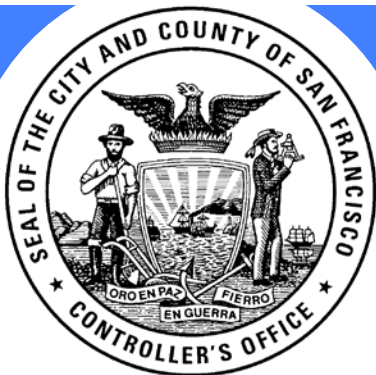


Controller's Office Proposed Budget FY 2023-24 and 2024-25



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller

June 14, 2023

Mission and Key Strategic Goals

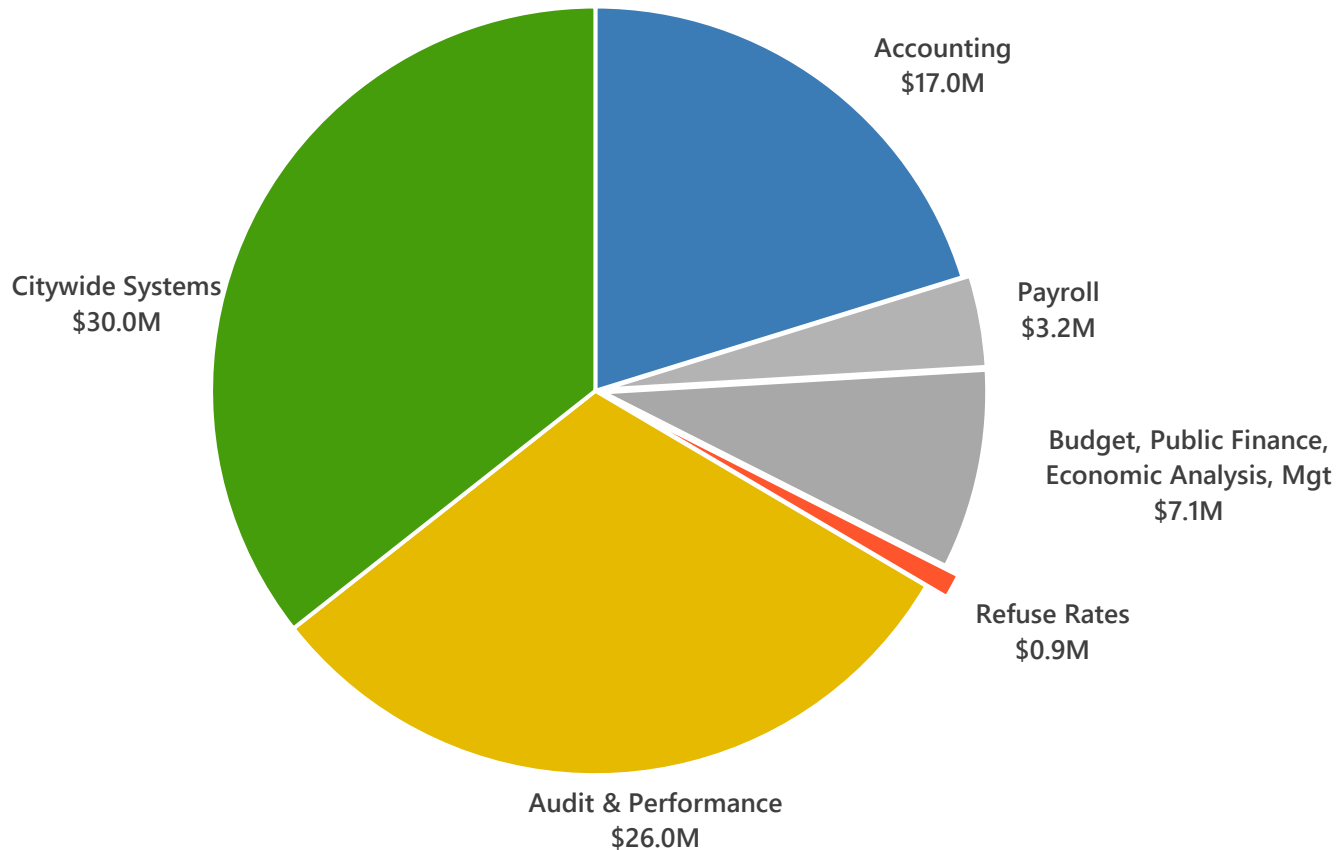
Our Mission:

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

Our Strategic Goals:

- Promote best practices and accountability in city government
- Provide high-quality financial services, systems, and infrastructure
- Support informed policy decisions & access to useful information
- Safeguard the City's long-term financial health
- Invest in our employees & manage the department effectively

Proposed FY 2023-24 Budget



Total Budget \$84.2M

Controller's Office Budget Snapshot

	FY 2022-23 Approved	FY 2023-24 Proposed	FY 2024-25 Proposed
Total Budget	\$81.7M	\$84.2M +\$2.5M	\$84.4M +\$0.2M
General Fund Support	\$11.8M	\$12.6M +\$0.8M	\$10.7M -\$1.9M
Net Operating Positions (FTEs)	249	251	252

Meeting Budget Targets – Major Changes

Space downsizing given remote work (\$1.1M)

- Consolidate into City Hall space; eliminate leased space

Other non-staff reductions (\$0.7M)

- Reduce services relied on from other departments (Technology, others)

Seek non-general fund recoveries and revenues (\$2.7M)

- Increased paid support for accounting services & other non-GF revenues

Project close-outs (\$5.1M)

- To offset formula-driven work-order allocation shifts

Summary of Our Challenges & Goals

Recovering from the emergency & getting back to our core functions

- Re-staffing the department
- Restarting paused programs
- Supporting our staff & the City's financial professionals

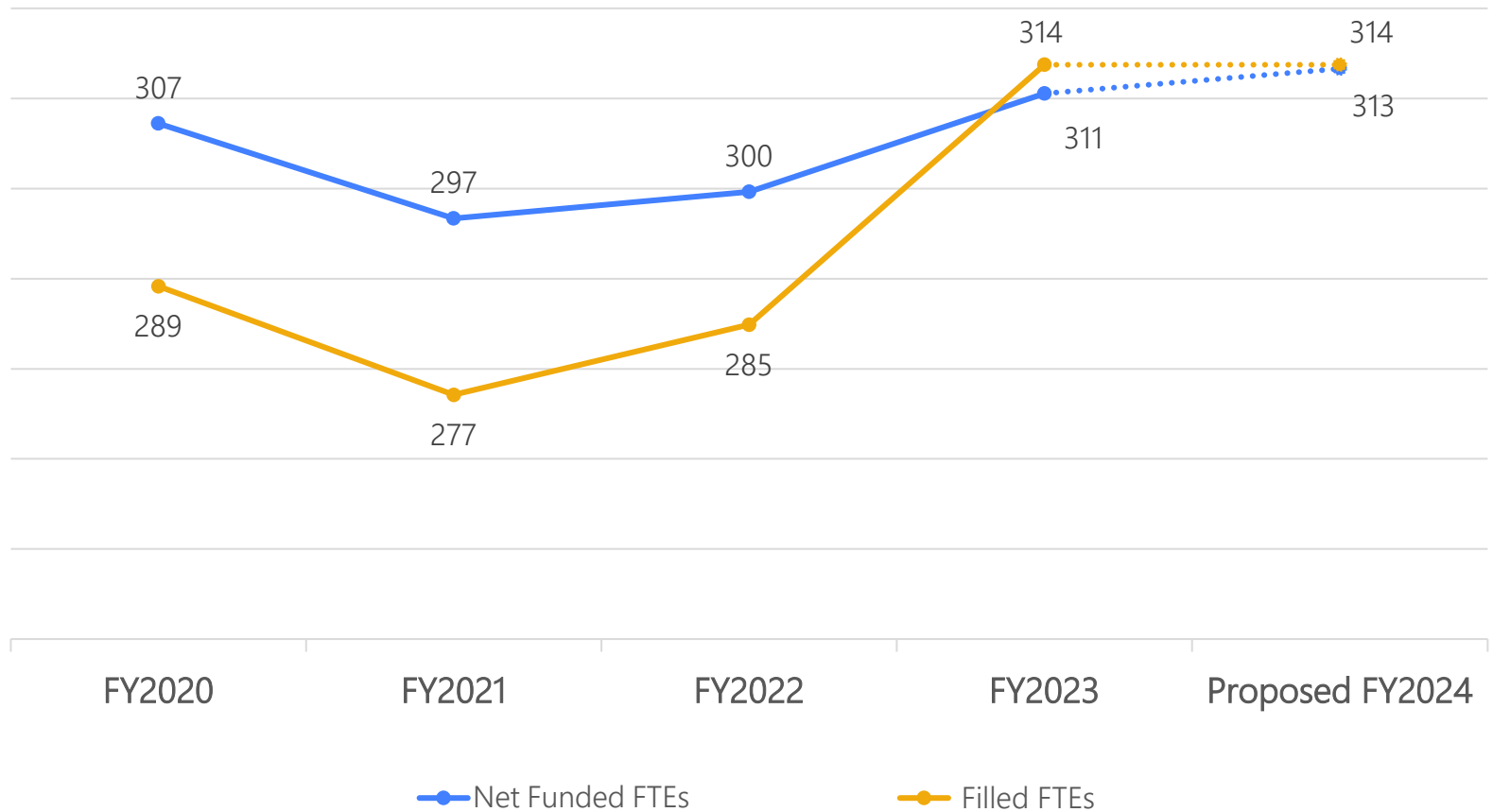
Supporting established citywide priorities

- Public integrity projects -> new responsibilities
- Audits, reviews, & technical assistance projects in key areas
 - Mental health, homelessness, public safety, non-profit providers, equity, and others

Reforming core city processes

- Government Operations Recovery Initiative- Hiring, contracting, financial

Department Positions - Budgeted vs Filled



Reflects proposed FY 2023-24 position deletions, off-budget addition, and vacancies as of June 7, 2023.

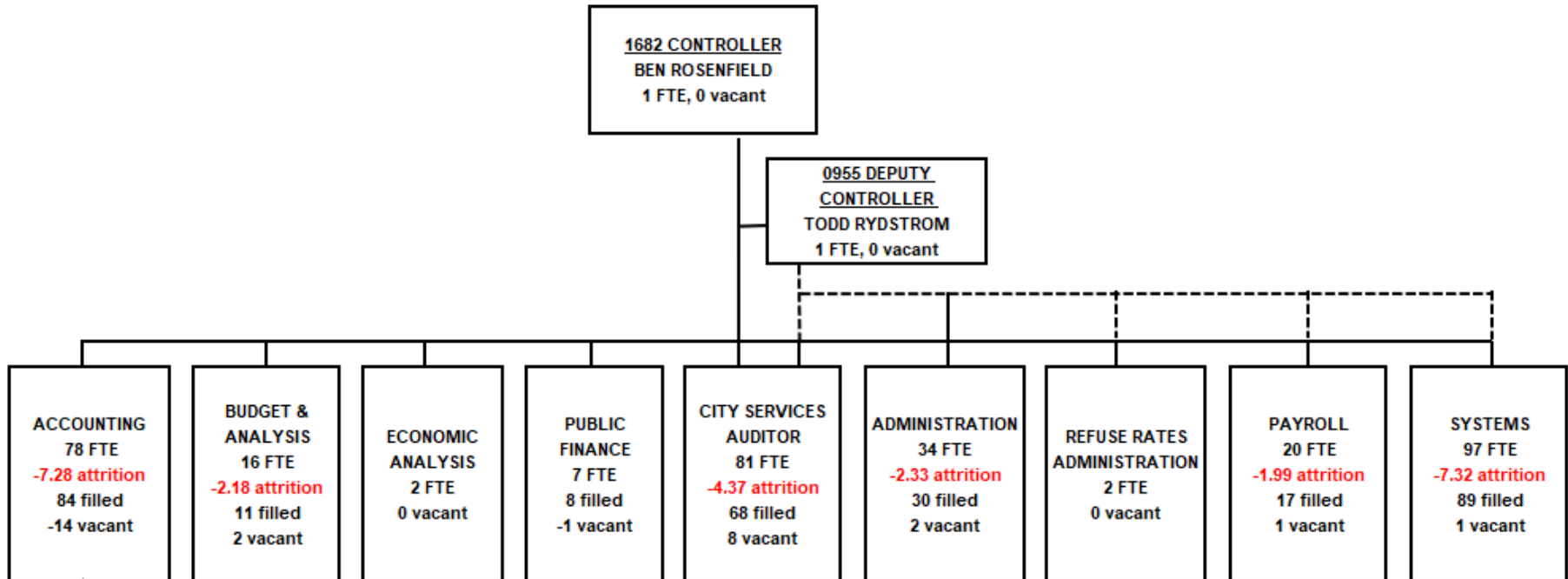
Thank you!

Questions or comments?

Appendix

- **FY 2023-24 Organizational Chart**
- **Controller Reports Samples**
- **Key Performance Measures**

PROPOSED FY 2023-24 ORGANIZATIONAL CHART



Reflects proposed FY 2023-24 position deletions, off-budget addition, and vacancies as of June 7, 2023.

FY 2022-23 Department Total = 311 Funded Positions, 314 Filled Positions

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 stakeholder awareness.

SAFEGUARD THE CITY'S LONG-TERM FINANCIAL HEALTH

- ☐ Monitor and refine financial risk management practices.
- ☐ Review long-term City assets, liabilities, and risks.
- ☐ Enhance the use of the City's financial data.
- ☐ Develop and exercise financial risk management strategies.

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

Five Year Strategic Plan

FY18-19 Performance Plan

Mid-Year Update

FY17-18 Annual Report

FY17-18 Performance Plan

Five Year Plans

Five Year Annual Reports

Goal 1: Promote best practices and accountability in City government (2)

Goal 2: Support informed policy decisions (1)

Goal 3: Safeguard the City's long-term financial health (18)

- ☐ Monitor and enforce adopted revenue and debt management policies, and report on status on regular financial reports.
- ☐ Prepare CDMSAC calculations; 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 law.
- ☐ 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: 0.0%
- ☐ Percentage by which actual revenues vary from mid-year estimates. Target: 1.2%
- ☐ Support labor contract negotiations with all employee organizations except Police and Fire, including support developing and costing proposals, developing bonds.
- ☐ Support the update of the City's adopted five-year financial plan by March 1st, 2018, including modifications and enhancements developed with the Mayor's Budget.
- ☐ 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%
- ☐ Fire and Police pension and retiree health liabilities. Target for pension: 90%; target for retiree health: 2%
- ☐ Refresh retiree health liability analysis by March 30, 2018. Continue to develop and cost pension reform concepts as part of ongoing city staff pension working group.
- ☐ Prepare new financial policies by October 1, 18. FY 2018-19, develop recommended reserve policies for three departments with special revenue funds (REC, US, and Fire).
- ☐ 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 the Mayor's Office of Economic and Workforce Development.

Goal 4: Provide high quality financial services (17)

- ☐ 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-end closing processes, and produce findings document by March 2019.
- ☐ City receives certificate of achievement for excellence in financial reporting from Government Finance Officers Association (GFOA) by July 2019. 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 department by the end of each fiscal year-end closing process. Review bank reconciliation process following first year use of the new system, and measure 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 10% 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

Provide High-Quality Financial Services	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Projected	2024-25 Target
Number of days to complete the City's Annual Comprehensive Financial Report (ACFR) for the previous fiscal year	183	241	217	231	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	2	0	0	0	0
Percent of payroll transactions not requiring correction	99.3%	98.7%	98.2%	98.42%	98.8%	99.0%
Provide High-Quality Financial Systems	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Projected	2024-25 Target
Percent of scheduled time that financial systems are available for departmental use	100%	99.9%	99.9%	99.9%	99.9%	99.9%
Percent of scheduled time that human capital systems are available for departmental use	100%	99.9%	99.9%	99.9%	99.9%	99.9%
Safeguard the City's Long-Term Financial Health	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Projected	2024-25 Target
Percentage by which actual revenues vary from mid-year estimates	11.1%	-3.6%	0.5%	9.5%	9.5%	1.5%
Percentage by which actual General Fund revenues vary from prior year revised budget estimates	6.5%	-4.4%	1.8%	8.5%	8.5%	2.0%
Stabilization reserve balance as a percentage of General Fund revenues	10.0%	10.0%	6.7%	6.0%	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	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Projected	2024-25 Target
Percent of audit recommendations implemented within 2 years after report issuance.	92%	94%	95%	84%	90%	85%
Percent of auditee ratings that are good or excellent	97%	69%	94%	93%	90%	85%
Percent of client ratings for technical assistance projects that are good or excellent	N/A	N/A	100%	100%	100%	95%
Support Informed Policy Decisions	2019-20 Actual	2020-21 Actual	2021-22 Actual	2021-22 Actual	2023-24 Projected	2024-25 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	1,269	N/A	72	220	300	300

FY2020 to FY2023 Staffing: Filled vs Vacancies

Fiscal Year	Authorized FTEs	Attrition Savings FTEs	Total Net Funded FTEs	Permanent FTEs Filled	Temp Filled	Total Vacant FTEs	Vacant FTE %
2023	337	-26	311	271	43	-3	-1%
2022	323	-23	300	244	41	15	5%
2021	319	-22	297	246	31	20	7%
2020	327	-20	307	255	34	18	6%