



BOARD OF APPEALS

Budget Presentation
FY22 & FY23
February 17, 2021



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) 2021-22 & 2022-23.

This presentation provides:

- An overview of the Board's budget structure
- An update on the current year's budget (FY21)
- Recommendations for FY22 & FY23 budgets
- Budget detail for FY22 & FY23



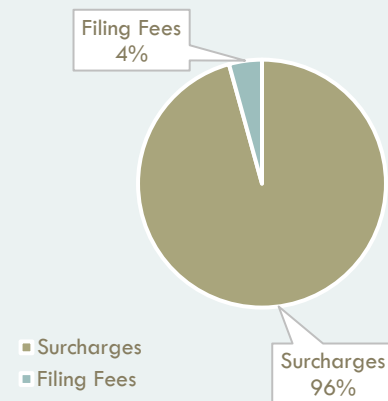
OVERVIEW — REVENUE BUDGET

Surcharges = 96% 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 = 4% of budget

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





OVERVIEW — EXPENDITURE BUDGET

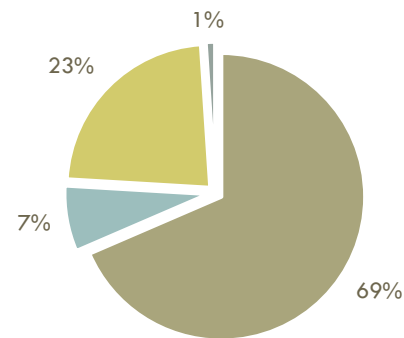
More than two-thirds (69%) of the Board's expenditure budget covers salary & fringe benefit expenses.

Services provided by other departments and rent comprise the next largest portion of the budget (23%).

The remainder of the budget consists of:

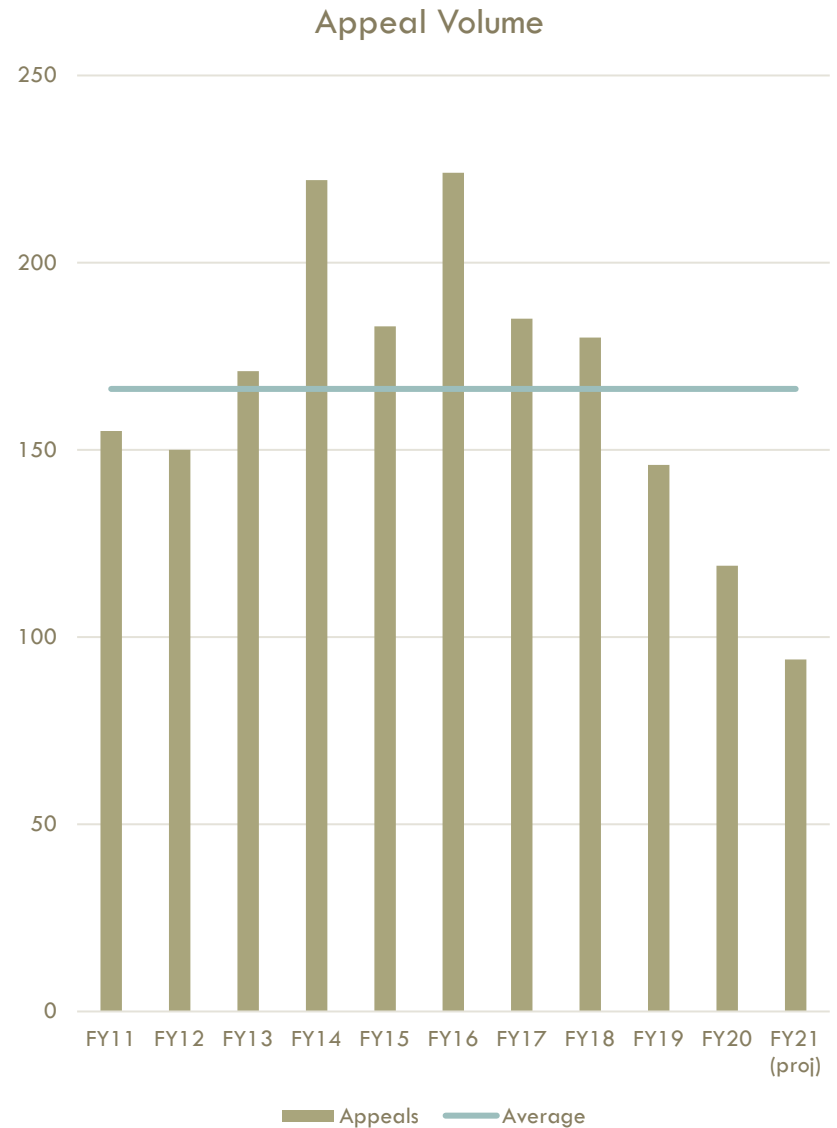
- Specialized Services (7%)
 - Neighborhood notification, interpreters, office machine rental
- Materials & Supplies (1%)
 - Paper & other office supplies

Current FY Budget (FY21)



CURRENT FY UPDATE YEAR-END PROJECTION — APPEALS

Projected appeal volume for FY21 (94 appeals) is 43% below the 10-year average of 166 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.

- Filing fee revenue deficit ~ 40%
- Surcharge revenue deficit ~ 47%
 - In FY20, based on the Controller’s surcharge analysis, only four surcharges were minimally increased through a CPI adjustment (DBI/CPC went from \$19.00 to \$20.00, SFPW went from \$6.50 to \$7.00 and DPH Tobacco went from \$44.50 to \$46.00)
 - Any year-end shortage can be covered by deferred revenues

REVENUE	Current FY Budget	Six Month Actuals	Year End Projection	Projected Variance
Filing Fees	46,037	13,900	27,800	(18,237)
Surcharges	1,131,415	268,747	537,494	(593,921)
Total	1,177,452	282,647	565,294	(612,158)



CURRENT FY UPDATE

YEAR-END PROJECTION – EXPENDITURES

Year-end expenditure savings of \$150,129 are projected, based on mid-year spending.

EXPENDITURES	Current FY Budget	Six Month Actuals	Year End Projection	Projected Variance
Salaries & Fringe Benefits	818,718	395,341	*732,983	85,735
Services of Other Departments	268,644	**118,159	***268,644	0
Specialized Services	80,692	12,848	25,696	54,996
Materials & Supplies	****9,398	0	0	9,398
Total	1,177,452	526,348	1,027,323	150,129

*The 8173 Legal Assistant position became vacant in December 2020.

**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 the Board will spend the amount budgeted for services of other departments.

****Materials & Supplies have been charged under Specialized Services.



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 **-\$462,029**.

VARIANCE	Current FY Budget	Year End Projection	Projected Variance
Revenue	1,177,452	565,294	(612,158)
Expenditures	1,177,452	1,027,323	150,129
Variance		(462,029)	(462,029)



FY22 & FY23 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
- After FY21, the BOA will likely not have deferred revenues available to offset any potential deficits

Surcharge rates will be analyzed for FY22 during this year's budget process.

Filing fee revenue projections will be reduced from \$46,037 to \$35,000 (\$35,000 is the average collected for the past three years).



FY22 & FY23 BUDGETS

PROPOSED EXPENDITURES

Proposed Budget Reductions for FY22 and FY23

- FY22: (\$72,572) (relative to FY21)
- FY23 (\$24,071) (relative to FY21)

EXPENDITURES	CURRENT FY21	FY22	Variance From FY21	FY 23	Variance From FY21	Variance From FY22
Salary & Fringe	818,718	746,146	(72,572)	773,193	(45,525)	27,047
Non-Personnel Services	80,692	61,700	(18,992)	61,700	(18,992)	0
Materials & Supplies	9,398	9,398	0	9,398	0	0
Work Orders & Infrastructure (includes rent)	268,644	309,090	40,446	309,090	40,446	0
TOTAL	1,177,452	1,126,334	(51,118)	1,153,381	(24,071)	27,047

*SEE APPENDIX A.2 FOR EXPENDITURE DETAIL



FY22 & FY23
BUDGETS
RECOMMENDATIONS

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

- Surcharge rate changes that are warranted for FY22 taking into consideration the lower volume of permits being issued and the likelihood that the reserve fund will be depleted.

**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 FY23 budget will be reconsidered during next year's budget process.

APPENDIX A.1

BUDGET DETAIL - REVENUE

REVENUE	Current FY Budget	FY22 Proposed	Variance From FY21	FY23 Proposed	Variance From FY22
FILING FEES	46,037	35,000	(11,037)	35,000	0
SURCHARGES	1,131,415	1,091,334	(40,081)	1,118,381	27,047
TOTAL REVENUE	1,177,452	1,126,334	(51,118)	1,153,381	27,047

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

Dept ID
 Dept ID De BOA Board Of Appeals - PAB
 Project ID
 Project Tit BA Appeals Processing
 Authority I
 Authority Operating

			FY21	FY22	FY23	change	change
			Values				
						FY22 - FY21	FY23- FY22
Account			Sum of CY Orig	Sum of Board	Sum of BY+1		
Lvl 2 Title	Account Lvl 5 Title	Account Title	Amt	Amt	Board Amt		
Revenue	4600C4Svcs	Permit Application Filing Fees	46,037	35,000	35,000	(11,037)	-
		Board Of Appeals Surcharge	1,131,415	1,091,334	1,118,381	(40,081)	27,047
	4600C4Svcs Total		1,177,452	1,126,334	1,153,381	(51,118)	27,047
Revenue Total			1,177,452	1,126,334	1,153,381	(51,118)	27,047
Expendi	5010Salary	Perm Salaries-Misc-Regular	479,217	438,803	460,001	(40,414)	21,198
		Temp Misc Regular Salaries	13,898	1,000	1,000	(12,898)	-
		Premium Pay - Misc	2,704	2,704	2,704	-	-
		Overtime - Scheduled Misc	8,323	8,323	8,323	-	-
	5010Salary Total		504,142	450,830	472,028	(53,312)	21,198
	5130Fringe	Retire City Misc	104,345	92,429	87,556	(11,916)	(4,873)
		Social Security (Oasdi & Hi)	29,300	26,103	27,227	(3,197)	1,124
		Social Sec-Medicare(HI Only)	7,310	6,537	6,845	(773)	308
		Health Service-City Match	21,149	19,158	20,307	(1,991)	1,149
		Retiree Health-Match-Prop B	3,367	3,812	4,331	445	519
		RetireeHlthCare-CityMatchPropC	2,164	1,926	1,707	(238)	(219)
		Health Service-Admin Cost	2,340	2,400	2,400	60	-
		Health Service-Retiree Subsidy	83,191	88,190	92,864	4,999	4,674
		Dependent Coverage	48,259	43,686	46,307	(4,573)	2,621
		Dental Coverage	5,732	5,100	5,302	(632)	202
		Unemployment Insurance	1,361	451	472	(910)	21

Expendi	5130Fringe	Fringe Adjustments-Budget	-	-	-	-	-
		Flexible Benefit Package	4,933	4,489	4,759	(444)	270
		Long Term Disability Insurance	1,125	1,035	1,088	(90)	53
		Other Fringe Benefits	-	-	-	-	-
	5130Fringe Total	314,576	295,316	301,165	(19,260)	5,849	
	5210NPSvcs	Training - Budget	-	5,000	5,000	5,000	-
		Employee Recognition	-	-	-	-	-
		Prof & Specialized Svcs-Bdgt	73,992	50,000	50,000	(23,992)	-
		Office Machine Rental	5,700	5,700	5,700	-	-
		Other Current Expenses - Bdgt	1,000	1,000	1,000	-	-
	5210NPSvcs Total	80,692	61,700	61,700	(18,992)	-	
	5400Mat&Su	Data Processing Supplies	3,830	3,830	3,830	-	-
		Other Office Supplies	1,939	1,939	1,939	-	-
		Other Materials & Supplies	3,629	3,629	3,629	-	-
	5400Mat&Su Total	9,398	9,398	9,398	-	-	
	5810OthDep	ADM-Real Estate 49 SVN Rent	54,041	78,998	78,998	24,957	-
		DT Technology Projects	1,587	6,587	6,587	5,000	-
		GF-Con-Fast Team	22,880	22,880	22,880	-	-
		DT Technology Infrastructure	11,648	11,647	11,647	(1)	-
		GF-City Attorney-Legal Service	100,000	130,000	130,000	30,000	-
		DT SFGov TV Services	55,275	55,275	55,275	-	-
		DT Enterprise Tech Contracts	1,759	1,894	1,894	135	-
		DT Telecommunications Services	802	809	809	7	-
		Is-Purch-Reproduction	10,051	1,000	1,000	(9,051)	-
		GF-Real Estate Service	-	-	-	-	-
		GF-Rent Paid To Real Estate	10,601	-	-	(10,601)	-
	5810OthDep Total	268,644	309,090	309,090	40,446	-	
	Expenditures Total	1,177,452	1,126,334	1,153,381	(51,118)	27,047	

APPENDIX B.1 SURCHARGES

	Surcharge Rate FY18	Surcharge Rate FY19	Surcharge Rate FY20	Surcharge Rate FY21
Planning	\$18.50	\$18.50	\$19.00	\$20.00
DBI	\$18.50	\$18.50	\$19.00	\$20.00
DPH	\$43.00	\$43.00	\$44.50	\$46.00
SFMTA (Taxi)	\$2.00	\$2.00	\$2.00	\$2.00
SFPD	\$6.00	\$6.00	\$6.00	\$6.00
Public Works	\$6.50	\$6.50	\$6.50	\$7.00
Entertainment Commission	\$4.00	\$4.00	\$4.00	\$4.00

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