



January 31, 1991

Honorable Mayor Agnos
City and County of San Francisco
City Hall - Room 200
San Francisco, California 94102

Honorable Board of Supervisors
City and County of San Francisco
Room 235 - City Hall

RE: Executive Overview - Projected Status of General Fund
thru June 30, 1991

6 months

Ladies and Gentlemen:

Based upon operations thru November 30, 1990 we project that the General Fund will have a balance of approximately \$2.8 million at fiscal year end.

Significant variance of our estimates from the budget are as follows:

Revenues

Revenues are projected to be \$20.3 million less than budgeted primarily due to reduced property transfer taxes of \$9.5 million, reduced parking taxes of \$4.5 million, reduced parking fines of \$8.7 million and reduced interest earnings of \$2.5 million. These reductions are partially offset by increased sales, hotel, and utility users taxes totaling \$4.3 million. We are continuing to project business taxes at the budgeted level pending receipt of actual data in early March. However, the decline in the local economy could result in a reduction in business tax collections.

The projected revenues from Hetch Hetchy are still estimated to be \$15 million but these revenues could decline if the severe drought conditions continue.

Expenditures

Departments with projected overspending include the Police Department \$2.5 million, Social Services' General Assistance \$3.4 million, General Hospital net operations of \$1.4 million and the Sheriffs department \$1.0 million. These over expenditures will be offset by projected under expenditures in other departments by undesignated expenditure savings estimated at \$6.0 million and by appropriate management actions in the overspending departments.

Reserves and Other Adjustments

Closure of surplus reserve balances and adjustments for prior year expenditures and revenues will make available \$13 million. The reserve

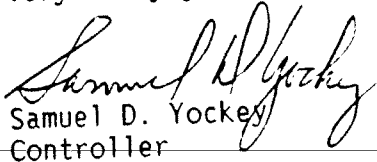
balances proposed for closure include salary standardization \$3.7 million, audit adjustments \$3.4 million and Public Works overhead underrecovery \$1.0 million. Other adjustments include \$1.2 million in additional prior year revenues and \$2.4 million in reduced prior year expenditures.

Finally, supplementals processed to date have reduced the unappropriated reserve by a net \$1.2 million.

Future Action

This office will be working with the Mayor's Office to institute corrective actions to assure that the City operates within available resources. This office will continue to monitor revenues and expenditures and will provide an updated projection by the end of March for expenditures thru January 1991 and for revenues thru early March 1991.

Very truly yours,


Samuel D. Yockey
Controller

Attachments - Summary of unappropriated Reserve and Project Fund Balance at
June 30, 1991
- Fund Balance Projection report (To June 30, 1991)

wppadm/1153

CITY AND COUNTY OF SAN FRANCISCO
SUMMARY OF UNAPPROPRIATED RESERVE AND
PROJECTED FUND BALANCE
AT JUNE 30, 1991
(In Thousands)

Unappropriated revenue reserves June 30, 1990		\$ 10,860 ✓
Add: Adjustment of prior year revenue	\$ 1,178 •	
Close out of Reserves:		
For prior year adjustments	2,397 •	
For under recovery of DPW overhead	1,000 •	
For Salary Standardization	3,740	
For audit adjustments	<u>3,444</u>	
		<u>11,759</u> ✓
Deduct:		\$ 22,619
Fund certified thru 1/15 from general reserve	< 5,249 >	
Less: SFGH return of 1255 Contribution	<u>4,000</u>	
		<u>< 1,249 ></u>
		\$ 21,370

PROJECTED 1990-91 OPERATIONS:

	Budget/Actual Variance Favorable (Unfavorable)	
<u>REVENUES</u>		
Property Taxes	<\$ 176 >	
Business Tax	0	
Other Local Taxes	< 9,235 >	
Grants and Subventions	4,803	
Licenses Fees and Penalties	< 9,731 >	
Interest and Investment Earnings	< 2,498 >	
Charges for Services	< 1,468 >	
Recovery of general government costs	< 1,681 >	
Others	<u>< 338 ></u>	
		< 20,324 > ✓
<u>EXPENDITURES</u>		
Public Protection	<\$1,209 >	
Public Works	238	
Human Welfare Neighborhood & Devlp.	< 7,844 >	
Community Health	1,183	
Culture and Recreation	694	
General Administration Finance	<u>1,099</u>	
		< 5,839 > ✓
Net General Fund Operating deficit, - Projection vs. Budget		< 26,163 >
Surplus (deficit) from subsidized enterprise operations and transfers:		
Muni Railway	<\$ 713 >	
S.F. General Hospital	< 1,406 >	
Laguna Honda Hospital	<u>3,695</u>	
		<u>1,576</u> ✓
Estimated Undesignated expenditure savings		<u>6,000</u> ✓ 6-10m
Projected Undesignated General Fund surplus June 30, 1991		<u>\$ 2,783</u>

CITY AND COUNTY OF SAN FRANCISCO

Fund Balance Projections

To June 30, 1991

FOR GENERAL AND
SUBSIDIZED ENTERPRISE FUNDS

BASED UPON THE PERIOD ENDED
NOVEMBER 30, 1990

Prepared By the
Office of the Controller
January 30, 1991

DESCRIPTION

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SECTION I

PROJECTED OPERATIONS

**(Revenues, Expenditures, Operating Transfers
And General Fund Balance)**

SCHEDULE OF BUDGETED AND PROJECTED REVENUES, EXPENDITURES AND FUND BALANCE
 For year ended June 30, 1991
 As of November 30, 1990
 (in thousands)

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GENERAL FUND	F.Y. 1990-91			
	ACTUAL FY 89-90	REVISED BUDGET	CURRENT PROJECTION	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Property taxes	\$ 425,170	448,025	447,849	(176)
Business taxes	152,998	155,000	155,000	0
Other local taxes	170,241	182,900	173,665	(9,235)
Grants & subventions	355,903	354,954	359,757	4,803
Licenses, fines & penalties	46,859	63,345	53,614	(9,731)
Interest & investment earnings	20,129	17,212	14,714	(2,498)
Charges for services	29,870	33,918	32,450	(1,468)
Recovery of general government costs	6,903	8,406	6,725	(1,681)
Other	182	926	588	(338)
Total revenues	1,208,255	1,264,686	1,244,362	(20,324)
EXPENDITURES & ENCUMBRANCES				
Public protection	445,229	467,711	468,920	(1,209)
Public works, transportation & commerce	23,254	37,003	36,765	238
Human welfare & neighborhood development	243,906	264,948	272,792	(7,844)
Community health	141,999	169,160	167,977	1,183
Culture & recreation	62,475	67,394	66,700	694
General administration & finance	111,191	121,293	120,194	1,099
Total expenditures & encumbrance	1,028,054	1,127,509	1,133,348	(5,839)
Excess (deficiency) of revenues over (under) expenditures & encumbrances	180,201	137,177	111,014	(26,163)
OTHER FINANCING SOURCES (USES)				
Operating transfers in from:				
SF Airport Operating Fund	12,074	13,500	13,500	0
Hetch Hetchy Operating Fund	15,138	15,132	15,132	0
Water Operating Fund	2,232	2,292	2,292	0
Special Revenue Funds	5,458	12,621	12,621	0
Total Operating transfers in	34,902	43,545	43,545	0
Operating transfers out to:				
Municipal Railway				
Revenues	132,734	141,978	142,578	600
Expenditures & encumbrances	(246,574)	(262,944)	(268,217)	(5,273)
Other Financing Sources (Uses)	1,272	(249)	(249)	0
Close-out of Reserve for PY Adjustments	0	0	460	460
Expenditures to be funded from Reserve for Operating Assistance		0	3,500	3,500
Contribution to Muni Railway	\$ (112,568)	(121,215)	(121,928)	(713)

(Continued to next page)

SCHEDULE OF BUDGETED AND PROJECTED REVENUES, EXPENDITURES AND FUND BALANCE
 For year ended June 30, 1991
 As of November 30, 1990
 (in thousands)

GENERAL FUND (Continued)	ACTUAL FY 89-90	F.Y. 1990-91		VARIANCE FAVORABLE (UNFAVORABLE)
		REVISED BUDGET	CURRENT PROJECTION	
San Francisco General Hospital				
Revenues	\$ 144,998	153,908	155,913	2,005
Expenditures & encumbrances	(204,416)	(229,831)	(229,892)	(61)
Other Financing Sources (Uses)	(9,368)	1,580	1,580	0
Close-out of Reserve for PY Adjustments	0	0	650	650
SFGH return of SB1255 Contribution to CMAC funded from General Reserve	0	0	(4,000)	(4,000)
Contribution to SFGH	(68,786)	(74,343)	(75,749)	(1,406)
Laguna Honda Hospital				
Revenues	70,000	77,166	78,476	1,310
Expenditures & encumbrances	(78,175)	(92,208)	(90,133)	2,075
Other Financing Sources (Uses)	(2,262)	327	327	0
Close-out of Reserve for PY Adjustments	0	0	310	310
Contribution to LHH	(10,437)	(14,715)	(11,020)	3,695
Special Revenue Funds	(10,709)	(11,665)	(11,665)	0
Capital Project Funds	(4,812)	(1,151)	(1,151)	0
Internal Service Fund-ISD	0	(5,900)	(5,900)	0
Total Operating transfers out	(207,312)	(228,989)	(227,413)	1,576
Total other financing sources (uses)	(172,410)	(185,444)	(183,868)	1,576
Excess (deficiency) of revenues & other sources over (under) expenditures, encumbrances & other uses	\$ 7,791	(48,267)	(72,854)	(24,587)
Unappropriated Revenue Reserves (from 1990/91 Annual Appropriation Ordinance)				10,860
Subsequent revenue and appropriation amendments:				2,397
Close-out of Reserve for Prior Year Adjustments				1,000
Close-out of Reserve for PY Underrecovery of DPWs Overhead Funds				
Close-outs of Unappropriated Revenue Retained:				
Reserves for Salary Standardization			\$ 3,740	
Reserves for Potential Audit Adjustments			3,444	7,184
Adjustments to Prior Year Revenues (Net of Property Taxes)				1,178
Supplemental appropriations:				
Funds certified (thru 1/15/91) from General Reserve			\$ (5,717)	
Less: Amount to cover departmental projected deficit			468	
SFGH return of SB1255 Contribution to CMAC			4,000	(1,249)
Estimated undesignated expenditure savings				6,000
Projected Undesignated General Fund Fund Balance at June 30, 1991				\$ 2,783

SECTION II

PROJECTED REVENUES

SCHEDULE OF BUDGETED AND PROJECTED REVENUES
YEAR ENDED JUNE 30, 1991
As of November 30, 1990
(In Thousands)

	FY 90-91			VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL FY 89-90	REVISED BUDGET	CURRENT PROJECTION	
GENERAL FUND				
PROPERTY TAXES				
Current year - secured	\$ 356,897	\$ 384,326	\$ 379,803	\$ (4,523) (A)
Current year - unsecured	42,014	42,423	44,380	1,957 (A)
Other	26,259	21,276	23,666	2,390 (A)
Total property taxes	425,170	448,025	447,849	(176) (A)
BUSINESS TAXES				
Business registration tax	8,180	7,400	7,400	0 (B)
Business tax	21,280	21,500	21,500	0 (B)
Payroll tax	123,538	126,100	126,100	0 (B)
Total business taxes	152,998	155,000	155,000	0 (B)
OTHER LOCAL TAXES				
Franchise tax	5,809	5,700	6,221	521 (C)
Real property transfer tax	20,717	22,200	12,680	(9,520) (D)
Parking tax	17,101	21,000	16,434	(4,566) (E)
Utility users tax	24,791	25,000	27,130	2,130 (F)
Hotel room tax	17,293	18,500	19,600	1,100 (G)
Sales tax	84,530	90,500	91,600	1,100 (H)
Total other local taxes	170,241	182,900	173,665	(9,235)
GRANTS AND SUBVENTIONS				
Homeowners property tax	5,997	5,900	6,272	372
Trial court funding	15,405	13,700	13,700	0
Motor vehicle in lieu - county	34,711	36,859	36,859	0 (I)
Motor vehicle in lieu - city	26,281	28,041	28,041	0 (I)
Cigarette tax	1,821	2,200	2,067	(133)
Prop 99 Tobacco Tax	19,479	18,570	18,570	0
Mental health subventions	39,857	37,278	37,278	0
Earthquake Disaster Assistance	9,526	0	0	0
County health services - state	16,510	16,504	16,504	0
Medically indigent adult	2,729	2,373	2,373	0
Social services subventions	172,759	184,115	188,818	4,703 (J)
Other	10,828	9,414	9,275	(139)
Total grants and subventions	355,903	354,954	359,757	4,803

-- See notes following schedules --

SCHEDULE OF BUDGETED AND PROJECTED REVENUES
 YEAR ENDED JUNE 30, 1991
 As of November 30, 1990
 (In Thousands)

	FY 90-91			VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL FY 89-90	REVISED BUDGET	CURRENT PROJECTION	
GENERAL FUND (Continued)				
LICENSES, FINES AND PENALTIES				
Licenses	\$ 4,772	\$ 5,169	\$ 4,285	\$ (884) (K)
Traffic fines - parking	36,551	51,200	42,500	(8,700) (L)
Traffic fines - moving	4,312	3,680	3,649	(31) (L)
Traffic fines - boot program	0	2,000	2,000	0 (L)
Other fines and penalties	1,224	1,296	1,180	(116)
Total licenses, fines and penalties	46,859	63,345	53,614	(9,731)
USE OF MONEY OR PROPERTY				
Interest and other investment earnings	16,919	16,531	14,033	(2,498) (M)
Other use of money or property	3,210	681	681	0
Total use of money or property	20,129	17,212	14,714	(2,498)
CHARGES FOR SERVICES				
Parking meter collections	9,449	9,400	9,717	317
General government service charges	12,479	14,270	12,976	(1,294) (N)
Public safety service charges	4,058	3,673	3,776	103
Other service charges	3,884	6,575	5,981	(594) (O)
Total charges for services	29,870	33,918	32,450	(1,468)
RECOVERY OF GENERAL GOV'T. COSTS				
	6,903	8,406	6,725	(1,681) (P)
OTHER REVENUES				
	182	926	588	(338)
TOTAL REVENUES	\$1,208,255	\$1,264,686	\$1,244,362	\$ (20,324)

-- See notes following schedules --

SCHEDULE OF BUDGETED AND PROJECTED REVENUES
 YEAR ENDED JUNE 30, 1991
 As of November 30, 1990
 (In Thousands)

	FY 90-91			
	ACTUAL FY 89-90	REVISED BUDGET	CURRENT PROJECTION	VARIANCE FAVORABLE (UNFAVORABLE)
MUNICIPAL RAILWAY				

SUBVENTIONS				
Sales tax allocation - MTC	\$ 38,444	\$ 50,740	\$ 50,740	\$ 0
Operating assistance	7,903	7,900	7,900	0
MTC bridge toll allocation	5,385	3,291	3,291	0
Grants	0	0	0	0

Total grants and subventions	51,732	61,931	61,931	0

CHARGES FOR SERVICES				
Passenger fares	77,889	76,832	77,832	1,000 (0)
Other	3,113	3,215	2,815	(400) (0)

Total charges for services	81,002	80,047	80,647	600

TOTAL REVENUES	\$ 132,734	\$ 141,978	\$ 142,578	\$ 600
	=====			
SAN FRANCISCO GENERAL HOSPITAL				

SUBVENTIONS				
Grants	1,822	3,000	8,500	5,500 (R)
County health services	23,628	23,619	23,619	0
Medically indigent adult	24,305	20,121	20,137	16
SLIAG	1,222	1,222	1,222	0

Total subventions	50,977	47,962	53,478	5,516

CHARGES FOR SERVICES				
Patient net revenue	89,479	101,577	98,004	(3,573) (R)
Other	1,334	2,395	2,395	0

Total charges for services	90,813	103,972	100,399	(3,573)

USE OF MONEY OR PROPERTY				
Interest and other investment earnings	3,208	1,974	2,036	62

TOTAL REVENUES	\$ 144,998	\$ 153,908	\$ 155,913	\$ 2,005
	=====			

-- See notes following schedules --

SCHEDULE OF BUDGETED AND PROJECTED REVENUES
 YEAR ENDED JUNE 30, 1991
 As of November 30, 1990
 (In Thousands)

	FY 90-91			VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL FY 89-90	REVISED BUDGET	CURRENT PROJECTION	
LAGUNA HONDA HOSPITAL				

SUBVENTIONS				
Grants	\$ 0	\$ 0	\$ 0	\$ 0
County health services	614	614	614	0
Total subventions	614	614	614	0

CHARGES FOR SERVICES				
Hospital service charges	69,143	76,277	77,587	1,310 (S)
Other	243	275	275	0
Total charges for services	69,386	76,552	77,862	1,310

TOTAL REVENUES	\$ 70,000	\$ 77,166	\$ 78,476	\$ 1,310
	=====	=====	=====	=====

-- See notes following schedules --

NOTES TO REVENUE PROJECTION

June 30, 1991

As of November 30, 1990

(A) Property Taxes

The General Fund portion of current secured taxes is projected to have a \$4.5 million shortfall from the budget estimate: \$2.5 million relates to lower than expected enrollment of escaped assessments (relating to earlier fiscal years) and \$2.0 million relates to a lower trend in mid-year supplemental assessments (SB-813) from resales and new construction.

Offsetting these with better than estimated revenues, the current year unsecured taxes are expected to be improved by \$2.0 million. Other/prior year taxes are also projected to be improved by \$2.4 million, most of which is related to delayed payment of last year's secured taxes which were rebilled due to earthquake damage claims.

(B) Business Taxes

Final payment of the 1990 business and payroll taxes will be received during January and February 1991. In our next projection we will be able to reasonably determine any significant variance for the current fiscal year.

(C) Franchise Taxes

The major portion of franchise taxes comes from gas and electric utilities and is based on calendar year utility revenues. The franchisee's report and payment for 1990 are not due until the end of March. Based on growth in utility users taxes, we project that actual revenues will exceed the budget estimate by \$0.5 million.

(D) Real Property Transfer Tax

The continued slowdown of real estate sales as a result of the prevailing economic conditions has had a very adverse effect on the real estate transfer tax revenues. Collections for the first half of the fiscal year are down by about 44% from last year. Under current conditions in the real estate market, total collections are projected to be down by as much as \$9.5 million .

(E) Parking Tax

Based on year-to-date parking tax revenue collections reported by the Tax Collector, the General Fund portion of the tax will be short by \$4.6 million.

NOTES TO REVENUE PROJECTION

(F) Utility Users Tax

The State Public Utilities Commission granted rate increases to the major utility firms starting January 1, 1991 which will have a net positive impact on the City's utility users tax revenues. The increase in utility rates coupled with the unusually cold weather in December is anticipated to increase revenues by \$2.1 million.

(G) Hotel Tax

Hotel tax collections for the first quarter indicate that our tourism industry is back to near normal. Recorded revenues exceed last year's year-to-date figures by about 14%. If the strong first quarter's performance is sustained, hotel tax revenues will provide an additional \$1.1 million to the General Fund by the end of the fiscal year.

(H) Sales Tax

Current sales tax remittances from the State show a slightly better increase over budgeted revenues despite the lagging economic conditions. The reported figures do not include sales made during the holiday season which will not be known until late March, 1991. Our current estimate will be updated in our next projection report when the December, 1990 sales figures are available.

(I) Motor Vehicle In Lieu Fees

The State Controller's Office will provide revised current year, per capita allocation figures in March. Pending that information no variance from budgeted revenues is recommended.

(J) Social Services Subventions

The revenue increase is projected to match a comparable net increase in subsidized program expenditures. (See Expenditure Note f.)

(K) Licenses

Estimated revenues from sundry business licenses and neighborhood parking permits will be short by \$690 thousand and \$169 thousand, respectively, based on the year-to-date trends.

NOTES TO REVENUE PROJECTION

(L) Traffic Fines - Parking/Boot Program

Estimated revenues from parking citations are projected to fall \$ 8.7 million short of the year's budgeted revenues. Base growth from last year's actual may only increase \$4.0 million (compared to \$8.2 in the budget). Additionally, the \$6.5 million added in conjunction with the 46 new parking control officers may only realize \$ 2.0 million this year due to delays in hiring and training, and redeployment of these staff.

The boot program will begin in February, 1991. At this time the Parking and Traffic staff believe the budgeted program revenues of \$ 2.0 million will be realized.

(M) Interest and Investment Earnings

Projected interest income will result in a small positive variance of \$146 thousand. However, the State loan to San Francisco General Hospital (net of interest earned directly by San Francisco General Hospital) will require the General Fund to appropriate \$2.6 million of revenue earnings according to the Annual Appropriation Ordinance provisions. Accordingly, the true interest earnings will be a \$2.5 million shortfall.

(N) General Government Service Charges

An amount of \$2.5 million was included as "non-departmental" (or unidentified) revenue. Based on five-month trends it appears this budgeted revenue will be short by \$1.3 million.

(O) Other Service Charges

Service charges by Public Health - Central Office for hazardous material storage filing fees are expected to be \$0.6 million short of budget due to inability of the department to fill positions required to implement this program.

(P) Recovery of General Government Costs

The unfavorable variance of \$1.7 million represents the difference between the amounts due from various departments in the budget instructions and the actual amounts approved for indirect cost (expenditure) reimbursements.

(Q) Municipal Railway

The PUC staff's recent revenue estimates, which include collections through November 30, 1990, show that Muni Railway's fare revenues will be higher than budget by \$1.0 million. They expect, however, that certain miscellaneous revenues will be down by about \$ 0.3 million and capital subventions will also be \$0.1 million less. Their calculation shows a net positive variance of \$0.6 million.

NOTES TO REVENUE PROJECTION

(R) San Francisco General Hospital

Inpatient revenues are declining as a result of lower than estimated census. Projected average daily census of 331 compared to estimated budgeted census of 355, results in a revenue shortfall of over \$5 million. This is partially offset by increased outpatient revenues and by S.B. 1255 estimated revenues of \$8.5 million compared to \$3 million budgeted revenues. The resulting revenue surplus of \$2 million should be taken in the context that \$4.0 million estimated revenues from S.B. 1255 is directly offset by an expenditure appropriation of this amount. Removing the non budgeted S.B. 1255 revenue from the hospital's revenue results in a \$ 3.5 million shortfall in budgeted operating revenues.

(S) Laguna Honda Hospital

Laguna Honda Hospital staff estimates that, with the Medi-Cal rate increase in October, 1990, the department will end the year with a net revenue increase of \$1.3 million.

APPENDIX 165

SECTION III

PROJECTED EXPENDITURES

SCHEDULE OF BUDGETED AND PROJECTED EXPENDITURES
 For year ended June 30, 1991
 As of November 30, 1990
 (in thousands)

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GENERAL FUND	F.Y. 1990-91			
	ACTUAL FY 89-90	REVISED BUDGET	CURRENT PROJECTION	VARIANCE FAVORABLE (UNFAVORABLE)
PUBLIC PROTECTION				
District Attorney	\$ 20,134	21,733	21,732	1 (b)
Public Defender	7,741	8,293	8,181	112 (a)
Sheriff	28,927	31,597	32,548	(951) (c)
Superior Court	14,192	16,529	17,039	(510) (c)
Municipal Court	17,959	20,985	20,375	610 (a)
Juvenile Court	14,878	16,112	15,696	416 (a)
Adult Probation	5,440	5,924	5,703	221 (b)
County Clerk	5,498	5,360	5,119	241 (a)
Fire Department	135,432	147,532	146,475	1,057 (d)
Police Department	191,420	188,959	191,489	(2,530) (e)
County Agriculture-Weights & Measures	587	720	723	(3) (c)
Public Administrator/Guardian	1,602	1,997	1,868	129 (a)
Animal Care and Control	1,419	1,970	1,972	(2) (c)
	445,229	467,711	468,920	(1,209)
PUBLIC WORKS, TRANSPORTATION AND COMMERCE				
Permit Appeals	227	260	247	13 (a)
PUC Light, Heat and Power	4,044	4,562	4,562	0
Electricity	5,490	6,161	6,198	(37) (c)
Public Works	13,493	14,647	14,583	64 (b)
Parking & Traffic Commission	0	11,373	11,175	198 (a)
	23,254	37,003	36,765	238
HUMAN WELFARE AND NEIGHBORHOOD DEVELOPMENT				
Human Rights Commission	1,705	1,869	1,818	51 (a)
Social Services	241,645	262,481	270,431	(7,950) (f)
Commission on the Status of Women	556	598	543	55 (a)
	243,906	264,948	272,792	(7,844)
COMMUNITY HEALTH				
Medical Examiner/Coroner	2,278	2,522	2,452	70 (a)
Public Health Central Office	56,098	70,004	69,571	433 (b)
Community Mental Health	83,623	96,634	95,954	680 (a)
	\$ 141,999	169,160	167,977	1,183

SCHEDULE OF BUDGETED AND PROJECTED EXPENDITURES
 For year ended June 30, 1991
 As of November 30, 1990
 (in thousands)

GENERAL FUND (Continued)	F.Y. 1990-91			
	ACTUAL FY 89-90	REVISED BUDGET	CURRENT PROJECTION	VARIANCE FAVORABLE (UNFAVORABLE)
CULTURE AND RECREATION				
County Educational Office	\$ 93	370	362	8 (a)
Art Commission	1,306	1,556	1,474	82 (a)
Public Library	19,379	21,007	20,842	165 (b)
Recreation and Park	34,404	36,351	35,985	366 (a)
Academy of Sciences	1,639	1,860	1,830	30 (b)
Fine Arts Museums	4,142	4,540	4,498	42 (b)
Asian Art Museum	1,320	1,506	1,506	0 (b)
Law Library	192	204	203	1 (a)
	62,475	67,394	66,700	694
GENERAL ADMINISTRATION AND FINANCE				
Board of Supervisors	4,592	5,242	5,154	88 (a)
Assessor	6,049	7,208	6,967	241 (a)
City Attorney	5,577	5,935	5,835	100 (a)
Treasurer/Tax Collector	9,050	10,939	10,825	114 (b)
Controller	12,239	14,921	14,246	675 (a)
Mayor	7,406	6,553	6,433	120 (b)
City Planning	5,260	6,177	5,937	240 (a)
Civil Service	6,241	8,225	7,885	340 (a)
Retirement System (including Workers' Compensation)	12,738	13,260	14,617	(1,357) (c)
Chief Administrative Officer	10,519	8,512	8,489	23 (a)
Real Estate	2,155	2,196	2,178	18 (a)
Recorder	776	961	915	46 (a)
Registrar	2,610	2,170	2,215	(45) (c)
Purchaser	2,451	3,862	3,356	506 (a)
General City Responsibility	23,528	25,132	25,142	(10) (c)
	111,191	121,293	120,194	1,099
Total General Fund	\$ 1,028,054	1,127,509	1,133,348	(5,839)
ENTERPRISE FUNDS SUBSIDIZED BY GENERAL FUND:				
Municipal Railway	\$ 246,574	262,944	268,217	(5,273) (g)
San Francisco General Hospital	204,416	229,831	229,892	(61) (h)
Laguna Honda Hospital	78,175	92,208	90,133	2,075 (i)

NOTES TO FY 1990-91 EXPENDITURE PROJECTIONS

Expenditure projections for personal services accounts are based on departments' expenditures as of the payperiod ending December 7, 1990, the estimated remaining expenditures required to support the existing work force plus approved requisitions unfilled to date and/or spending plans submitted by the departments.

For the first reporting period, minor non-personal services accounts were not reviewed as it is assumed that departments are able to operate within their budget. Major non-personal accounts, however, were reviewed and are reflected in this projection.

- (a) These departments are projected to have surpluses in their personal services accounts at the end of the fiscal year provided that no additional personnel requisitions are added to increase their current level of staffing.
- (b) Overall projections for these departments indicate that net surplus in expenditure accounts may materialize at year end. However, deficits are projected in some expenditure accounts as itemized below. To prevent the occurrence of these deficits, these departments may with recommendations from the Mayor, request our office to certify transfer of funds from other expenditure accounts with projected surpluses.

<u>DEPARTMENT</u>	<u>ACCOUNT TITLE</u>	<u>PROJECTED DEFICIT</u>
DIST. ATTY.- GEN.	PERMANENT SALARIES	\$ 85,037
DIST. ATTY.- FSB	PROFESSIONAL SERVICES	45,917
	AUTO MILEAGE	1,960
	CITY MAIL SERVICE	9,261
ADULT PROBATION	AUTO MILEAGE	2,430
	TELEPHONE	3,324
	MEMBERSHIP	396
	MATERIALS & SUPPLIES	2,000
PUBLIC WORKS	TEMPORARY SALARIES	26,547
PUBLIC HEALTH- CENTRAL OFFICE	TEMPORARY SALARIES	821,524
	OVERTIME	93,372
PUBLIC LIBRARY	PERMANENT SALARIES - CRAFT	21,744
ACADEMY OF SCIENCES	OVERTIME	5,401
FINE ARTS MUSEUMS	PERMANENT SALARIES - CRAFT	26,982
ASIAN ART MUSEUM	PERMANENT SALARIES - MISC.	4,103
TAX COLLECTOR	PERMANENT SALARIES-MISCELLANEOUS	42,881
MAYOR'S OFFICE	TEMPORARY SALARIES	19,013

NOTES TO FY 1990-91 EXPENDITURE PROJECTIONS

(c) Projections for these departments indicate that deficits in expenditure accounts may materialize at year end if appropriate action is not taken. One or more of the following courses of actions may be required from the department:

- Modify their current staffing to reduce the rate of personal services accounts' expenditure during the rest of the fiscal year.
- Submit a supplemental appropriation request for additional funds.
- With recommendations from the Mayor, request that the Controller certify the transfer of funds from other expenditure accounts with projected surpluses.

<u>DEPARTMENT</u>	<u>ACCOUNT TITLE</u>	<u>PROJECTED DEFICIT</u>
SHERIFF ¹	PERMANENT SALARIES	\$ 366,026
	TEMPORARY SALARIES	305,196
	OVERTIME & HOLIDAY PAY	379,096
SUPERIOR COURT	FEES AND OTHER COMPENSATION	863,956
COUNTY AGRICULTURE	PERMANENT SALARIES	6,378
ANIMAL CARE & CONTROL	TEMPORARY SALARIES	7,373
	HOLIDAY PAY	13,082
	MANDATORY FRINGE BENEFITS	13,220
ELECTRICITY	PERMANENT SALARIES	76,798
	TEMPORARY SALARIES	5,082
	HOLIDAY PAY	2,271
REGISTRAR	TEMPORARY SALARIES	108,640
	OVERTIME PAY	11,377
RETIREMENT	WORKERS' COMPENSATION - General City depts.	1,470,000
GENERAL CITY	HEALTH SERVICE SUBSIDY	99,765

¹ The Sheriff's Department has a request for a supplemental appropriation which has been approved. This request for supplemental appropriation will partially cover the projected deficits in Temporary Salaries (\$225,216) and Overtime (\$176,942).

The projected deficits in Permanent Salaries includes (\$179,568) costs of unanticipated Salary Standardization Ordinance pertaining to additional pay for deputy sheriffs with post training certificates and (\$164,602) cost of Memorandum of Understanding between the Deputy Sheriffs Association and the City to provide for jail premium pay for members of the bargaining unit. The department's request for supplemental appropriation submitted on September 11, 1990 to cover these additional costs is currently pending in the Mayor's Office.

In addition, the projected Permanent Salaries expenditures include the cost of two additional training classes scheduled in January and February 1991.

NOTES TO FY 1990-91 EXPENDITURE PROJECTIONS

(d) FIRE DEPARTMENT

Current projections indicate that the Fire Department will have an overall surplus of \$1,057,039 as detailed below:

<u>ACCOUNT TITLE</u>	<u>PROJECTED SURPLUS (DEFICIT)</u>
PERMANENT SALARIES - MISCELLANEOUS	\$ 199,371
PERMANENT SALARIES - UNIFORM	798,716
PERMANENT SALARIES - CRAFTS	36,995
DIFFERENTIAL PAY	(110,163)
TEMPORARY SALARIES	158
OVERTIME	11,279
HOLIDAY PAY	267,772
EXTENDED WORK WEEK	(731,596)
MANDATORY FRINGE BENEFITS	584,507
PERSONAL SERVICES-PROJECTED SURPLUS	<u>\$ 1,057,039</u>

The department is in the process of preparing a request to transfer funds from various appropriations with projected surpluses to cover projected deficits in Differential Pay and Extended Work Week.

(e) POLICE DEPARTMENT

Based on the department's expenditures per the payroll ending December 7, 1990 including estimated costs to maintain the proposed level of staffing for the remainder of the fiscal year, the Police Department is projected to have a net projected deficit of \$2,529,744 as detailed below.

PERMANENT SALARIES - MISCELLANEOUS	\$(536,382)
PERMANENT SALARIES - UNIFORM	115,561 ¹
DIFFERENTIAL PAY	(733,185)
TEMPORARY SALARIES	67,393
OVERTIME	(2,678,577)
HOLIDAY PAY	(152,212)
EXTENDED WORK WEEK	(848,846)
MANDATORY FRINGE BENEFITS	<u>1,104,592</u>
PROJECTED SURPLUS (DEFICIT)-PERSONAL SERVICES	\$(3,661,656)
<u>ESTIMATED EXPENDITURE REIMBURSEMENTS:</u>	
FOR SALE-LEASE FINANCING OF CAPITAL OUTLAY	<u>840,000¹</u>
NET PROJECTED SURPLUS (DEFICIT) PERSONAL SVCS.	\$(2,821,656)
<u>SENIOR ESCORT PROGRAM:</u>	
Permanent Salaries - Miscellaneous	\$ 109,453
Mandatory Fringe Benefits	61,536
<u>COMPLAINTS PROGRAM:</u>	
Permanent Salaries - Miscellaneous	\$ 88,227
Overtime	(13,926)
Mandatory Fringe Benefits	<u>46,622</u>
TOTAL PROJECTED SURPLUS (DEFICIT)	<u>\$(2,529,744)²</u>

NOTES TO FY 1990-91 EXPENDITURE PROJECTIONS

(e) POLICE DEPARTMENT (Continued)

¹ The Police Department's projected surplus in Permanent Salaries - Uniform of \$955,561 has been reduced to \$115,561 due to the temporary fund transfer of \$840,000 into the Equipment account to allow immediate purchase of 61 police sedans at a much lower price from the vendor. A sale-leaseback arrangement for these cars under the auspices of Proposition C is expected to occur by March 1991. This arrangement will provide funds to reimburse the Permanent Salaries - Uniform account.

In addition, the projected expenditures in Permanent Salaries - Uniform include scheduled academy classes in February and June, 1991 of \$635,000 less attrition rate of approximately 1% of uniform force per payperiod (\$0.4 million).

² The department plans to submit a request for supplemental appropriation before the end of February 1991 to cover all projected deficits including increased overtime currently being incurred to staff peace demonstrations.

NOTES TO FY 1990-91 EXPENDITURE PROJECTIONS

(f) DEPARTMENT OF SOCIAL SERVICES

Detail projections for D.S.S. Personal Services accounts and Welfare Aid Assistance programs are shown below.

<u>ACCOUNT TITLE</u>	PROJECTED SURPLUS(DEFICIT)		
	<u>GENERAL FUND</u>	<u>FEDERAL/STATE</u>	<u>TOTAL</u>
<u>WELFARE AID ASSISTANCE PROGRAMS</u>			
1. FEDERAL & STATE SUPPORTED PROGRAMS:			
AFDC General Assistance	\$(259,743)	\$(4,935,126)	\$(5,194,869)
Foster Care	53,907	619,934	673,841
Adoption Aid		(489,526)	(489,526)
Special Care Aid		286	286
Home Care	43,884	273,879	317,763
Indo-Chinese Refugee		(865,386)	(865,386)
GAIN Client Payment		289,654	289,654
Total Federal & State Supported Programs	\$(161,952)	\$(5,106,285)	\$(5,268,237)
2. GENERAL FUND PROGRAMS:			
General Assistance	\$(3,410,145)		\$(3,410,145)
AFDC-Special Service	(223,581)		(223,581)
Day Care Assistance	88		88
Foster Home Placement	259,505		259,505
Total General Fund Supported Programs	\$(3,374,133)		\$(3,374,133)
<u>ADMINISTRATIVE EXPENDITURES</u>			
Permanent Salaries	\$ 118,344	\$ 164,692	\$ 283,036
Temporary Salaries	(84,106)	(117,045)	(201,151)
Overtime	(9,670)	(13,456)	(23,126)
Mandatory Fringe Benefits	78,865	109,752	188,617
City Attorney	186,107	258,993	445,100
Total projected surplus-Administrative expenditures	\$ 289,540	\$ 402,936	\$ 692,476
NET PROJECTED SURPLUS (DEFICIT)	\$(3,246,545)	\$ (4,703,349)	\$(7,949,894)

Current projections for the Department of Social Services indicate an overall deficit of \$7,949,894. This is the result of projected deficits in Federal, State and County supported aid assistance programs of \$5,268,237, the projected deficits in General Fund supported aid assistance programs of \$3,374,133 and the projected surpluses in the Administrative expenditures of \$692,476. The net projected deficit in General Fund's share of the department's expenditure is \$3,246,545. The department plans to submit a request for supplemental appropriation later during the year to cover the projected deficit.

NOTES TO FY 1990-91 EXPENDITURE PROJECTIONS

(g) MUNICIPAL RAILWAY

Based on the department's current spending trends, Municipal Railway's operating fund is projected to have an overall deficit of \$5.3 million in their expenditure accounts as indicated below. The projected deficit may be reduced to \$1.8 million as soon as the request for supplemental appropriation of \$3.5 million from the State Transit Assistance funds is approved.

<u>ACCOUNT TITLE</u>	<u>PROJECTED SURPLUS(DEFICIT)</u>
PERSONAL SERVICES:	
PERMANENT SALARIES-MISCELLANEOUS	\$(142,540) ¹
PERMANENT SALARIES-CRAFTS	18,141
PERMANENT SALARIES-PLATFORM	(928,118) ²
TEMPORARY SALARIES	(248,576) ¹
OVERTIME	(192,790) ³
HOLIDAY PAY	184,854
MANDATORY FRINGE BENEFITS	(977,658) ⁴
HEALTH SERVICES-RETIRED SUBSIDY	(514,300) ⁴
PROJECTED SURPLUS (DEFICIT)-PERSONAL SERVICES	<u>\$(2,800,987)</u>
NONPERSONAL SERVICES ACCOUNT:	
WORKERS' COMPENSATION	\$(439,572) ⁵
CALTRAIN SUBSIDY	(532,415) ⁶
FUEL COST	(1,500,000) ⁶
PROJECTED SURPLUS (DEFICIT)-NONPERSONAL SERVICES	<u>\$(2,471,987)</u>
TOTAL PROJECTED SURPLUS (DEFICIT)	\$(5,272,974)
LESS: REQUEST FOR SUPPLEMENTAL APPROPRIATION FROM STATE TRANSIT ASSISTANCE FUNDS	<u>3,478,537</u> ⁶
NET PROJECTED SURPLUS (DEFICIT)	<u>\$(1,794,437)</u>

¹ To reduce the projected deficits in Permanent Salaries-Miscellaneous and Temporary Salaries, Muni will seek supplemental funding from fares revenue and from accounts with projected surpluses.

² The Transportation Division has submitted a revised spending plan reflecting a declining monthly expenditures. The department plans to submit in the fourth quarter a request for supplemental appropriation that may be required to eliminate any projected deficit in Platform Salaries account.

NOTES TO FY 1990-91 EXPENDITURE PROJECTIONS

(g) MUNICIPAL RAILWAY (Continued)

- ³ The projected deficit in Overtime is based on the average expenditures to date. The department plans to control overtime for the remainder of the fiscal year within the remaining available funds.
- ⁴ The projected deficit in Mandatory Fringe benefits is due to miscalculation in the budget preparation for City's matching contribution for Social Security and Health Service. The department plans to submit a request for supplemental appropriation of \$1.2 million from the General Fund in the fourth quarter.
- ⁵ The department plans to submit a request for supplemental appropriation to cover the projected deficit in Workers' Compensation which was computed based on the average of actual four months expenditures.
- ⁶ The Public Utilities Commission has authorized the Director of Finance to apply for, accept and expend up to \$6 million of State Transit Assistance funds. A supplemental was approved to reduce the budgeted General Fund contribution to Municipal Railway Operating fund by \$2.5 million and the remaining \$3.5 million was placed in a reserve to fund increased costs (primarily fuel). A supplemental shall be forthcoming from the PUC to request the release of the reserve to cover these additional costs.

NOTES TO FY 1990-91 EXPENDITURE PROJECTIONS

(h) SAN FRANCISCO GENERAL HOSPITAL

Based on personal services expenditures to December 7, 1990 plus the estimated amounts required to fund approved personnel requisitions unfilled to date, SFGH is projected to have a net deficit of \$80,878 from personal services accounts. In addition, a deficit of \$125,000 is projected in their Contractual Services account and a surplus of \$144,872 is projected in the Workers' Compensation account. The overall projected deficit in SFGH operating expenditures is \$61,006.

The detail projections are as follows:

<u>ACCOUNT TITLE</u>	<u>PROJECTED SURPLUS (DEFICIT)</u>
<u>NONPERSONAL SERVICES ACCOUNTS:</u>	
PERMANENT SALARIES - MISCELLANEOUS	\$ 848,143
- CRAFTS	(18,667)
- NURSES	(330,000)
TEMPORARY SALARIES	(995,448)
OVERTIME	196,114
HOLIDAY PAY	(119,807)
MANDATORY FRINGE BENEFITS	<u>338,787</u>
PERSONAL SERVICES-PROJECTED SURPLUS DEFICIT)	\$(80,878)
 <u>NONPERSONAL SERVICES ACCOUNTS:</u>	
CONTRACTUAL SERVICES	(125,000)
WORKERS' COMPENSATION	<u>144,872</u>
NET PROJECTED SURPLUS (DEFICIT)	<u>\$(61,006)</u>

SFGH anticipates that revenues from SB1255 would fully cover the projected deficit. SFGH will be required to submit a request for surplus transfer journal entry to Controller with approval from the Public Health Commission and recommendations from the Mayor's Office, reappropriating funds from appropriations with projected surpluses to cover projected deficits in Temporary Salaries and Contractual Services.

(i) LAGUNA HONDA HOSPITAL

Based on the department's expenditures per the payroll ending December 7, 1990 including estimated costs to fill critical vacant positions, the department's personal services accounts are projected to have an overall surplus of \$1,189,454. Likewise, the non-personal service accounts are projected to have an overall surplus of \$885,140 increasing departmental operating fund surplus to \$2,074,594.

NOTES TO FY 1990-91 EXPENDITURE PROJECTIONS

(i) LAGUNA HONDA HOSPITAL (Continued)

Detail projections for the LHH-Personal Services accounts are shown below:

<u>ACCOUNT TITLE</u>	<u>PROJECTED SURPLUS(DEFICIT)</u>
PERMANENT SALARIES - MISCELLANEOUS	\$(360,163)
PERMANENT SALARIES - CRAFTS	134,654
PERMANENT SALARIES - NURSES	510,713
TEMPORARY SALARIES	(30,370)
OVERTIME	(51,374)
HOLIDAY PAY	(174,554)
MANDATORY FRINGE BENEFITS	711,854
HEALTH SERVICE-RETIRED SUBSIDY	26,180
OTHER FRINGE BENEFITS-NURSES	<u>422,514</u>
PERSONAL SERVICES-PROJECTED SURPLUS	<u>\$ 1,189,454</u>

Based on departmental review of non-personal services accounts, surpluses in appropriated amounts are projected for the following accounts:

<u>ACCOUNT TITLE</u>	<u>PROJECTED SURPLUS(DEFICIT)</u>
CONTRACTUAL SERVICES	\$(146,639) ¹
MATERIALS & SUPPLIES	758,693 ²
SERVICES OF OTHER DEPARTMENTS	
including WORKERS' COMPENSATION	<u>273,086</u>
NON-PERSONAL SERVICES-PROJECTED SURPLUS	<u>\$ 885,140</u>

¹ The items composing the deficit in Contractual Services are as follows:

Medical Service Contracts	\$(107,087)
Equipment Maintenance Contracts	(110,458)
Other	<u>70,906</u>
Total Contractual Services deficit	<u>\$(146,639)</u>

² The items composing the surplus in Materials & Supplies are as follows:

Buildings Equipment Maintenance Supplies	\$ 161,533
Household products	282,564
Medical/Dental supplies	194,797
Other	<u>119,799</u>
Total Materials & Supplies surplus	<u>\$ 758,693</u>

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