

BOARD OF APPEALS

DRAFT

Budget Presentation

FY24 & FY25

February 8 , 2023

(revised 2/6/23)

OVERVIEW

City departments must submit two-year budget proposals by February 21.

- Required by San Francisco Administrative Code Chapter 3.3

Before the submittal deadline, the Board must adopt budgets for Fiscal Years (FYs) 2023-24 & 2024-25.

This presentation provides:

- An overview of the Board's budget structure
- An update on the current year's budget (FY23)
- Recommendations for FY24 & FY25 budgets
- Budget detail for FY24 & FY25

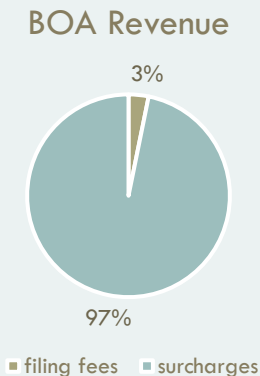
OVERVIEW — REVENUE BUDGET

Surcharges = 97% of budget

- Collected on new and renewed permits
- Rates based on percentage of cases originating from each underlying department and anticipated permit application volume
- Rates analyzed annually and adjusted if needed

Filing Fees = 3% of budget

- Collected by Board when appeals are filed
- Amount collected fluctuates based on appeal volume and types filed each year



OVERVIEW — EXPENDITURE BUDGET

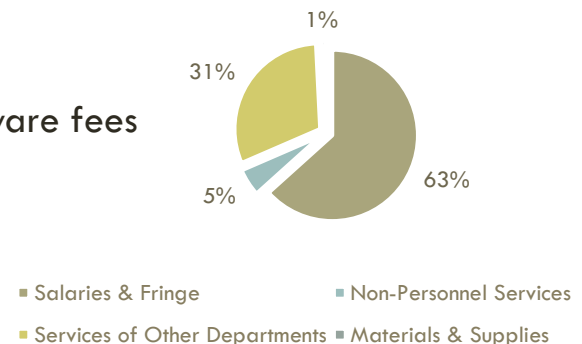
63% of the Board's expenditure budget covers salary & fringe benefit expenses.

31% of the Board's expenditure budget covers services provided by other departments e.g. City Attorney's Office, SFGOV TV, Dept. of Technology etc.

The remainder of the budget consists of:

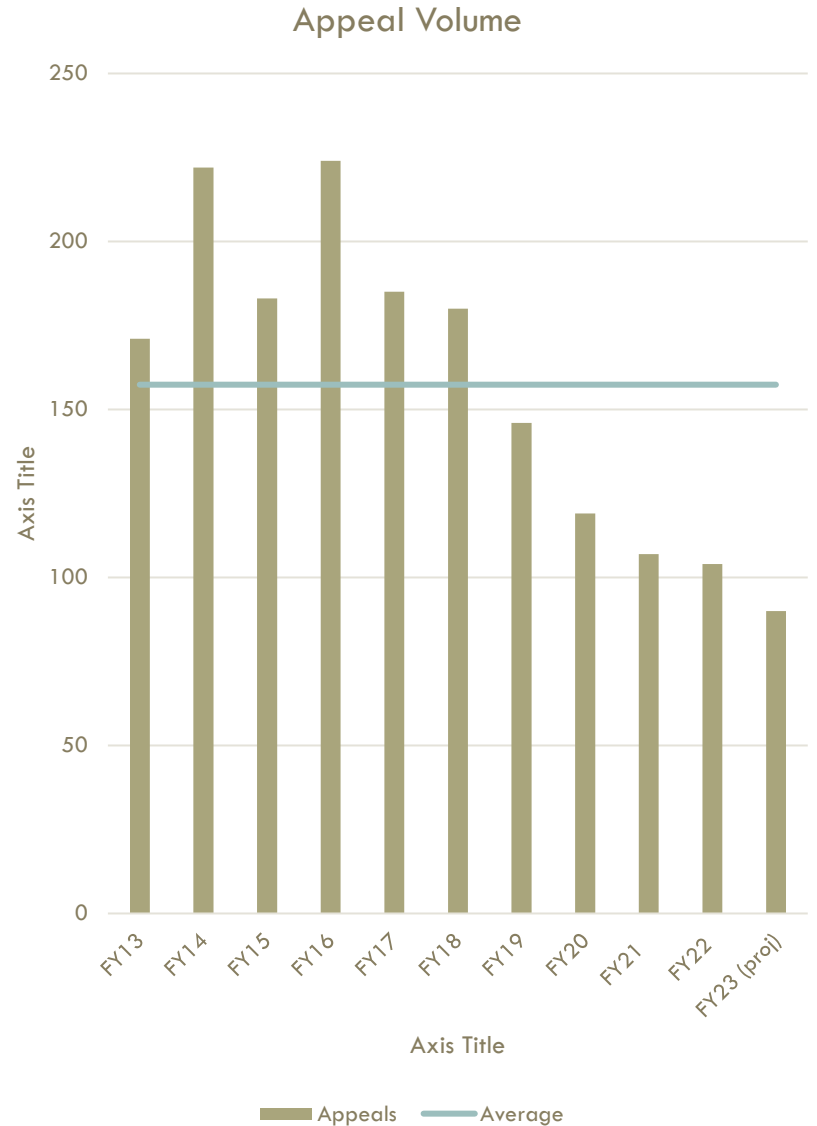
- Non-Personnel Services (5%)
 - Miscellaneous costs, interpreters, copier, parking, training, office machine rental, appeal management system & software fees
- Materials & Supplies (1%)
 - Paper & other office supplies

Current FY Budget (FY23)



CURRENT FY UPDATE YEAR-END PROJECTION — APPEALS

Projected appeal volume for FY23 (90 appeals) is 43% below the 10-year average of 157 appeals per year.



CURRENT FY UPDATE

YEAR-END PROJECTION – REVENUE

Based on six-month actuals, filing fee revenue and surcharge revenue are lower than projected.

- Projected filing fee revenue deficit ~ 43%
- Projected surcharge revenue deficit ~ 16%

REVENUE	Current FY Budget	Six Month Actuals	Year End Projection	Projected Variance
Filing Fees	35,000	9,950	19,900	(15,100)
Surcharges	1,160,116	488,630	977,260	(182,856)
Total	1,195,116	498,580	997,160	(197,956)

CURRENT FY UPDATE

YEAR-END PROJECTION – EXPENDITURES

It is expected that the Board will overspend by \$6,032, based on mid-year spending and projections.

EXPENDITURES	Current FY Budget	Six Month Actuals	Year End Projection	Projected Variance
Salaries & Fringe Benefits	756,931	369,712	739,424	(17,507)
Services of Other Departments	367,807	*175,721	**442,023	74,936
Non-Personnel Services	61,700	7,633	15,266	(46,434)
Materials & Supplies	9,398	2,217	4,434	(4,964)
Total	1,195,116	555,284	1,201,148	6,032

*The BOA was not billed for all interdepartmental services in the first half of the fiscal year.

**This projection is based on the assumption that expenditures for City Attorney fees will exceed the \$160,000 budget due to pending litigation.

CURRENT FY UPDATE

YEAR-END PROJECTION – VARIANCE

- Based on six-month revenue and expenditure information, the Board is expected to end the current fiscal year with a projected deficit of approximately -\$203,988

VARIANCE	Current FY Budget	Year End Projection	Projected Variance
Revenue	1,195,116	997,160	(197,956)
Expenditures	1,195,116	1,201,148	6,032
Variance			(203,988)

FY24 & FY25 BUDGETS

PROPOSED REVENUE

Surcharge rates are designed to generate the revenue needed to cover operating expenses in both FYs.

Rates may be adjusted if deemed insufficient to cover expenses.

- Controller may adjust by CPI.
- Legislation is required if an increase beyond CPI is needed.
- Legislation may also be warranted to change the permit types upon which surcharges are levied.
- Controller performs rate analysis after other departments submit permit data in April.

Surcharge rates will be analyzed for FY24 during this year's budget process.

FY24 & FY25 BUDGETS

PROPOSED EXPENDITURES

EXPENDITURES	CURRENT FY23	FY24	Variance From FY23	FY 25	Variance From FY24	Variance From FY23
Salary & Fringe	756,931	756,560	(371)	784,524	27,964	27,593
Non-Personnel Services	61,700	61,700	0	61,700	0	0
Materials & Supplies	9,398	9,398	0	9,398	0	0
Work Orders & Infrastructure (includes rent)	367,087	318,781	(48,306)	318,781	0	(48,306)
TOTAL	1,195,116	1,146,439	(48,677)	1,174,403	27,964	(20,713)

*SEE APPENDIX A.2 FOR EXPENDITURE DETAIL

FY24 & FY25
BUDGETS
RECOMMENDATIONS

**Work with Controller's
Office and Mayor's
Office to assess:**

- Surcharge rate changes that are warranted for FY24 taking into consideration a projection of the volume of permits being issued.

**Continue to closely
manage operating
expenses**

APPENDIX

Note: some of the figures in the attached budget detail may change as fringe benefit rates and other variables are finalized. The FY25 budget will be reconsidered during next year's budget process.

APPENDIX A.1

BUDGET DETAIL - REVENUE

REVENUE	Current FY Budget	FY24 Proposed	Variance From FY23	FY25 Proposed	Variance From FY24
FILING FEES	35,000	20,000	(15,000)	20,000	0
SURCHARGES	1,160,116	1,126,439	(33,677)	1,154,403	27,964
TOTAL REVENUE	1,195,116	1,146,439	(48,677)	1,174,403	(27,964)

**APPENDIX A.2
BUDGET DETAIL —
EXPENDITURES:
PERSONNEL AND
NON-PERSONNEL
(SEE NEXT PAGE)**

APPENDIX B.1 SURCHARGES

	Surcharge Rate FY20	Surcharge Rate FY21	Surcharge Rate FY22	Surcharge Rate FY23
Planning	\$19.00	\$20.00	\$22.50	\$37.00
DBI	\$19.00	\$20.00	\$22.50	\$37.00
DPH	\$44.50	\$46.00	\$50.50	\$45.00
SFMTA (Taxi)	\$2.00	\$2.00	\$2.00	\$2.00
SFPD	\$6.00	\$6.00	\$6.00	\$3.00
Public Works	\$6.50	\$7.00	\$9.00	\$9.00
Entertainment Commission	\$4.00	\$4.00	\$4.00	\$2.00

APPENDIX B.2

FILING FEES

DETERMINATION	FEE
ZONING ADMINISTRATOR DETERMINATION	\$600
PLANNING COMMISSION ACTION	\$600
DEPT. OF BUILDING INSPECTION ALTERATION, DEMOLITION OR OTHER PERMIT	\$175
DEPT. OF BUILDING INSPECTION RESIDENTIAL HOTEL OR APARTMENT CONVERSION PERMIT	\$525
DEPT. OF BUILDING INSPECTION IMPOSITION OF PENALTY	\$300
POLICE DEPT. & ENTERTAINMENT COMMISSION PERMIT ISSUED TO BUSINESS OWNER OR OPERATOR	\$375
POLICE DEPT. & ENTERTAINMENT COMMISSION PERMIT ISSUED TO EMPLOYEE OR CONTRACT WORKER	\$150
POLICE DEPT. & ENTERTAINMENT COMMISSION PERMIT REVOCATION OR SUSPENSION	\$375
SAN FRANCISCO PUBLIC WORKS TREE REMOVAL PERMIT ISSUED TO CITY	\$100
OTHER ORDER OR DECISION: TAXI, TOBACCO, MASSAGE, TREE REMOVAL, FOOD TRUCK, ETC.	\$300
REHEARING REQUEST & JURISDICTION REQUEST	\$150