

File No. 130299

Committee Item No. 1

Board Item No. 1

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: 04/24/2013

Board of Supervisors Meeting

Date: May 14 2013

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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OTHER (Use back side if additional space is needed)

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Completed by: Victor Young Date April 19, 2013

Completed by: Victor Young Date 4/26/13

[Appropriation and De-Appropriation - ~~\$4,539,012~~ \$4,072,764 for Overtime - FY2012-2013]

Ordinance appropriating ~~\$4,539,012~~ \$4,072,764 to overtime and de-appropriating ~~\$4,539,012~~ \$4,072,764 consisting of ~~\$3,647,539~~ \$3,272,301 in permanent salaries and ~~\$891,473~~ \$800,463 in fringe benefits in the Fire Department's operating budget in order to support the department's projected increases in overtime as required per Ordinance No. 194-11.

Note: Additions are single-underline italics Times New Roman; deletions are ~~strikethrough italics Times New Roman~~. Board amendment additions are double underlined. Board amendment deletions are ~~strikethrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The uses of funding outlined below are herein appropriated to reflect the projected uses of funding for FY2012-2013.

USES Appropriation

Fund	Index/Project Code	Subobject	Description	Amount
1G AGF AAA	315014	01102	Salaries – Overtime	\$4,154,386
GF-Non Project Controlled			– Uniform	<u>\$3,688,138</u>
5A AAA AAA	315017	01102	Salaries – Overtime	\$384,626
SFIA – Operating – Non Project Controlled			– Uniform	

\$4,539,012

Total USES Appropriation

\$4,072,764

Section 2. The uses of funding outlined below are herein de-appropriated to reflect the projected funding available for FY2012-2013.

Uses De-appropriation

Fund	Index/Project Code	Subobject	Description	Amount
1G AGF AAA GF-Non Project Controlled	315014	00201	Salaries Uniform – Regular	(\$3,343,468) (\$2,968,230)
1G AGF AAA GF-Non Project Controlled	315014	01573	Dependant Coverage - Uniform	(\$810,918) (\$719,908)
5A AAA AAA SFIA – Operating – Non Project Controlled	315017	00201	Salaries Uniform - Regular	(\$304,071)
5A AAA AAA SFIA – Operating – Non Project Controlled	315017	01573	Dependant Coverage - Uniform	(\$80,555)
				<u>(\$4,539,012)</u>
Total USES De-appropriation				<u>(\$4,072,764)</u>

1 Section 3. The Controller is authorized to record transfers between funds and adjust
2 the accounting treatment of sources and uses appropriated in this Ordinance as necessary to
3 conform with Generally Accepted Accounting Principles.
4

5 APPROVED AS TO FORM:

FUNDS AVAILABLE

6 DENNIS J. HERRERA, City Attorney

Ben Rosenfield, Controller

7
8 By: 

Deputy City Attorney

By: 

Date: ~~March 28, 2013~~
April 26, 2013

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

April 18, 2013

TO: Budget and Finance Committee

FROM: Budget and Legislative Analyst

SUBJECT: April 24, 2013 Budget and Finance Committee Meeting

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Item 1
File 13-0299

Department:
Fire

EXECUTIVE SUMMARY

Legislative Objectives

The proposed ordinance would (a) appropriate \$4,539,012 for overtime in the Fire Department's FY 2012-13 budget; and (b) de-appropriate \$4,539,012 as a source of funds to pay for the overtime, including de-appropriation of \$3,647,539 in uniform salaries and \$891,473 in fringe benefits, as required in accordance with Administrative Code Section 3.17.

Key Points

- Administrative Code Section 3.17, which was approved by the Board of Supervisors in September of 2011, requires that the Annual Appropriation Ordinance contain a separate overtime appropriation for the Fire Department. The Fire Department must request a supplemental appropriation ordinance, subject to Board of Supervisors approval, if their overtime expenditures are expected to exceed the annual overtime appropriation.
- The Fire Department's relies on overtime to meet mandatory minimum staffing levels for its 44 fire stations, rather than hiring additional uniform staff, because the cost of hiring additional firefighters is generally greater than the cost of filling vacancies with overtime. However, according to Mr. Corso, the Department has incurred higher than budgeted expenditures for overtime in FY 2012-13 to backfill vacancies due to retirements, leaves of absence, and other separations of uniform staff. Because the Fire Department projects that FY 2012-13 General Fund and Airport Fund expenditures for overtime will exceed the overtime budgets for these funds, the Department requests to re-appropriate funds, originally budgeted for permanent uniform salaries and fringe benefits, to overtime

Fiscal Impact

- The Fire Department projects that FY 2012-13 year-end (a) General Fund overtime expenditures of \$40,128,883 will exceed the overtime budget of \$35,974,497 by \$4,154,386 or 12%; and (b) Airport Fund overtime expenditures of \$3,041,020 will exceed the overtime budget of \$2,656,394 by \$384,626 or 14%.
- The Fire Department based their overtime projections for the final three months of FY 2012-13 on actual FY 2012-13 overtime expenditures through the pay period ending February 15, 2013. Based on the most recent FY 2012-13 expenditure data through the pay period ending March 29, 2013, the Budget and Legislative Analyst estimates total FY 2012-13 General Fund overtime expenditures of \$39,662,635 which is \$466,248 less than the Department's projection of \$40,128,883.

Recommendations

- Amend the proposed supplemental appropriation to reduce the requested General Fund appropriation by \$466,248, from \$4,154,386 to \$3,688,138, and the total requested appropriation by \$466,248, from \$4,539,012 to \$4,072,764.
- Approve the proposed ordinance, as amended.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

Charter Section 9.105 requires Board of Supervisors' approval of Annual Appropriation Ordinance amendments, after the Controller certifies the availability of funds.

Administrative Code Section 3.17, which was approved by the Board of Supervisors in September of 2011, requires that the Annual Appropriation Ordinance contain a separate overtime appropriation within the Airport, Fire, Emergency Management, Police, Public Health, Public Utilities, Public Works, Recreation and Park and Sheriff Departments' operating budgets. In accordance with Administrative Code Section 3.17(b), these nine City departments must also request a supplemental appropriation, which is subject to Board of Supervisors approval, if their overtime expenditures are expected to exceed the annual overtime appropriation.

DETAILS OF PROPOSED LEGISLATION

The Fire Department's projected FY 2012-13 overtime expenditures exceed the Department's FY 2012-13 overtime budget. Therefore, in order to comply with Administrative Code Section 3.17(b), the proposed ordinance would (1) appropriate \$4,539,012 for overtime in the Fire Department's FY 2012-13 budget, and (2) de-appropriate surplus funds including \$3,647,539 in permanent salaries and \$891,473 in fringe benefits, totaling \$4,539,012, as a source of funds for the overtime, in accordance with Administrative Code Section 3.17

The Fire Department's FY 2012-13 budget for overtime is 8% more than actual overtime expenditures in FY 2011-12, as shown in Table 1 below.

Table 1: Comparison of FY 2012-13 Budget to FY 2011-12 Actual Expenditures

	FY 2011-12 Actual	FY 2012-13 Budget	Increase	Amount
Miscellaneous Salaries	\$5,325,408	\$5,676,040	\$350,632	7%
Uniform Salaries	158,164,357	169,301,455	11,137,098	7%
Premium Pay	21,019,778	22,230,810	1,211,032	6%
Overtime	<u>35,948,582</u>	<u>38,987,800</u>	<u>3,039,218</u>	<u>8%</u>
Total	\$220,458,125	\$236,196,105	\$15,737,980	7%

The Fire Department has mandatory minimum staffing for its 44 fire stations located throughout the City. According to Mr. Mark Corso, Fire Department Chief Financial Officer, the Fire Department's relies on overtime to meet mandatory minimum staffing levels, rather than hiring additional uniform staff, because the cost of hiring additional firefighters is generally greater than the cost of filling vacancies with overtime.

However, according to Mr. Corso, the Department has incurred higher than budgeted expenditures for overtime in FY 2012-13 to backfill vacancies due to retirements, leaves of absence, and other separations of uniform staff. Because the Fire Department projects that FY 2012-13 General Fund and Airport Fund expenditures for overtime will exceed the overtime

budgets for these funds, the Department requests to re-appropriate funds, originally budgeted for permanent uniform salaries and fringe benefits, to overtime, as shown in Table 2 below.

Table 2: Requested Re-appropriation of Funds to Pay for Overtime

	General Fund	Airport Fund	Total
<u>Source of Funds</u>			
Uniform Salaries	\$3,343,468	\$304,071	\$3,647,539
Fringe Benefits	810,918	80,555	891,473
Source of Funds Total	\$4,154,386	\$384,626	\$4,539,012
<u>Use of Funds</u>			
Overtime	\$4,154,386	\$384,626	\$4,539,012
Use of Funds Total	\$4,154,386	\$384,626	\$4,539,012

FISCAL IMPACT

As shown in Table 2 above, the Fire Department is requesting total additional overtime funds of \$4,539,012 including \$4,154,386 in General Fund overtime expenditures. As shown in Table 3 below, the Fire Department projects that FY 2012-13 year-end General Fund overtime expenditures will exceed the budget by 12% and Airport Fund overtime expenditures will exceed the budget by 14%.

Table 3: FY 2012-13 Overtime Budget and Projected Expenditures

FY 2012-13 Overtime Expenditures	General Fund	Airport
Department's projections	\$40,128,883	3,041,020
Budget	35,974,497	2,656,394
Projections exceeding budget	\$4,154,386	384,626
Percent	12%	14%

The Fire Department based their overtime projections for the final three months of FY 2012-13 on actual FY 2012-13 overtime expenditures through the pay period ending February 15, 2013. Based on the most recent FY 2012-13 actual expenditure data through the pay period ending March 29, 2013, the Budget and Legislative Analyst estimates total FY 2012-13 General Fund overtime expenditures of \$39,662,635 which is \$466,248 less than the Department's projection of \$40,128,883.

Therefore, the Budget and Legislative Analyst recommends reducing the requested General Fund overtime appropriation request by \$466,248, from \$4,154,386 to \$3,688,138, and reducing the total requested appropriation by \$466,248, from \$4,539,012 to \$4,072,764. This recommendation would result in \$466,248 being returned to the General Fund. The Budget and Legislative Analyst concurs with the Fire Department's projected need of an additional \$384,626 for Airport Fund overtime expenditures.

RECOMMENDATIONS

1. Amend the proposed supplemental appropriation to reduce the requested General Fund appropriation by \$466,248, from \$4,154,386 to \$3,688,138, and the total requested appropriation by \$466,248, from \$4,539,012 to \$4,072,764.
2. Approve the proposed ordinance, as amended.

OFFICE OF THE MAYOR
SAN FRANCISCO



RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

EDWIN M. LEE
MAYOR

APR -2 PH 3:13
6

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *per* Mayor Edwin M. Lee *pe*
RE: Appropriation and De-Appropriation - \$4,539,012 for Overtime - FY2012-2013
DATE: April 2, 2013

Attached for introduction to the Board of Supervisors is the ordinance Appropriating \$4,539,012 to Overtime and De-appropriating \$4,539,012 consisting of \$3,647,539 in permanent salaries and \$891,473 in fringe benefits in the Fire Department's operating budget in order to support the Department's projected increases in Overtime as required per Ordinance 194-11.

~~I request that this item be calendared in Budget and Finance Committee.~~

Should you have any questions, please contact Jason Elliott (415) 554-5105.

President, Board of Supervisors
District 3
第三區
市參事會主席



RECEIVED
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO
三藩市市及縣政府
2013 APR 12 AM 11:18

DAVID CHIU
邱信福

TO: Angela Calvillo, Clerk of the Board

FROM: Supervisor David Chiu *DSC*

DATE: April 12, 2013

RE: **Waive 30 day hold on item 130299 – Appropriation and De-Appropriation - \$4,539,012 for Overtime – FY2012-2013.**

Madame Clerk,

I hereby waive the 30-Day Rule on the following file:

File No. 130299-Ordinance appropriating \$4,539,012 to overtime and de-appropriating \$4,539,012 consisting of \$3,647,539 in permanent salaries and \$891,473 in fringe benefits in the Fire Department's operating budget in order to support the department's projected increases in overtime as required per Ordinance No. 194-11.

Thank you for your prompt assistance in this matter.