

**Ballot Simplification Committee**  
**FINAL Approved Digest – 12:20 p.m. Tuesday, July 28, 2009**  
**Approved by: Packard, Fasick, Fraps, Jorgensen**

**Requests for Reconsideration due by 2:00 p.m. on July 29, 2009**

**Budget Process**

**THE WAY IT IS NOW:**

The Charter establishes procedures and deadlines the City must follow in adopting a budget, entering contracts, adopting labor agreements, and posting advance public notice of proposed City actions.

**Budget and Contracts**

The Charter governs the budget as follows:

- Every year the City adopts a budget for the next fiscal year.
- The Charter does not require the City to have a long-term financial plan.
- The budget is not required to follow specific financial policies.

Before the City enters a contract, the Controller must certify that funds are or will be available during that fiscal year for the contract.

**Labor Agreements**

Labor agreements for miscellaneous employees (most City employees) must be adopted by the Board of Supervisors (Board) by June 30 to be effective for the City's next fiscal year, beginning July 1.

Labor agreements for police, firefighters and other safety employees may be adopted at any time during the fiscal year. If the Board adopts a safety employee labor agreement after July 1, the new agreement generally applies to that fiscal year dating back to July 1.

**Public Notice**

The Charter requires the Board to publish advance notice of proposed City actions in a newspaper or newspapers annually selected as the City's official newspaper. This notice requirement applies to actions such as special meetings, reductions in service at libraries and health facilities, changes to MUNI routes and schedules, and transfer of property owned by the City. The Board is also required to publish notice of ordinances that have been passed and resolutions that have been adopted.

## **THE PROPOSAL:**

Proposition \_\_\_ is a Charter amendment that would amend Charter provisions concerning the budget, contracts, labor agreements and public notice.

### **Budget and Contracts**

Proposition \_\_\_ would amend Charter provisions concerning the budget as follows:

- Each year the City would adopt a two-year budget. This new process could begin for some departments in 2010 and would begin for the rest in 2012. This process would be implemented in two ways:
  - The normal procedure would be for departments to develop a rolling two-year budget that would be adopted annually.
  - The Mayor and the Board could instead establish fixed two-year cycles for some or all departments. For those departments, the two-year budget would be adopted every two years.
- The City would be required to adopt a five-year financial plan. The plan would include a forecast of expenditures and revenues, and proposed actions to balance them in light of strategic goals.
- In addition, the City would be required to adopt long-range financial policies by a two-thirds vote of the Board. These policies would include, at a minimum:
  - Creation and maintenance of adequate reserve funds
  - Use of unpredictable or unstable revenues
  - Management of the City's debt, and
  - Financial measures to enable the City to recover from earthquake, fire, flood or other disaster.

The City could not adopt a budget that the Controller found was inconsistent with these financial policies.

By a two-thirds vote of the Board, the City could suspend one or more of these financial policies for one year.

Before the City enters a contract, the Controller would certify that funds would be available to make payments as the contract requires.

### **Labor Agreements**

Proposition \_\_\_ would change the deadlines for submitting and adopting labor agreements, and would impose the same deadlines for agreements with miscellaneous

and safety employees. New agreements would have to be submitted to the Board by May 10 or May 15 to become effective July 1. This deadline would be extended by 45 days if the Board rejected a proposed labor agreement. A new agreement submitted after the deadline would not be effective until July 1 of the following fiscal year, unless it reduced the cost to the City or imposed no new costs.

### **Public Notice**

Proposition \_\_\_ would remove the Charter requirement that certain Board notices be published in a newspaper or newspapers annually selected as the City's official newspaper. The Board would decide how to publish these notices and adopt an ordinance stating its chosen methods of publication.

**A “YES” VOTE MEANS:** If you vote "yes," you want to amend the Charter to:

- establish a two-year budget cycle,
- require the City to adopt a five-year financial plan,
- require the City to adopt long-range financial policies by a two-thirds vote of the Board,
- require the City budget to comply with these financial policies unless they are suspended for one fiscal year by a two-thirds vote of the Board,
- permit the Controller to certify the availability of funds if the Controller determines funds will be available when due,
- change the deadlines for submitting and adopting labor agreements, and
- allow the Board to declare by ordinance how to publish required notices.

**A “NO” VOTE MEANS:** If you vote “no,” you do not want to make these changes.

word count: 801 [suggested word limit: 300]