



February 5, 1992

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: 1991-92 Budget Status Report

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 six month period of each fiscal year." The report for the 1991-92 year is attached. It shows a **projected deficit of \$54 million** if no actions were taken to correct the situation. A joint report of the Mayor, Board Budget Analyst and Controller provided today under separate cover discusses resources which may be applied and other actions which must be taken to reduce that deficit and end the year in balance as the Charter mandates.

Revenues are short \$55 million primarily due to the recession.

The 1991-92 budgeted revenues as forecast by the Controller, Board Budget Analyst and Mayor were based on a reasonably mild recession with a recovery beginning during the fiscal year. The recession has deepened and there is no apparent lessening expected before June, 1992; therefore, we have revised our estimates based on the first six months as being indicative of the year as a whole. The recession is seen most dramatically by sales tax receipts not only less than budgeted, but also less than last year's collections.

The State's health and welfare realignment package contributed to the deficit by being short \$9.4 million from a total commitment of \$136 million. In addition, parking fines continue to be substantially under budget for the second year in a row--short by \$9.5 million. Please note that we have not projected a deficit in business tax collections since our budget is already under last year's collections and we do not receive these taxes until March, 1992.

While some expenditures were over budget, they were offset by the unreserved fund balance and savings in other areas.

Overspending in Worker's Compensation, General Assistance and Police Overtime occurred year-to-date and is expected to continue throughout the year. Clearly, better estimates or more control is needed in these areas to avoid continuing budget problems. However, the unreserved fund balance, some additional departmental revenues, substantial savings from a hiring freeze and prudent spending on the part of many departments offset these overexpenditures.

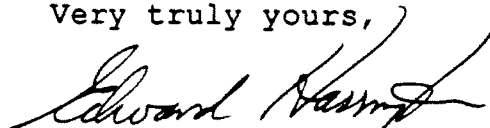
How can we better monitor our financial position to avoid some of these problems in the future?

Some of the problems that plague us this year were not expected by any forecasters and projections will never be precise. In addition, some revenues simply do not arrive early enough in the year to provide an early warning signal. For example, the final sales tax payment for the first quarter of this year was not received until December 24, 1991; the State's estimate of the realignment revenue shortfall was not produced until mid January, 1992 and it is difficult to gauge delinquency rates for property tax collections until after December 10 of each year.

However, we are taking steps to better monitor what is known. This year for the first time, the Controller's Office started to issue Critical Issues Reports on items that are typically viewed as risk areas. Those reports had identified \$33 million of the problems included in this summary. As we further incorporate these reports into our financial planning, we expect to be asking the Mayor and Board to take actions to control spending rather than simply reporting the situation.

This office will continue to monitor items that are included in this report. In addition the Controller, in consultation with the Mayor and Board of Supervisors, will take whatever steps are necessary to end the fiscal year within budget. Those steps will be discussed with the Board of Supervisors Finance Committee at today's meeting.

Very truly yours,

  
Edward Harrington  
Controller

ENCLOSURE

WP51\emh\Projection

## EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO  
SUMMARY OF CHANGES IN GENERAL FUND PROJECTED DEFICIT  
For Fiscal Year Ending June 30, 1992  
As of December 31, 1992  
(In Thousands)

Unappropriated Revenue Reserves (from 1991/92 Annual Appropriation Ordinance)			\$	9,338
<b>CHANGES - Favorable (Unfavorable):</b>				
Changes in Revenues:				
Property taxes	\$	(7,249)		
Real property transfer tax		(4,600)		
Parking tax		(1,301)		
Hotel room tax		(1,452)		
Sales tax		(7,400)		
Other local taxes		(669)		
Motor vehicle in lieu fees		(3,371)		
Realignment revenues		(9,371)		
Other Grants & Subventions		(1,041)		
Traffic fines		(9,537)		
Licenses, fines & penalties		(3,462)		
Interest & investment earnings		(4,114)		
Others		(1,966)		(55,533)
Changes in Expenditures:				
Fire Department	\$	(398)		
Police Department		(2,670)		
Sheriff		(933)		
Social Services		(6,933)		
Public Health departments		1,772		
Workers' Compensation - General Fund Departments		(6,157)		
Other Departments		5,472		(9,847)
Changes from General Fund Supported Departments:				
Municipal Railway				
- Judgements & Claims	\$	(2,000)		
- Workers' Compensation		(1,633)		
- Revenues and Other Appropriations		(266)		(3,899)
San Francisco General Hospital				
- Workers' Compensation	\$	(383)		
- Revenues and Other Appropriations		1,260		877
Laguna Honda Hospital				
- Workers' Compensation	\$	(804)		
- Revenues and Other Appropriations		5,967		5,163
Net, Other Changes				(154)
****> Net Reduction to Unappropriated Revenue Reserves				(63,393)
Projected Undesignated General Fund Deficit at June 30, 1992			\$	(54,055)

**SCHEDULE OF BUDGETED AND PROJECTED REVENUES**  
**YEAR ENDED JUNE 30, 1992**  
As of December 31, 1991  
(In Thousands)

	<u>FY 91-92</u>			<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
	<u>ACTUAL FY 90-91</u>	<u>REVISED BUDGET</u>	<u>CURRENT PROJECTION</u>	
<b>GENERAL FUND</b>				
<b>PROPERTY TAXES</b>				
Current year – secured	\$ 377,640	\$ 408,700	\$ 399,500	\$ (9,200) (A)
Current year – unsecured	46,744	45,500	46,670	1,170 (A)
Other	24,007	24,259	25,040	781 (A)
Total property taxes	<u>448,391</u>	<u>478,459</u>	<u>471,210</u>	<u>(7,249)</u>
<b>BUSINESS TAXES</b>				
Business registration tax	7,476	7,400	7,400	- (B)
Business tax	21,294	20,778	20,778	- (B)
Payroll tax	128,444	126,422	126,422	- (B)
Total business taxes	<u>157,214</u>	<u>154,600</u>	<u>154,600</u>	<u>-</u>
<b>OTHER LOCAL TAXES</b>				
Franchise tax	6,250	6,279	6,494	215
Real property transfer tax	13,695	18,000	13,400	(4,600) (C)
Admission Tax	-	800	800	-
Parking tax	17,044	23,500	22,199	(1,301) (D)
Utility users tax	25,846	28,000	27,116	(884) (E)
Hotel room tax	18,968	20,600	19,148	(1,452) (F)
Sales tax	89,485	92,600	85,200	(7,400) (G)
Total other local taxes	<u>171,288</u>	<u>189,779</u>	<u>174,357</u>	<u>(15,422)</u>
<b>GRANTS AND SUBVENTIONS</b>				
Homeowners property tax	6,272	6,272	6,059	(213)
Trial court funding	13,960	13,800	14,200	400
Motor vehicle in lieu – county	34,308	36,276	34,670	(1,606) (H)
Motor vehicle in lieu – city	25,893	27,351	25,586	(1,765) (H)
Cigarette tax	1,833	2,200	782	(1,418) (I)
Prop 99 Tobacco Tax	8,123	12,415	12,415	- (J)
Mental health subventions	39,112	28,726	28,726	- (J)
County health services – state	16,504	-	-	- (J)
Medically indigent adult	2,351	-	-	- (J)
Social services subventions	186,711	166,870	166,870	- (J)
Sales tax & veh lic fee—realignment	-	88,409	79,038	(9,371) (J)
Other	19,666	7,563	7,753	190
Total grants and subventions	<u>354,733</u>	<u>389,882</u>	<u>376,099</u>	<u>(13,783)</u>

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**SCHEDULE OF BUDGETED AND PROJECTED REVENUES**  
**YEAR ENDED JUNE 30, 1992**  
As of December 31, 1991  
(In Thousands)

	FY 91-92			VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL FY 90-91	REVISED BUDGET	CURRENT PROJECTION	
<b>GENERAL FUND (Continued)</b>				
<b>LICENSES, FINES AND PENALTIES</b>				
Licenses	\$ 4,237	\$ 8,563	\$ 5,375	\$ (3,188) (K)
Traffic fines - parking	38,423	53,200	44,827	(8,373) (L)
Traffic fines - moving	3,063	3,680	2,772	(908) (L)
Traffic fines - boot program	36	390	134	(256) (L)
Other fines and penalties	800	1,313	1,039	(274)
Total licenses, fines and penalties	46,559	67,146	54,147	(12,999)
<b>USE OF MONEY OR PROPERTY</b>				
Interest and other investment earnings	16,016	15,626	11,512	(4,114) (M)
Other use of money or property	2,794	700	700	-
Total use of money or property	18,810	16,326	12,212	(4,114)
<b>CHARGES FOR SERVICES</b>				
Parking meter collections	9,864	9,400	10,462	1,062 (N)
General government service charges	12,039	13,454	12,530	(924) (O)
Public safety service charges	4,007	3,670	3,900	230
Other service charges	4,428	7,683	6,242	(1,441) (P)
Total charges for services	30,338	34,207	33,134	(1,073)
RECOVERY OF GENERAL GOV'T. COSTS	7,555	8,048	7,092	(956) (O)
OTHER REVENUES	3,542	117	180	63
<b>TOTAL REVENUES</b>	<b>\$ 1,238,430</b>	<b>\$ 1,338,564</b>	<b>\$ 1,283,031</b>	<b>\$ (55,533)</b>

- See notes following schedules -

NOTES TO REVENUE PROJECTION  
June 30, 1992  
As of December 31, 1991

(A) Property Taxes

Overall property tax revenues are projected to be \$7.2 million below the budget estimate. The budget was based on a 6.7% growth in property taxes; we now expect the growth to only be 5.1%.

(B) Business Taxes

Final remittance of the calendar year 1991 business and payroll taxes will not be known until early March, 1992. We currently project the budget amount, which is less than FY 1990-91 actual collection, to be correct.

(C) Real Property Transfer Tax

The continued slowdown of real estate sales as a result of the prevailing economic conditions has had a continuing adverse effect on the real property transfer tax revenues. Collections through the end of December, 1991 still show a flat trend, and unless there is a major real estate transaction before the end of the fiscal year, revenues are expected to be short by about \$4.6 million.

(D) Parking Tax

In August, 1991, the parking tax rate was increased from 20% to 25%. The increase goes directly to the General Fund. However, based on year-to-date collections, it is anticipated that the General Fund portion of the tax will be short by \$1.3 million.

(E) Utility Users Tax

In December, 1991, the State Public Utilities Commission approved certain gas and electric rate increases as well as decreases on telephone rates effective January 1, 1992. The revenue decrease of \$0.9 million is projected to come mainly from reduced tax collections from the telephone companies.

(F) Hotel Tax

The opening of several hotels in April, 1991, adding approximately a thousand rooms to the City's room inventory, does not appear to have generated any revenue increase during the first and second quarter of the current fiscal year. Since the economy is not expected to rebound before June, 1992, hotel tax revenues (General Fund portion) are projected to close with a \$1.4 million shortfall.

**(G) Sales Tax**

Estimated sales tax revenue was based on growth of approximately 3% for FY 1991-92. However, total sales tax remittances from the State as of December, 31, 1991, which cover the period thru November 6, 1991, showed a 4.8% decline in revenues. Published reports show that sales during the 1991 holidays were also flat or down; actual sales tax figures for the holiday period won't be known until late March, 1992, when the State's final remittance for that period is received. The estimate of a \$7.4 million shortfall is based on the forecast that the economy is not expected to rebound until the latter part of the calendar year.

**(H) Motor Vehicle In Lieu Fees**

State subventions (regular motor vehicle in lieu fees) for the first six months are lower than anticipated. Based on the current trend, we estimate that revenues will be flat and closer to last year's actual, therefore down by as much as \$3.4 million from budget.

**(I) Cigarette Tax**

The unfavorable variance of \$1.4 million in this revenue account is primarily due to a change in the State's allocation formula to cities and counties under SB 21.

**(J) Realignment Revenues**

State realignment revenues are expected to be short by approximately 6.4% in sales tax and 7.4% in motor vehicle license fees. Since the State had budgeted \$81.2 million in sales tax and \$54.9 million in motor vehicle fees for San Francisco, the resulting shortfall is \$9.3 million.

**(K) Licenses**

A revenue shortfall of \$3.2 million is expected to come primarily from sundry/miscellaneous business licenses.

**(L) Traffic Fines - Parking/Boot Program**

Collections to date from traffic fines indicate that revenues will be higher than FY 1990-91, but still short by about \$9.5 million.

**(M) Interest and Investment Earnings**

Projected interest earnings by the General Fund is about \$4.1 million lower than budget due to significantly less cash available for investment and, to a lesser degree, from a continued decline in interest rates. One major factor in the change in cash position was that San Francisco General Hospital's short term working capital loan with the California Health Facilities Financing Authority

matured and was paid back in September, 1991. To-date negotiations for a new hospital loan is still in progress and we expect the proceeds will not be available until after the end of the fiscal year. Therefore we have a continuing need to advance \$62 million of City Funds while awaiting State reimbursement.

**(N) Parking Meter Collections**

This year's collections from parking meters is expected to show a favorable variance of about \$1 million. However, the General Fund will not benefit from the projected increase because, as required by ordinance, any parking meter revenue collected in excess of \$6 million must be transferred to the Off-Street Parking Fund.

**(O) General Government Service Charges**

Various government service charges, including City Planning Commission fees and certain court fees, are expected to fall short of the budget by an aggregate amount of \$0.9 million.

**(P) Other Service Charges**

Certain departmental revenues are showing trends below budget projections. The Department of Public Health's toxic programs may fall short by about \$0.7 million. Other miscellaneous charges account for the net difference of about \$0.7 million.

**(Q) Recovery of General Government Costs**

The unfavorable variance of \$0.9 million represents the difference between the amounts due from various departments in the budget instructions and the actual budget amounts approved for indirect cost (expenditure) reimbursements.

VEHB\RP9192A



SCHEDULE OF BUDGETED AND PROJECTED EXPENDITURES  
 For year ended June 30, 1992  
 As of December 31, 1991  
 (in thousands)

GENERAL FUND	ACTUAL FY 90-91	REVISED BUDGET	F.Y.		1991-92	
			CURRENT PROJECTION	VARIANCE FAVORABLE (UNFAVORABLE)		
<b>PUBLIC PROTECTION</b>						
District Attorney	\$ 21,830	22,526	22,667	(141)	(3)	
Public Defender	8,273	8,280	8,130	150	(1)	
Sheriff	31,857	32,983	33,916	(933)	(3)	
Superior Court	18,166	19,375	18,942	433	(2)	
Municipal Court	19,957	21,075	20,334	741	(2)	
Juvenile Court	15,402	16,848	16,848	0	(2)	
Adult Probation	5,551	6,012	5,841	171	(1)	
County Clerk	4,986	5,281	5,076	205	(2)	
Fire Department	143,384	146,169	146,567	(398)	(4)	
Police Department	191,956	184,937	187,607	(2,670)	(5)	
County Agriculture-Weights & Measures	741	777	756	21	(1)	
Public Administrator/Guardian	1,922	2,127	2,092	35	(1)	
Animal Care and Control	1,684	2,086	2,057	29	(1)	
	465,709	468,476	470,833	(2,357)		
<b>PUBLIC WORKS, TRANSPORTATION AND COMMERCE</b>						
Permit Appeals	246	260	249	11	(1)	
PUC Light, Heat and Power	3,697	4,463	4,463	0		
Electricity	5,862	6,086	6,155	(69)	(3)	
Public Works	14,579	14,093	14,086	7	(1)	
Parking & Traffic Commission	9,106	12,346	11,817	529	(1)	
	33,490	37,248	36,770	478		
<b>HUMAN WELFARE AND NEIGHBORHOOD DEVELOPMENT</b>						
Human Rights Commission	1,798	1,797	1,788	9	(2)	
Social Services	267,191	277,795	284,728	(6,933)	(6)	
Commission on the Status of Women	565	612	601	11	(1)	
	269,554	280,204	287,117	(6,913)		
<b>COMMUNITY HEALTH</b>						
Medical Examiner/Coroner	2,460	2,772	2,752	20	(2)	
Public Health Central Office	61,518	73,488	72,605	883	(2)	
Community Mental Health	95,781	125,022	124,133	889	(2)	
	\$ 159,759	201,282	199,490	1,792		

SCHEDULE OF BUDGETED AND PROJECTED EXPENDITURES  
 For year ended June 30, 1992  
 As of December 31, 1991  
 (in thousands)

GENERAL FUND (Continued)	ACTUAL FY 90-91	REVISED BUDGET	F.Y. 1991-92		
			CURRENT PROJECTION	VARIANCE FAVORABLE (UNFAVORABLE)	
<b>CULTURE AND RECREATION</b>					
County Educational Office	\$ 91	1,711	1,711	0	
Art Commission	1,336	1,411	1,341	70	(1)
Public Library	20,295	21,134	21,096	38	(2)
Recreation and Park	35,901	35,171	35,360	(189)	(3)
Academy of Sciences	1,804	1,797	1,737	60	(2)
Fine Arts Museums	4,481	4,315	4,224	91	(1)
Asian Art Museum	1,356	1,455	1,455	0	(2)
Law Library	206	203	203	0	(1)
	65,470	67,197	67,127	70	
<b>GENERAL ADMINISTRATION AND FINANCE</b>					
Board of Supervisors	4,960	5,428	5,269	159	(1)
Assessor	6,575	7,046	6,767	279	(1)
City Attorney	16,240	14,304	15,929	(1,625)	(7)
- Interdepartmental Recovery	(10,533)	(8,282)	(9,907)	1,625	(7)
Treasurer/Tax Collector	10,265	11,868	11,788	80	(1)
Controller	14,706	15,882	15,541	341	(1)
Mayor	4,905	6,240	6,240	0	(1)
City Planning	5,674	6,769	6,421	348	(2)
Civil Service	7,436	7,856	7,804	52	(1)
Retirement System - Departmental		3,651	3,613	38	(8)
Workers' Compensation-General Fund Departments	14,838	9,774	15,931	(6,157)	(8)
Chief Administrative Officer	914	12,213	12,160	53	(2)
Real Estate	2,207	2,214	2,204	10	(1)
Recorder	834	847	776	71	(1)
Registrar	2,159	3,742	3,742	0	
Purchaser	6,655	8,094	7,698	396	(1)
- Interdepartmental Recovery	(4,445)	(4,899)	(4,899)	0	(1)
General City Responsibility	30,679	28,713	27,300	1,413	(1)
	114,069	131,460	134,377	(2,917)	
Total General Fund	\$ 1,108,051	1,185,867	1,195,714	(9,847)	

NOTES TO FY 1991-92 EXPENDITURE PROJECTION  
As of December 31, 1991

Expenditure projections for personal services accounts are based on departments' expenditures as of the pay period ending November 22, 1991, 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. Projections, however, for selected major departments were updated to include personal services expenditures up to pay period ending January 3, 1992.

For this 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.

- (1) 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 level of staffing.
- (2) Overall projections for these departments indicate that a net surplus in expenditure accounts should occur 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 the approval of the Mayor, request our office to transfer funds from appropriations with projected surpluses.

<u>DEPARTMENT</u>	<u>ACCOUNT TITLE</u>	<u>PROJECTED DEFICIT</u>
ACADEMY OF SCIENCES	OVERTIME	\$8,234
ASIAN ART MUSEUM	PERM SALARIES	1,818
CHIEF ADMIN. OFFICER	MANDATORY FRINGES	1,204
CITY PLANNING	PERMANENT SALARIES	40,174
COMM. MENTAL HEALTH	OVERTIME	14,142
	TEMPORARY SALARIES	<u>149,107</u>
		163,249
CORONER	PERMANENT SALARIES	3,395
	TEMPORARY SALARIES	13,254
	OVERTIME	<u>3,056</u>
		19,705
COUNTY CLERK	OVERTIME	490
DPH-CENTRAL OFFICE	TEMPORARY SALARIES	90,487
HUMAN RIGHTS	OTHER SERVICES	8,029

<u>DEPARTMENT</u>	<u>ACCOUNT TITLE</u>	<u>PROJECTED DEFICIT</u>
JUVENILE COURT	OVERTIME	248,191
	OTHER CONTRACTUAL SERV	14,272
	MATERIALS AND SUPPLIES	44,227
	EQUIPMENT LEASE/PURCH	<u>4,671</u>
		311,361
MUNICIPAL COURT	OTHER PERSONAL SERVICES	3,791
	TEMPORARY SALARIES	22,137
	OVERTIME	<u>3,140</u>
		29,068
PUBLIC LIBRARY	PERMANENT SALARIES	11,021
SUPERIOR COURT	PERMANENT SALARIES	277,691
	OTHER PERSONAL SERVICES	<u>106,940</u>
		384,631

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

- a. Modify their current staffing to reduce the rate of personal services accounts' expenditure during the rest of the fiscal year.
- b. Reduce non-personal expenditures.
- c. While the departments have overall deficits, there are some surplus amounts that could partially offset the specific deficits shown below should the Department with approval from the Mayor, request our office to transfer funds from appropriations with projected surpluses.
- d. Submit a request for supplemental appropriation for additional funds.

<u>DEPARTMENT</u>	<u>ACCOUNT TITLE</u>	<u>PROJECTED DEFICIT</u>
DISTRICT ATTORNEY	PERMANENT SALARIES	\$ 453,908
	TEMPORARY SALARIES	<u>3,397</u>
		457,305
ELECTRICITY	PERMANENT SALARIES	68,948
REC AND PARK	TEMPORARY SALARIES	629,500
	MANDATORY FRINGES	40,892
	CITY ATTY SERVICES	<u>82,889</u>
		753,281

<u>DEPARTMENT</u>	<u>ACCOUNT TITLE</u>	<u>PROJECTED DEFICIT</u>
SHERIFF**	PERMANENT SALARIES	\$ 115,844
	OVERTIME	<u>817,554</u>
		\$ 933,398

\*\* A request for supplemental appropriation for overtime (\$766,609.) to cover the projected deficit of \$817,554 is pending approval at the Mayor's Office. The difference will be covered by a projected surplus of \$55,000 in Holiday pay. Overtime is incurred in order to maintain required staffing levels when deputies are on vacation, sick pay, or while on training and for construction related overtime.

(4) FIRE DEPARTMENT

Current projections indicate that the Fire Department will have an overall deficit of \$397,542 as detailed below:

<u>ACCOUNT TITLE</u>	<u>PROJECTED SURPLUS/ (DEFICIT)</u>
SALARIES, including Overtime	\$(2,260,869)
MANDATORY FRINGE BENEFITS	1,525,998
OTHER APPROPRIATION	<u>337,329</u>
NET PROJECTED DEFICIT	<u>\$( 397,542)</u>

The projected Permanent Salaries expenditures include the hiring of additional 54 firemen during the scheduled training classes on February 2, 1992 and June 1, 1992 respectively. The total salaries and fringe benefits for these new hires is \$869,406.

(5) POLICE DEPARTMENT

Based on the department's expenditures per the payroll ending January 3, 1992 the Police Department is projected to have a net deficit of \$2,669,703 as detailed below.

<u>ACCOUNT TITLE</u>	<u>PROJECTED SURPLUS/ (DEFICIT)</u>
SALARIES, including Overtime	\$(3,300,846)
MANDATORY FRINGE BENEFITS	<u>631,143</u>
NET PROJECTED DEFICIT	<u>\$(2,669,703)</u>

The projected deficit in personal services include projected expenditures of \$881,000 in salaries and \$846,702 in fringes for the December 2, 1991 class and the next academy class scheduled around June 22, 1992.

(6) DEPARTMENT OF SOCIAL SERVICES (DSS)

Detail projections for DSS Personal Services accounts and general fund supported assistance aid programs are shown below.

<u>ACCOUNT TITLE</u>	<u>PROJECTED SURPLUS/ (DEFICIT)</u>
SALARIES	\$ 481,622
MANDATORY FRINGE BENEFITS	135,095
SERVICES OF CITY ATTORNEY	49,792
GENERAL ASSISTANCE	<u>(7,500,000)</u>
NET PROJECTED DEFICIT	<u>\$(6,933,075)</u>

The personal services accounts show a projected surplus of \$616,717 based on expenditures up to pay period ending January 3, 1992 due to the impact of the hiring freeze. According to the department, expenditures of all other aid programs should be within the budget.

The general assistance budget of \$42,819,374 for this fiscal year will not be sufficient to cover projected expenditures for this program by \$7.5M due to the increasing welfare caseloads.

(7) CITY ATTORNEY

The City Attorney has a total budget of \$14.3 million of which \$6.5 million is funded by the general fund and the balance from enterprise departments. The department also receive funding from other sources such as non-annually budgeted funds, non-general fund work orders, and from the school district which bring the total available resources to \$15.2 million. The budget and projected expenditures are presented as follows:

Available resources:	<u>AMOUNT</u>
General Fund	\$ 6,463,929
Enterprise Funds	<u>7,831,549</u>
Total Annually budgeted funds	\$14,295,478
Other Funds (non-annually budgeted)	342,262
School District	175,000
Work Orders (non-general funds)	<u>393,436</u>
Total	\$15,206,176
Projected expenditures:	<u>16,831,578</u>
Projected deficit	<u>\$ 1,625,402</u>

According to the department, the funding source for this projected deficit will be \$795,494 from various Enterprise Departments and other Special Revenue funded Departments. The general fund supported portion of \$892,127, reflected in individual departmental projection will be funded from existing departmental appropriations to the extent possible, and/or through supplemental appropriation requests. The departments with projected deficits are listed as follows:

<u>DEPARTMENT</u>	<u>AMOUNT</u>
PUC-Municipal Railway	\$ 346,144
Retirement-Workers' Comp	201,773
San Francisco General Hospital	139,912
Recreation and Park	82,889
Department of Social Services	49,792
Other General Fund Departments	9,398
Total General Fund Departments	\$ 829,908
PUC-Water & Hetch Hetchy	\$ 342,585
Retirement-Trust Fund	189,352
Recreation & Park-Open Space Fund	88,385
Health Service System	62,219
Airport	47,541
Port	40,473
DPW-Building Inspection Fund	24,939
Total Non-General Fund Departments	\$ 795,494
Projected Interdepartmental Recovery	\$ <u>1,625,402</u>

(8) RETIREMENT SYSTEM (including WORKERS' COMPENSATION )

Based on the department's expenditures per pay period ending November 22, 1991, the Retirement System is projected to have a surplus of \$239,744 in both salaries and fringe benefits. However, a projected deficit of \$201,773 in City Attorney's services, see Note (7), will result in a net projected surplus of \$37,971.

Detail projections are as follows:

<u>ACCOUNT TITLE</u>	<u>PROJECTED SURPLUS/ (DEFICIT)</u>
SALARIES	\$ 193,526
MANDATORY FRINGE BENEFITS	46,218
CITY ATTORNEY	( 201,773)
Total Departmental Expenditures	\$ 37,971
WORKERS' COMPENSATION-General Fund Departments	(6,157,159)
NET PROJECTED DEFICIT	<u>\$(6,119,188)</u>

The current year's projection for Workers' Compensation for individual general fund departments are summarized under the Retirement System.

<u>DEPARTMENT</u>	<u>PROJECTED DEFICIT</u>
Police Department	\$ 2,386,277
Fire Department	2,132,953
Recreation and Park	501,922
Public Health Central Office	307,963
Sheriff	265,246
Juvenile Court	210,098
Superior Court	130,995
Social Services	103,738
Other Departments	117,967
TOTAL	<u>\$ 6,157,159</u>

SCHEDULE OF BUDGETED AND PROJECTED REVENUES,  
EXPENDITURES AND OTHER SOURCES/(USES)

For year ended June 30, 1992

As of December 31, 1991

(in thousands)

	FY 91-92			
	ACTUAL FY 90-91	REVISED BUDGET	CURRENT PROJECTION	VARIANCE FAVORABLE (UNFAVORABLE)
<b>MUNICIPAL RAILWAY</b>				
<b>REVENUES:</b>				
Sales tax allocation - MTC	\$ 44,750	53,207	51,107	(2,100)
Sales tax cont	0	2,650	2,650	0
Operating assistance	7,818	7,532	7,532	0
MTC bridge toll allocation	1,300	3,209	3,209	0
Grants	6,210	0	0	0
<b>Total grants and subventions</b>	<b>60,078</b>	<b>66,598</b>	<b>64,498</b>	<b>(2,100)</b>
Passenger fares	77,621	80,932	82,232	1,300
Other	4,113	2,865	2,865	0
<b>Total charges for services</b>	<b>81,734</b>	<b>83,797</b>	<b>85,097</b>	<b>1,300</b>
<b>Total Revenues</b>	<b>141,812</b>	<b>150,395</b>	<b>149,595</b>	<b>(800)</b>
<b>EXPENDITURES &amp; ENCUMBRANCES:</b>				
Personal Services	196,811	197,202	196,672	530
Contractual Services	10,952	13,561	13,561	0
Materials & Supplies	15,422	15,584	15,584	0
Fixed Charges	4,466	4,453	4,853	(400)
Services of other Departments	21,982	23,430	23,026	404
Workers' Compensation	5,410	5,616	7,249	(1,633)
Other Operating Expenses	8,547	8,486	10,486	(2,000)
Facilities Maint. & Capital Projects	935	1,555	1,555	0
<b>Total Expenditures and Encumbrances</b>	<b>264,525</b>	<b>269,887</b>	<b>272,986</b>	<b>(3,099)</b>
<b>OTHER FINANCING SOURCES/(USES)</b>	<b>651</b>	<b>4,274</b>	<b>4,274</b>	<b>0</b>
Contribution from General Fund	\$ (122,062)	(115,218)	(119,117)	(3,899)

- See notes following schedules -



NOTES TO REVENUES & EXPENDITURE PROJECTION  
MUNICIPAL RAILWAY OPERATING FUND  
FY 1991-92  
As of December 31, 1991

**REVENUES:**

The PUC staff recent revenue forecast, which include collections through November, 1991, shows that Muni Railway's fare revenues will be higher than budget by \$1.4 million. However, sales tax revenues are expected to be down by \$2.2 million. They are optimistic, however, that other revenues will be on target.

**EXPENDITURES:**

Based on the department's current spending trends, excluding an over-expenditure of \$1,633,158 in workers' compensation, Municipal Railway's operating budget is projected to have an overall deficit of \$1,465,716 in their expenditure accounts as indicated below. If the workers' compensation is included, the department will have an overall projected deficit of \$3,098,874.

<u>ACCOUNT TITLE</u>	<u>PROJECTED SURPLUS/ (DEFICIT)</u>
SALARIES	\$ 530,000
CLAIMS AND JUDGMENT	(2,000,000)
FIXED CHARGES-BART	( 400,000)
SERVICES OF PUC	800,000
SERVICES OF CITY ATTORNEY	<u>( 395,716)</u>
Subtotal	\$(1,465,716)
WORKERS' COMPENSATION	<u>(1,633,158)</u>
NET PROJECTED DEFICIT	<u>(\$3,098,874)</u>

SCHEDULE OF BUDGETED AND PROJECTED REVENUES,  
EXPENDITURES AND OTHER SOURCES/(USES)  
For year ended June 30, 1992  
As of December 31, 1991  
(in thousands)

	FY 91-92			
	ACTUAL FY 90-91	REVISED BUDGET	CURRENT PROJECTION	VARIANCE FAVORABLE (UNFAVORABLE)
<b>SAN FRANCISCO GENERAL HOSPITAL</b>				
<b>REVENUES:</b>				
Grants	\$ 3,000	0	0	0
County health services	23,619	0	0	0
Medically indigent adult	20,121	0	0	0
SLIAG	1,274	0	0	0
Realignment Revenue	0	51,264	51,264	0
<b>Total subventions</b>	<b>48,014</b>	<b>51,264</b>	<b>51,264</b>	<b>0</b>
Patient net revenue	106,098	107,100	108,486	1,386
Other	1,550	2,091	2,091	0
<b>Total charges for services</b>	<b>107,648</b>	<b>109,191</b>	<b>110,577</b>	<b>1,386</b>
Interest and other investment earnings	1,769	615	615	0
<b>Total Revenues</b>	<b>157,431</b>	<b>161,070</b>	<b>162,456</b>	<b>1,386</b>
<b>EXPENDITURES &amp; ENCUMBRANCES:</b>				
Personal Services	146,454	150,959	150,545	414
Contractual Services	40,041	43,378	43,778	(400)
Materials & Supplies	25,777	26,990	26,990	0
Fixed Charges	3,816	930	930	0
Services of other Departments	6,137	7,269	7,409	(140)
Workers' Compensation	1,159	1,212	1,595	(383)
Other Operating Expenses	3,115	4,098	4,098	0
Facilities Maint. & Capital Projects	1,118	2,370	2,370	0
<b>Total Expenditures and Encumbrances</b>	<b>227,617</b>	<b>237,206</b>	<b>237,715</b>	<b>(509)</b>
<b>OTHER FINANCING SOURCES/(USES)</b>	<b>(3,648)</b>	<b>911</b>	<b>911</b>	<b>0</b>
Contribution from General Fund	\$ (73,834)	(75,225)	(74,348)	877

- See notes following schedules -

NOTES TO REVENUES & EXPENDITURE PROJECTION  
 SAN FRANCISCO GENERAL HOSPITAL OPERATING FUND  
 FY 1991-92  
 As of December 31, 1991

**REVENUES:**

The hospital staff's recent calculation indicates that they will exceed budgeted revenues from patient care by about \$1.4 million.

For purposes of this report, realignment shortfalls are shown elsewhere, and left constant here to avoid double-counting. SFGH's share of the realignment's shortfall is approximately \$3.2 million.

**EXPENDITURES:**

Based on personal services expenditures to November 22, 1991 plus the estimated amounts required to maintain the level of staffing for the remainder of the fiscal year, excluding an over-expenditure of \$383,046 in workers' compensation, SFGH is projected to have a net deficit of \$125,508 in personal services accounts and other appropriations. The projected deficit of \$539,912 in other appropriations include \$139,912, see Note (7), for services of the City Attorney. If the projected overrun in workers' compensation is added, the overall projected deficit totals \$508,554.

Detail projections are as follows:

<u>ACCOUNT TITLE</u>	<u>PROJECTED SURPLUS/ (DEFICIT)</u>
SALARIES	\$ 670,346
MANDATORY FRINGE BENEFITS	( 255,942)
OTHER APPROPRIATIONS	<u>( 539,912)</u>
Subtotal	( 125,508)
WORKERS' COMPENSATION	<u>( 383,046)</u>
NET PROJECTED DEFICIT	<u>\$( 508,554)</u>

SCHEDULE OF BUDGETED AND PROJECTED REVENUES,  
EXPENDITURES AND OTHER SOURCES/(USES)  
For year ended June 30, 1992  
As of December 31, 1991  
(in thousands)

	FY 91-92			
	ACTUAL FY 90-91	REVISED BUDGET	CURRENT PROJECTION	VARIANCE FAVORABLE (UNFAVORABLE)
<b>LAGUNA HONDA HOSPITAL</b>				
<b>REVENUES:</b>				
Grants	\$ 0	0	0	0
County health services	614	0	0	0
Realignment Revenue	0	614	614	0
<b>Total subventions</b>	<b>614</b>	<b>614</b>	<b>614</b>	<b>0</b>
Hospital service charges	76,375	79,567	85,418	5,851
Other	81	266	235	(31)
<b>Total charges for services</b>	<b>76,456</b>	<b>79,833</b>	<b>85,653</b>	<b>5,820</b>
<b>Total Revenues</b>	<b>77,070</b>	<b>80,447</b>	<b>86,267</b>	<b>5,820</b>
<b>EXPENDITURES &amp; ENCUMBRANCES:</b>				
Personal Services	75,892	79,158	79,015	143
Contractual Services	2,550	3,010	3,006	4
Materials & Supplies	6,303	6,589	6,589	0
Fixed Charges	14	20	20	0
Services of other Departments	1,978	2,288	2,288	0
Workers' Compensation	756	833	1,637	(804)
Other Operating Expenses	786	1,732	1,732	0
Facilities Maint. & Capital Projects	451	387	387	0
<b>Total Expenditures and Encumbrances</b>	<b>88,730</b>	<b>94,017</b>	<b>94,674</b>	<b>(657)</b>
<b>OTHER FINANCING SOURCES/(USES)</b>	<b>(1,804)</b>	<b>214</b>	<b>214</b>	<b>0</b>
Contribution from General Fund	\$ (13,464)	(13,356)	(8,193)	5,163

- See notes following schedules -

NOTES TO REVENUES & EXPENDITURE PROJECTION  
LAGUNA HONDA HOSPITAL OPERATING FUND  
FY 1991-92  
As of December 31, 1991

**REVENUES:**

Laguna Honda Hospital staff estimates that, with the Medi-Cal rate increase in August, 1991, the department will generate a net additional revenue of about \$5.8 million.

**EXPENDITURES:**

Based on department's expenditures per payroll ending January 3, 1992, including estimated costs to fill critical vacant positions, the personal services accounts and other appropriations, the department is projected to have a net surplus of \$147,336. However, the department is projected to have an over-expenditure in workers' compensation of \$804,171 which will result in an overall projected deficit of \$656,835.

Detail projections are as follows:

<u>ACCOUNT TITLE</u>	<u>PROJECTED SURPLUS/ (DEFICIT)</u>
SALARIES	\$( 232,372)
MANDATORY FRINGE BENEFITS	375,624
OTHER APPROPRIATIONS	<u>4,084</u>
Subtotal	\$ 147,336
WORKERS' COMPENSATION	<u>( 804,171)</u>
NET PROJECTED SURPLUS	<u>\$( 656,835)</u>

City and County of San Francisco  
 1991-92 General Fund Projected Deficit Summary  
 as of December 31, 1991

		<u>Deficit</u>
<b>Controller's Projection:</b>		
<u>Unreserved Fund Balance</u>	\$9,338	
General Revenue Shortfall	(\$55,533)	
General Fund Dept's expenditures, net	(\$9,847)	
Enterprise Funds (Muni, SFGH, LHH), net	\$2,141	
Other, net	<u>(\$154)</u>	
 Projected Shortfall		 <u>(\$54,055)</u>
 <b>Projected Other Needs for Funds:</b>		
<u>Dental Plan</u>	(\$2,500)	
Prop A Early Retirement	(\$3,000)	
Jail Overcrowding	(\$1,000)	
Other	(\$500)	
	<u>(\$7,000)</u>	
 Potential Needs		 (\$61,055)
 <b>Projected Available Funds:</b>		
<u>Public Health Surplus after receipt of SB 855</u>	\$25,000	(\$36,055) *
Bond Refinancing	\$3,000	(\$33,055) *
Reductions in Reserves:		
Audit Adjustments	\$2,000	(\$31,055) *
Litigation	\$4,000	(\$27,055) *
Off-Street Parking Fund Surplus	\$4,000	(\$23,055) **
Muni Railway "Safe Harbor Lease" Surplus	\$1,000	(\$22,055) **

\* Does not require legislative action.

\*\* Requires legislative action.