



# OFFICE OF THE CONTROLLER

## CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield  
Controller

Todd Rydstrom  
Deputy Controller

## 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**:
    - Dial 415-655-0001 and use access code 248 087 08278, 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://sf.gov/contact-us>*

# Controller's Office

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

### Public Access, Input & Materials

2/14/2023 Online Meeting, WebEx Link:

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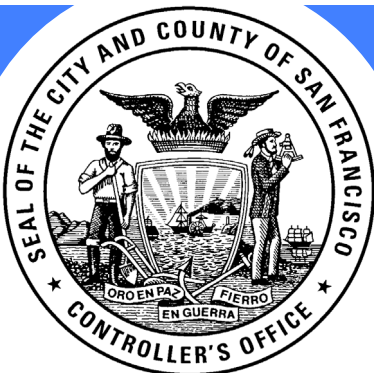
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Controller's Office Proposed Budget Information is located at: <https://sfcontroller.org/about-controller%E2%80%99s-office>



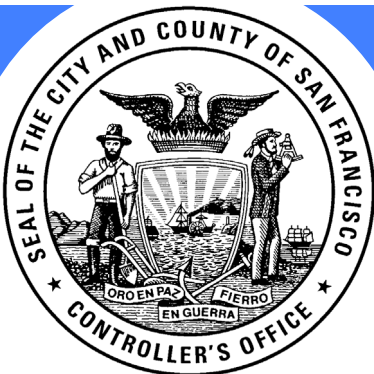
**CITY & COUNTY OF SAN FRANCISCO**

Office of the Controller

February 14, 2023

# Proposed Budget

## FY 2023-24 and 2024-25



**CITY & COUNTY OF SAN FRANCISCO**

Office of the Controller

February 14, 2023

# Mission and Key Strategic Goals

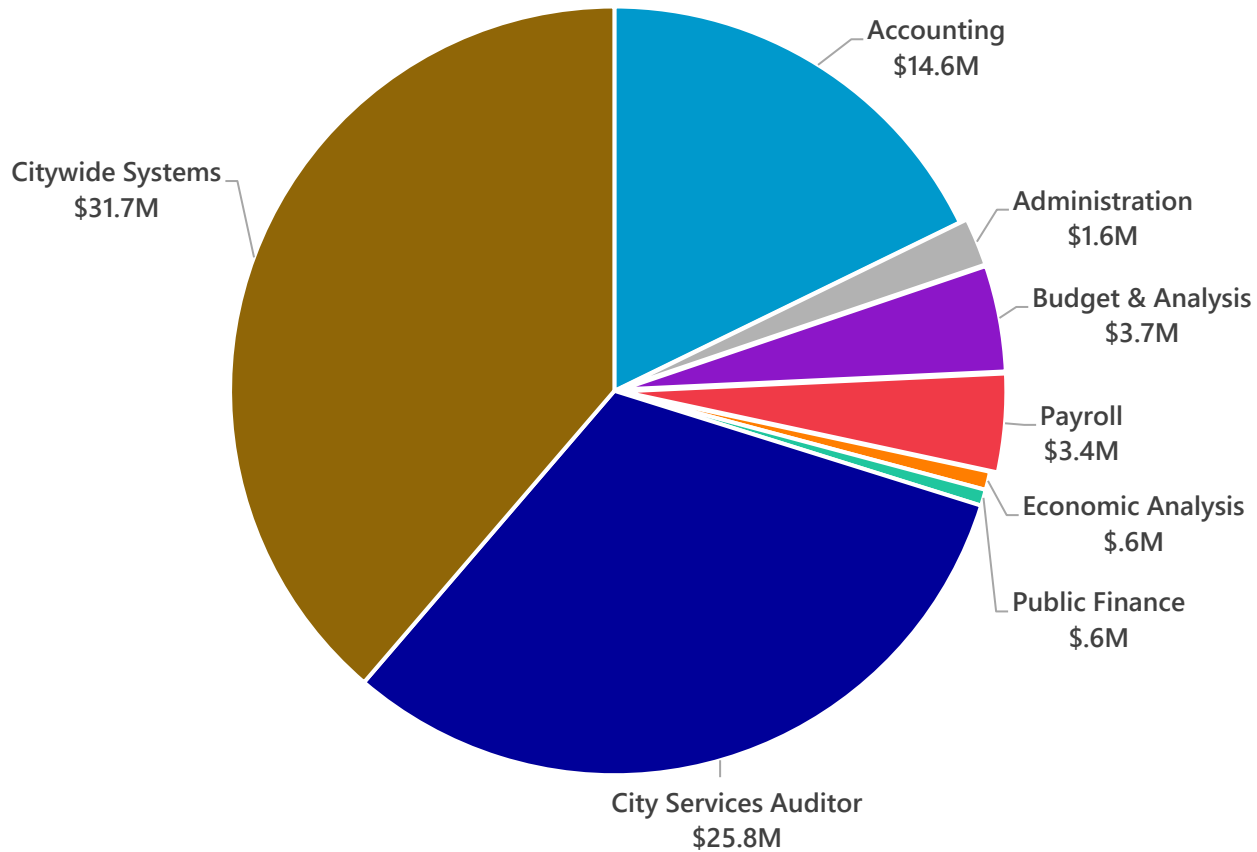
## Our Mission:

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

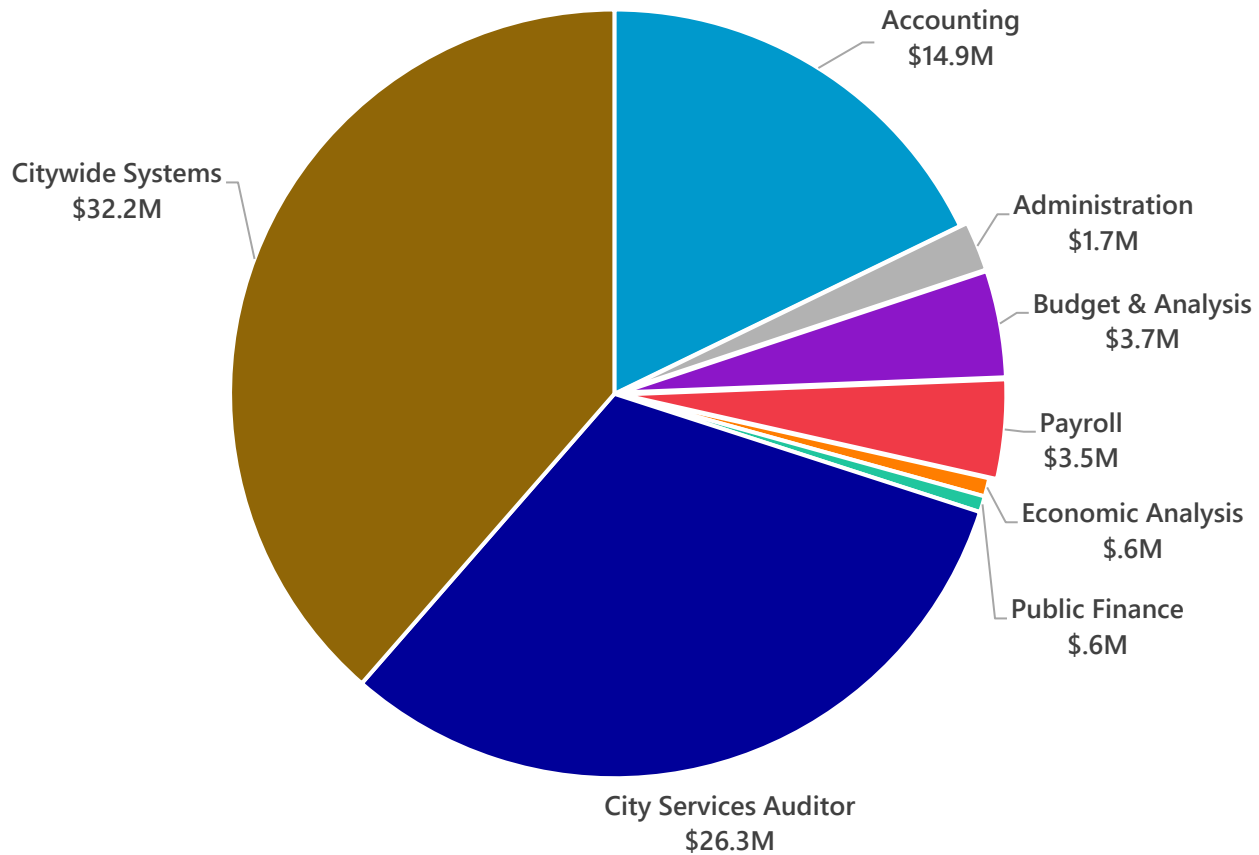
## Our Key Strategic Goals:

- 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



## FY 2024-25 Base Budget by Division \$83.5M



## Controller's Office Budget Snapshot

	FY 2022-23 Approved	FY 2023-24 Base	FY 2024-25 Base
Total Budget	\$81.7M	\$81.9M	\$83.5M
General Fund Support	\$11.8M	\$12.6M	\$14.2M
AAO Funded Positions (FTEs)	266	267	267
Off-Budget Positions (FTEs)	59	61	61
Base Attrition Savings (FTEs)	-26.4	-24.5	-24.6
Base Attrition Savings (\$)	-\$4.6M	-\$4.3M	-\$4.2M

## Controller's Office Budget Comparison

	Budget Amount
FY 2022-23 Approved	\$81.7M
FY 2023-24 Base	81.9M
FY 2023-24 Base Budget Increase	0.2M
Salary & Fringe	1.3M
Professional Services	(0.2M)
Services from Other Depts	0.3M
Programmatic Projects – FAST & CSA	(1.2M)



## Budget Changes and Balancing (\$ in millions)

General Fund Support (GFS)	FY 2022-23	FY 2023-24	FY 2024-25
GFS Approved	11.8		
GFS Base		12.6	14.2
GFS Baseline Target		12.0	13.2
GFS Change		(0.6)	(1.0)

### 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

**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 financial data.
- ❑ 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**





Performance Plans

**FY18-19 Performance Plan**

Home

**new item**

FY18-19 All Division - Accounting Division - Admin

Find an item

✓ Edit Measure

**Goal 1: Promote best practices and accountability in City government (36)**

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

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

- 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 Office.
- 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: 10.0%
- 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 capital projects.

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

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

<b>Provide High-Quality Financial Services</b>	<b>2018-19 Actual</b>	<b>2019-20 Actual</b>	<b>2020-21 Actual</b>	<b>2021-22 Actual</b>	<b>2022-23 Projected</b>	<b>2023-24 Target</b>
Number of days to complete the City's Annual Comprehensive Financial Report (ACFR) for the previous fiscal year	268	183	241	217	150	150
City receives certificate of achievement for excellence in financial reporting from Government Finance Officers Association	Yes	Yes	Yes	Yes	Yes	Yes
Number of findings of material weakness in annual City audit	0	0	2	0	0	0
Percent of payroll transactions not requiring correction	98.8%	99.3%	98.7%	98.2%	98.8%	99.0%
<b>Provide High-Quality Financial Systems</b>	<b>2018-19 Actual</b>	<b>2019-20 Actual</b>	<b>2020-21 Actual</b>	<b>2021-22 Actual</b>	<b>2022-23 Projected</b>	<b>2023-24 Target</b>
Percent of scheduled time that financial systems are available for departmental use	100%	100%	99.9%	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%	99.9%
<b>Safeguard the City's Long-Term Financial Health</b>	<b>2018-19 Actual</b>	<b>2019-20 Actual</b>	<b>2020-21 Actual</b>	<b>2021-22 Actual</b>	<b>2022-23 Projected</b>	<b>2023-24 Target</b>
Percentage by which actual revenues vary from mid-year estimates	4.2%	11.1%	-3.6%	0.5%	1.5%	1.5%
Percentage by which actual General Fund revenues vary from prior year revised budget estimates	5.0%	6.5%	-4.4%	1.8%	5.6%	2.0%
Stabilization reserve balance as a percentage of General Fund revenues	9.2%	10.0%	10.0%	6.7%	6.5%	6.5%
Ratings of the City's General Obligation Bonds from Moody's	Aaa	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 Actual	2022-23 Projected	2023-24 Target
Percent of audit recommendations implemented within 2 years after report issuance.	90%	92%	94%	95%	90%	85%
Percent of auditee ratings that are good or excellent	83%	97%	69%	94%	90%	85%
Percent of client ratings for technical assistance projects that are good or excellent	100%	N/A	N/A	100%	100%	95%
Support Informed Policy Decisions	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Projected	2023-24 Target
Percentage of OEA economic impact reports completed by the hearing date	100%	100%	100%	100%	100%	100%
Completion rate of ballot analysis by hearing date	100%	100%	100%	100%	100%	100%
Number of Data Academy Training Participants	1,436	1,269	N/A	72	300	N/A



# Controller's Office

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

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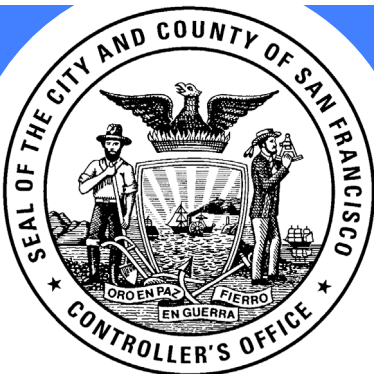
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## Interested in additional information?

- 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://sf.gov/departments/controllers-office>