



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

July 10, 2009

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

RE: File 090622 – Charter providing for a two year budgetary cycle, five year financial plan, and other financial policies

Dear Ms. Calvillo,

Should the proposed charter amendment be approved by the voters, in my opinion, it would not in and of itself affect the cost of government. The charter amendment makes changes to the City's budget and financial processes which are likely to stabilize spending through requiring multi-year budgeting and financial planning.

The amendment makes four significant changes to the City's financial processes and policies;

- Specifies a two-year (biennial) budget, replacing the current annual budget;
- Requires a five-year financial plan which forecasts revenues and expenses and summarizes expected public service levels and funding requirements for that period;
- Charges the Controller's Office with proposing to the Mayor and Board of Supervisors financial policies addressing reserves, use of volatile revenues, debt, and financial measures in the case of disaster recovery. The City would be required to adopt budgets consistent with these policies once approved;
- Standardizes the processes and deadlines for the City to submit labor agreements for all public employee unions at May 15.

Overall, the proposed changes would cause the City to budget less in some years, and to fund the budget with reserved funds or new revenues in other years, but the total amount of City revenue or expenditure would not be directly affected.

Sincerely,


Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.