

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

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TO: Budget and Finance Committee

FROM: Budget and Legislative Analyst



SUBJECT: May 11, 2017 Budget and Finance Committee Meeting

TABLE OF CONTENTS

Item	File		Page
2	17-0457	Hearing – Release of Reserved Funds – Police department – Overtime Funding - \$1,000,000.....	1
3	17-0469	Appropriation and De-Appropriation – Fund Balance and Expenditures – Supporting Increased Overtime Expenditures - \$25,482,258 – FY 2016-2017	5

Item 2 Files 17-0457	Department: Police Department (Police)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <p>The San Francisco Police Department (SFPD) is requesting the Budget and Finance Committee of the Board of Supervisors to release \$1,100,000 of the \$1,118,920 placed on Budget and Finance Committee reserve in FY 2016-17 for Overtime Pay.</p> <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • SFPD has spent \$14,866,995, or \$238,804 more than the previously authorized budget, on uniform overtime through the end of March 2017, and SFPD’s year-end projection for FY 2016-17 overtime expenditures is \$21,128,191 or \$6,500,000 more than the budget authorized by the Board of Supervisors. • The increase in overtime expenditures is due to (1) new officers in field training, which results in arrests and investigations taking longer; (2) high need for training overtime due to the large number of recruits; and (3) an increase in First Amendment gatherings. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • Because SFPD incurred overtime expenses in excess of the Department’s FY 2016-17 overtime appropriation without obtaining Board of Supervisors approval, as required by Administrative Code Section 3.17(b), the Budget and Legislative Analyst considers approval of the requested release of \$1,100,000 to be a policy matter for the Board of Supervisors. <p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> • Request SFPD to provide the Budget and Legislative Analyst as part of the FY 2017-18 budget review with data detailing (1) overtime expenditures for special events, arrests and investigations, court appearances, and other overtime uses in FY 2016-17, and (2) increases in the number of special events, arrests and investigations, and court appearances since FY 2011-12. • Because SFPD has already incurred overtime expenditures of \$238,804 in excess of the budgeted amount previously authorized by the Board of Supervisors, which does not comply with Administrative Code Section 3.17, approval of the requested release of reserves is a policy matter for the Board of Supervisors. 	

MANDATE STATEMENT

Administrative Code Section 3.3(e) provides for the committee of the Board of Supervisors having jurisdiction over the budget (Budget and Finance Committee) to place funds on reserve. These funds may be released by the Budget and Finance Committee.

BACKGROUND

For FY 2016-17, the Board of Supervisors placed \$1,118,920 in San Francisco Police Department (SFPD) Uniform Overtime appropriations, including \$1,100,000 in Overtime Pay and \$18,920 in associated Fringe Benefits, on Budget and Finance Committee Reserve, pending submission to the Budget and Finance Committee of a demonstrated need for increased overtime expenditures in FY 2016-17.

DETAILS OF PROPOSED LEGISLATION

SFPD is requesting the Budget and Finance Committee of the Board of Supervisors to release \$1,100,000 of the \$1,118,920 placed on Budget and Finance Committee reserve in FY 2016-17 for Overtime Pay.

FISCAL IMPACT

The Board of Supervisors appropriated \$14,628,191 of General Fund support for SFPD's operating overtime budget in FY 2016-17, including the \$1,118,920 placed on Budget and Finance Committee Reserve. According to Ms. Catherine McGuire, SFPD's Chief Financial Officer, SFPD has spent \$14,866,995, or \$238,804 more than the previously authorized budget, on uniform overtime through the pay period ending March 24, 2017, and SFPD's year-end projection for FY 2016-17 overtime expenditures is \$21,128,191 or \$6,500,000 more than the budget authorized by the Board of Supervisors. According to Ms. McGuire, the rate of overtime expenditures is expected to increase in the remaining three months of FY 2016-17 because the number of special events requiring security increases as weather improves, with events such as Pride occurring near the end of the fiscal year.

The projected FY 2016-17 overtime expenditure of \$21,128,191 is \$1,869,548, or 10 percent, more than SFPD's actual overtime expenditure of \$19,258,643 in FY 2015-16. Over the past five years, SFPD's overtime expenditures have increased by approximately \$8.8 million, or 71 percent, from \$12.3 million in FY 2011-12 to an estimated \$21.1 million in FY 2016-17.

According to Ms. McGuire the requested increase in overtime expenditures in FY 2016-17 is due to (1) a large number of new officers currently in field training, which results in arrests and investigations (the task associated with the largest amount of General Fund operating overtime) taking longer; (2) unusually high need for training overtime due to the large number of recruits in the Academy; and (3) an increase in First Amendment gatherings.

POLICY CONSIDERATION**Increase in Overtime Expenditures**

As noted above, the projected FY 2016-17 overtime expenditure of \$21,128,191 is \$1,869,548, or 10 percent, more than SFPD's actual overtime expenditure of \$19,258,643 in FY 2015-16. Overtime expenditures have increased by 71 percent over the past five years, from \$12.3 million in FY 2011-12 to over \$21.1 million in FY 2016-17.

According to Ms. McGuire, although SFPD has hired new officers this year, increased staffing does not result in the need for less overtime for police officers. Ms. McGuire reports that the majority of overtime is spent on (1) arrests and investigations that extend beyond the end of a shift, (2) court appearances, and (3) special events.

Major special events such as St. Patrick's Day and the Pride parade occur every year and should be anticipated in the department's annual overtime budget. The Budget and Legislative Analyst recommends that the Budget and Finance Committee request SFPD to provide the Budget and Legislative Analyst as part of the FY 2017-18 budget review with data detailing (1) overtime expenditures for special events, arrests and investigations, court appearances, and other overtime uses in FY 2016-17, and (2) increases in the number of special events, arrests and investigations, and court appearances since FY 2011-12.

Incurring Overtime Expenditures Prior to Budget and Finance Committee Approval

As noted above, SFPD has already spent \$14,866,995 or \$238,804 more than the previously authorized budget, on uniform overtime through the pay period ending March 24, 2017. Such excess expenditures do not comply with Administrative Code Section 3.17(b), which states that a department covered by Administrative Code Section 3.17¹ that proposes to spend more on overtime than the amount so appropriated must first obtain approval by the Board of Supervisors of a supplemental appropriation ordinance prior to expending overtime in excess of the amount budgeted by the Board of Supervisors. The supplemental appropriation ordinance (File 17-0469), approving re-appropriation of surplus funds in the FY 2016-17 budgets of six City departments – Sheriff's Department, Department of Emergency Management, Fire Department, Department of Public Health, Public Utilities Commission, and Police Department – to fund overtime expenditures in excess of the budgeted amounts authorized by the Board of Supervisors for the six departments is also calendared at the May 11, 2017 Budget and Finance Committee meeting. The Police Department, Sheriff's Department, Department of Public Health, and Department of Emergency Management have already incurred overtime expenditures in excess of their previously appropriated budgets, which does not comply with Administrative Code Section 3.17. In the future, supplemental appropriation ordinances for overtime should be brought to the Board of Supervisors for approval prior to incurring excess overtime expenditures, as required under the City's Administrative Code.

¹ The nine City departments covered by Administrative Code Section 3.17 are: Airport, Emergency Management, Fire, Police, Public Health, Public Utilities Commission, Public Works, Recreation and Park, and Sheriff.

RECOMMENDATIONS

1. Request SFPD to provide the Budget and Legislative Analyst as part of the FY 2017-18 budget review with data detailing (1) overtime expenditures for special events, arrests and investigations, court appearances, and other overtime uses in FY 2016-17, and (2) increases in the number of special events, arrests and investigations, and court appearances since FY 2011-12.
2. Because SFPD has already incurred overtime expenditures of \$238,804 in excess of the budgeted amount previously authorized by the Board of Supervisors, which does not comply with Administrative Code Section 3.17, approval of the requested release of reserves is a policy matter for the Board of Supervisors.

Item 3
File 17-0469

Departments: Sheriff, Emergency Management, Public Health,
Public Utilities Commission, Police, Fire

EXECUTIVE SUMMARY

Legislative Objectives

The proposed ordinance would (1) appropriate \$300,000 of Water Enterprise Fund Balance, (2) de-appropriate \$25,182,258 in surplus expenditures, and (3) appropriate \$25,482,258 to pay for FY 2016-17 overtime expenditures in excess of the originally budgeted FY 2016-17 overtime amounts, resulting in a projected overtime shortfall in the Sheriff's Department, Department of Emergency Management, Fire Department, Department of Public Health, Public Utilities Commission, and Police Department operating budgets in FY 2016-17.

Fiscal Impact

- The Sheriff's Department has (a) \$11,060,000 in surplus salaries and related costs due to vacant civilian and uniform positions; and (b) projected excess overtime expenditures of \$11,060,000 due to backfilling vacant positions to meet minimum staffing requirements.
- The Department of Emergency Management has (a) \$873,146 in surplus salaries due to the resignations of 18 permanent staff, and (b) projected excess overtime expenditures of \$873,146 due to increased attrition and lengthy training time for new dispatchers.
- The Department of Public Health has (a) \$5,287,000 in surplus salaries at San Francisco General Hospital and Laguna Honda Hospital due primarily to delays in hiring budgeted positions; and (b) projected excess overtime expenditures of \$5,287,000 due primarily to backfilling additional positions at the new hospital that have not yet been filled.
- The Public Utilities Commission has (a) \$650,000 in surplus salaries and general reserve; (b) a need to appropriate \$300,000 in Water Enterprise Fund Balance; and (c) projected excess overtime expenditures of \$950,000 due primarily to emergency response work in the Water, Wastewater, and Hetch Hetchy Enterprises.
- The Police Department has (a) \$6,500,000 in surplus salaries and other current expenses due primarily to vacant positions; and (b) projected excess overtime expenditures of \$6,500,000 due to primarily to increased overtime for arrests, investigations, and training.
- The Fire Department has (a) \$812,112 in surplus salaries and related costs due to vacant uniform positions at the Airport; and (b) projected excess overtime expenditures of \$812,112 due to delays in hiring new firefighter staff at the Airport.

Recommendations

- The Board of Supervisors should request that departments covered by Administrative Code Section 3.17 consult with the Mayor's and Controller's Offices after six-months of each fiscal year to develop (1) projections for overtime in the remaining six months of the year based on known needs, and (2) strategies to reduce the occurrence avoidable overtime. If such projections indicate that additional overtime is warranted for the fiscal year, supplemental appropriations should be submitted to the Board of Supervisors at that time.
- Because the Police Department, Sheriff's Department, Department of Public Health, and Department of Emergency Management have already incurred overtime expenditures in excess of their previously appropriated budgets, which does not comply with Administrative Code Section 3.17, approval of the proposed ordinance is a policy matter for the Board of Supervisors.

MANDATE STATEMENT

Charter Section 9.105 provides that amendments to the Annual Appropriation Ordinance be subject to Board of Supervisors approval by ordinance, after the Controller certifies the availability of funds.

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 Airport, Emergency Management, Fire, 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 identified City departments must first obtain Board of Supervisors supplemental appropriation approval prior to the expenditure of additional overtime if their overtime expenditures are proposed to be greater than the amount of overtime previously appropriated by the Board of Supervisors in the department's budget.

Charter Section 9.113(c) states that, in the event the Mayor or a member of the Board of Supervisors recommends a supplemental appropriation ordinance after the adoption of the budget and prior to the end to the budget year that contains any item rejected by the Mayor or the Board of Supervisors in the original budget appropriation, the supplemental appropriation can only be approved by a two-thirds vote of the Board of Supervisors.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would (1) appropriate \$300,000 of Water Enterprise Fund Balance, (2) de-appropriate \$25,182,258 in surplus expenditures, and (3) appropriate \$25,482,258 to pay for FY 2016-17 overtime expenditures in excess of the originally budgeted FY 2016-17 overtime amounts, resulting in a projected overtime shortfall in the Sheriff's Department, Department of Emergency Management, Fire Department, Department of Public Health, Public Utilities Commission, and Police Department operating budgets in FY 2016-17.

The attachment summarizes the proposed appropriation of \$25,482,258 to pay for overtime costs in excess of the originally budgeted overtime amounts, resulting in a projected overtime shortfall in each of the respective six City departments' FY 2016-17 budgets.

FISCAL IMPACT

Sheriff's Department: \$11,060,000

The proposed ordinance de-appropriates \$11,060,000 in surplus salaries, and employer contributions to retirement and health benefits in the Sheriff's Department's FY 2016-17 budget to pay for \$11,060,000 in overtime expenditures, as shown in Table 1 below.

Table 1: Sheriff's Department Appropriation to Overtime

Sources	
<u>De-appropriation</u>	
Permanent Salaries Miscellaneous	\$5,250,000
Permanent Salaries Uniform	4,000,000
Retirement Non-City (PERS)	1,300,000
Health Service - City Match	510,000
Total Sources	\$11,060,000
Uses	
Overtime - Uniform	\$11,060,000
Total Uses	\$11,060,000

According to Mr. Crispin Hollings, Chief Financial Officer of the Sheriff's Department, the FY 2016-17 surplus in miscellaneous and uniform salaries is due primarily to vacant positions. The Sheriff's Department has had a year-to-date average of 26 vacant miscellaneous positions and 46 vacant uniform positions.¹ The increase in FY 2016-17 overtime usage is due primarily to backfilling vacant uniform positions to meet minimum staffing requirements in the jails and to meet increased security needs at Zuckerberg San Francisco General Hospital and City Hall.

The Sheriff's Department General Fund budget for overtime in FY 2016-17 is \$12,194,778, so the requested re-appropriation of \$11,060,000 would increase the overtime budget to \$23,254,778, an increase of 91 percent. The requested total overtime budget of \$23,254,778 in FY 2016-17 is approximately \$4.3 million or 22 percent higher than the department's total General Fund overtime expenditures of \$19.0 million in FY 2015-16. Since FY 2013-14, Sheriff overtime expenditures have increased by approximately \$13.6 million, or 130 percent.

According to Mr. Hollings, between the beginning of FY 2013-14 and the end of FY 2015-16, sworn staff decreased by approximately 50 full-time equivalents (FTEs). Additionally, in FY 2015-16 security needs increased at Zuckerberg San Francisco General Hospital due to the opening of the new building, and at City Hall due to an increase in First Amendment gatherings. As a result, the authorized budget for sworn deputy sheriffs increased from 808 FTEs in FY 2015-16 to 839 FTEs in FY 2016-17. According to Mr. Hollings, between ongoing separations (which average 35 deputies each year) and the new authorized positions, the department is still working to fill some of these positions – a process that takes approximately 18 months for recruitment, full background investigations and training.

Department of Emergency Management: \$873,146

The proposed ordinance de-appropriates \$873,146 in surplus salaries and employer contributions to retirement in the Department of Emergency Management's FY 2016-17 budget to pay for \$873,146 in overtime expenditures, as shown in Table 2 below.

¹ As of March 2017, the Sheriff's Department has 20 vacant miscellaneous positions and 22 vacant uniform positions.

Table 2: Department of Emergency Management Appropriation to Overtime

Sources	
<u>De-appropriation</u>	
Permanent Salaries Miscellaneous	\$654,860
Retirement Miscellaneous	218,286
Total Sources	\$873,146
Uses	
Overtime - Miscellaneous	\$873,146
Total Uses	\$873,146

According to Mr. William Lee, Deputy Director of Administration and Support at the Department of Emergency Management, the FY 2016-17 salary surplus is due to the resignations of 18 FTE staff in FY 2016-17. The FY 2016-17 overtime shortfall was due to increased attrition, lengthy training time to replace call center dispatchers, and an increase in emergency and non-emergency calls to the 911 Call Center.

The Department of Emergency Management's budget for overtime in FY 2016-17 is \$3,248,525, so the requested re-appropriation of \$873,146 would increase the overtime budget to \$4,121,671, an increase of 27 percent. The requested total overtime budget of \$4,121,671 is approximately \$0.6 million or 18 percent higher than the Department of Emergency Management's total overtime expenditures of \$3.5 million in FY 2015-16.

Department of Public Health: \$5,287,000

The proposed ordinance de-appropriates \$5,287,000 in surplus salaries and health benefits at San Francisco General Hospital (SFGH) and Laguna Honda Hospital (LHH) in the Department of Public Health's FY 2016-17 budget to pay for \$5,287,000 in SFGH and LHH overtime expenditures, as shown in Table 3 below.

Table 3: Department of Public Health Appropriation to Overtime at SFGH and LHH

Sources	
<u>De-appropriation</u>	
Health Service – Budget (SFGH)	\$4,537,000
Permanent Salaries Miscellaneous (LHH)	750,000
Total Sources	\$5,287,000
Uses	
Overtime – Nurses (SFGH)	\$4,537,000
Overtime – Miscellaneous (LHH)	750,000
Total Uses	\$5,287,000

The current FY 2016-17 overtime budget for SFGH and LHH is \$12,538,896, and the requested re-appropriation of \$5,287,000 will increase it to \$17,825,896, an increase of 42 percent. According to Mr. James Alexander, Budget Director for Zuckerberg SFGH, the opening of the new hospital and trauma center at Zuckerberg SFGH resulted in the need for additional Registered Nurse staff. The FY 2016-17 salary surplus is due primarily to backfilling Registered Nurse vacancies (73.7 FTEs at LHH; 137.7 FTEs at SFGH) and delays in hiring the additional budgeted positions. Since overtime usage does not incur health insurance or retirement

benefits like permanent filled positions, there is a surplus in health reserve mandatory fringe benefits for the Health Service System.

San Francisco Public Utilities Commission: \$950,000

The proposed ordinance de-appropriates \$150,000 in surplus salaries and \$500,000 in general reserve in the San Francisco Public Utilities Commission (SFPUC) FY 2016-17 budget and appropriates \$300,000 from the Water Enterprise Fund Balance to pay for \$950,000 in SFPUC overtime expenditures in the Water, Wastewater, and Hetch Hetchy Enterprises, as shown in Table 4 below.

Table 4: SFPUC Appropriation to Overtime in Water, Wastewater, and Hetch Hetchy Enterprises

	Water Enterprise	Wastewater Enterprise	Hetch Hetchy	Total SFPUC
Sources				
<u>De-appropriation</u>				
Permanent Salaries Miscellaneous			\$150,000	\$150,000
General Reserve		\$500,000		500,000
<u>Appropriation</u>				
Water Enterprise Fund Balance	\$300,000			300,000
Total Sources	\$300,000	\$500,000	\$150,000	\$950,000
Uses				
Overtime - Miscellaneous	\$300,000	\$500,000	\$150,000	\$950,000
Total Uses	\$300,000	\$500,000	\$150,000	\$950,000

SFPUC's current FY 2016-17 overtime budget is approximately \$4,000,000, so the requested \$950,000 will increase the budget to approximately \$4,950,000, or an increase of 24 percent. According to Mr. Carlos Jacobo, SFPUC Budget Director, the increase in overtime in FY 2016-17 is due to the following reasons:

Water Enterprise

- Delays in filling vacant permanent positions have led to an increase in overtime to fill regular shifts when staff, such as Stationary Engineers on 24/7 watch duty are out sick.
- Emergency responses to water main breaks, service pipe leaks, and damaged hydrants after hours or on weekends.

Wastewater Enterprise

- Delays in filling vacant permanent positions (approximately 100 current vacancies).
- Doubling of wet weather mode volume and duration at treatment plants compared to the previous five years. Wet weather staffing is done largely through overtime due to vacancies.
- Increase in response to wet weather-related calls for sewer operations such as temporary flood barriers that must be staffed 24/7 while deployed, largely performed on overtime.

Hetch Hetchy Water and Power Enterprise

- The Mountain Tunnel shutdown in January and February.
- Overtime is expected to be high during May and June to address storm-related damage to access roads for water supply and power generation facilities.

Police Department: \$6,500,000

The proposed ordinance de-appropriates \$6,500,000 in surplus salaries and training budget in the Police Department's FY 2016-17 budget to pay for \$6,500,000 in Police Department uniform overtime expenditures, as shown in Table 5 below.

Sources	
<u>De-appropriation</u>	
Permanent Salaries Uniform	\$6,000,000
Training Budget	500,000
Total Sources	\$6,500,000
Uses	
Overtime - Uniform	6,500,000
Total Uses	\$6,500,000

According to Ms. Catherine McGuire, Chief Financial Officer of the Police Department, the surplus in salaries in FY 2016-17 is due primarily to vacant General Fund positions from delays in hiring. Among General Fund positions, the Police Department currently has approximately 80 FTE sworn officer vacancies, of which approximately 50 will be filled in June by an incoming Academy class.

The increase in overtime expenditures in FY 2016-17 is due to (1) a large number of new officers currently in field training, which results in arrests and investigations (the task associated with the largest amount of General Fund operating overtime) taking longer; (2) unusually high need for training overtime due to the large number of recruits in the Academy; and (3) an increase in First Amendment gatherings, requiring additional officers.

The Police Department's General Fund budget for overtime in FY 2016-17 is \$14,628,191, so the requested re-appropriation of \$6,500,000 would increase the overtime budget to \$21,128,191, an increase of 44 percent. The Police Department's total requested FY 2016-17 General Fund overtime budget of \$21,128,191 is \$1,623,291, or 8 percent, more than SFPD's actual overtime expenditure of \$19,504,900 in FY 2015-16. However, it should be noted that in FY 2015-16, the Police Department expended \$3 million on General Fund overtime for the Super Bowl (a one-time event) that should contribute to reductions in overtime in FY 2016-17. The average General Fund overtime expenditure per FTE officer in FY 2016-17 is approximately 2 hours per week. The City caps overtime at 520 hours per FTE per year, and all overtime must be approved by a lieutenant before payroll is processed.

Over the past five years, SFPD's General Fund overtime expenditures have increased by approximately \$8.8 million, or 71.5 percent, from \$12.3 million in FY 2011-12 to an estimated \$21.1 million in FY 2016-17.

Fire Department: \$812,112

The proposed ordinance de-appropriates \$812,112 in surplus salaries and retirement contributions to the Fire Department's FY 2016-17 budget to pay for \$812,112 in uniform overtime expenditures at the Airport, as shown in Table 6 below.

Table 6: Fire Department Appropriation to Overtime

Sources	
Permanent Salaries Uniform	\$649,304
Retirement Uniform	162,808
Total Sources	\$812,112
Uses	
Overtime - Uniform	\$812,112
Total Uses	\$812,112

The Fire Department's current FY 2016-17 overtime budget for the Airport is \$4,352,995. The requested re-appropriation of \$812,112 will increase the Fire Department's Airport overtime budget to \$5,165,107, an increase of 19 percent. According to Mr. Mark Corso, Chief Financial Officer of the Fire Department, the FY 2016-17 salary surplus is due to lower than anticipated staffing at the Airport, where there are currently 6 FTE firefighter vacancies. The increased usage of overtime in FY 2016-17 is due to the requirement for the Fire Department to meet daily minimum staffing levels.

POLICY CONSIDERATION**Management of Overtime**

Overtime occurrences are generally (1) known, budgeted or planned (e.g., annual special events); (2) unplanned (e.g., weather-related damage to infrastructure); or (3) avoidable, resulting from inefficient workload management. Known, planned and budgeted overtime, up to a point, can be a cost-effective method to meet department service levels because overtime is generally less expensive than hiring additional employees and paying for associated mandatory fringe benefits.

Unplanned overtime can occur on occasions as extraordinary events, such as this past winter's storms, result in unexpected additional staffing needs. However, the amount of additional overtime being requested in the subject supplemental appropriation, particularly related to the Sheriff and Police Departments warrants closer scrutiny of management practices regarding workload assignments relative to overtime. Furthermore, the overall number of overtime hours and the cost of overtime in the Sheriff and Police Departments have been increasing every year since FY 2010-11, while the number of FTE staff have also increased.

Individual departments should review the costs and benefits of overtime to determine each department's optimal level of overtime staffing and budget accordingly. To evaluate whether service levels could have been met with regular staff working straight-time, departments should categorize overtime hours as either planned or unplanned and evaluate whether the unplanned occurrences could be substituted with straight-time using alternative staffing assignments.

Excess Overtime and Attrition

In the cases of delays in hiring authorized positions, departments should benchmark their staffing/vacancy levels against similar jurisdictions to see if the hiring challenges are unique to the City's processes, or if particular job classes are difficult to hire. If the hiring delays are unique to the City, departments should work with the Department of Human Resources on strategies for streamlining the hiring process.

The Department of Emergency Management asserts that the rate of separations of 911 call center dispatchers has increased in recent years as call volumes and mandatory overtime has increased. Staffing of the 911 call center with new hires has not been able to keep pace with the rate of retirements and resignations, resulting in a level of service below national standards, and a resulting increase in overtime. In the case of the Department of Emergency Management, a more expedient hiring and training process is necessary to improve service levels and morale among dispatchers, and to reduce usage of overtime.

Requirement to Obtain Approval of a Supplemental Appropriation from the Board of Supervisors Prior to Incurring Excess Overtime Expenditures

Administrative Code Section 3.17(b) states that departments covered by Administrative Code Section 3.17 that propose to spend more on overtime than the amount appropriated in their budget must first obtain approval from the Board of Supervisors of a supplemental appropriation ordinance for that purpose. The Police Department, Sheriff's Department, Department of Public Health (SFGH), and Department of Emergency Management have already incurred overtime expenditures in excess of their previously appropriated budgets, which does not comply with this provision.

In the future, supplemental appropriation ordinances for overtime should be brought to the Board of Supervisors for approval prior to incurring excess overtime expenditures, as required under the City's Administrative Code. Departments covered by Administrative Code Section 3.17 should consult with the Mayor and Controller's Offices after six-months of the fiscal year to develop (1) projections for overtime in the remaining six months of the year based on known needs, and (2) strategies to reduce the occurrence of avoidable overtime. If such projections indicate that additional overtime is warranted for the fiscal year, supplemental appropriations should be submitted to the Board of Supervisors at that time. Because the Police Department, Sheriff's Department, Department of Public Health, and Department of Emergency Management have already incurred overtime expenditures in excess of their previously appropriated budgets, which does not comply with Administrative Code Section 3.17, the Budget and Legislative Analyst considers approval of the proposed ordinance to be a policy matter for the Board of Supervisors.

RECOMMENDATIONS

1. The Board of Supervisors should request that departments covered by Administrative Code Section 3.17 consult with the Mayor's and Controller's Offices after six-months of each fiscal year to develop (1) projections for overtime in the remaining six months of the year based on known needs, and (2) strategies to reduce the occurrence avoidable

overtime. If such projections indicate that additional overtime is warranted for the fiscal year, supplemental appropriations should be submitted to the Board of Supervisors at that time.

2. Because the Police Department, Sheriff's Department, Department of Public Health, and Department of Emergency Management have already incurred overtime expenditures in excess of their previously appropriated budgets, which does not comply with Administrative Code Section 3.17, approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Table: Appropriation of \$25,482,258 to Overtime in the FY 2016-17 Budget

	Sheriff	Emergency Management	Public Health SFGH	Public Health LHH	PUC Water	PUC Wastewater	PUC Hetch Hetchy	Police	Fire	Total
Sources										
<u>De-appropriation</u>										
Permanent Salaries Miscellaneous	5,250,000	654,860		750,000			150,000		649,304	7,454,164
Permanent Salaries Uniform	4,000,000							6,000,000		10,000,000
Retirement Miscellaneous		218,286								218,286
Retirement Non-City (PERS)	1,300,000									1,300,000
Retirement Uniform									162,808	162,808
Health Service - City Match	510,000									510,000
Health Service - Budget			4,537,000							4,537,000
General Reserve						500,000				500,000
Other Current Expenses								500,000		500,000
<i>Subtotal De-appropriation</i>	<i>11,060,000</i>	<i>873,146</i>	<i>4,537,000</i>	<i>750,000</i>	<i>0</i>	<i>500,000</i>	<i>150,000</i>	<i>6,500,000</i>	<i>812,112</i>	<i>25,182,258</i>
<u>Appropriation</u>										
Water Enterprise Fund Balance					300,000					
Total Sources	11,060,000	873,146	4,537,000	750,000	300,000	500,000	150,000	6,500,000	812,112	25,482,258
Uses										
Overtime - Uniform	11,060,000								812,112	11,872,112
Overtime - Miscellaneous		873,146		750,000	300,000	500,000	150,000	6,500,000		9,073,146
Overtime - Nurses			4,537,000							4,537,000
Total Uses	11,060,000	873,146	4,537,000	750,000	300,000	500,000	150,000	6,500,000	812,112	25,482,258