

File No. 150727

Committee Item No. 14  
Board Item No. \_\_\_\_\_

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee Date July 22, 2015

Board of Supervisors Meeting Date \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input 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                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong Date July 17, 2015  
Completed by: Linda Wong Date \_\_\_\_\_

[Appropriation and De-Appropriation - Surplus Expenditures of \$4,150,023 Supporting Increased Overtime Expenditures - FY2014-2015]

Ordinance appropriating \$4,150,023 to overtime and de-appropriating \$4,150,023 from permanent salaries, premium pay, and fringe benefits in the Sheriff's Department, Police Department, and the Public Utilities Commission operating budgets in order to support the Department's projected increases in overtime, as required per Ordinance No. 194-11 in FY2014-2015.

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 de-appropriated to reflect the projected sources of funding for FY2014-2015.

**Uses De-Appropriation**

Fund	Index/Project Code	Subsubject	Description	Amount
1G AGF AAA	062CJ2	00201	PERMANENT	(\$210,014)
GF – NON PROJECT CONTROLLED			SALARIES-UNIFORM	
1G AGF AAA	0662CJ2	01501	HEALTH SERVICE –	(\$140,009)
GF – NON PROJECT CONTROLLED			CITY MATCH	

1	Fund	Index/Project Code	Subobject	Description	Amount
2	<b>Subtotal - Sheriff's</b>				<b><u>(\$350,023)</u></b>
3	<b>Department</b>				
4					
5	1G AGF AAA	385036	00902	PREMIUM PAY -	(\$2,000,000)
6	GF - NON PROJECT			UNIFORM	
7	CONTROLLED				
8					
9	1G AGF AAA	385036	01573	DEPENDENT	(\$1,700,000)
10	GF - NON PROJECT			COVERAGE -	
11	CONTROLLED			UNIFORM	
12					
13	<b>Subtotal - Police</b>				<b><u>(\$3,700,000)</u></b>
14	<b>Department</b>				
15					
16	5C AAA AAA	920301	00101	PERMANENT	(\$100,000)
17	WASTEWATER-			SALARIES-MISC	
18	OPERATING-NON-PROJ-				
19	CONTROLLED				
20					
21	<b>Subtotal - Public Utilities</b>				<b><u>(\$100,000)</u></b>
22	<b>Commission</b>				
23					
24	<b>Total USES De-Appropriation</b>				<b><u>(\$4,150,023)</u></b>
25					

1 Section 2. The uses of funding outlined below are herein appropriated to reflect the  
 2 projected funding available for FY2014-2015.

3  
 4 **Uses Appropriation**

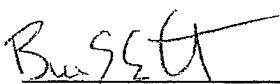
5	Fund	Index/Project Code	Subobject	Description	Amount
6	1G AGF AAA	062CJ2	01102	SALARIES OVERTIME	\$350,023
7	GF – NON PROJECT			– UNIFORM	
8	CONTROLLED				
9					
10	<b>Subtotal - Sheriff's</b>				<b><u>\$350,023</u></b>
11	<b>Department</b>				
12					
13	1G AGF AAA	385036	01102	SALARIES OVERTIME	\$3,700,000
14	GF – NON PROJECT			– UNIFORM	
15	CONTROLLED				
16					
17	<b>Subtotal - Police</b>				<b><u>\$3,700,000</u></b>
18	<b>Department</b>				
19					
20	5C AAA AAA	920301	01101	OVERTIME – MISC	\$100,000
21	WASTEWATER-				
22	OPERATING-NON-PROJ-				
23	CONTROLLED FD				
24					
25					

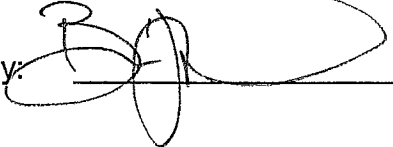
1	Fund	Index/Project Code	Subobject	Description	Amount
2	<b>Subtotal - Public Utilities</b>				<b><u>\$100,000</u></b>
3	<b>Commission</b>				
4					
5	<b>Total USES Appropriation</b>				<b><u>\$4,150,023</u></b>

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

12 APPROVED AS TO FORM:  
13 DENNIS J. HERRERA, City Attorney

FUNDS AVAILABLE:  
BEN ROSENFELD, Controller

14 By:   
15 THOMAS OWEN  
16 Deputy City Attorney

By: 

**ANALYSIS OF SUPPLEMENTAL APPROPRIATION REQUEST**

**DEPARTMENT:** PUC, POL, SHF

**DATE:** July 7, 2015

**S.A.#**

**ANALYST:** Carol Lu

**AMOUNT REQUESTED:** \$4,150,721 (surplus transfer only)

**POSITIONS REQUESTED:** N/A

**FUNDING SOURCES:** 1G AGF AAA (POL, SFH) and 5C AAA AAA (PUC)

**SUBJECT:** The Public Utilities Commission (PUC), Police Department (POL), and Sheriff's Department (SHF) request authority to transfer \$4.15M of currently appropriated funds from non-overtime funds for overtime usage.

**BACKGROUND:**

In September 2011, Ordinance 194-11 amended Section 3.17 of the Administrative Code to require nine City departments to obtain a supplemental if they were to overspend their overtime budgets. Working with the Mayor's Budget Office and Controller's Office, PUC, POL, and SHF project to overspend their overtime budgets by a combined \$4.15M.

**Cost Overruns**

- **PUC's \$0.10M** request is driven by vacancies, unexpected workload due to the December 2014 storm, and support of the Sewer System Improvement Program in the Wastewater Enterprise.
- **Police's \$3.7M** request is largely driven by staffing requirements at special events. In FY 2014-15, Overtime pay actuals have exceeded budgeted amounts due to various events including the Giants' postseason games, celebrations, and parade, protests and gatherings in the Fall related to events in Ferguson and Staten Island, and increased dignitary visits at events such as the commissioning of USS America during October Fleet Week and the U.S Conference of Mayors in June.
- **Sheriff's \$0.35M** request is driven by additional unanticipated events in the final quarter of the 2014-15 fiscal year, to include additional protective details for City Hall due to anticipated protests, larger/longer than anticipated hearings, the US Conference of Mayors and an increase in vacation usage across the department.

<u>Depts</u>	<u>Source:</u>	<u>Use:</u>	
	<u>Operating Savings</u>	<u>Overtime</u>	<u>GF Impact</u>
PUC	\$0.10	(\$0.10)	-
POL	\$3.70	(\$3.70)	-
SHF	\$0.35	(\$0.35)	-
<b>Totals</b>	<b>\$4.15</b>	<b>(\$4.15)</b>	<b>\$ -</b>

**RECOMMENDATION:** Approve

**FISCAL IMPACT:** This request has no new fiscal impact to the General Fund.

<b>Item 14</b> <b>File 15-0727</b>	<b>Department:</b> Police, Public Utilities Commission (PUC), Sheriff
<b>EXECUTIVE SUMMARY</b>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>• The proposed ordinance appropriates \$5,033,384 to overtime and de-appropriates \$5,033,384 from permanent salaries, premium pay, and fringe benefits in the Police Department, Public Utilities Commission, and Sheriff's Department operating budgets in order to support the Departments' actual increases in overtime in FY 2014-2015.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• At the end of Fiscal Year 2014-15, the Police Department, Public Utilities Commission and Sheriff's Department had overages in their overtime budgets of \$4,540,000, \$193,384, and \$294,000 respectively for total overspending on overtime of \$5,027,384. The proposed ordinance rounds the total overtime spending for the Sheriff's Department to \$300,000, resulting in a total de-appropriation and re-appropriation of \$5,033,384.</li> <li>• Overspending on overtime in the Police and Sheriff Departments was due to the need for additional police presence at a number of events, including the Giants Post Season and World Series parade; the Warriors play-off and victory games; the hosting of the U.S. Conference of Mayors; the Pride Celebration; and the Centennial Celebration.</li> <li>• Overspending on overtime in the Sheriff's Department was also due to the completion of advanced officer training as mandated by the Board of State and Community Corrections and the Commission on Peace Officer Standards and Training.</li> <li>• Overspending on overtime in the Public Utilities Commission's Wastewater Enterprise was due to operational issues including vacancies within the Wastewater position inventory that are responsible for operating the treatment facilities and high levels of long-term leaves of absence granted to staff in critical classifications, among other issues.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• In each of the three departments, funds will be de-appropriated from permanent salaries, premium pay and fringe benefits and re-appropriated to overtime salaries where the overage is anticipated to occur.</li> </ul> <p style="text-align: center;"><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>• Approve the proposed ordinance.</li> </ul>	

**MANDATE STATEMENT / BACKGROUND****Mandate Statement**

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

Administrative Code Section 3.17, which was approved by the Board of Supervisors in September 2011, requires that the Annual Appropriation Ordinance contain a separate overtime appropriation within the operating budgets of the following eight City departments: San Francisco International Airport, Department of Emergency Management, Police Department, Department of Public Health, Public Utilities Commission, Department of Public Works, Recreation and Park Department, and the Sheriff.

Administrative Code Section 3.17(b) states that the eight City departments identified above must also request a supplemental appropriation ordinance for any overtime costs in excess of the overtime included in their annual operating budgets as previously appropriated by the Board of Supervisors. Such requested supplemental appropriation ordinances are subject to Board of Supervisors appropriation approval.

Of the eight departments listed above, the Police Department, Public Utilities Commission, and Sheriff's Department incurred overtime expenses in excess of the amounts appropriated by the Board of Supervisors in the FY 2014-15 budgets.

**DETAILS OF PROPOSED LEGISLATION**

The proposed ordinance would authorize a supplemental appropriation of \$5,033,384 to overtime and would de-appropriate \$5,033,384 from permanent salaries, premium pay, and fringe benefits in the Police Department, Public Utilities Commission, and Sheriff's Department FY 2014-15 operating budgets in order to support the Departments' actual increases in overtime in FY 2014-2015 in excess of the overtime amount previously appropriated by the Board of Supervisors.

At the end of Fiscal Year 2014-15, the Police Department, the Public Utilities Commission (PUC) and the Sheriff's Department had overages in their overtime budgets of \$4,540,000, \$193,384, and \$294,000 respectively, as shown in Table 1 below, for total additional overtime in excess of the budgeted overtime previously appropriated by the Board of Supervisors of \$5,027,384. The proposed ordinance rounds the total for the Sheriff's department to \$300,000, which results in a total appropriation of \$5,033,384.



**Table 1: Overtime Overages by Department for FY 2014-15**

Department	Overtime Overage (FY 2014-15)
Police	\$4,540,000
Public Utilities Commission, Wastewater Enterprise	\$193,384
Sheriff	\$294,000*
Total	\$5,027,384

Source: Proposed Ordinance

\*Rounded to \$300,000 in the proposed legislation.

#### Police Department

According to Ms. Maureen Gannon, Police Department Chief Financial Officer, overspending by the Police Department on overtime is due to several events that required adding officers and security, including but not limited to:

- The United States Ship America Commissioning during Fleet Week that was attended by several dignitaries including the President and Vice President of the United States;
- The Giants Post Season play-off and world series games and World Series Parade held in October;
- Gatherings in commemoration of the Ferguson and Staten Island events;
- An increased number of visits by dignitaries to the City, including the Vice President and President;
- The hosting of the National Mayor's Conference in June, which was attended by the President of the United States; and
- Warriors Post Season Watch Parties that were held throughout the City in June.

#### Public Utilities Commission (PUC)

According to Ms. Yolanda Alcantar, PUC Manager, overspending on overtime by the Public Utilities Commission's (PUC) Wastewater Enterprise was due to the following operational issues:

- Vacancies in Wastewater positions that are responsible for operating the treatment facilities;
- High levels of long-term leaves of absence granted to staff in critical classifications (there are currently 30 staff members on continuous long-term leave and 10 on intermittent leave);
- Scheduled shift overtime that is directed by labor agreements and built into staff schedules at the treatment facilities;

- Excessive rain events on December 3, 2014 and December 11, 2014, which caused significant flooding within the City; and
- Unanticipated staff responses to infrastructure incidents as a result of the aging collection and treatment systems.

Ms. Alcantar also reports that overspending on overtime was due to issues associated with the following programmatic projects at Treasure Island and 525 Golden Gate:

- Overtime in support of unscheduled and as needed maintenance related to the Water Treatment Plant, Wastewater Pump Station, Stormwater Pump Station and Wastewater Collection System, and to the unscheduled and as needed duties related to the operations of Treasure Island and Yerba Buena Island Sewer Treatment Plant and Pump Stations; and

The overtime expenditures related to the city-owned 525 Golden Gate Public Utilities Commission facility are needed to support maintenance and repair activities, such as touchup painting that cannot be performed during business hours, Monday through Friday.

#### Sheriff's Department

According to Ms. Bree Mawhorter, Sheriff's Department Chief Financial Officer, overspending in the Sheriff's Department on overtime was due to the following events:

- The U.S. Conference of Mayors;
- The U.N. Celebration and Ruling on Marriage Equality;
- The City Hall Centennial Celebration;
- The Warriors play-off games;
- The Pride Celebration;
- High security court proceedings; and
- Completion of advanced officer training as mandated by the State Board and Community Corrections and the Commission on Peace Officer Standards and Training.

**FISCAL IMPACT**

Table 2 below shows the sources of the funds by department to be de-appropriated and the uses of funds to be re-appropriated under the proposed ordinance totaling \$5,033,384.

**Table 2: Sources and Uses of Funds by Department**

<i>Police Department</i>	<b>Fund</b>	<b>Description</b>	<b>Amount</b>
<b>Sources of Funds</b>	General Fund	Premium Pay – Uniform	\$ 2,840,000
	General Fund	Dependent Coverage – Uniform	\$ 1,700,000
		<i>Total</i>	\$ 4,540,000
<b>Uses of Funds</b>	General Fund	Salaries Overtime – Uniform	\$ 4,540,000
<i>PUC Wastewater</i>	<b>Fund</b>	<b>Description</b>	<b>Amount</b>
<b>Source of Funds</b>	CWP - Operating Fund	Permanent Salaries – Misc.	\$ 193,384
<b>Uses of Funds</b>	CWP - Operating Fund	Overtime – Misc.	\$ 106,555
	CWP - Operating Fund	Overtime – Misc.	\$ 23,321
	CWP - Operating Fund	Overtime – Misc.	\$ 16,041
	CWP - Operating Fund	Overtime – Misc.	\$ 47,467
		<i>Total</i>	\$ 193,384
<i>Sheriff's Department</i>	<b>Fund</b>	<b>Description</b>	<b>Amount</b>
<b>Source of Funds</b>	General Fund	Permanent Salaries – Uniform	\$ 300,000
<b>Use of Funds</b>	General Fund	Salaries Overtime – Uniform	\$ 300,000
		<i>Total</i>	\$ 5,033,384

Source: Proposed Ordinance

**RECOMMENDATION**

Approve the proposed ordinance.

OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: *Ed* Mayor Edwin M. Lee *EW*  
RE: Appropriation and De-Appropriation – Surplus Expenditures of \$4,150,023  
Supporting Increased Overtime Expenditures  
DATE: July 7, 2015

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Attached for introduction to the Board of Supervisors is an ordinance appropriating \$4,150,023 to overtime and de-appropriating \$4,150,023 from permanent salaries, premium pay, and fringe benefits in the Sheriff's Department, Police Department and the Public Utilities Commission's operating budgets in order to support the Departments projected increases in overtime as required per Ordinance No. 194-11 in FY2014-2015.

I respectfully request a waiver of the 30-day hold on this legislation and that this item be calendared in Budget & Finance Committee on July 15<sup>th</sup>, 2015.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.

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