File # 190619, 190620
Received in Committee
6/12/19

Proposed Budget Overview

FY 2019-20 and 2020-21

CITY & COUNTY OF SAN FRANCISCO

Office of the Controller

June 2019

Mission and Key Strategic Goals

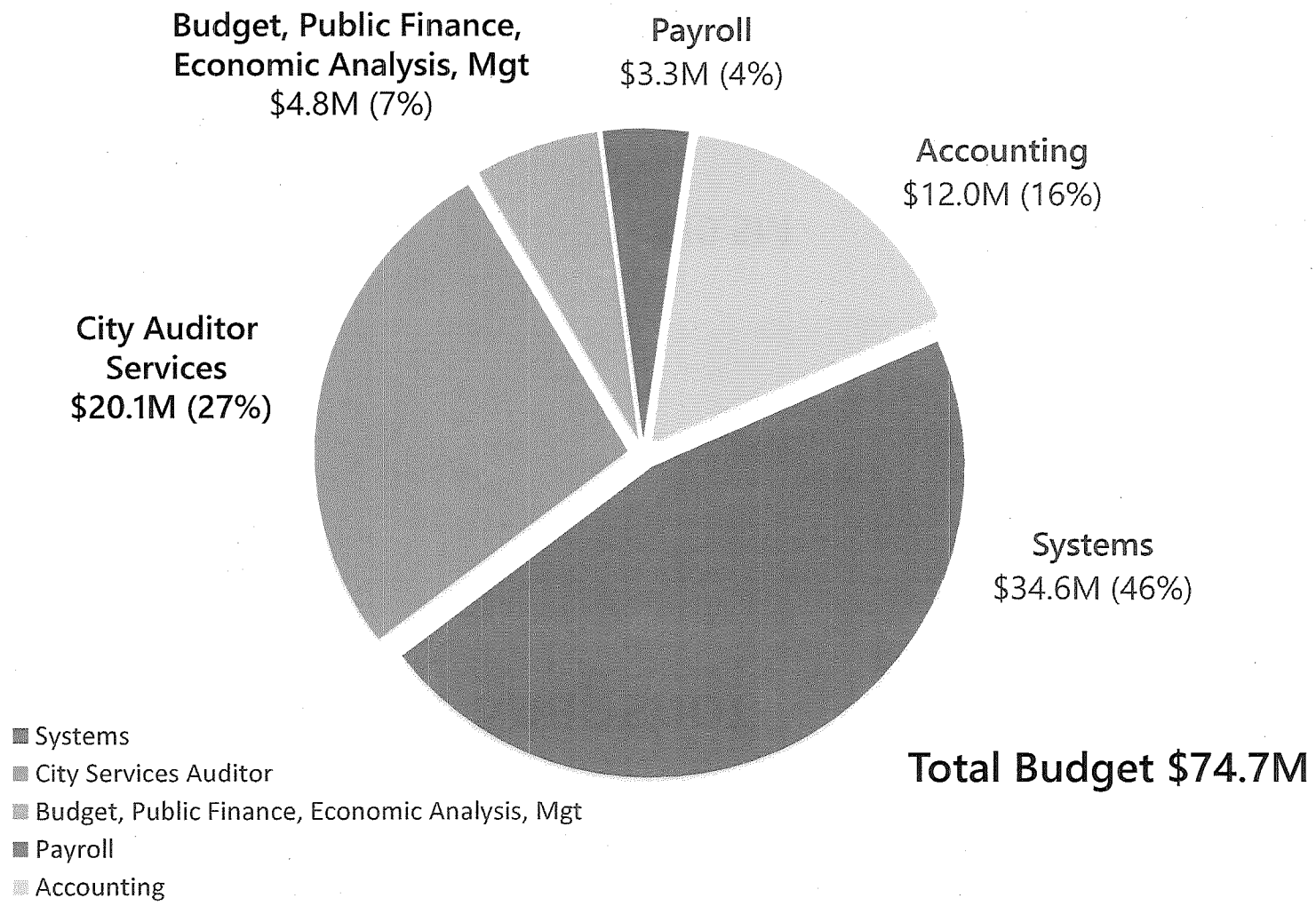
Our Mission:

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 to Useful and Timely Information
- Invest and Value our Employees
- Manage the Controller's Office Effectively

Proposed FY 2019-20 Budget



Total Budget $74.7M

Proposed Budget Snapshot

	FY 2018-19	FY 2019-20	FY 2020-21
Total Budget	$67.8M	$74.7M +$6.9M	$77.1M +$2.4M
General Fund Support	$10.5M	$12.4M +$1.8M	$13.1M +$0.7M
Funded Positions (FTEs)	251	250	250

Key Projects

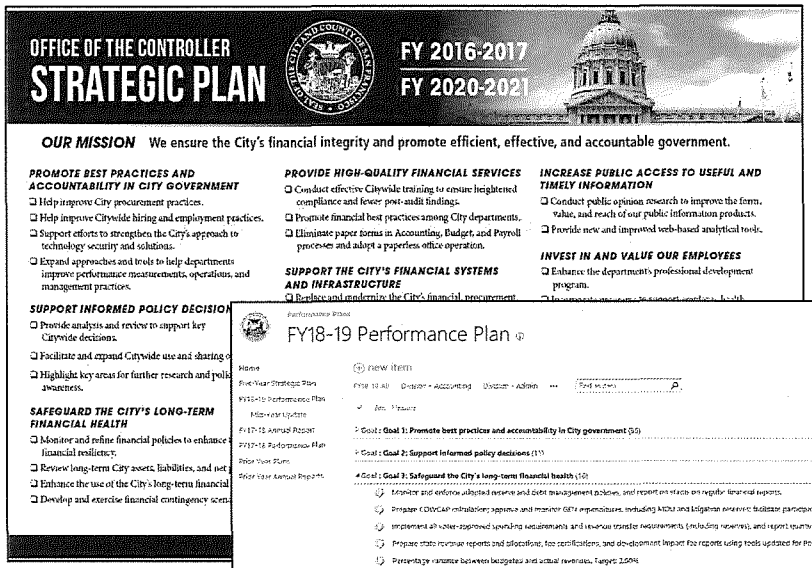
Replacement of the City's budget & performance system

- Current system implemented in 2008, is no longer supported by vendor, and suffers from increasing stability problems.
- $1.9M for first year of two year replacement project ($1.0M General Fund).

Other system projects

- Investment to integrate with DHR's planned hiring modernization system.
- Other smaller projects to enhance use and adoption of citywide payroll, benefits, procurement, and financial systems. Requests by users for multiple enhancements to provide greater functionality.
- $3.2M total investment ($1.8M General Fund).

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 DECISION

- ❑ Provide analysis and review to support key Citywide decisions.
- ❑ Facilitate and expand Citywide use and sharing
- ❑ Highlight key areas for further research and poli awareness.

SAFEGUARD THE CITY'S LONG-TERM FINANCIAL HEALTH

- ❑ Monitor and refine financial policies to enhance financial resiliency.
- ❑ Review long-term City assets, liabilities, and net
- ❑ Enhance the use of the City's long-term financial
- ❑ Develop and exercise financial contingency scen

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

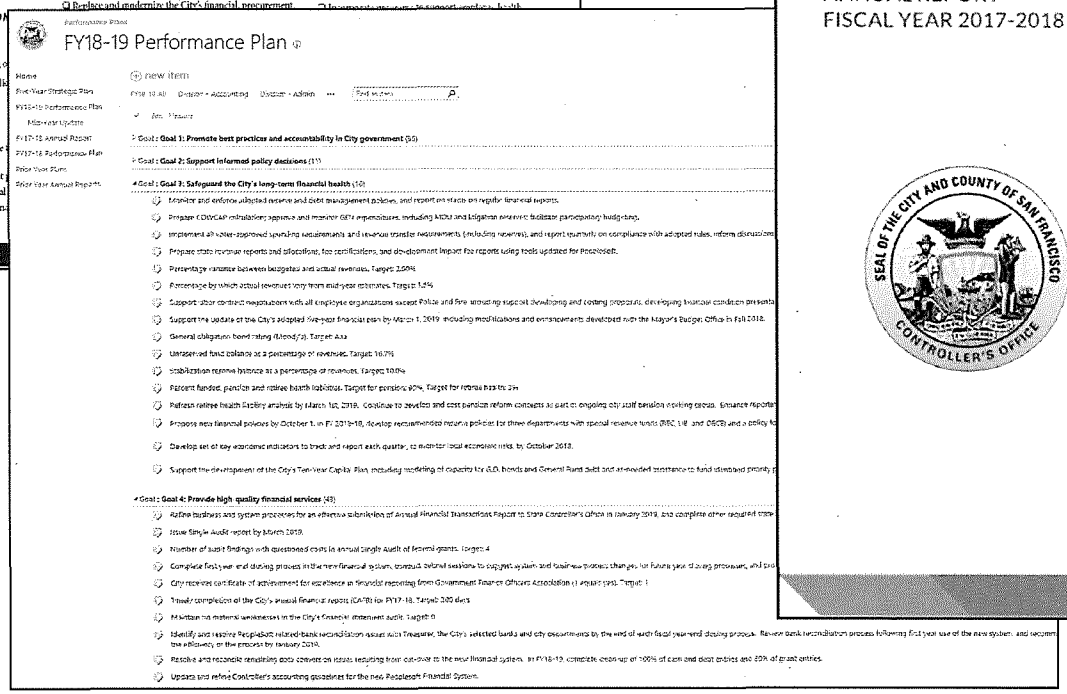
- ❑ Replace and modernize the City's financial, procurement

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.



Performance Plans

FY18-19 Performance Plan

new item

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

Goal : Goal 1: Promote best practices and accountability in City government (10)

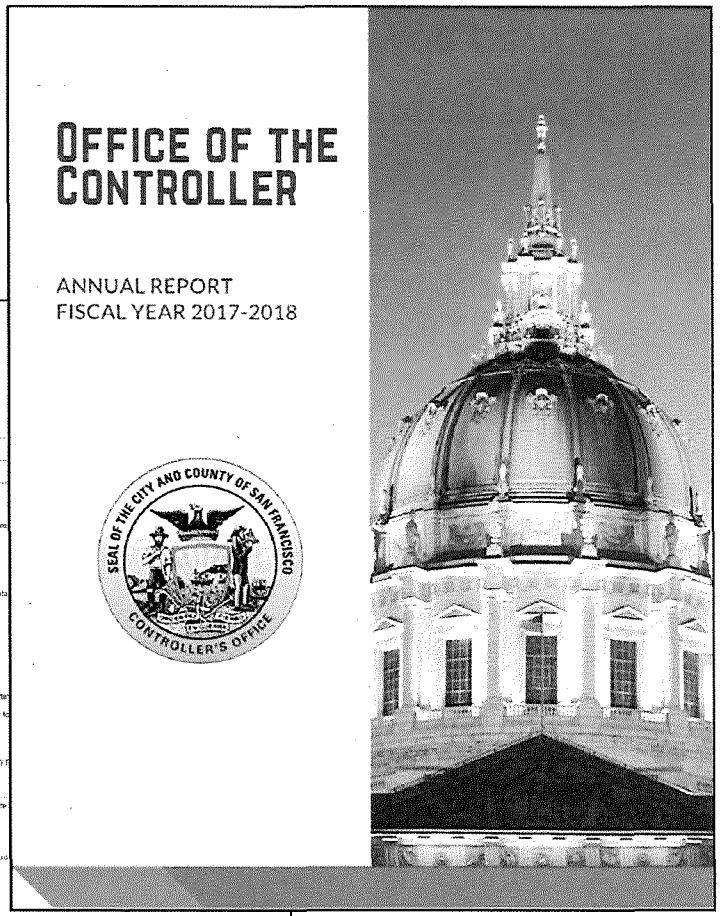
Goal : Goal 2: Support informed policy decisions (11)

Goal : Goal 3: Safeguard the City's long-term financial health (10)

- Monitor and enforce adopted reserve and debt management policies, and report on status on regular financial reports.
- Prepare CityCAP estimates; approve and monitor GFS 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, inform discussion
- Prepare state revenue reports and allocations, fee certifications, and development impact fee reports using tools updated for Projectsoft.
- Percentage variance between budgeted and actual revenues. Target: 2.50%
- 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 unions by supplying special costing and costing proposals, developing financial condition presenta
- 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 Office in Fall 2018.
- 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: 80%. Target for retiree health: 2%
- Perform retiree health liability analysis by March 1st, 2019. Continue to develop and cost pension reform concepts as part of ongoing city staff pension working groups. Enhance reporti
- Propose new financial policies by October 1, in FY 2018-19, develop recommended reserve policies for three departments with special revenue funds (REC, LIB, and DSCB) and a policy fo
- 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 GO bonds and General Fund debt and recommended assistance to fund stimulated priority p

Goal : Goal 4: Provide high quality financial services (48)

- Refine business and system processes for an effective submission of Annual Financial Transactions Report to State Controller's Office in January 2019, and complete other required state
- Issue Single Audit report by March 2019.
- Number of audit findings with questioned costs in annual Single Audit of federal grants. Target: 4
- Complete fiscal year end closing process in the new financial system, conduct debrief sessions to suggest system and business changes for future year closing processes, and prep
- 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 recomm the efficiency of the process by January 2019.
- Resolve and reconcile remaining data clean-up issues resulting from cut-over to the new financial system. In FY18-19, complete clean-up of 100% of cash and debt entries and 85% of grant entries.
- Update and refine Controller's accounting guidelines for the new PeopleSoft Financial System.



OFFICE OF THE CONTROLLER

ANNUAL REPORT
FISCAL YEAR 2017-2018

SEAL OF THE CITY AND COUNTY OF SAN FRANCISCO
CONTROLLER'S OFFICE

Key Performance Measures

	2017-2018 Actual	2018-2019 Target	2018-2019 Projected	2019-2020 Target	2020-2021 Target
Ensure Government is Accountable to City Residents					
• Percent of audit recommendations implemented within 2 years after report issuance.	98%	85%	90%	85%	85%
• Percent of auditee ratings that are good or excellent	89%	85%	90%	85%	85%
• Percent of client ratings for technical assistance projects that are good or excellent	100%	95%	100%	95%	95%
Increase Access to Useful & Timely Information					
• Number of days to complete the City's CAFR for the previous fiscal year	214	300	269	150	150
Provide High-Quality Financial Services & Systems					
• City receives certificate of achievement for excellence in financial reporting from Government Finance Officers Association (1 equals yes)	1	1	1	1	1
• Number of findings of material weakness in annual City audit	0	0	0	0	0
• Percent of payroll transactions not requiring correction	98.66%	98.75%	98.75%	99.00%	99.00%
• Percent of scheduled time that financial systems are available for departmental use	99.60%	99.90%	100.00%	99.90%	99.90%
• Percent of scheduled time that human capital systems are available for departmental use	99.90%	99.90%	100.00%	99.90%	99.90%

Key Performance Measures

	2017-2018 Actual	2018-2019 Target	2018-2019 Projected	2019-2020 Target	2020-2021 Target
Safeguard the City's Long-Term Financial Health					
• Percent of 16 major departments that have been trained this year on cost recovery policies and procedures and related topics	88%	100%	100%	100%	100%
• Percentage by which actual General Fund revenues vary from prior year revised budget estimates	2.67%	2.00%	5.00%	2.00%	2.00%
• Percentage by which actual revenues vary from mid-year estimates	2.67%	1.50%	4.18%	1.50%	1.50%
• Ratings of the City's General Obligation Bonds from Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
• Stabilization reserve balance as a percentage of General Fund revenues	* 8.8%	10.0%	10.0%	10.0%	10.0%
Support Informed Policy Decisions					
• Completion rate of ballot analysis by hearing date	100%	100%	100%	100%	100%
• Number of Data Academy Training Participants	1,096	1,100	1,500	1,100	1,100
• Percentage of OEA economic impact reports completed by the hearing date	83%	100%	100%	100%	100%

Any questions?