxes and from increased collections from garages which have expanded capacity and/or raised rates.

Notes to Revenue Projection  
Fiscal Year Ending June 30, 1994  
As of February 28, 1994

(e) Utility User's Tax

The budgeted increase over prior year revenue is based largely on a rate increase implemented in September 1993. While gas and electricity receipts are slightly below budget, increased telephone receipts, including the new tax on cellular phones, are expected to offset most of the shortfall.

(f) Hotel Tax

The budgeted increase over prior year revenue reflects a rate increase that took effect in August 1993, as well as expected growth in occupancy and room rates. The current projection, \$1.6 million below budget, is based on a lower growth rate of 4% over the prior year.

(g) Sales Tax

Sales tax revenues through the holiday season indicate a shortfall of \$2.9 million. The forecast assumes revenues will remain flat compared to the prior year. The shortfall includes \$300,000 in increased administrative costs retained by the State Board of Equalization.

(h) Motor Vehicle in Lieu

A total projected shortfall of \$1.5 million for both city and county apportionments is based on revenue received to date, and is consistent with State estimates.

(i) Mental Health Subventions

The surplus of \$1.3 million reflects Short-Doyle MediCal revenues expected to exceed budget by \$1.8 million, and a shortfall of \$503,000 in Substance Abuse Mental Health Service Administration (SAMHSA) revenue.

(j) Social Service Subventions

The revenue projection schedule reflects the net budget surplus for the Department of Social Services. Revenue increased from FY92-93 to FY93-94 due to increased Federal reimbursements for children's services (Title IVE) and health services (Title XIX).

A State cut in AFDC grants, slow caseload growth, unexpended In-Home Supportive Services (IHSS) contract monies, and prior year reimbursements received in the current year led to a budget surplus of \$5.1 million.

Notes to Revenue Projection  
Fiscal Year Ending June 30, 1994  
As of February 28, 1994

(k) Health and Welfare Realignment

Consistent with local sales tax and the motor vehicle in-lieu subvention, realignment sales tax and vehicle license fee revenues are under budget in the first half of FY93-94. The revenue shown in the General Fund schedule is net of transfers out to the San Francisco General and Laguna Honda Hospitals.

(l) Public Safety Sales Tax (Prop. 172)

A total projected shortfall of \$2.0 million results from lower than expected sales tax receipts. Although this subvention is new in FY93-94, State allocations to date are consistent with the lack of growth over prior years experienced in receipts of local and realignment sales tax.

(m) Recurring Grants

These grants were included in the budget for the first time in FY93-94. To the extent grant revenues vary from budget estimates, grant-funded expenditures will vary accordingly.

(n) Other Subventions

The positive variance of \$1.3 million reflects increases of \$400,000 in Federal reimbursements for children's services (Title IVE) claimed by the Juvenile Probation Department; \$600,000 in recoveries of indirect grant costs, and \$273,000 in SB 90 State mandate claims.

(o) Traffic Fines - Parking

The forecast for traffic fines currently shows an expected shortfall of \$2.6 million which is in agreement with department estimates.

(p) Interest and Other Investment Earnings

The increase of \$1.0 million results from higher than budgeted earnings on the \$325 million in Tax and Revenue Anticipation Notes (TRANS) issued in June 1993, and from improved General Fund cash balances.



Notes to Revenue Projection  
Fiscal Year Ending June 30, 1994  
As of February 28, 1994

(q) Parking Meter Collections

Parking meter repairs have been completed, and average collections have increased through February. The resulting increased revenue, from a budget estimate of \$12.3 million to the current forecast of \$13.0 million, is reflected in the Off-Street Parking Fund, which receives all meter revenues above \$8 million.

(r) General Government Service Charges

The negative variance of \$776,000 reflects a shortfall of \$1.44 million in City Planning Fees, partially offset by increased charges in other City departments. The Department of City Planning has cut expenditures by \$1.3 million to address the fee shortfall.

(s) Other Service Charges

Most of these charges are collected by the Department of Public Health. The negative variance of \$445,000 results from projected shortfalls of \$669,000 in Community Health Services charges, \$500,000 in fees for boarding federal and state prisoners (Sheriff), and \$300,000 in Mental Health patient payments, offset by \$1,000,000 in increased MediCare reimbursements in the Mental Health.

(t) Proceeds from Advance

In FY92-93, the General Fund received an advance payment for future Airport concession revenues, totalling \$25 million. This revenue source is not budgeted or available in FY93-94.

SCHEDULE OF BUDGETED AND PROJECTED EXPENDITURES

Fiscal Year Ending June 30, 1994

As of February 28, 1994

(In Thousands)

	ACTUAL FY92-93	FY 93-94		VARIANCE FAVORABLE (UNFAVORABLE)
		REVISED BUDGET	CURRENT PROJECTION	
<b>GENERAL FUND</b>				
<b>PUBLIC PROTECTION</b>				
District Attorney	\$24,962	\$25,403	\$25,174	\$229
Public Defender	8,717	9,069	8,895	174
Sheriff	45,091	57,846	57,414	432
Superior & Municipal Courts	46,458	44,183	43,666	517
Juvenile Court	16,863	19,330	19,372	(42)
Adult Probation	6,564	7,188	7,136	52
Fire Department	125,599	118,123	119,647	(1,524) (u)
Police Department	161,980	171,823	171,823	0
County Agriculture-Weights/Measures	691	728	680	48
Public Administrator/Guardian	2,263	2,262	2,262	0
Animal Care and Control	1,853	1,762	1,731	31
<b>TOTAL PUBLIC PROTECTION</b>	<b>\$441,041</b>	<b>\$457,717</b>	<b>\$457,800</b>	<b>(\$83)</b>
<b>PUBLIC WORKS, TRANSPORTATION AND COMMERCE</b>				
Permit Appeals	\$251	\$246	\$239	\$7
PUC Light, Heat and Power	4,319	4,789	4,789	0
Electricity	4,060	3,903	3,662	241
Public Works	11,013	9,663	9,663	0
Parking and Traffic Commission	11,735	16,302	15,677	625
<b>TOTAL PUBLIC WORKS, ETC.</b>	<b>\$31,378</b>	<b>\$34,903</b>	<b>\$34,030</b>	<b>\$873</b>
<b>HUMAN WELFARE AND NEIGHBORHOOD DEVELOPMENT</b>				
Human Rights Commission	\$1,446	\$1,223	\$1,154	\$69
Social Services	300,119	302,719	302,719	0 (j)
Commission on the Status of Women	997	1,200	1,194	6
<b>TOTAL HUMAN WELFARE, ETC.</b>	<b>\$302,562</b>	<b>\$305,142</b>	<b>\$305,067</b>	<b>\$75</b>
<b>COMMUNITY HEALTH</b>				
Medical Examiner/Coroner	\$3,182	\$2,946	\$2,946	0
Community Health Services	107,933	111,792	110,692	1,100
Community Mental Health	130,121	125,257	124,757	500 (v)
<b>TOTAL COMMUNITY HEALTH</b>	<b>\$241,236</b>	<b>\$239,995</b>	<b>\$238,395</b>	<b>\$1,600</b>

SCHEDULE OF BUDGETED AND PROJECTED EXPENDITURES  
Fiscal Year Ending June 30, 1994  
As of February 28, 1994  
(In Thousands)

	FY 93-94			VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL FY92-93	REVISED BUDGET	CURRENT PROJECTION	
<u>GENERAL FUND</u>				
<b>CULTURE AND RECREATION</b>				
County Educational Office	\$1,719	\$1,719	\$1,719	\$0
Art Commission	1,300	1,322	1,310	12
Public Library	20,270	20,679	20,610	69
Recreation and Park	50,665	48,552	48,552	0
Academy of Sciences	1,571	1,543	1,543	0
Fine Arts Museum	3,852	3,318	3,243	75
Asian Art Museum	1,294	1,349	1,296	53
Law Library	200	228	212	16
<b>TOTAL CULTURE, ETC.</b>	<b>\$80,871</b>	<b>\$78,710</b>	<b>\$78,485</b>	<b>\$225</b>
<b>GENERAL ADMINISTRATION &amp; FINANCE</b>				
Board of Supervisors	\$4,930	\$5,139	\$5,068	\$71
Assessor	6,118	5,970	5,911	59
City Attorney	6,067	5,793	5,793	0
Treasurer/Tax Collector	10,269	10,078	9,832	246
Controller	15,488	13,553	13,543	10
Mayor	5,521	5,188	5,064	124
City Planning	5,772	6,284	4,973	1,311 (r)
Human Resources	7,397	6,632	6,740	(108)
Retirement System - Departmental	2,926	5,904	5,826	78
Workers' Comp. - General Fund	13,440	11,504	14,069	(2,565) (w)
Chief Administrative Officer	531	772	759	13
Real Estate	2,141	2,092	2,092	0
Recorder	1,026	1,095	1,057	0
Registrar	3,023	2,977	2,769	208
Purchaser	2,469	2,020	1,870	150
General City Responsibility	29,495	25,667	25,667	0
<b>TOTAL GENERAL ADMIN.</b>	<b>\$116,613</b>	<b>\$110,668</b>	<b>\$111,033</b>	<b>(\$403)</b>
<b>TOTAL GENERAL FUND</b>	<b>\$1,213,701</b>	<b>\$1,227,135</b>	<b>\$1,224,810</b>	<b>\$2,287</b>

Notes to Expenditure Projection  
Fiscal Year Ending June 30, 1994  
As of February 28, 1994

(u) Fire Department

The Fire Department needs an additional \$1,524,000 to pay projected salary and fringe needs for the balance of this fiscal year. When calculating their \$4,900,000 supplemental appropriation request in December 1993, the Department failed to include funds for new firefighters hired during the fiscal year and also underestimated the fringe benefit requirements for their department.

(v) Community Mental Health

Community Mental Health expenditures are estimated to be \$4,500,000 below budget this fiscal year. \$4,000,000 of this surplus has been used by General Hospital to acquire \$12,000,000 in additional revenues for the 1994-95 fiscal year through the SB 1255 MediCal adjustment program.

Notes to Expenditure Projection  
 Fiscal Year Ending June 30, 1994  
 As of February 28, 1994

(w) Workers' Compensation

The current year's projection for Workers' Compensation for both General Fund and General Fund-supported departments is listed below. Amounts shown for the General Fund departments are included in the Retirement - Workers' Compensation line of the report rather than being included in each individual department's line. Also listed for comparison purposes are the 1992-1993 expenditures.

<u>Department</u>	<u>1992-1993 Expenditures</u>	<u>1993-1994 Budget</u>	<u>1993-1994 Projection*</u>	<u>Projected Deficit</u>
Fire	\$3,558	\$3,028	\$4,147	(\$1,119)
Police	5,555	5,049	5,621	(572)
Sheriff	766	499	915	(416)
Juvenile Court	320	149	382	(233)
District Attorney	120	104	194	(90)
Other General Fund	<u>3,121</u>	<u>2,675</u>	<u>2,810</u>	<u>(135)</u>
 Total General Fund	 \$13,440	 \$11,504	 \$14,069	 (\$2,565)
 Municipal Railway	 6,519	 6,316	 7,585	 (1,269)
Laguna Honda	1,301	1,069	1,486	(417)
General Hospital	<u>1,384</u>	<u>1,350</u>	<u>1,424</u>	<u>(74)</u>
 Total General Fund & G. F. Supported	 <u>\$22,644</u>	 <u>\$20,239</u>	 <u>\$24,564</u>	 <u>(\$4,325)</u>

\* Source: Retirement System, Workers' Compensation Division

SCHEDULE OF BUDGETED AND PROJECTED REVENUES  
EXPENDITURES AND OTHER SOURCES(USES)  
Fiscal Year Ending June 30, 1994  
As of February 28, 1994  
(In Thousands)

	FY 93-94			VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL FY92-93	REVISED BUDGET	CURRENT PROJECTION	
<b>SAN FRANCISCO MUNICIPAL RAILWAY</b>				
<b>REVENUES:</b>				
Sales Tax Allocation - MTC	\$47,922	\$45,300	\$44,900	(\$400)
Operating Assistance	7,574	7,100	6,800	(300)
MTC Bridge Toll Allocation	2,915	2,900	2,900	0
<b>Total Grants and Subventions</b>	<b>\$58,411</b>	<b>\$55,300</b>	<b>\$54,600</b>	<b>(\$700)</b>
Passenger Fares	\$89,571	\$102,300	\$97,400	(\$4,900)
Other	11,799	10,700	10,700	0
<b>Total Charges for Services</b>	<b>\$101,370</b>	<b>\$113,000</b>	<b>\$108,100</b>	<b>(\$4,900)</b>
<b>TOTAL REVENUES</b>	<b>\$159,781</b>	<b>\$168,300</b>	<b>\$162,700</b>	<b>(\$5,600) (x)</b>
<b>EXPENDITURES &amp; ENCUMBRANCES</b>				
Personal Services	\$206,828	\$197,119	\$198,019	(\$900) (y)
Contractual Services	11,318	12,958	14,258	(1,300) (z)
Materials and Supplies	15,210	15,914	17,414	(1,500) (aa)
Claims	7,736	7,587	7,587	0 (bb)
Workers' Compensation	6,519	6,316	7,585	(1,269) (cc)
Services of Other Departments	20,279	17,977	17,858	119
Other Operating Expenses	14,116	13,681	13,681	0
Facilities Maint. & Capital Projects	445	374	374	0
<b>TOTAL EXPENDITURES</b>	<b>\$282,451</b>	<b>\$271,926</b>	<b>\$276,776</b>	<b>(\$4,850)</b>
<b>OTHER FINANCING SOURCES(USES)</b>	<b>7,121</b>	<b>812</b>	<b>812</b>	<b>0</b>
<b>CONTRIBUTION FROM GENERAL FUND</b>	<b>\$115,549</b>	<b>\$102,814</b>	<b>\$113,264</b>	<b>(\$10,450)</b>
Add: Board Reserve for Revenue Shortfall				6,000
Worker's Comp to be paid from City-wide Reserve (See Footnote (w).)				1,269
<b>Balance Required</b>				<b>\$3,181</b>

Notes to Municipal Railway Projection  
Fiscal Year Ending June 30, 1994  
As of February 28, 1994

(x) Revenues

Revenue projections have improved by \$700,000 since the December 1993 report. Passenger fares have increased by \$500,000, and an additional \$200,000 in sales tax allocations will be received this fiscal year.

(y) Personal Services

This deficit is caused by a budgeted underestimation of fringe benefits. Salaries are on target.

(z) Contractual Services

The estimated CalTrain obligation is about \$2,200,000. The Department budgeted only \$900,000 for this purpose, leaving a \$1.3 million deficit.

(aa) Materials and Supplies

Muni's materials and supplies budget has been understated for the past several years. Funds were available in an inventory fund to purchase materials near the end of each fiscal year, and usage was charged to subsequent years' operating budgets. An increasing portion of the inventory fund balance had to be used each fiscal year to offset the budgeted deficit. These funds have been depleted.

(bb) Claims

Claims overruns of \$2,000,000 will be charged against the City's general claims and judgments budget.

(cc) Workers' Compensation

The Workers' Compensation deficit will be covered by the Citywide reserve for Workers' Compensation.

SCHEDULE OF BUDGETED AND PROJECTED REVENUES  
EXPENDITURES AND OTHER SOURCES(USES)  
Fiscal Year Ending June 30, 1994  
As of February 28, 1994  
(In Thousands)

	FY 93-94			VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL FY92-93	REVISED BUDGET	CURRENT PROJECTION	
<b>SAN FRANCISCO GENERAL HOSPITAL</b>				
<b>REVENUES:</b>				
Patient Net Revenue	\$147,835	\$149,642	\$141,597	(\$8,045)
Other	15,852	15,877	15,108	(769)
Total Charges for Services	\$163,687	\$165,519	\$156,705	(\$8,814)
Realignment Revenue	43,826	48,236	47,136	(1,100)
<b>TOTAL REVENUES</b>	<b>\$207,513</b>	<b>\$213,755</b>	<b>\$203,841</b>	<b>(\$9,914)</b>
<b>EXPENDITURES &amp; ENCUMBRANCES</b>				
Personal Services	\$160,990	\$150,085	\$145,785	\$4,300
Contractual Services	51,230	57,154	55,354	1,800
Materials and Supplies	29,729	31,743	29,743	2,000
Services of Other Departments	6,633	9,521	9,521	0
Workers' Compensation	1,384	1,350	1,424	(74)
Other Operating Expenses	5,330	3,021	3,021	0
Facilities Maint. & Capital Projects	2,493	4,909	4,909	0
<b>TOTAL EXPENDITURES</b>	<b>\$257,789</b>	<b>\$257,783</b>	<b>\$249,757</b>	<b>\$8,026</b>
<b>OTHER FINANCING SOURCES(USES)</b>	<b>10,897</b>	<b>11,434</b>	<b>13,034</b>	<b>1,600</b>
<b>CONTRIBUTION FROM GENERAL FUND</b>	<b>\$39,379</b>	<b>\$32,594</b>	<b>\$32,882</b>	<b>(\$288)</b>
Add: Worker's Comp to be paid from City-wide Reserve (See Footnote (w).)				74
<b>Balance Required</b>				<b>(\$214)</b>

Patient revenue shortfall of \$8,045,000 due to decreased patient count and patient pay mix is being offset by decreased expenditures in Personal Services, Contractual Services and Materials and Supplies. Decreased Realignment Revenue will be covered by Citywide reserve or Health Department surpluses.

The increase of \$1,600,000 in Other Financing Sources is due to receipts under the SB910 Medical Administration Services Reimbursement Plan.



SCHEDULE OF BUDGETED AND PROJECTED REVENUES  
EXPENDITURES AND OTHER SOURCES(USES)  
Fiscal Year Ending June 30, 1994  
As of February 28, 1994  
(In Thousands)

	FY 93-94			
	ACTUAL FY92-93	REVISED BUDGET	CURRENT PROJECTION	VARIANCE FAVORABLE (UNFAVORABLE)
<b>LAGUNA HONDA HOSPITAL</b>				
<b>REVENUES:</b>				
Patient Net Revenue	\$89,045	\$94,624	\$93,410	(\$1,214)
Other	200	414	196	(218)
Total Charges for Services	\$89,245	\$95,038	\$93,606	(\$1,432)
Realignment Revenue	578	587	573	(14)
<b>TOTAL REVENUES</b>	<b>\$89,823</b>	<b>\$95,625</b>	<b>\$94,179</b>	<b>(\$1,446)</b>
<b>EXPENDITURES &amp; ENCUMBRANCES</b>				
Personal Services	\$86,398	\$85,151	\$87,067	(\$1,916)
Contractual Services	3,020	3,126	3,089	37
Materials and Supplies	6,783	7,175	4,941	2,234
Services of Other Departments	2,259	3,456	1,648	1,808
Workers' Compensation	1,301	1,069	1,486	(417)
Other Operating Expenses	1,123	1,130	1,130	0
Facilities Maint. & Capital Projects	157	492	492	0
<b>TOTAL EXPENDITURES</b>	<b>\$101,041</b>	<b>\$101,599</b>	<b>\$99,853</b>	<b>\$1,746</b>
<b>OTHER FINANCING SOURCES(USES)</b>	<b>\$862</b>	<b>\$535</b>	<b>\$587</b>	<b>(\$52)</b>
<b>CONTRIBUTION FROM GENERAL FUND</b>	<b>\$10,356</b>	<b>\$5,439</b>	<b>\$5,087</b>	<b>\$352</b>
Add: Worker's Comp to be paid from City-wide Reserve (See Footnote (w).)				417
<b>Projected Favorable Balance</b>				<b>\$769</b>

**STATUS OF BOARD RESERVES**

FY 1993-94

AS OF APRIL 4, 1994

<u>RESERVE</u>	<u>BEGINNING BALANCE</u>	<u>CHANGES PENDING OR APPROVED</u>	<u>BALANCE AFTER CHANGES</u>
<b><u>Six Month Restorations</u></b>			
Public Health Tier 1 & 2	\$9,200,000	\$9,050,988	\$149,012
Library - Replace Parcel Tax	4,000,000	4,000,000	0
DPH Children's Fund - Net	(1,600,000)	(1,300,710)	(299,290)
Muni Railway Maintenance	2,050,000	1,986,885	63,115
DPW Street Cleaning Program	500,000	477,167	22,833
Zoo Partnership	200,000	189,503	10,497
DSS SSI Resource Center	200,000	200,000	0
Mission Alcohol Abuse & DMSF CE & I Programs	135,000	122,793	12,207
<b><u>Full Year Restorations</u></b>			
Human Rights Commission	155,000	155,000	0
Rec Centers - Sunday Programs	140,000	140,000	0
Tax Collector Enhancements	140,000	112,908	27,092
Senior Information & Referral	100,000	0	100,000
Med Examiner Toxicologist	85,000	51,801	33,199
Senior Escort Program	29,000	0	29,000
Neighborhood Cultural Centers	26,000	26,000	0
Day Laborer Program	20,000	20,000	0
<b>Sub-total:</b>	<b>\$15,380,000</b>	<b>\$15,232,335</b>	<b>\$147,665</b>
<b>Supplemental Appropriation for Viacom Audit:</b>			<b>(\$39,858)</b>
<b>Supplemental Appropriation for Zero-Based Budget Analysis:</b>			<b>(\$107,807)</b>
<b>Total:</b>			<b>\$0</b>