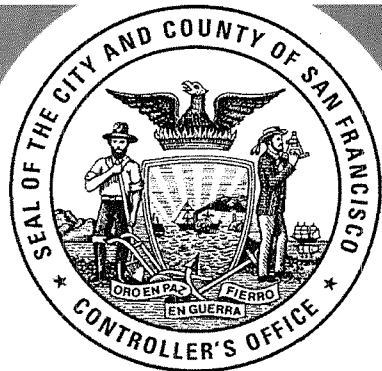


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# Proposed Budget Overview

## FY 2019-20 and 2020-21



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller

June 2019

# Mission and Key Strategic Goals

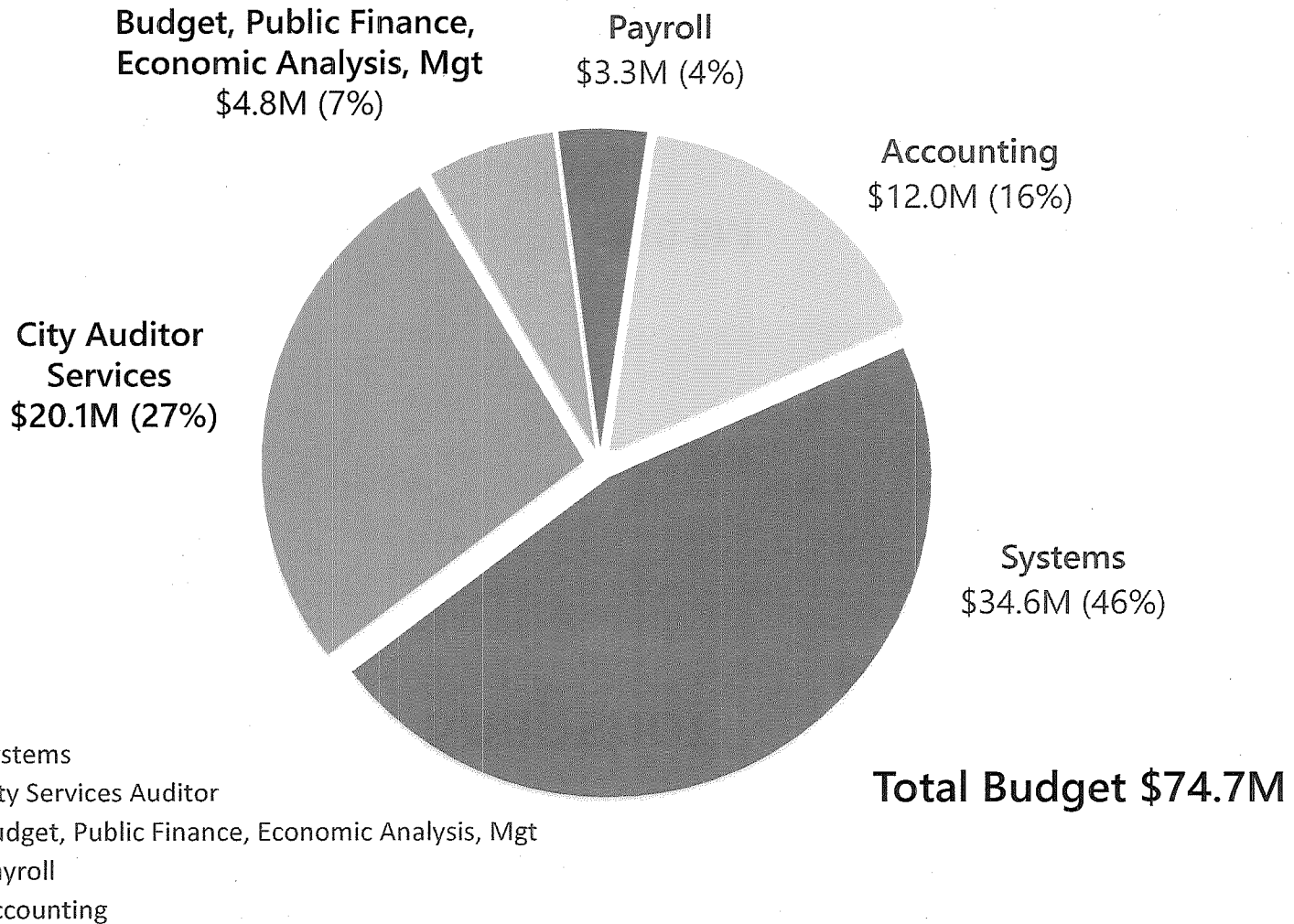
## Our Mission:

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



## Proposed Budget Snapshot

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

## 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.

**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.

**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.

**SUPPORT THE CITY'S FINANCIAL SYSTEMS AND INFRASTRUCTURE**

- Replace and modernize the City's financial accounting system.

**INVEST IN AND VALUE OUR EMPLOYEES**


- Enhance the department's professional development program.
- Increase employee engagement, retention, and productivity.

**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 policy 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 worth.
- Enhance the use of the City's long-term financial instruments.
- Develop and exercise financial contingency scenarios.



**FY18-19 Performance Plan**

Home

File View Strategic Plan

Help

File View Annual Report

File View Performance Plan

Home View Form

File View Annual Report

File View Strategic Plan

File View Annual Report

File View Performance Plan

Home View Form

File View Annual Report

**Goal 1: Promote best practice and accountability in City government (5)**

- Prepare and define subject research and data management policies, and report on metrics on regular financial reports.
- Prepare and submit reports and disclosures, for certifications, and development report for reports using tools updated for fiscal year.
- Percentage variance between budgeted and actual revenues. Target: 2.50%
- Percentage by which actual revenues vary from mid-year estimates. Target: 1.5%
- Support other contract negotiations with all employee organizations, success Finance and HR around up support developing and coding programs, developing financial condition presents
- 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
- Unsettled fund balance as a percentage of revenues. Target: 16.7%
- Stabilization reserve balance as a percentage of revenues. Target: 10.0%
- Report funded, pending and other health liabilities. Target for periodic 80%. Target for revenue by the 2%
- Publish release health liability analysis by March 1st, 2019. Continue to develop and cost-benefit reform concepts as part of ongoing city staff pension working group. Finance reports
- Process new financial policies by October 1, in FY 2018-19. Develop recommended revenue policies for three departments with special revenue funds (BRC, LIR, and OSCB) and a policy to
- Develop set of key economic indicators to track and report each quarter, to monitor local economic trends, by October 2018.
- Support the development of the City's Ten-Year Capital Plan, including redefining of capacity for U.S. bonds and General Fund debt and approved ordinance to fund debt and printing


**Goal 2: Support informed policy decisions (1)**

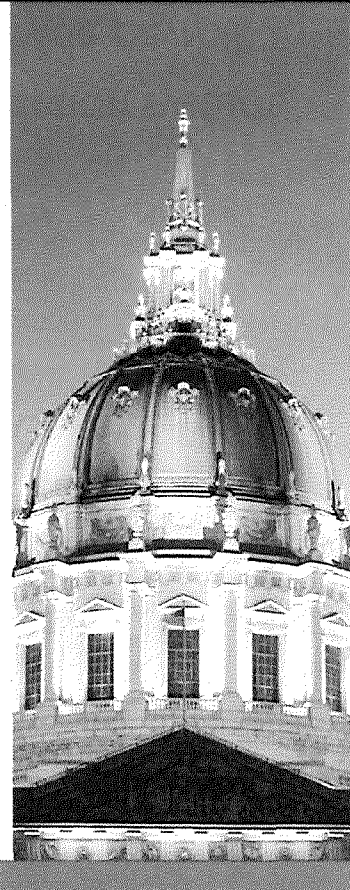
**Goal 3: Safeguard the City's long-term financial health (10)**

- Refine business and system processes for an effective submission of annual financial transactions package to State Controller's Office in January 2019, and complete other required tasks
- Issue final audit report by March 2019.
- Number of audit findings with questioned costs in annual single audit of federal grants. Target: 4
- Complete final audit closing process in the new financial system, request internal reviews to support system and final new process changes, for future year closing processes, and to
- City receives certificate of achievement for excellence in financial reporting from Government Finance Officers Association (GFEOA) 2018. Target: 1
- Timely completion of the City's annual financial reports (CAFR) for FY17-18. Target: 200 days
- Maintain no material weaknesses in the City's financial statement audit. Target: 0
- Identify and resolve significant internal weaknesses from annual Treasurer's City selected funds and city examinations by the end of each fiscal year-end closing process. Review bank reconciliation process following first year use of the new system, and document the efficiency of the process by January 2019.
- Restore and reconcile remaining debt costs on assets resulting from conversion 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 procedures for the new PeopleSoft Financial System.

## OFFICE OF THE CONTROLLER

ANNUAL REPORT  
FISCAL YEAR 2017-2018





# Key Performance Measures

	2017-2018 Actual	2018-2019 Target	2018-2019 Projected	2019-2020 Target	2020-2021 Target
<b>Ensure Government is Accountable to City Residents</b>					
• 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%
<b>Increase Access to Useful &amp; Timely Information</b>					
• Number of days to complete the City's CAFR for the previous fiscal year	214	300	269	150	150
<b>Provide High-Quality Financial Services &amp; Systems</b>					
• 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	99.80%	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
<b>Safeguard the City's Long-Term Financial Health</b>					
• 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	2.87%	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%
<b>Support Informed Policy Decisions</b>					
• 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?