



OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

Public Budget Meeting

Friday, February 11, 2022

11:30 AM to 12:00 PM

VIRTUAL WEBEX MEETING

Webinar Link: <https://ccsf.webex.com/ccsf/j.php?MTID=mb69247f79e1b649aad27d4870dc8d2cf>

Webinar Password: con123 (266123 from phones)

Webinar Number: 2492 382 7550 (Access code)

Join by Phone: 415-655-0001

AGENDA

1. Review of the Controller's Office Proposed Budget Priorities for FY 2022-23 & FY 2023-24
2. Public Comment:
 - To submit **oral** public comments **by phone**:
 - Dial 415-655-0001 and use access code 2492 382 7550, then '#' and then '#' again.
 - Dial *3 to line up to speak.
 - 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.
 - You will have 2 minutes to speak.
 - To submit **oral** public comments **in WebEx**:
 - 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://sfcontroller.org/contact-us-3>.

Controller's Office

Proposed Budget, FY 2022-2023 and FY 2023-2024

Public Access, Input & Materials

2/11/2022 Online Meeting, WebEx Link:

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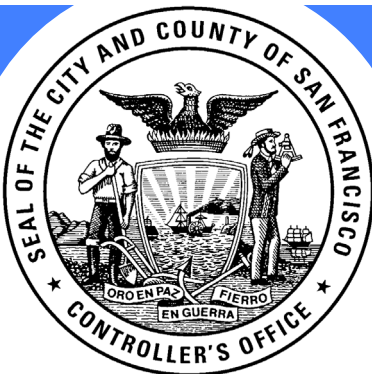
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Controller's Office Proposed Budget Information is located at:

<https://sfcontroller.org/about-controller%E2%80%99s-office>

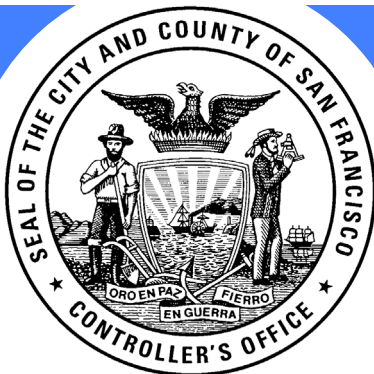


CITY & COUNTY OF SAN FRANCISCO

Office of the Controller

February 11, 2022

Proposed Budget FY 2022-23 and 2023-24



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller

February 11, 2022

Mission and Key Strategic Goals

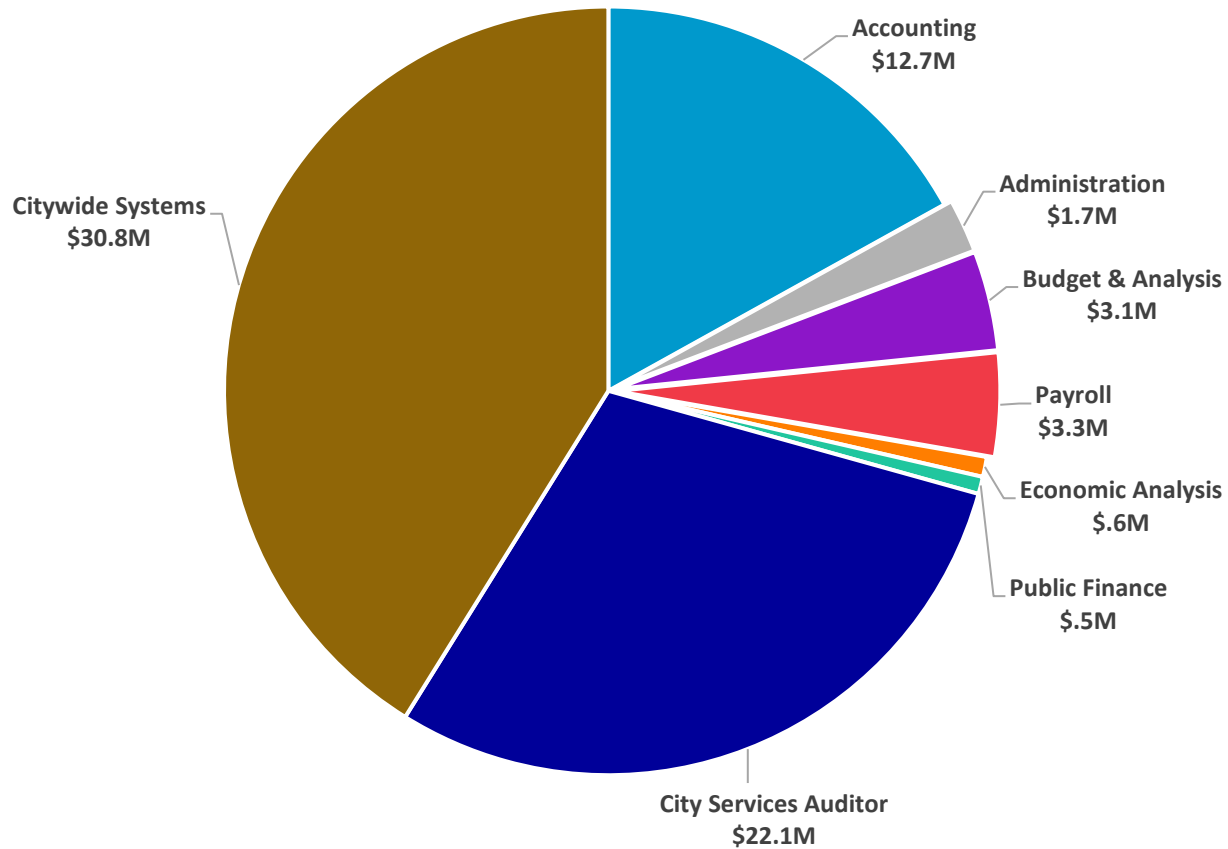
Our Mission:

We ensure the City's financial integrity and promote efficient, effective, and accountable government.

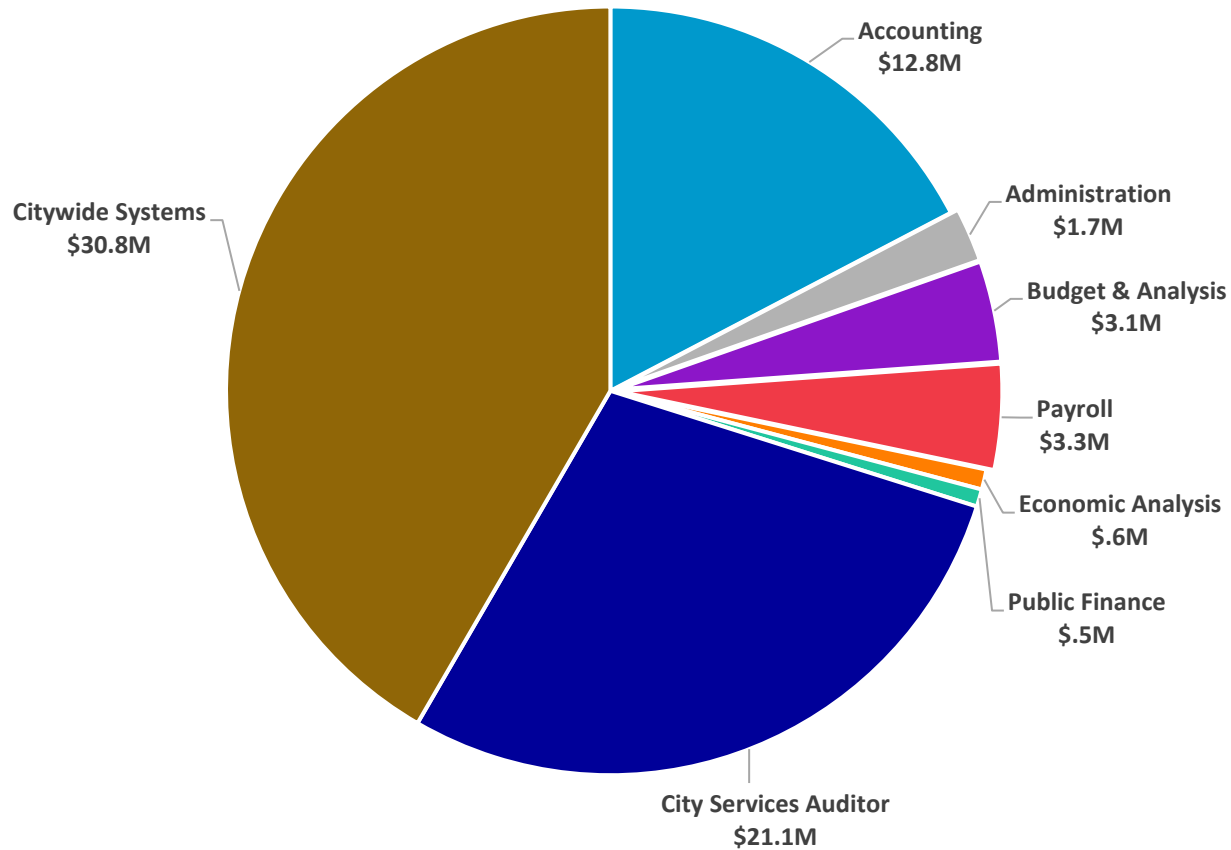
Our Key Strategic Goals:

- 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 2022-23 Base Budget by Division \$74.9M



FY 2023-24 Base Budget by Division \$74.0M



Controller's Office Budget Snapshot

	FY 2021-22 Approved	FY 2022-23 Base	FY 2023-24 Base
Total Budget	\$76.9M	\$74.9M	\$74.0M
General Fund Support	\$11.9M	\$10.8M	\$9.9M
AAO Funded Positions (FTEs)	251	256	256
Off-Budget Positions (FTEs)	48	44	44
Base Attrition Savings (FTEs)	-23.35	-26.00	-25.90
Base Attrition Savings (\$)	-\$4.6M	-\$4.3M	-\$4.2M

Controller's Office Budget Comparison

	Budget Amount
FY 2021-22 Approved	\$76.9M
FY 2022-23 Base	74.9M
FY 2022-23 Base Budget Reduced	(2.1M)
Salary & Fringe Costs	1.6M
Professional Services	(0.9M)
Materials & Supplies	(0.1M)
Services from Other Depts	(0.5M)
SF Budget Completed & Other Projects	(2.2M)

Budget Priorities and Key Projects

Public Integrity, Transparency & Accountability

- Promote accountability and transparency through compliance and performance audits and whistleblower investigations:
 - Publish remaining public integrity assessments.
 - Publish prior public integrity assessments' implementation statuses of all recommendations.
 - Manage and promote the City's whistleblower hotline, including timely coordination of investigative referrals to departments with jurisdictional oversight.
 - 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.
 - Develop new public reporting tools and processes using City and other public data sets to promote identification and timely mitigating controls to address conflicts of interest in contracting.

Budget Priorities and Key Projects

COVID-19 Leadership and Support

- Controller's Office continues to provide leadership and support in critical areas throughout the COVID-19 public health emergency.
- Work with the Department of Public Health and staff the ongoing COVID Data Tracker and public reporting function – testing, cases, vaccine and related topics.
- Work with the Human Service Agency and the Department of Homelessness and Supportive Housing and staff the systems used to support the hotel housing sites and client transitions into support programs and housing.
- Cost recovery accounting and claiming for FEMA, federal and state emergency public assistance grant reimbursements for eligible response costs as well as America Rescue Plan Act (ARPA) and Coronavirus Aid, Relief, and Economic Security Act (CARES) funds reporting.

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 2 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
- Specific actionable tasks for FY 2022-23 include:
 - Deliver learning opportunities on matters of racial equity topics via a variety of methods
 - Further develop department's racial equity champions' leadership and capability
 - Build upon first year's focus on hiring and recruitment by implementing new recruitment strategies, continue to support inter-departmental partnerships, and leveraging the new applicant tracking system
 - Support division-led racial equity initiatives

Budget Priorities and Key Projects

Financial Systems – SF Reports & Analytics

- 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
 - Suppliers with a San Francisco or California HQs, as well as HQs in a banned state

Budget Systems - SF Budget System Replacement Project – Year 1 Go-Live

- Completed on schedule and on budget.
- Provide Year 1 support, for FY 2022-23 and FY 2023-24 budget cycle.
- Support citywide departmental user adoption and systems enhancements, stabilizations.

Key Budget Changes and Balancing (\$ in thousands)

	FY 2022-23	FY 2023-24
Base Budget Adjustment	476	504
Allocation Changes	355	300
Personnel Changes	814	1,029
Professional Services	500	60
Materials & Supplies	0	40
Proposed Uses Budget Changes	2,145	1,933
CSA Savings	800	
COIT & Work Order Recoveries	500	
Work Orders Recoveries	669	845
Attrition Increase	176	
Non-Personnel Funding Reductions		1,088
Proposed Balancing Items	2,145	1,933
Net	0	0

Planning & Measuring Results

OFFICE OF THE CONTROLLER
STRATEGIC PLAN



FY 2016-2017
FY 2020-2021



OUR MISSION We ensure the City's financial integrity and promote efficient, effective, and accountable government.

PROMOTE BEST PRACTICES AND ACCOUNTABILITY IN CITY GOVERNMENT

- ☐ Help improve City procurement practices.
- ☐ Help improve Citywide hiring and employment practices.
- ☐ Support efforts to strengthen the City's approach to technology security and solutions.
- ☐ Expand approaches and tools to help departments improve performance measurements, operations, and management practices.

SUPPORT INFORMED POLICY DECISIONS

- ☐ Provide analysis and review to support key Citywide decisions.
- ☐ Facilitate and expand Citywide use and sharing of data.
- ☐ Highlight key areas for further research and policymaker awareness.

SAFEGUARD THE CITY'S LONG-TERM FINANCIAL HEALTH

- ☐ Monitor and refine financial performance and financial resiliency.
- ☐ Review long-term City assets, liabilities, and risks.
- ☐ Enhance the use of the City's long-term financial planning tools.
- ☐ Develop and exercise financial contingency plans.

PROVIDE HIGH-QUALITY FINANCIAL SERVICES

- ☐ Conduct effective Citywide training to ensure heightened compliance and fewer post-audit findings.
- ☐ Promote financial best practices among City departments.
- ☐ Eliminate paper forms in Accounting, Budget, and Payroll processes and adopt a paperless office operation.

SUPPORT THE CITY'S FINANCIAL SYSTEMS AND INFRASTRUCTURE

- ☐ Replace and modernize the City's financial, procurement, and reporting systems.
- ☐ Co-locate and integrate systems support staff into a single division with effective shared service and support delivery.
- ☐ Develop and implement key application enhancements to ensure effective Citywide use and customer satisfaction.

INCREASE PUBLIC ACCESS TO USEFUL AND TIMELY INFORMATION

- ☐ Conduct public opinion research to improve the form, value, and reach of our public information products.
- ☐ Provide new and improved web-based analytical tools.

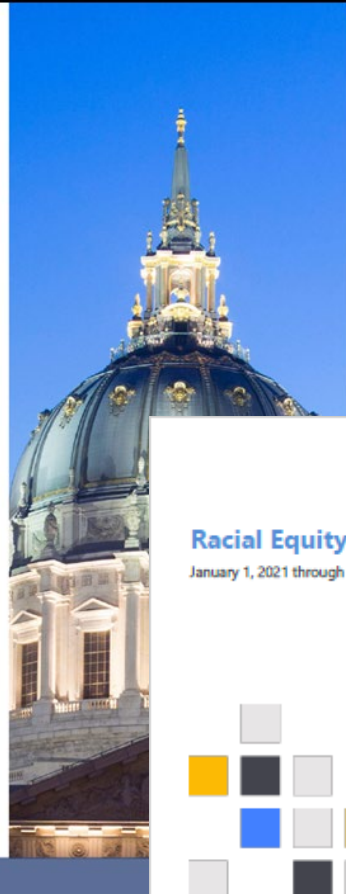
INVEST IN AND VALUE OUR EMPLOYEES


- ☐ Enhance the department's professional development program.
- ☐ Incorporate programs to support employee health, safety, and well-being into performance plan.
- ☐ Expand 360 pilot program.

MANAGE THE CONTROLLER'S OFFICE EFFECTIVELY

OFFICE OF THE CONTROLLER

ANNUAL REPORT
FISCAL YEAR 2017-2018





Home

- Five-Year Strategic Plan
- FY18-19 Performance Plan
- Mid-Year Update
- FY17-18 Annual Report
- FY17-18 Performance Plan
- Prior Year Plans
- Prior Year Annual Reports

Performance Plans

FY18-19 Performance Plan ◊

[new item](#)

FY18-19 All Division - Accounting Division - Admin

✓ Edit Measure

▶ **Goal 1: Promote best practices and accountability in City government** (30)

▶ **Goal 2: Support informed policy decisions** (11)

▶ **Goal 3: Safeguard the City's long-term financial health** (16)

▶ **Goal 4: Provide high-quality financial services** (43)

Monitor and enforce adopted reserve and debt management policies, and report on status on regular financial reports.

Prepare COWCAP calculator; approve and monitor GEN expenditures, including MOU and litigation reserves; facilitate participatory budgeting.

Implement all voter-approved spending requirements and revenue transfer requirements (including reserves), and report quarterly on compliance with adopted rules.

Prepare state revenue reports and allocations, fee certifications, and development impact fee reports using tools updated for Peoplesoft.

Percentage variance between budgeted and actual revenues. Target: 2.00%

Percentage by which actual revenues vary from mid-year estimates. Target: 1.5%

Support labor contract negotiations with all employee organizations except Police and Fire, including support developing and costing proposals, developing financial models, and supporting the City's adopted five-year financial plan by March 1, 2019, including modifications and enhancements developed with the Mayor's Budget Committee.

Support the update of the City's adopted five-year financial plan by March 1, 2019, including modifications and enhancements developed with the Mayor's Budget Committee.

General obligation bond rating (Moody's). Target: Aaa

Unreserved fund balance as a percentage of revenues. Target: 16.7%

Stabilization reserve balance as a percentage of revenues. Target: 10.00%

Percent funded, pension and retiree health liabilities. Target for pension: 90%; Target for retiree health: 3%

Refresh retiree health liability analysis by March 1st, 2019. Continue to develop and cost pension reform concepts as part of ongoing city staff pension working group.

Propose new financial policies by October 1. In FY 2018-19, develop recommended reserve policies for three departments with special revenue funds (REC, UIR, and UIR).

Develop set of key economic indicators to track and report each quarter, to monitor local economic risks, by October 2018.

Support the development of the City's Ten-Year Capital Plan, including modeling of capacity for G.O. bonds and General Fund debt and as-needed assistance to fund the plan.

Refine business and system processes for an effective submission of Annual Financial Transactions Report to State Controller's Office in January 2019, and complete the report by February 2019.

Issue Single Audit report by March 2019.

Number of audit findings with questioned costs in annual Single Audit of federal grants. Target: 4

Complete first year-end closing process in the new financial system, conduct debrief sessions to suggest system and business process changes for future year closing processes, and produce findings document by March 2019.

City receives certificate of achievement for excellence in financial reporting from Government Finance Officers Association (1 equals yes). Target: 1

Timely completion of the City's annual financial report (CAFR) for FY17-18. Target: 300 days

Maintain no material weaknesses in the City's financial statement audit. Target: 0


Identify and resolve Peoplesoft related-bank reconciliation issues with Treasurer, the City's selected banks and city departments by the end of each fiscal year-end closing process. Review bank reconciliation process following first year use of the new system, and recommend the efficiency of the process by January 2019.


Resolve and reconcile remaining data conversion issues resulting from cut-over to the new financial system. In FY18-19, complete clean-up of 100% of cash and debt entries and 30% of grant entries.

Update and refine Controller's accounting guidelines for the new Peoplesoft Financial System.

Racial Equity Action Plan

January 1, 2021 through December 31, 2023





December 31, 2020
City & County of San Francisco
Office of the Controller

Key Performance Measures

Provide High-Quality Financial Services	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Target	2022-23 Target
Number of days to complete the City's comprehensive financial report (CAFR) for the previous fiscal year	268	183	241	150	150
City receives certificate of achievement for excellence in financial reporting from Government Finance Officers Association	Yes	Yes	No	Yes	Yes
Number of findings of material weakness in annual City audit	0	0	2	0	0
Percent of payroll transactions not requiring correction	98.8%	99.3%	98.7%	99.0%	99.0%
Provide High-Quality Financial Systems	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Target	2022-23 Target
Percent of scheduled time that financial systems are available for departmental use	100%	100%	99.9%	99.9%	99.9%
Percent of scheduled time that human capital systems are available for departmental use	100%	100%	99.9%	99.9%	99.9%
Safeguard the City's Long-Term Financial Health	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Target	2022-23 Target
Percentage by which actual revenues vary from mid-year estimates	4.2%	11.1%	-3.6%	1.5%	1.5%
Percentage by which actual General Fund revenues vary from prior year revised budget estimates	5.0%	6.5%	-4.4%	2.0%	2.0%
Stabilization reserve balance as a percentage of General Fund revenues	9.2%	10.0%	10.0%	6.9%	3.5%
Ratings of the City's General Obligation Bonds from Moody's	AAA	AAA	AAA	AAA	AAA

Key Performance Measures

Ensure Government is Accountable to City Residents	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Target	2022-23 Target
Percent of audit recommendations implemented within 2 years after report issuance.	90%	92%	94%	85%	85%
Percent of auditee ratings that are good or excellent	83%	97%	69%	85%	85%
Percent of client ratings for technical assistance projects that are good or excellent	100%	N/A	N/A	95%	95%
Support Informed Policy Decisions	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Target	2022-23 Target
Percentage of OEA economic impact reports completed by the hearing date	100%	100%	100%	100%	100%
Completion rate of ballot analysis by hearing date	100%	100%	100%	100%	100%
Number of Data Academy Training Participants	1,436	1,269	0	N/A	N/A

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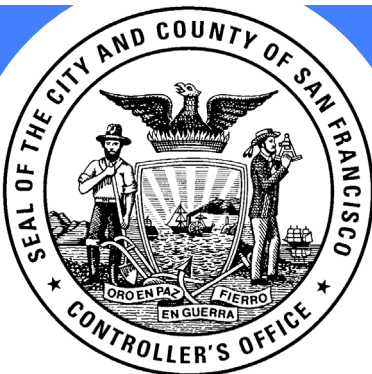
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Interested in additional information?

- 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://sfcontroller.org/home>