

***BIC Regular Meeting  
of  
December 14, 2022***

***Agenda Item 4c***

# DBI Finance Update

Building Inspection Commission – December 14, 2022

# Financial Calendar - Annual Cycle

Fiscal Year: July 1 through June 30

- Books close August – September
- City's Annual Comprehensive Financial Report published November – March

Budget Calendar

- December – February: departments create and submit a 2-year budget proposal
- February – June: Mayor's Budget Office develops the Mayor's budget
- July – August: BOS modifies the Mayor's budget and approves the final budget

# BIC Finance Reporting - What to Expect

Months	Finance Reporting
July – August	Regular update
September	Previous Fiscal Year close and new Fiscal Year budget
October – December	Regular update
January	6-Month projections
February	Next Fiscal Year department budget submission
March	Regular update
April	9-Month projections
May – June	Regular update

# Fund Balance - Overview

Revenue began to rise sharply in FY11

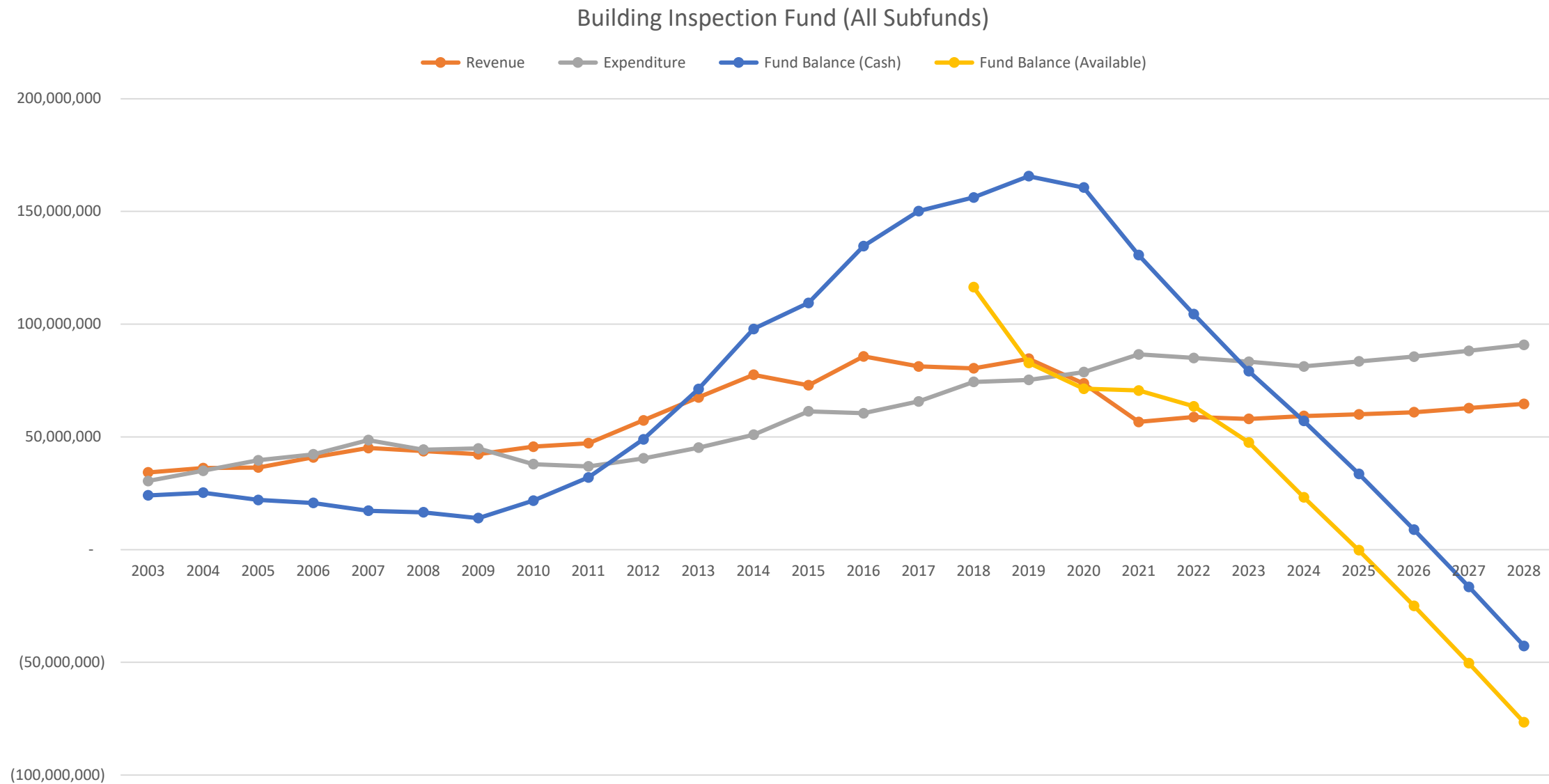
In 2020, due to the pandemic, revenue dropped \$28M (33%)

Current Position - \$95M Cash, \$48M uncommitted balance

Current Operating Deficit - \$25M per year

If no changes, cash projected to run out in FY26

# Fund Balance - Overview



# Draft Proposal – Preliminary Requests

## Revenue

- Fee study kick-off in December
- \$2.8M COVID reimbursement from General Fund

## Expenditure

- \$3.9M one-time work order reduction for Assessor's Office, SF Fire, Public Works, and Economic and Workforce Development
- \$5.2M ongoing annual Community Based Organization grants shift to other departments

Net Operating surplus expected by FY26

# December 2022 Report – Revenue

42% of the year has elapsed and fee revenue is 38% recovered

- Annualized this would result in a \$2M shortfall

Apartment license fees and interest will be received by the end of the year

There may be a surge in applications before the code change



# December 2022 Report – Revenue Table

## FY 2022-23 Revenue

Fund Group	Account Description	2022 Budget	2022 Actuals	2023 Budget	2023 YTD Actuals	YTD %	2023 Projected Operating	Projected Operating Surplus / (Deficit)
Operating	Charges for Services	41,798,097	50,683,926	49,295,163	18,818,068	38%	49,295,163	-
	Expenditure Recovery	110,069	93,647	219,693	10,372	5%	219,693	-
	Interest & Investment Income	2,500,000	675,662	1,422,127	-	0%	1,422,127	-
	Licenses, Permits,& Franchises	6,334,098	6,923,616	6,937,815	36,897	1%	6,937,815	-
	Other Revenues	-	10,678	-	4,593	100%	-	-
	Transfers In	300,000	300,000	325,000	81,250	25%	325,000	-
<b>Operating Total</b>		<b>51,042,264</b>	<b>58,687,530</b>	<b>58,199,798</b>	<b>18,951,181</b>	<b>33%</b>	<b>58,199,798</b>	<b>-</b>
Non-Operating		154,266	153,364	140,590	246,496			
<b>Revenue Total</b>		<b>51,196,530</b>	<b>58,840,894</b>	<b>58,340,388</b>	<b>19,197,677</b>			

# December 2022 Report – Expenditure

Expenditures are trending at or below budget overall

>\$2M savings expected in Non-personnel Services due to EDRT reimbursement

\$3.9M in work order reductions requested

CBO billings lower than expected, possible savings

# December 2022 Report – Expenditure Table

## FY 2022-23 Expenditure

Fund Group	Account Description	2022 Budget	2022 Actuals	2023 Budget	2023 YTD Actuals	YTD %	2023 Projected Operating	Projected Operating Surplus / (Deficit)
Operating	Salaries	35,007,069	35,006,876	37,487,568	15,202,130	41%	37,487,568	-
	Mandatory Fringe Benefits	16,173,027	16,087,978	16,403,444	6,598,222	40%	16,403,444	-
	Overhead and Allocations	1,426,525	684,273	1,087,245	-	0%	1,087,245	-
	Non-Personnel Services	6,747,736	1,935,403	7,331,529	1,041,084	14%	7,331,529	-
	Materials & Supplies	593,311	265,344	763,622	128,802	17%	763,622	-
	City Grant Program	5,730,801	4,447,841	6,490,144	523,539	8%	6,490,144	-
	Equipment	249,862	62,116	187,746	-	0%	187,746	-
	Performing Work Orders	13,534	-	16,422	-	0%	16,422	-
	Services Of Other Depts	26,013,316	22,251,184	20,990,024	4,452,192	21%	20,990,024	-
<b>Operating Total</b>		<b>91,955,181</b>	<b>80,741,016</b>	<b>90,757,744</b>	<b>27,945,970</b>	<b>31%</b>	<b>90,757,744</b>	<b>-</b>
Non-Operating		20,070,202	4,289,640	25,365,511	871,521			
Other		201,959	-	451,959	-			
<b>Expenditures Total</b>		<b>112,227,343</b>	<b>85,030,656</b>	<b>116,575,215</b>	<b>28,817,491</b>			

# December 2022 Report – Permits

YTD number of permits is 11% lower than last year

Total valuation is equal

- 555 Bryant (\$200M) has made up the difference

# December 2022 Report – Permit Table

## Year-to-date

Permit valuation	FY22 Permits	FY23 Permits	FY22 Valuation	FY23 Valuation
\$0 - 2,000	1,379	1,255	660,938	591,740
\$2,001 - 50,000	6,276	5,417	119,065,728	99,395,287
\$50,001 - 200,000	1,382	1,318	142,706,663	132,152,290
\$200,001 - 500,000	347	327	109,331,871	104,337,168
\$500,001 - 1,000,000	126	112	95,384,430	84,105,338
\$1,000,001 - 5,000,000	85	87	178,553,990	170,809,352
\$5,000,001 - 50,000,000	19	16	242,021,437	220,904,553
\$50,000,001 - 100,000,000	2	2	162,127,000	168,800,000
\$100,000,001-200,000,000	1	1	130,240,000	200,000,000
\$200,000,001+	-	-		-
<b>Grand Total</b>	<b>9,617</b>	<b>8,535</b>	<b>1,180,092,057</b>	<b>1,181,095,726</b>



**THANK YOU**