



Fiscal Year 2020-21 and  
Fiscal Year 2021-22

## Mayor's Budget Update and Instructions

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FIRE COMMISSION

JANUARY 8, 2020



# FY 20-21 and FY 21-22 Budget

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## Agenda

1. Budget Process & Background
2. Joint Report Update
3. SFFD Budget and Budget Instructions
4. New Budget Legislation
5. Budget/Fire Commission Timelines
6. Open for Discussion/Questions



# FY 20-21 and FY 21-22 Budget

## Budget Process & Background

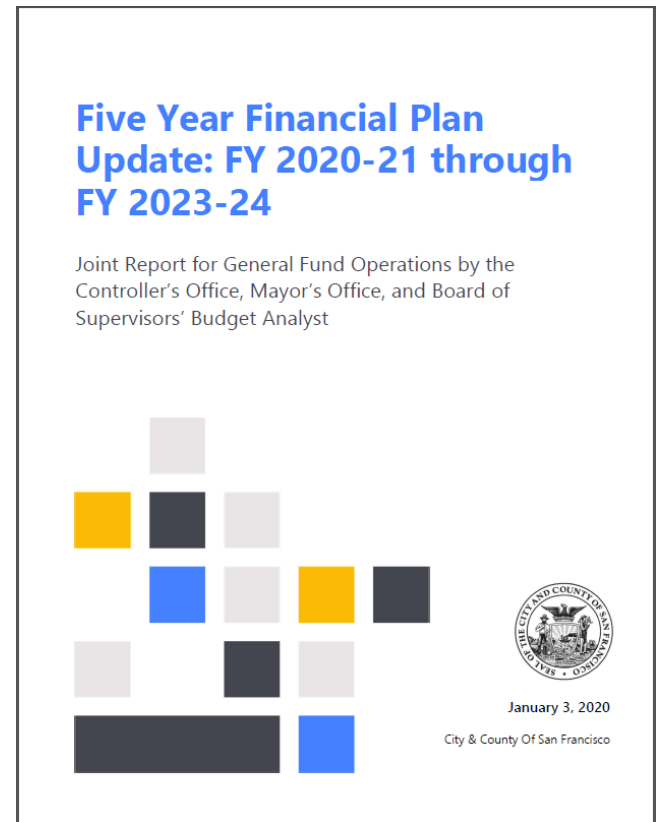
- Department receives target for general fund support in December
- Department submits its proposed budget to the Mayor's Office on February 21st
- Mayor reviews Departmental submissions and must submit a balanced budget to the Board of Supervisors by June 1 (Charter Requirement)
- Budget Hearings in late June/early July at the Board of Supervisors
- Continuation of two-year rolling budget cycle



# FY 20-21 and FY 21-22 Budget

## Joint Report Updates

- Mayor/Controller/Budget Analyst have released updates to the City's Five-Year Financial Plan last week.
- This report gives an overview of the City's current financial status, as well as a projection for the next five years for the economic overview of the City.
- These projections drive the budget instructions to City Departments.





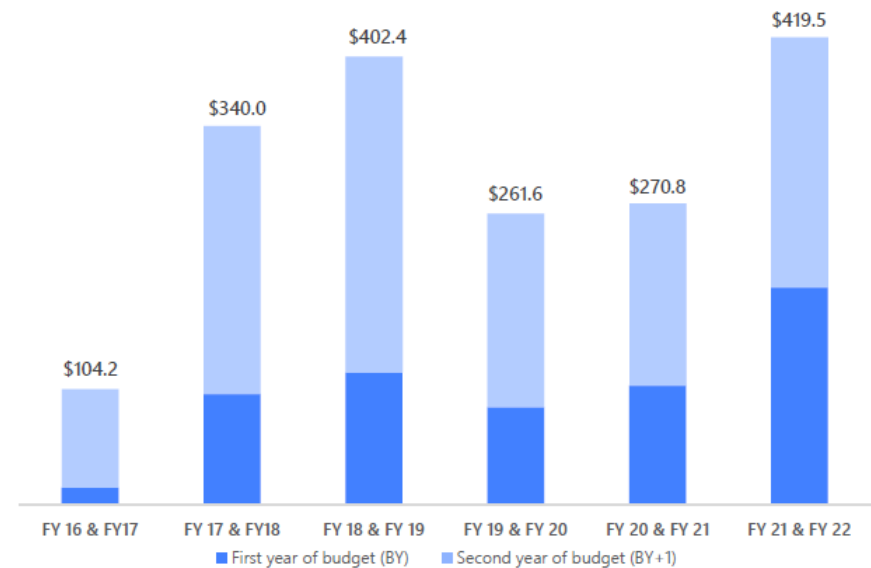
# FY 20-21 and FY 21-22 Budget

## Joint Report Updates

Table 1. Summary of General Fund Supported Operations Projected Budgetary Surplus / (Shortfall) (\$ Millions)

	FY 20-21	FY 21-22	FY 22-23	FY 23-24
<b>SOURCES Increase / (Decrease)</b>	89.0	346.0	289.4	423.6
<b>Uses</b>				
Baselines & Reserves	(45.5)	(54.0)	(127.1)	(163.3)
Salaries & Benefits	(167.9)	(269.6)	(338.5)	(407.5)
Citywide Operating Budget Costs	(66.9)	(167.8)	(235.0)	(314.6)
Departmental Costs	(3.9)	(78.8)	(119.9)	(168.8)
<b>USES (Increase) / Decrease</b>	<b>(284.3)</b>	<b>(570.1)</b>	<b>(820.5)</b>	<b>(1,054.2)</b>
<b>Projected Cumulative Surplus / (Shortfall)</b>	<b>(195.4)</b>	<b>(224.1)</b>	<b>(531.1)</b>	<b>(630.6)</b>

Figure 1. Deficit at Time of Budget Instructions (\$ Millions)





# FY 20-21 and FY 21-22 Budget

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## Joint Report Update

- Revenues stabilizing (slower growth) but expenditures anticipated to keep growing in future years to outpace
- Main area of concern is rising employee costs in upcoming years, both for salaries and benefits (health, retirement, etc.)
- Majority of expenditure increases due to personnel costs projected in the upcoming years, both salary and benefits
- Assumes continued economic recovery
- Will be updated in Mid-March



# FY 20-21 and FY 21-22 Budget

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## Budget Instructions Summary

- City is looking at projected deficits over the next two fiscal years of approximately \$195.4 million in FY20-21 and \$224.1 million in FY21-22 (\$420 million cumulative), with deficits increasing in subsequent years
- Departments to propose on-going reductions to general fund support equal to 3.5% in each year (cumulative 7% in second year)
- Directive to Departments to not load new general fund FTEs or budget enhancements in their Departmental budget proposals



# FY 20-21 and FY 21-22 Budget

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## Mayoral Budget Priorities

- Top Mayoral priority is to address challenges the City faces with those struggling on our streets
  - Housing, shelter, and services
  - Clean and safe streets for everyone
  - Healthy and vibrant neighborhoods
- Focus and reprioritize funding
  - Provide assistance
  - Be responsive to residents and support City workers
- Continued focus on accountability and equitable outcomes





# FY 20-21 and FY 21-22 Budget

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## New Budget Legislation

- Recently-signed ordinance (294-19) amended the City's Administrative Code pertaining to the Budget Approval Process
- Goal of legislation to provide greater transparency and public input at all points during the budget process, including during the Departmental submission portion
- Department meets requirements of legislation with current Fire Commission schedule and increased availability of documentation



## FY 20-21 and FY 21-22 Budget Budget Timeline

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<u>Date</u>	<u>Description</u>
December 16th, 2019	Budget Instructions released to Department heads
January 17th, 2020	Capital Budget Project requests due
February 21st, 2020	Budget Submissions Due from Departments
June 1st, 2020	Mayor's Budget Submitted to Board of Supervisors
June 2020	Department Budget Committee Hearings
July 2020	Budget considered at Board of Supervisors



## FY 20-21 and FY 21-22 Budget Fire Commission Timeline

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<u>Meeting Date</u>	<u>Item for Consideration</u>
January 8th, 2020	Budget Instructions presented to Commission
January 8th, 2020	Capital/IT/Equipment Budget to be heard at Fire Commission
January 22nd, 2020	Budget Discussion Continues at Commission
February 12th, 2020	Submission of Final Budget for Commission Approval
February 13 <sup>th</sup> -17 <sup>th</sup> , 2020	Special meeting called if necessary
February 21st, 2020	Department budget submitted to CON/MYR