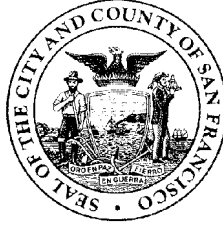


**ELECTIONS COMMISSION**  
*City and County of San Francisco*

**BUDGET AND OVERSIGHT OF PUBLIC  
ELECTIONS COMMITTEE (BOPEC)**

Chris Jerdonek, Chairperson  
Jill Rowe



John Arntz, Director of Elections

**MEETING MINUTES**

**Budget and Oversight of Public Elections Committee (BOPEC)  
of the San Francisco Elections Commission**

**Wednesday, February 4, 2015**

**6:00 p.m.**

**City Hall, Room 421**

**1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102**

**1. Call to Order & Roll Call**

Commissioner Jerdonek called the meeting to order at 6:01 p.m. Present: Commissioners Rowe and Jerdonek. The third committee seat is currently vacant. Also present: Director of Elections John Arntz and Anthony Ababon, Office of the Mayor.

**2. General Public Comment**

None.

**3. Approval of Minutes from previous meeting**

Commissioner Rowe moved to approve the draft minutes for the December 3, 2014 meeting. Commissioner Jerdonek seconded. No public comment. The vote was UNANIMOUS to APPROVE.

**4. Review of Department's proposed budgets**

Director Arntz gave an overview of the two-year budget process and associated forms, which cover the 2015-16 and 2016-17 fiscal years. The Department will submit its proposed budget to the Controller's Office on February 23. The budget is in a spreadsheet format determined by the Mayor's Office. The agenda packet also includes an introductory overview of some of the budget forms. The budget does not include any major projects aside from the new Warehouse, which the Department estimates to be \$2.5 million. The new voting system is not included in the proposed budget because the amount is not known. Funding for the new voting system will be sought after the

RFP process. The bid for the new voting system will go out probably in the next fiscal year but possibly this fiscal year.

Commissioner Rowe asked about the \$2.5 million. Director Arntz replied that the number is an estimate derived from the current costs for Pier 48. The breakdown is \$2 million for the lease paid monthly and an estimated \$0.5 million for the buildout costs. This amount will be set aside as a reserve fund which needs to be requested after a lease is agreed to.

Commissioners Rowe and Jerdonek asked about the cost estimate for the next voting system. Director Arntz replied that the budget lists only an estimate of the annual maintenance cost of the next voting system, starting in 2017, and does not include an estimate of the purchase price. The estimated maintenance cost was a placeholder for the purposes of discussions with the Mayor's Office and was projected as a 25% increase over the current cost.

Commissioner Jerdonek asked for clarification regarding the "base budget" and the estimated number of elections per fiscal year. Director Arntz explained that the budget process automatically uses the budget for the previous fiscal year as the base budget for the following year.

The Committee began going through each section of the budget consecutively, stopping whenever there were questions.

On Form 2B, Commissioner Rowe asked why the second last column labeled "Fiscal Year of Last Increase" was blank since, for example, the fee for Mayor shows an increase from \$5,048 to \$5,706. Director Arntz explained that the rate remained the same in each case. In the case of the fee for Mayor, the rate was still 2% of the salary, so the increase could be due to a raise in the salary. Director Arntz explained that the rates are set by the Municipal Elections Code.

On Form 3A, Commissioner Jerdonek asked Director Arntz if he could provide a more detailed breakdown of Object 035 "Other Current Expenses," which is listed as \$4.9 million for 2015-16 and \$2.9 million for 2016-17. Director Arntz replied that he would do so. He explained that this category includes the printing of ballots, which is the bulk of the cost. For the November 2015, June 2016, and November 2016 elections, the Department projects five-card, four-card, and five-card ballots, respectively.

Commissioner Jerdonek asked how the various object categories were chosen. Director Arntz replied that the object definitions were developed over time in working with the General Services Administration (GSA), since they pay the invoices for the Department.

Commissioner Rowe asked about the premium pay for bilingual services. Director Arntz replied that there is a Memo of Understanding with SEIU 1021 that spells out a set amount extra.

Commissioner Rowe asked about permanent salaries and vacant positions. Director Arntz replied that permanent positions remain funded even if the positions are not filled. This is per the Annual Salary Ordinance (ASO). The process of filling vacancies is an ongoing process. Director Arntz said that the Board's Budget Analyst can recommend that unfilled positions be removed from the Department roster. However, the Department also needs to show attrition savings, so the Department can use unfilled positions for that purpose. Commissioner Rowe expressed concern about the Department losing one of the two Assistant Director positions, since one of those positions has not been filled for the past couple years. Director Arntz acknowledged the concern.

Commissioner Jerdonek asked if there is a process whereby the amount of money spent in a completed fiscal year is compared to the amount that was originally budgeted. Director Arntz replied that the Controller's Office maintains such a report that compares expenditures to funding levels. Extra funds can be carried forward to the next fiscal year, usually for a specific transition. Typically, however, any extra funds go back into the City's general fund.

On Form 4, Commissioner Jerdonek asked about the vote-by-mail ballot extractors. Director Arntz said that the Department is purchasing two more, so the Department will have four in all.

Commissioner Rowe asked about the relative costs of processing a vote-by-mail ballot versus a precinct ballot. Director Arntz replied that there is no savings as long as the Department has to do both processes.

On Form D, Commissioner Jerdonek asked about the electronic poll-book program. Director Arntz replied that the Department is not purchasing anything. Rather, the Department is thinking about doing a pilot project in November 2015. The Department is using the budget process to inform the Committee on Information Technology (COIT). The Department is trying to piggyback on what Nevada County is doing.

On Form 9A, Commissioner Jerdonek asked about the EIMS election management system and whether that is governed by a contract. Director Arntz said he would look into it.

Commissioner Jerdonek asked about the Prop J paperwork. Director Arntz replied that Prop J requires Departments to show, prior to switching from City employees to outsourcing for a given task, that the cost of outsourcing is less than the cost of using City employees. The Department first outsourced the assembly of vote-by-mail ballots around 2006. Every year since then, the Department has done a Prop J analysis.

Director Arntz said there is a similar process for outsourcing IT work. Director Arntz expressed interest in looking into whether it's still necessary to file Prop J paperwork for the VBM ballots.

Commissioner Rowe asked Director Arntz if he could provide to the full Commission at its next meeting a comparison of actual costs versus budgeted costs for the last completed fiscal year, and any significant differences, as well as differences between last year's budget estimates versus this year's.

Commissioner Rowe moved to forward the proposed budgets to the full Commission with a recommendation to approve. Commissioner Jerdonek seconded. No public comment. The vote was UNANIMOUS to APPROVE.

**Adjourned at 6:54 p.m.**