Public Budget Meeting
Tuesday, February 14, 2023
11:30 AM to 12:00 PM

VIRTUAL WEBEX MEETING
Webinar Link:  https://sfgov.webex.com/sfgov/j.php?MTID=me14a6bf0c90c9b3b026e275cda6f8600
Webinar Password:  RhMMpR9Vp43 (74667798 from phones)
Webinar Number:  248 087 08278 (Access code)
Join by Phone:  415-655-0001

AGENDA
1. Review of the Controller’s Office Proposed Budget Priorities for FY 2023-24 & FY 2024-25
2. Public Comment:
   • To submit oral public comments by phone:
     o Dial 415-655-0001 and use access code 248 087 08278, then ‘#’ and then ‘#’ again.
     o Dial *3 to line up to speak.
     o A system prompt will indicate you have “raised your hand,” please wait until the system indicates “you have been unmuted” and you may begin your comments.
     o You will have 2 minutes to speak.
   • To submit oral public comments in WebEx:
     o Raise your hand or indicate in chat you would like to provide public comments.
   • To submit written public comments, before, during or after the meeting use the City & County of San Francisco’s NextRequest portal:
     https://sanfrancisco.nextrequest.com/requests/new
3. Adjournment

Our Office welcomes feedback throughout the year. For more information on how to contact the Controller’s Office, please reference our Contact Us page: https://sf.gov/contact-us
Controller’s Office
Proposed Budget, FY 2023-2024 and FY 2024-2025
Public Access, Input & Materials

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Controller’s Office Proposed Budget Information is located at:  https://sfcontroller.org/about-controller%E2%80%99s-office
Proposed Budget
FY 2023-24 and 2024-25
Mission and Key Strategic Goals

Our Mission:
We ensure the City’s financial integrity and promote efficient, effective, and accountable government.

Our Key Strategic Goals:

- Promote Best Practices and Accountability in City Government
- Support Informed Policy Decisions
- Safeguard the City’s Long-Term Financial Health
- Provide High-Quality Financial Services
- Support the City’s Financial Systems and Infrastructure
- Sustain the City’s Financial Operations in a Disaster
- Increase Public Access and Useful and Timely Information
- Invest and Value our Employees
- Manage the Controller’s Office Effectively
FY 2023-24 Base Budget by Division
$81.9M

City Services Auditor: $25.8M
Citywide Systems: $31.7M
Accounting: $14.6M
Administration: $1.6M
Budget & Analysis: $3.7M
Payroll: $3.4M
Economic Analysis: $0.6M
Public Finance: $0.6M
FY 2024-25 Base Budget by Division
$83.5M

- Citywide Systems: $32.2M
- City Services Auditor: $26.3M
- Accounting: $14.9M
- Administration: $1.7M
- Budget & Analysis: $3.7M
- Payroll: $3.5M
- Economic Analysis: $0.6M
- Public Finance: $0.6M
## Controller’s Office Budget Snapshot

<table>
<thead>
<tr>
<th></th>
<th>FY 2022-23 Approved</th>
<th>FY 2023-24 Base</th>
<th>FY 2024-25 Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Budget</td>
<td>$81.7M</td>
<td>$81.9M</td>
<td>$83.5M</td>
</tr>
<tr>
<td>General Fund Support</td>
<td>$11.8M</td>
<td>$12.6M</td>
<td>$14.2M</td>
</tr>
<tr>
<td>AAO Funded Positions (FTEs)</td>
<td>266</td>
<td>267</td>
<td>267</td>
</tr>
<tr>
<td>Off-Budget Positions (FTEs)</td>
<td>59</td>
<td>61</td>
<td>61</td>
</tr>
<tr>
<td>Base Attrition Savings (FTEs)</td>
<td>-26.4</td>
<td>-24.5</td>
<td>-24.6</td>
</tr>
<tr>
<td>Base Attrition Savings ($)</td>
<td>-$4.6M</td>
<td>-$4.3M</td>
<td>-$4.2M</td>
</tr>
</tbody>
</table>
## Controller’s Office Budget Comparison

<table>
<thead>
<tr>
<th></th>
<th>Budget Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2022-23 Approved</strong></td>
<td>$81.7M</td>
</tr>
<tr>
<td><strong>FY 2023-24 Base</strong></td>
<td>81.9M</td>
</tr>
<tr>
<td><strong>FY 2023-24 Base Budget Increase</strong></td>
<td>0.2M</td>
</tr>
<tr>
<td>Salary &amp; Fringe</td>
<td>1.3M</td>
</tr>
<tr>
<td>Professional Services</td>
<td>(0.2M)</td>
</tr>
<tr>
<td>Services from Other Depts</td>
<td>0.3M</td>
</tr>
<tr>
<td>Programmatic Projects – FAST &amp; CSA</td>
<td>(1.2M)</td>
</tr>
</tbody>
</table>
### Budget Changes and Balancing ($ in millions)

<table>
<thead>
<tr>
<th>General Fund Support (GFS)</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
<th>FY 2024-25</th>
</tr>
</thead>
<tbody>
<tr>
<td>GFS Approved</td>
<td>11.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GFS Base</td>
<td></td>
<td>12.6</td>
<td>14.2</td>
</tr>
<tr>
<td>GFS Baseline Target</td>
<td></td>
<td>12.0</td>
<td>13.2</td>
</tr>
<tr>
<td>GFS Change</td>
<td>(0.6)</td>
<td>(1.0)</td>
<td></td>
</tr>
</tbody>
</table>

### Proposed Solutions
- Eliminate lease budget at 1155 Market, 6th Floor.
- Adjust base budget for work order funded divisions.
- Close out one-time projects.
- Utilize current year savings if any.
Budget Priorities and Key Projects

Public Integrity, Transparency & Accountability

- Promote accountability and transparency through compliance and performance audits and whistleblower investigations:
  - Publish audits and assessments to improve transparency, effectiveness, efficiency and equity of city operations.
  - Publish prior public integrity assessments’ implementation statuses of all recommendations.
  - Manage and promote the City’s whistleblower hotline.
  - Ensure timely compliance audit reporting, identify recommendations and report on the implementation of corrective actions.
  - Work with City departments to further develop and implement plans to better meet departments’ contracting, oversight, reporting and other business needs.

Government Operations Recovery

- Implementing necessary changes to reduce the staff time and administrative burden needed to execute key financial tasks.
- This includes revising employee processes such as hiring, time entry, and reimbursement, as well as improving the supplier experience from onboarding to payments.
Budget Priorities and Key Projects

Racial Equity, Gender Equity, Inclusion and Diversity

- Provide and support citywide reporting for Workforce and Contracts reporting.
- Support the Citywide Contracts Report, Supplier Inclusion Implementation Plan.
- Implement Year 3 of three-year Controller’s Office Racial Equity Action Plan.
  - 7 key areas: Hiring and Recruitment, Promotions and Retention, Mobility and Professional Development, Discipline and Separation, Diverse and Equitable Leadership, Organizational Culture of Inclusion and Belonging, and Boards and Commissions
  - 90+ actionable tasks

Contract Equity

- Promote increased adoption and further enhancement for the Supplier Inclusion & Spending Impacts dashboards, that include reporting of:
  - Supplier and Bidder demographics and contracting activity
  - Spend amounts by Supplier race, ethnicity, gender, location, business/non-profit type
  - Supplier Prime and Subcontractor contracting and associated award amounts
  - Collect demographic data in one location from supplier to remove duplicative questions.
Budget Priorities and Key Projects

Refuse Rates Administration

- In 2022, voters approved Proposition F, which amended the Refuse Collection and Disposal Ordinance to restructure the refuse rate-setting process and membership of the Refuse Rate Board (“Board”).

- The Controller was removed from the Board and replaced with a Ratepayer Representative.

- The Controller’s new role is that of Refuse Rate Administrator, replacing the Director of Public Works as the party responsible for monitoring and proposing new rates to the Board.

- Two Off-Budget FTEs, a manager and lead analyst to support program.
Budget Priorities and Key Projects

Controller’s Office Space Consolidation in City Hall

- IT staff hybrid schedule working one day per week onsite.
- Controller staff in one location.
- Increased departmental interaction and collaboration.
- Over $1M annual lease savings.

Financial Professionals Development and Training Programs

- Expansion of Controller’s Office programs for financial standards training.
- Create pipelines to equip financial professionals with essential skills and knowledge:
  - Pilot program for senior-level accounting managers.
  - Budget Academy to develop trained budget analyst professionals.
Planning & Measuring Results
## Key Performance Measures

### Provide High-Quality Financial Services

<table>
<thead>
<tr>
<th></th>
<th>2018-19 Actual</th>
<th>2019-20 Actual</th>
<th>2020-21 Actual</th>
<th>2021-22 Actual</th>
<th>2022-23 Projected</th>
<th>2023-24 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of days to complete the City's Annual Comprehensive Financial Report (ACFR) for the previous fiscal year</td>
<td>268</td>
<td>183</td>
<td>241</td>
<td>217</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>City receives certificate of achievement for excellence in financial reporting from Government Finance Officers Association</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Number of findings of material weakness in annual City audit</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of payroll transactions not requiring correction</td>
<td>98.8%</td>
<td>99.3%</td>
<td>98.7%</td>
<td>98.2%</td>
<td>98.8%</td>
<td>99.0%</td>
</tr>
</tbody>
</table>

### Provide High-Quality Financial Systems

<table>
<thead>
<tr>
<th></th>
<th>2018-19 Actual</th>
<th>2019-20 Actual</th>
<th>2020-21 Actual</th>
<th>2021-22 Actual</th>
<th>2022-23 Projected</th>
<th>2023-24 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of scheduled time that financial systems are available for departmental use</td>
<td>100%</td>
<td>100%</td>
<td>99.9%</td>
<td>99.9%</td>
<td>99.9%</td>
<td>99.9%</td>
</tr>
<tr>
<td>Percent of scheduled time that human capital systems are available for departmental use</td>
<td>100%</td>
<td>100%</td>
<td>99.9%</td>
<td>99.9%</td>
<td>99.9%</td>
<td>99.9%</td>
</tr>
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### Safeguard the City's Long-Term Financial Health

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<tr>
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<th>2022-23 Projected</th>
<th>2023-24 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage by which actual revenues vary from mid-year estimates</td>
<td>4.2%</td>
<td>11.1%</td>
<td>-3.6%</td>
<td>0.5%</td>
<td>1.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Percentage by which actual General Fund revenues vary from prior year revised budget estimates</td>
<td>5.0%</td>
<td>6.5%</td>
<td>-4.4%</td>
<td>1.8%</td>
<td>5.6%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Stabilization reserve balance as a percentage of General Fund revenues</td>
<td>9.2%</td>
<td>10.0%</td>
<td>10.0%</td>
<td>6.7%</td>
<td>6.5%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Ratings of the City's General Obligation Bonds from Moody's</td>
<td>Aaa</td>
<td>Aaa</td>
<td>Aaa</td>
<td>Aaa</td>
<td>Aaa</td>
<td>Aaa</td>
</tr>
</tbody>
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### Key Performance Measures

#### Ensure Government is Accountable to City Residents

<table>
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<tr>
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<th>2019-20 Actual</th>
<th>2020-21 Actual</th>
<th>2021-22 Actual</th>
<th>2022-23 Projected</th>
<th>2023-24 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of audit recommendations implemented within 2 years after report issuance.</td>
<td>90%</td>
<td>92%</td>
<td>94%</td>
<td>95%</td>
<td>90%</td>
<td>85%</td>
</tr>
<tr>
<td>Percent of auditee ratings that are good or excellent</td>
<td>83%</td>
<td>97%</td>
<td>69%</td>
<td>94%</td>
<td>90%</td>
<td>85%</td>
</tr>
<tr>
<td>Percent of client ratings for technical assistance projects that are good or excellent</td>
<td>100%</td>
<td>N/A</td>
<td>N/A</td>
<td>100%</td>
<td>100%</td>
<td>95%</td>
</tr>
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</table>

#### Support Informed Policy Decisions

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<thead>
<tr>
<th></th>
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<th>2019-20 Actual</th>
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<tr>
<td>Percentage of OEA economic impact reports completed by the hearing date</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Completion rate of ballot analysis by hearing date</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Number of Data Academy Training Participants</td>
<td>1,436</td>
<td>1,269</td>
<td>N/A</td>
<td>72</td>
<td>300</td>
<td>N/A</td>
</tr>
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**Controller’s Office**

**Proposed Budget, FY 2023-2024 and FY 2024-2025**

**Public Access, Input & Materials**

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Interested in additional information?

- In addition to the budget information contained in this presentation, the Public can also access Budget, Contract, Supplier Payment, Audit & Other Controller’s Office Reports, 24/7 online at:
  - SFOpenBook at https://openbook.sfgov.org/
  - DataSF at https://datasf.org/opendata/
  - SFController at https://sf.gov/departments/controllers-office