



**OFFICE OF THE CONTROLLER**  
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield  
Controller  
Todd Rydstrom  
Deputy Controller

**Public Budget Meeting Agenda**  
**Office of the Controller**

February 12, 2021 (12:30PM)

- 1) Review of the Controller's Office Proposed Budget for FY2020-21 & FY2021-22
- 2) Public Comment:
  - An opportunity for members of the public to comment on matters within the scope of the topic.
- 3) Adjournment

**Public Access:**

**WebEx Link:**

<https://ccsf.webex.com/ccsf/onstage/g.php?MTID=ed65478b1e9428906cd8191efcd557610>

**Call-in number:**

415-655-0001

**Access code:**

187 608 1274

Controller's Office  
Proposed Budget  
FY 2021-2022 and FY 2022-2023  
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**CITY & COUNTY OF SAN FRANCISCO**

Office of the Controller

February 12, 2021

# Proposed Budget

## FY 2021-22 and 2022-23



**CITY & COUNTY OF SAN FRANCISCO**

Office of the Controller

February 12, 2021

# Mission and Key Strategic Goals

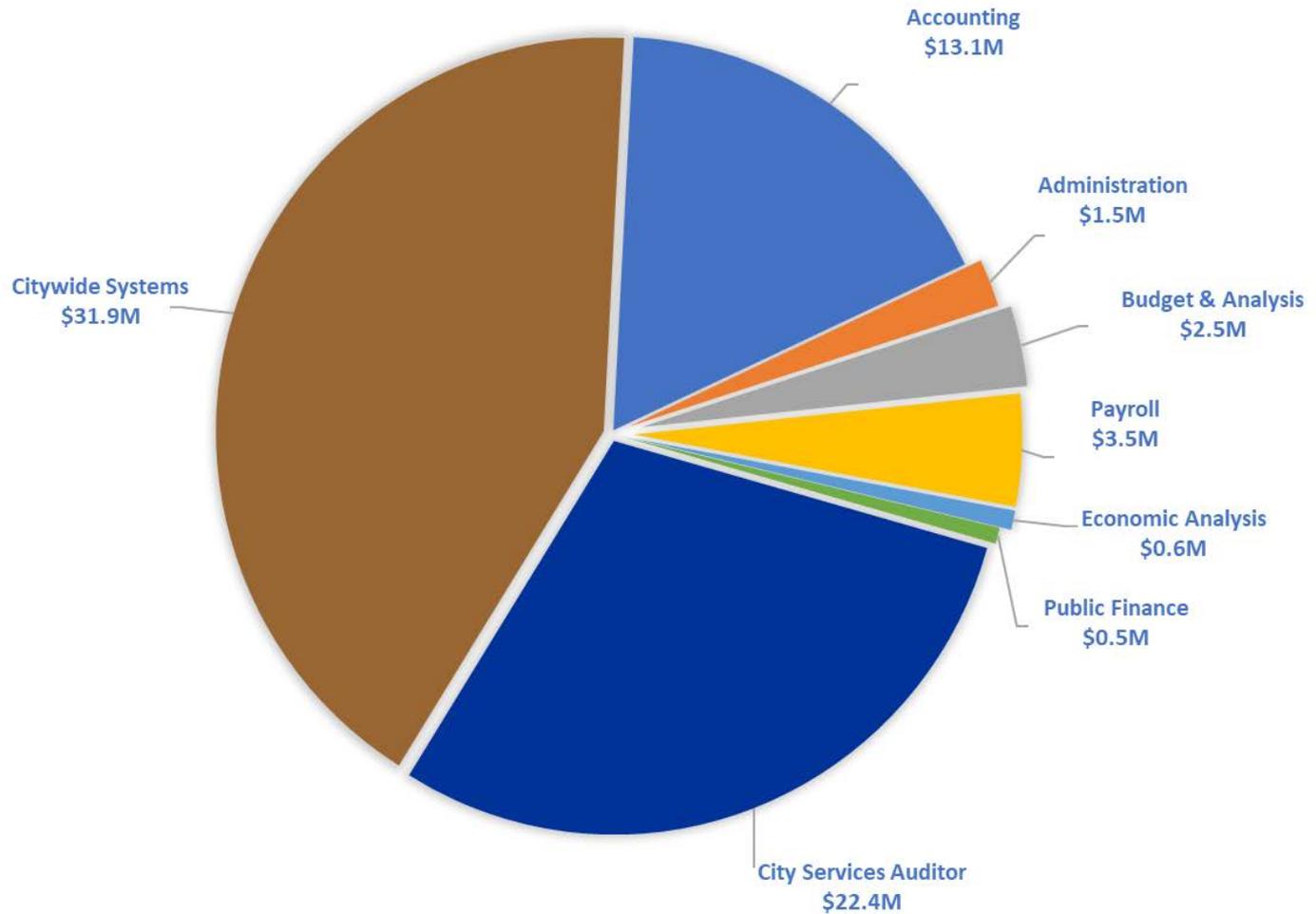
## Our Mission:

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

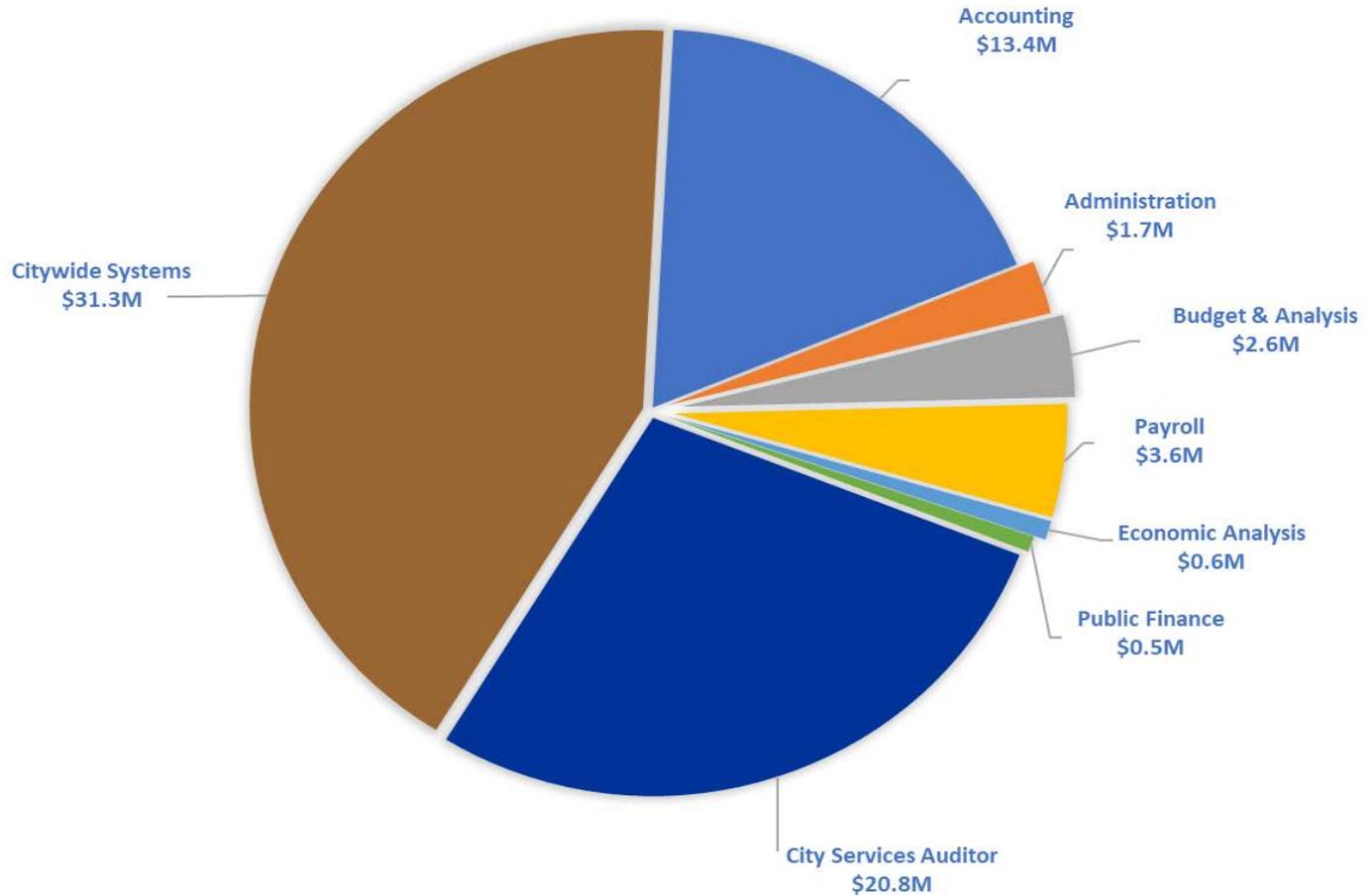
## Our Key Strategic Goals:

- 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 2021-22 BASE BUDGET BY DIVISION**  
**\$76.0M**



**FY 2022-23 BASE BUDGET BY DIVISION**  
**\$74.6M**



## Controller's Office Budget Snapshot

	FY 2020-21 Approved	FY 2021-22 Base	FY 2022-23 Base
<b>Total Budget</b>	\$75.1M	\$76.0M	\$74.6M
<b>General Fund Support</b>	\$11.7M	\$14.2M	\$14.2M
<b>AAO Funded Positions (FTEs)</b>	248	250	250
<b>Off-Budget Positions (FTEs)</b>	49	48	48
<b>Base Attrition Savings (FTEs)</b>	-22	-20	-20
<b>Base Attrition Savings (\$)</b>	-\$4.0M	-\$3.9M	-\$4.1M
<b>Proposed Attrition Savings (\$)</b>		-\$4.6M	-\$4.6M

# Budget Priorities and Key Projects

## Public Integrity, Transparency & Accountability

- Further promote accountability and transparency through the Controller's Office compliance and performance audit and whistleblower investigative functions:
  - Publish 4 remaining (of 8 total planned) public integrity assessments
  - Administer the City's whistleblower hotline and continue timely coordination of investigative referrals to City Attorney, District Attorney, Ethics, Human Resources, and other departments with jurisdictional oversight
  - Identify recommendations and implement relevant corrective actions
  - Work with City departments to develop and implement plans to improve the City's financial system to better meet departments' contracting, reporting and other business needs

## Replacement of the City's Budget & Performance System

- Complete on schedule and better than budget, the three-year project in FY 2021-2022.
- Total budget was revised down, to \$6.4M from \$6.8M.

# Budget Priorities and Key Projects

## COVID-19 Leadership and Support

- Controller's Office continues to provide leadership and support in many critical areas throughout the COVID-19 public health emergency.
  - Fill key needs in the City's emergency response and in ongoing support of the financial and system plumbing needed to support it.
  - Controller staff serving as DSWs across the different branches at the City's COVID Command Center.
  - Help with critical management and public data reporting, testing and vaccine planning and administration.
  - Support the City's efforts to develop and offer longer-term housing options for homeless individuals in the City's temporary emergency hotel program and economic reopening planning.
  - Claim and account for federal revenue to pay for large portions of above.

# Budget Priorities and Key Projects

## Racial & Gender Equity, Inclusion and Diversity

- Implement the Controller's Office Racial Equity Action Plan, published Dec. 31, 2020 and covering the next three-year period, including:
  - Seven 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
  - Over 90 actionable tasks
- Specific tasks for FY 2021-22 includes:
  - Implement an annual mentorship program for staff
  - Expand internship and fellowship opportunities
  - Review job announcement and examination plans to make them more inclusive and remove potential barriers to employment
  - Expand and track recruitment efforts and develop new recruitment pipelines
  - Provide training and resources on matters of equity to leadership and staff
  - Administer department-wide survey on equity, inclusion and diversity

## Key Budget Changes and Target Balancing

	FY 2021-22 Base ( \$ in thousands)	FY 2022-23 Base ( \$ in thousands)
<b>Required Cut Target</b>	<b>(811)</b>	<b>(811)</b>
Personnel Changes	(37)	147
Professional Services	(213)	(240)
Materials & Supplies	324	247
Services from Other Departments	(552)	(552)
Administrative Overhead	(82)	(106)
Work Orders Recoveries	(251)	(307)
<b>Total Proposed Budget Changes</b>	<b>(811)</b>	<b>(811)</b>

# 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 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 401(k) 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  
Prior Year Plans  
FY18 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)

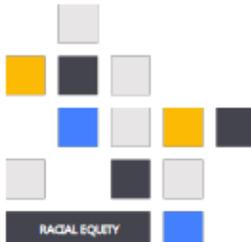
- Monitor and enforce adopted revenue and debt management policies, and report on status on regular financial reports.
- Prepare CDMSAC calculations; approve and monitor GEN expenditures, including MOU and litigation reserves; facilitate participatory budgeting.
- Implement all voter-approved spending 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: 0.00%
- 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 1, 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%
- Ferret fund, 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.
- Propose new financial policies by October 1, 18. FY 2018-19, develop recommended reserve policies for three departments with special revenue funds (REC, UB, and...
- 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...

**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...
- 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 (GFOA) 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 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.
- Reconcile 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

<b>Provide High-Quality Financial Services</b>	<b>2017-18 Actual</b>	<b>2018-19 Actual</b>	<b>2019-20 Actual</b>	<b>2020-21 Target</b>	<b>2021-22 Target</b>
Number of days to complete the City's comprehensive financial report (CAFR) for the previous fiscal year	182	268	183	150	150
City receives certificate of achievement for excellence in financial reporting from Government Finance Officers Association	Yes	Yes	Yes	Yes	Yes
Number of findings of material weakness in annual City audit	0	0	1	0	0
Percent of payroll transactions not requiring correction	98.7%	98.8%	99.3%	99.0%	99.0%
<b>Provide High-Quality Financial Systems</b>	<b>2017-18 Actual</b>	<b>2018-19 Actual</b>	<b>2019-20 Actual</b>	<b>2020-21 Target</b>	<b>2021-22 Target</b>
Percent of scheduled time that financial systems are available for departmental use	99.8%	100%	100%	99.9%	99.9%
Percent of scheduled time that human capital systems are available for departmental use	99.9%	100%	100%	99.9%	99.9%
<b>Safeguard the City's Long-Term Financial Health</b>	<b>2017-18 Actual</b>	<b>2018-19 Actual</b>	<b>2019-20 Actual</b>	<b>2020-21 Target</b>	<b>2021-22 Target</b>
Percentage by which actual revenues vary from mid-year estimates	2.9%	4.2%	-3.6%	1.5%	1.5%
Percentage by which actual General Fund revenues vary from prior year revised budget estimates	2.7%	5.0%	-4.35%	2.0%	2.0%
Stabilization reserve balance as a percentage of General Fund revenues	8.8%	8.8%	10.0%	7.2%	3.8%
Ratings of the City's General Obligation Bonds from Moody's	AAA	AAA	AAA	AAA	AAA

## Key Performance Measures

Ensure Government is Accountable to City Residents	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2021-22 Target
Percent of audit recommendations implemented within 2 years after report issuance.	98%	90%	92%	85%	85%
Percent of auditee ratings that are good or excellent	89%	83%	97%	85%	85%
Percent of client ratings for technical assistance projects that are good or excellent	100%	100%	100%	95%	95%
Support Informed Policy Decisions	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2021-22 Target
Percentage of OEA economic impact reports completed by the hearing date	83%	100%	100%	100%	100%
Completion rate of ballot analysis by hearing date	100%	100%	100%	100%	100%
Number of Data Academy Training Participants	1,096	1,436	1,269	1,100	1,100

## Public Comment

- Members of the public who wish to provide public comment should call:
  - (415) 655-0001
  - Access Code 187 608 1274, then '#' and then '#' again
- If you haven't already done so, please 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.
- Please note that you will have 2 minutes to speak.

## 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://sfcontroller.org/home>
  - NextRequest at <https://sanfrancisco.nextrequest.com/>
    - This is a portal for the City of San Francisco's public records requests. You can submit public records request and search previous requests for the following departments:
      - *Animal Care and Control*
      - *Arts Commission*
      - *Building Inspection*
      - *Controller*
      - *Dept of Public Health*
      - *Department of Technology*
      - *Ethics Commission*
      - *Fire Department*
      - *Library*
      - *Public Utilities Commission (PUC)*
      - *Public Works*
      - *Treasurer & Tax Collector (TTX)*
      - *Recreation & Parks*
    - For all other departments please visit that department's website.

# Thank you for attending our presentation!

Contact us with any questions or comments at [Controller@sfgov.org](mailto:Controller@sfgov.org).