



BOARD OF APPEALS

Budget Presentation
FY25 & FY26
February 7, 2024



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) 2024-25 & 2025-26.

This presentation provides:

- An overview of the Board's budget structure
- An update on the current year's budget (FY24)
- Recommendations for FY25 & FY26 budgets
- Budget detail for FY25 & FY26



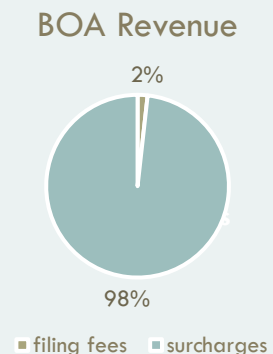
OVERVIEW — REVENUE BUDGET

Surcharges = 98% 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 = 2% of budget

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





OVERVIEW — EXPENDITURE BUDGET

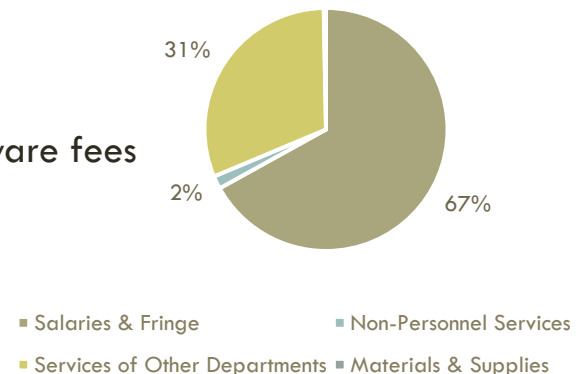
67% of the Board's expenditure budget covers salary & fringe benefit expenses.

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

The remainder of the budget consists of:

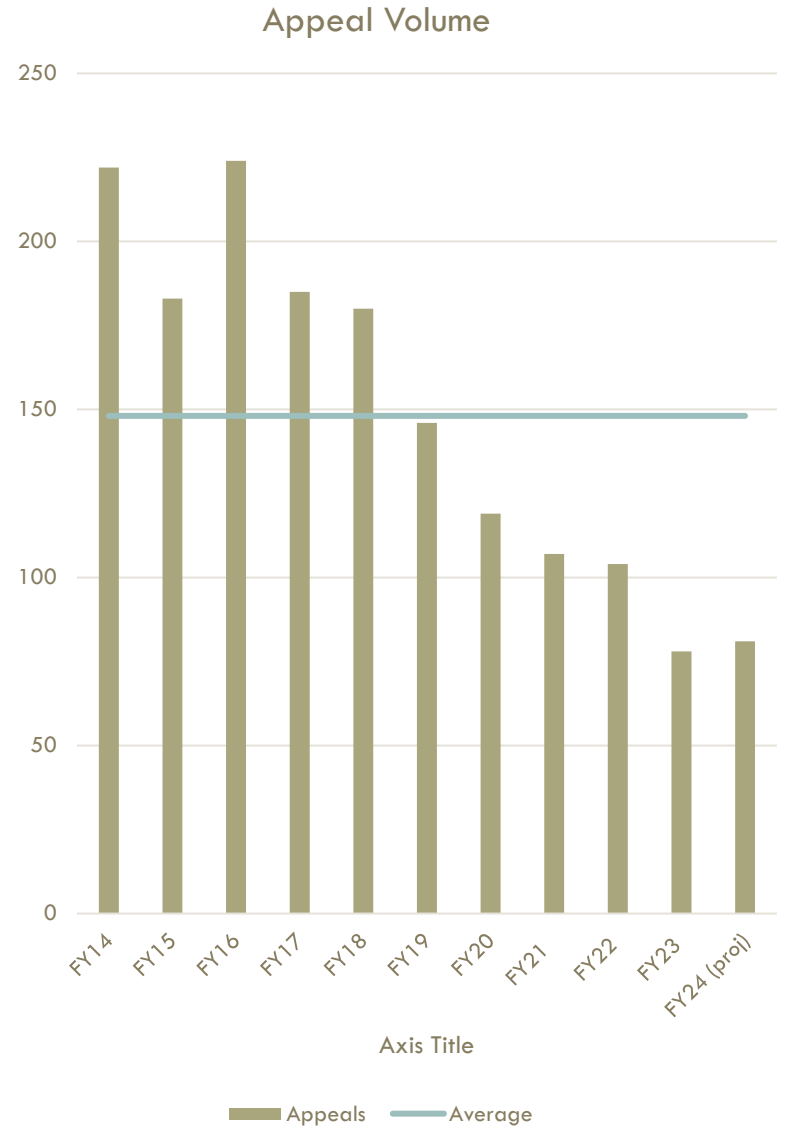
- Non-Personnel Services/Materials & Supplies (2%)
 - Miscellaneous costs, interpreters, copier, parking, training, office machine rental, appeal management system & software fees

Current FY Budget (FY24)



CURRENT FY UPDATE YEAR-END PROJECTION — APPEALS

Projected appeal volume for FY24 (81 appeals) is 45% below the 10-year average of 148 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 ~ 47%
- Projected surcharge revenue deficit ~ 11%
- AB1114, effective 1/1/24, does not allow permits that add housing units to be appealed to the BOA. This will result in less revenue than projected for FY24.

REVENUE	Current FY Budget	Six Month Actuals	Year End Projection	Projected Variance
Filing Fees	20,000	5,330	10,660	(9,340)
Surcharges	1,112,059	560,444	992,533	(119,526)
Total	1,132,059	565,774	1,003,193	(128,866)



CURRENT FY UPDATE

YEAR-END PROJECTION — EXPENDITURES

It is expected that the Board will have a savings of \$36,423 based on mid-year spending and projections.

EXPENDITURES	Current FY Budget	Six Month Actuals	Year End Projection	Projected Variance
Salaries & Fringe Benefits	758,588	321,649	*684,526	74,062
Services of Other Departments	354,626	**120,659	***396,626	(42,000)
Non-Personnel Services	21,700	11,876	23,752	(2,052)
Materials & Supplies	8,123	855	1,710	6,413
Total	1,143,037	455,039	1,106,614	36,423

*Includes a back payment to a former employee as part of a settlement agreement.

**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 \$130,000 budget due to fees related to litigation that was resolved in 2023.



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 -\$92,443.

VARIANCE	Current FY Budget	Year End Projection	Projected Variance
Revenue	1,132,059	1,003,193	(128,866)
Expenditures	1,143,037	1,106,614	36,423
Variance			(92,443)



FY25 & FY26 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 FY25 during this year's budget process.



FY25 & FY26 BUDGETS

PROPOSED EXPENDITURES

EXPENDITURES	CURRENT FY24	FY25	Variance From FY24	FY 26	Variance From FY25	Variance From FY24
Salary & Fringe	765,313	776,201	10,888	804,420	28,165	39,053
Non-Personnel Services	19,700	32,501	12,801	45,000	12,499	25,300
Materials & Supplies	3,398	9,558	6,160	9,558	0	6,160
Work Orders & Infrastructure (includes rent)	354,626	377,312	22,686	377,312	22,686	22,686
TOTAL	1,143,037	1,195,572	52,535	1,236,290	40,718	93,253

*SEE APPENDIX A.2 FOR EXPENDITURE DETAIL



FY25 & FY26
BUDGETS
RECOMMENDATIONS

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

- Surcharge rate changes that are warranted for FY25 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 FY26 budget will be reconsidered during next year's budget process.

APPENDIX A.1

BUDGET DETAIL - REVENUE

REVENUE	Current FY Budget	FY25 Proposed	Variance From FY24	FY26 Proposed	Variance From FY25
FILING FEES	20,000	10,000	(10,000)	10,000	0
SURCHARGES	1,112,059	1,185,572	73,513	1,226,290	40,718
TOTAL REVENUE	1,132,059	1,195,572	63,513	1,236,290	40,718

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

Account Lvl 2	Account Lvl 5 Title	Account	Account Title	Values		
				Sum of FY 2023-24 Original	Sum of FY 2024-25 Department	Sum of FY 2025-26 Department
Revenue	4600C4Svcs	460124	Permit Application Filing Fees	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
		460126	Board Of Appeals Surcharge	\$ 1,112,059.00	\$ 1,185,572.00	\$ 1,226,290.00
	4600C4Svcs Total			\$ 1,132,059.00	\$ 1,195,572.00	\$ 1,236,290.00
Revenue Total				\$ 1,132,059.00	\$ 1,195,572.00	\$ 1,236,290.00
Expenditure	5010Salary	501010	Perm Salaries-Misc-Regular	\$ 489,678.00	\$ 500,815.00	\$ 520,173.00
		505010	Temp Misc Regular Salaries	\$ 1,000.00	\$ 1,004.00	\$ 1,004.00
		509010	Premium Pay - Misc	\$ 2,704.00	\$ 2,704.00	\$ 2,704.00
511010		Overtime - Scheduled Misc	\$ 8,323.00	\$ 9,501.00	\$ 9,501.00	
501000		Perm Salaries-Misc-Budget	\$ -	\$ -	\$ -	
5010Salary Total			\$ 501,705.00	\$ 514,024.00	\$ 533,382.00	
5130Fringe	513010	Retire City Misc	\$ 73,686.00	\$ 70,521.00	\$ 69,421.00	
	514010	Social Security (OASDI & HI)	\$ 29,032.00	\$ 29,791.00	\$ 31,251.00	
	514020	Social Sec-Medicare(HI Only)	\$ 7,273.00	\$ 7,454.00	\$ 7,735.00	
	515010	Health Service-City Match	\$ 22,724.00	\$ 21,416.00	\$ 22,915.00	
	515020	Retiree Health-Match-Prop B	\$ 3,026.00	\$ 3,579.00	\$ 3,716.00	
	515030	RetireeHlthCare-CityMatchPropC	\$ 1,856.00	\$ 1,429.00	\$ 1,483.00	
	515510	Health Service-Admin Cost	\$ 2,008.00	\$ 2,017.00	\$ 2,017.00	
	515610	Health Service-Retiree Subsidy	\$ 30,624.00	\$ 32,369.00	\$ 34,822.00	
	515710	Dependent Coverage	\$ 45,823.00	\$ 49,899.00	\$ 53,392.00	
	516010	Dental Coverage	\$ 4,909.00	\$ 4,375.00	\$ 4,520.00	
	519110	Flexible Benefit Package	\$ 5,051.00	\$ 5,627.00	\$ 6,021.00	
	519120	Long Term Disability Insurance	\$ 1,129.00	\$ 1,152.00	\$ 1,197.00	
	519010	Fringe Adjustments-Budget	\$ -	\$ -	\$ -	
519990	Other Fringe Benefits	\$ 36,467.00	\$ 32,548.00	\$ 32,548.00		
5130Fringe Total			\$ 263,608.00	\$ 262,177.00	\$ 271,038.00	
5210NPSvcs	522000	Training - Budget	\$ 5,000.00	\$ 4,500.00	\$ 4,500.00	
	527000	Prof & Specialized Svcs-Bdgt	\$ 8,000.00	\$ 21,301.00	\$ 33,800.00	
	531310	Office Machine Rental	\$ 5,700.00	\$ 5,700.00	\$ 5,700.00	
	535000	Other Current Expenses - Bdgt	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	
5210NPSvcs Total			\$ 19,700.00	\$ 32,501.00	\$ 45,000.00	
5400Mat&Su	549210	Data Processing Supplies	\$ 830.00	\$ 747.00	\$ 747.00	
	549510	Other Office Supplies	\$ 1,939.00	\$ 1,745.00	\$ 1,745.00	
	549990	Other Materials & Supplies	\$ 629.00	\$ 566.00	\$ 566.00	
	546990	Food	\$ -	\$ 6,500.00	\$ 6,500.00	
5400Mat&Su Total			\$ 3,398.00	\$ 9,558.00	\$ 9,558.00	
5810OthDep	581015	Human Resources Modernization	\$ 451.00	\$ 378.00	\$ 378.00	
	581016	Diversity Equity Inclusion	\$ 100.00	\$ 103.00	\$ 103.00	
	581083	ADM-Real Estate 49 SVN Rent	\$ 84,648.00	\$ 83,273.00	\$ 83,273.00	
	581140	DT Technology Projects	\$ 6,587.00	\$ 6,587.00	\$ 6,587.00	
	581180	GF-Con-Fast Team	\$ 26,208.00	\$ 26,208.00	\$ 26,208.00	
	581210	DT Technology Infrastructure	\$ 10,828.00	\$ 11,699.00	\$ 11,699.00	
	581270	GF-City Attorney-Legal Service	\$ 130,000.00	\$ 175,000.00	\$ 175,000.00	
	581280	DT SFGov TV Services	\$ 88,489.00	\$ 66,735.00	\$ 66,735.00	
	581325	DT Enterprise Tech Contracts	\$ 3,997.00	\$ 3,997.00	\$ 3,997.00	
	581360	DT Telecommunications Services	\$ 669.00	\$ 669.00	\$ 669.00	
	581430	GF-HR-Equal Employmnt Opportuni	\$ 1,649.00	\$ 1,663.00	\$ 1,663.00	
	581820	Is-Purch-Reproduction	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	
	5810OthDep Total			\$ 354,626.00	\$ 377,312.00	\$ 377,312.00
Expenditure Total				\$ 1,143,037.00	\$ 1,195,572.00	\$ 1,236,290.00
Grand Total				\$ 2,275,096.00	\$ 2,391,144.00	\$ 2,472,580.00

APPENDIX B.1 SURCHARGES

	Surcharge Rate FY21	Surcharge Rate FY22	Surcharge Rate FY23	Surcharge Rate FY24
Planning	\$20.00	\$22.50	\$37.00	\$39.00
DBI	\$20.00	\$22.50	\$37.00	\$39.00
DPH	\$46.00	\$50.50	\$45.00	\$48.00
SFPD	\$6.00	\$6.00	\$3.00	\$3.00
Public Works	\$7.00	\$9.00	\$9.00	\$10.00
Entertainment Commission	\$4.00	\$4.00	\$2.00	\$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