



Edward Harrington  
Controller

John W. Madden  
Chief Assistant Controller

April 9, 1996

The Honorable Willie L. Brown, Jr.  
Mayor, City and County of San Francisco  
Room 336, Veterans Building

The Honorable Board of Supervisors  
Room 308, Veterans Building

**Re: 1995-96 Eight Month Budget Status Report**

Dear Mayor Brown, 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."

General Fund Budget Status Report			
1995-96			
(in thousands)			
	Original Budget	Revised Budget	Current Projection
Beginning Balance	\$ 20,061	\$ 36,760	\$ 36,760
Revenue	1,374,425	1,380,515	1,397,904
Transfers In	107,558	107,558	107,539
Expenditures	(1,317,564)	(1,327,016)	(1,325,343)
Transfers Out/Reserves	(174,476)	(172,828)	(174,845)
Other			(2,900)
Pending Supplementals			(1,227)
General fund Reserve	\$10,004	\$24,989	\$37,888
One time Revenues		16,760	16,760
<b>Available</b>	<b>\$10,004</b>	<b>\$8,229</b>	<b>\$21,128</b>

**Summary**

Outside of the potential impact of Federal or State budget cuts, the General Fund is in decent shape. This projection shows that the City will have a surplus of \$21.1 million at June 30, 1996. The economy continues to improve and revenues are over budget in most cases. In addition, most City Departments are spending at or under budget. There are sufficient funds to absorb all

projected deficits and to fund some additional requests for this year with the remainder providing a beginning surplus for the 1996-97 budget. Summarized information follows. Details supporting these projections are attached.

### **Beginning Balance**

These numbers are the same as in our six month projection. The \$16.8 million increase over original budget is the result of a change in accounting rules by the Governmental Accounting Standards Board.

### **Revenues and Transfers In**

Revenues and Transfers In are \$17.4 million over revised budget (Pages 4 - 5).

**Property Taxes** are down \$3.5 million reflecting continued losses from assessment appeals. **Business taxes** show a healthy increase of more than 6% over the prior year. All other **locally generated taxes** are up primarily due to the continued strength in the economy.

**Public Health** revenues and expenditures are shown on target because we are projecting that the department as a whole will be able to live within its budget with the addition of new health-related grant funds. The Department is submitting a supplemental appropriation request to rearrange funds between its divisions and to appropriate the new grant funds. The Mayor and Board will be able to examine the various details in their review of the request.

### **Expenditures and Transfers Out/Reserves**

Expenditures and Transfers Out/Reserves are within \$350,000 of budget (pages 6-7). As usual, most departments are spending below their budget targets.

- The **Fire Department** is expected to need an additional \$2 million to cover overruns in workers compensation, premium pay, large sick leave buyouts of retiring officers and overtime pay.
- The **Public Library** is expected to overspend its budget and will have to request a supplemental appropriation. We expect the Library to have sufficient funds to cover its needs from the Library Preservation Fund and an increase in the General Fund baseline required due to increases in General Fund revenues. Therefore we do not show them as needing additional General Fund support.
- **Muni Railway** (Page 8), which had projected a deficit earlier in the year, now expects to be able to live within budget plus \$1.1 million of their 1994-95 surplus. The change is primarily due to better fare collections. However, parking related revenues that are assigned to Muni are short \$1.7 million which we show as being backfilled by the General Fund.
- **Parking and Traffic** shows a budget surplus of \$1.1 million due to delays in hiring parking control officers which in turn results in the **Parking Fines** shortage noted above.

### Other

Other items include:

- \$2 million which is required for the **budget incentive program** approved last fall.
- \$900,000 additional monies to be added to the **Library's baseline budget** as required under Proposition E. As General Fund available resources increase, the Charter requires that the Library and Children's Fund share in the additional funds. The **Children's Fund** does not need to be increased since the original 1995-96 budget for the Children's Fund already exceeded our revised baseline calculations.

### Supplemental Appropriations

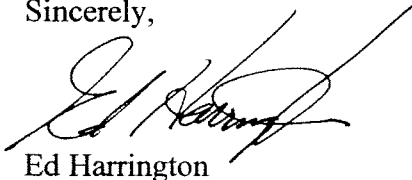
The Mayor and the Board are considering supplemental appropriation requests amounting to about \$1.2 million (see Page 9). There would be no financial problem with funding these requests should the City's elected officials choose to do so.

### Conclusion

The City has sufficient funds available to carry us through the rest of the fiscal year, unless Federal and State budget cuts are made. Whatever funds are not used during 1995-96 will be available to fund the 1996-97 budget and will improve the projected \$87.1 shortfall which had been projected in February 1996.

My staff and I are available to respond to comments or questions should you have any.

Sincerely,



Ed Harrington

cc: Department Heads  
Margaret Kisliuk  
Harvey Rose

**SCHEDULE OF BUDGETED AND PROJECTED REVENUES**

Fiscal Year Ending June 30, 1996

As of February 29, 1996

(In Thousands)

GENERAL FUND	FISCAL YEAR 1995-96				
	ACTUAL FY94-95	ORIGINAL BUDGET	REVISED BUDGET	PROJECTION	VARIANCE FAV(UNFAV)
<b>PROPERTY TAXES</b>	<b>327,339</b>	<b>332,227</b>	<b>332,227</b>	<b>328,710</b>	<b>(3,517)</b>
<b>BUSINESS TAXES:</b>					
Business Registration Tax	7,900	8,693	8,693	8,820	127
Gross Receipts Tax	24,197	22,211	22,211	22,535	324
Payroll Tax	130,958	140,613	140,613	142,662	2,049
<b>Total Business Taxes</b>	<b>163,055</b>	<b>171,517</b>	<b>171,517</b>	<b>174,017</b>	<b>2,500</b>
<b>OTHER LOCAL TAXES:</b>					
Sales Tax	92,111	93,736	93,736	102,081	8,345
Hotel Room Tax	31,371	34,691	34,691	37,546	2,855
Utility Users Tax	51,579	50,610	50,610	54,831	4,221
Parking Tax	12,045	12,435	12,435	13,843	1,408
Real Property Transfer Tax	20,038	20,433	20,433	21,582	1,149
Franchise Tax	7,270	7,539	7,539	7,411	(128)
Admission Tax	2,106	1,927	1,927	2,861	934
<b>Total Other Local Taxes</b>	<b>216,520</b>	<b>221,371</b>	<b>221,371</b>	<b>240,155</b>	<b>18,784</b>
<b>GRANTS AND SUBVENTIONS:</b>					
Social Service Subventions	182,604	196,007	197,843	197,843	0
Health & Welfare Realignment	140,754	136,301	136,301	136,301	0
Health/Mental Health Subventions	55,485	55,372	55,372	55,372	0
Public Safety Sales Tax	45,164	47,524	47,524	49,098	1,574
Motor Vehicle In-Lieu - County	34,684	37,200	37,200	37,061	(139)
Motor Vehicle In-Lieu - City	25,678	27,922	27,922	27,902	(20)
Trial Court Funding	16,020	15,987	15,987	15,987	0
Child Support Incentives	9,751	11,469	11,469	11,069	(400)
Other Grants & Subventions	19,766	12,475	12,491	11,191	(1,300)
<b>Total Grants &amp; Subventions</b>	<b>529,906</b>	<b>540,257</b>	<b>542,109</b>	<b>541,824</b>	<b>(285)</b>
<b>LICENSES, FINES &amp; PENALTIES:</b>					
Licenses	5,523	5,671	5,671	5,671	0
Traffic Fines - Moving	1,618	1,520	1,520	1,520	0
Other Fines and Penalties	401	673	673	682	9
<b>Total Fines, Licenses &amp; Penalties</b>	<b>7,542</b>	<b>7,864</b>	<b>7,864</b>	<b>7,873</b>	<b>9</b>
<b>INTEREST/INVESTMENT EARNINGS</b>	<b>27,675</b>	<b>15,230</b>	<b>19,967</b>	<b>21,058</b>	<b>1,091</b>

**SCHEDULE OF BUDGETED AND PROJECTED REVENUES**

Fiscal Year Ending June 30, 1996

As of February 29, 1996

(In Thousands)

GENERAL FUND	ACTUAL FY94-95	FISCAL YEAR 1995-96			VARIANCE FAV(UNFAV)
		ORIGINAL BUDGET	REVISED BUDGET	PROJECTION	
<b>CHARGES FOR SERVICES:</b>					
Recreation Charges	18,196	17,712	17,712	17,122	(590)
Garage and Other Space Rental:	6,115	6,044	6,044	7,004	960
General Government Service Charges	15,042	12,118	12,118	12,101	(17)
Public Safety Service Charges	8,609	9,164	9,164	8,807	(357)
MediCal	7,971	26,990	26,491	26,491	0
Other Service Charges	6,058	5,428	5,428	5,428	0
<b>Total Charges for Services</b>	<b>61,991</b>	<b>77,456</b>	<b>76,957</b>	<b>76,953</b>	<b>(4)</b>
<b>RECOVERY OF GEN. GOV'T. COSTS</b>	<b>7,823</b>	<b>7,984</b>	<b>7,984</b>	<b>6,872</b>	<b>(1,112)</b>
<b>OTHER REVENUES</b>	<b>1,297</b>	<b>520</b>	<b>520</b>	<b>442</b>	<b>(78)</b>
<b>TOTAL REVENUES</b>	<b>1,343,148</b>	<b>1,374,425</b>	<b>1,380,515</b>	<b>1,397,904</b>	<b>17,388</b>
<b>TRANSFERS INTO GENERAL FUND:</b>					
Airport		14,704	14,704	15,704	1,000
Hetch Hetchy		30,165	30,165	30,165	0
Other Transfers		62,689	62,689	61,670	(1,019)
<b>Total Transfers-In</b>		<b>107,558</b>	<b>107,558</b>	<b>107,539</b>	<b>(19)</b>
<b>TOTAL GENERAL FUND RESOURCES</b>		<b>1,481,983</b>	<b>1,488,073</b>	<b>1,505,443</b>	<b>17,369</b>

SCHEDULE OF BUDGETED AND PROJECTED EXPENDITURES  
 Fiscal Year Ending June 30, 1996  
 As of February 29, 1996  
 (In Thousands)

GENERAL FUND	FY95-96				VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL FY94-95	ORIGINAL BUDGET	REVISED BUDGET	CURRENT PROJECTION	
<b>PUBLIC PROTECTION</b>					
District Attorney	\$24,884	\$27,055	\$27,055	\$27,055	\$0
Public Defender	8,943	9,230	9,230	9,191	39
Sheriff	53,207	57,152	57,171	57,171	0
Superior & Municipal Courts	46,709	48,530	48,530	48,530	0
Juvenile Court	20,352	20,666	20,666	20,666	0
Adult Probation	7,094	7,277	7,277	7,129	148
Fire Department	129,369	125,692	125,692	127,692	(2,000)
Police Department	191,779	207,874	207,874	207,874	0
Co. Agriculture - Wts./Measures	679	794	794	767	27
Animal Care and Control	1,923	2,047	2,047	2,000	47
Public Administrator/Guardian	2,344	2,509	2,509	2,453	56
<b>Total Public Protection</b>	<b>\$487,283</b>	<b>\$508,826</b>	<b>\$508,845</b>	<b>\$510,528</b>	<b>(\$1,683)</b>
<b>PUBLIC WORKS, TRANSPORTATION AND COMMERCE</b>					
Parking and Traffic Commission	\$17,309	\$22,103	\$22,103	\$20,971	\$1,132
Permit Appeals	252	266	266	259	7
PUC Light, Heat and Power	4,548	4,825	4,825	4,805	20
Electricity	3,129	3,410	3,410	3,410	0
Public Works	9,247	9,288	9,288	9,288	0
<b>Total Public Works, etc.</b>	<b>\$34,485</b>	<b>\$39,892</b>	<b>\$39,892</b>	<b>\$38,733</b>	<b>\$1,159</b>
<b>HUMAN WELFARE AND NEIGHBORHOOD DEVELOPMENT</b>					
Human Rights Commission	\$1,096	\$1,070	\$1,070	\$883	\$187
Social Services	299,925	311,705	312,846	312,846	0
Comm. on the Status of Women	1,096	1,256	1,256	1,211	45
<b>Total Human Welfare, etc.</b>	<b>\$302,117</b>	<b>\$314,031</b>	<b>\$315,172</b>	<b>\$314,940</b>	<b>\$232</b>
<b>COMMUNITY HEALTH</b>					
Medical Examiner/Coroner	\$2,535	\$3,340	\$3,365	\$3,331	\$34
Community Health Services	126,128	126,290	126,178	126,178	0
Community Mental Health	146,503	146,850	146,850	146,850	0
<b>Total Community Health</b>	<b>\$275,166</b>	<b>\$276,480</b>	<b>\$276,393</b>	<b>\$276,359</b>	<b>\$34</b>

Fiscal Year Ending June 30, 1996  
As of February 29, 1996  
(In Thousands)

GENERAL FUND	FY95-96				VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL FY94-95	ORIGINAL BUDGET	REVISED BUDGET	CURRENT PROJECTION	
<b>CULTURE AND RECREATION</b>					
County Educational Office	\$1,720	\$1,719	\$1,719	\$1,719	\$0
Art Commission	2,078	1,234	1,435	1,435	0
Public Library	20,656	19,444	19,444	19,444	0
Recreation and Park	47,679	47,199	49,652	49,652	0
Academy of Sciences	1,826	1,520	1,520	1,469	51
Fine Arts Museum	3,143	4,130	4,130	4,130	0
Asian Art Museum	1,258	1,319	1,319	1,319	0
Law Library	225	248	248	234	14
<b>Total Culture, etc.</b>	<b>\$78,585</b>	<b>\$76,813</b>	<b>\$79,467</b>	<b>\$79,402</b>	<b>\$65</b>
<b>GENERAL ADMINISTRATION &amp; FINANCE</b>					
Board of Supervisors	\$5,241	\$5,900	\$6,194	\$6,127	\$67
Assessor	6,062	6,302	6,302	5,990	312
City Attorney	5,539	5,855	5,855	5,855	0
Treasurer/Tax Collector	10,266	11,566	11,566	11,220	346
Controller	15,729	13,445	13,445	13,445	0
Ethics Commission	87	259	259	235	24
Mayor	3,807	4,836	4,936	4,936	0
City Planning	4,692	4,730	4,832	4,832	0
Civil Service	464	479	479	474	5
Human Resources	14,390	12,226	12,526	12,514	12
Chief Administrative Officer	299	447	497	497	0
Real Estate	2,182	245	245	245	0
Recorder	1,187	1,290	1,290	1,290	0
Registrar	2,060	3,685	3,827	3,827	0
Purchaser	1,073	2,090	2,090	2,090	0
General City Responsibility	45,213	28,167	32,904	31,804	1,100
<b>Total General Admin.</b>	<b>\$118,291</b>	<b>\$101,522</b>	<b>\$107,247</b>	<b>\$105,381</b>	<b>\$1,866</b>
<b>TOTAL GENERAL FUND EXPS.</b>	<b>\$1,295,927</b>	<b>\$1,317,564</b>	<b>\$1,327,016</b>	<b>\$1,325,343</b>	<b>\$1,673</b>
<b>TRANSFERS OUT OF GENERAL FUND:</b>					
Contribution to MUNI		\$35,611	\$35,611	\$37,362	(\$1,751)
Contribution to SFGH		17,889	17,889	17,889	0
Other Transfers and Reserves		120,976	119,328	119,594	(266)
<b>Total Transfers Out:</b>		<b>\$174,476</b>	<b>\$172,828</b>	<b>\$174,845</b>	<b>(\$2,017)</b>
<b>TOTAL GENERAL FUND USES</b>		<b>\$1,492,040</b>	<b>\$1,499,844</b>	<b>\$1,500,188</b>	<b>(\$344)</b>

SCHEDULE OF BUDGETED AND PROJECTED REVENUES,  
EXPENDITURES AND OTHER SOURCES(USES)  
Fiscal Year Ending June 30, 1996  
As of February 29, 1996  
(In Thousands)

	ACTUAL FY94-95	FY 95-96			VARIANCE FAV. (UNFAV.)
		ORIGINAL BUDGET	REVISED BUDGET	CURRENT PROJECTION	
<b>SAN FRANCISCO MUNICIPAL RAILWAY</b>					
<b>REVENUES</b>					
Sales Tax Allocation - MTC	\$18,871	\$23,003	\$23,003	\$24,228	\$1,225
Operating Assistance	5,769	5,322	5,322	2,861	(2,461)
MTC Bridge Toll Allocation	18,056	19,680	19,680	19,680	0
Parking Tax	12,044	12,435	12,435	13,843	1,408
Garage Rents	5,221	4,961	4,961	5,461	500
Other	11,465	11,860	11,860	14,182	2,322
Total Grants, Subventions and Parking Revenue	71,426	77,261	77,261	80,255	2,994
Passenger Fares	93,447	91,480	91,480	93,956	2,476
Total Revenues	\$ 164,873	\$168,741	\$168,741	\$174,211	\$5,470
<b>EXPENDITURES &amp; ENCUMBRANCES</b>					
Personal Services	\$204,430	\$206,927	\$206,927	\$208,603	(\$1,676)
Contractual Services	21,255	20,698	20,698	20,936	(238)
Materials and Supplies	19,326	22,309	22,309	21,919	390
Claims	9,051	8,987	8,987	8,987	0
Workers' Compensation	9,448	7,472	7,472	11,641	(4,169)
Services of Other Departments	10,980	10,507	10,507	10,755	(248)
Other Operating Expenses	3,328	3,733	3,733	4,183	(450)
Facilities Maint. & Capital Projects	2,108	2,046	2,046	2,075	(29)
Total Expenditures	\$279,926	\$282,679	\$282,679	\$289,099	(\$6,420)
<b>OTHER FINANCING SOURCES(USES)</b>					
Traffic Fines/Meters Transfer	\$54,666	\$59,559	\$59,559	\$55,900	(\$3,659)
Other	20,298	18,768	18,768	21,626	2,858
Total Other Sources (Uses)	\$74,964	\$78,327	\$78,327	\$77,526	(\$801)
CONTRIBUTION FROM GENERAL FUND	\$40,089	\$35,611	\$35,611	\$37,362	(\$1,751)



**STATUS OF SUPPLEMENTAL APPROPRIATIONS**  
**FISCAL YEAR 1995-96**  
**As of April 5, 1996**

	<u>CHANGES</u> <u>APPROVED</u>	<u>CHANGES</u> <u>PENDING</u>
<u>Approved Supplementals</u>		
Supplemental for Bayview Police Station:	(571,000) *	
Recreation and Park - storm damage repair:	(489,800)	
Recreation and Park - Conservatory of Flowers design:	(250,000)	
Public Health - Health Authority:	(450,000)	
Parking and Traffic - St. Mary's Square Garage:	(266,000)	
Registrar of Voters - enhance departmental operations:	(141,521)	
Board of Supervisors - Muni Audit per Prop J:	(125,000)	
Mayor - estimate of vested time:	(100,000)	
CAO - Viacom/TCI Negotiations:	(50,000)	
Medical Examiner - equipment:	(16,000)	
Medical Examiner - body removal services:	(8,799)	
Art Commission - net of reserve for cultural centers:	(1,348)	
	<u>(2,469,468)</u>	
Less Expected Repayments for General Fund Advances:	571,000	
	<u>(1,898,468)</u>	
<u>Supplementals Pending at the Board</u>		
Human Resources - employee relations:		(485,500)
Assessor - salary and fringes for Real Property Auditors and Appraisers:		(416,085)
Tax Collector - salary and fringes for Real Property Auditors and Appraisers:		(155,343)
Police OCC - relocate OCC:		(48,712)
		<u>(1,105,640)</u>
<u>Supplementals Pending with the Mayor &amp; Controller</u>		
Law Library - automation and reference room at courts:		(85,578)
Electricity - facilities maintenance:		(35,988)
		<u>(121,566)</u>

\* General Fund Reserve would be replenished from sale of surplus property.