

File No. 260297

Committee Item No. 5

Board Item No. 7

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date May 6, 2026

Board of Supervisors Meeting

Date May 12, 2026

#### Cmte Board

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Resolution                                   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance                                    |
| <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"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <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"/>            | Notice of Award/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)

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Brent Jalipa

Date April 30, 2026

Completed by: Brent Jalipa

Date May 7, 2026

1 [Appropriation - Fire Department - Revenue - \$1,589,223 - De-Appropriation - Various  
2 Departments - Permanent Salaries and Dependent Coverage - \$8,832,528 -  
3 Appropriation - Overtime - \$10,421,751 - FY2025-2026]

4 **Ordinance appropriating \$1,163,325 of Ambulance Billings and \$425,898 of Fire**  
5 **Overtime Service Fees revenues in the Fire Department, de-appropriating**  
6 **permanent salaries of \$500,000 in the Department of Emergency Management,**  
7 **permanent salaries of \$6,088,370 and dependent coverage of \$994,158 in the Fire**  
8 **Department, and permanent salaries of \$1,250,000 in the Public Utilities**  
9 **Commission, and appropriating \$500,000 to overtime in the Department of**  
10 **Emergency Management, \$8,671,751 to overtime in the Fire Department, and**  
11 **\$1,250,000 to overtime in the Public Utilities Commission in order to support the**  
12 **Departments' projected increases in overtime as required per Administrative**  
13 **Code, Section 3.17; this Ordinance requires a two-thirds vote of all members of**  
14 **the Board of Supervisors for approval of the Fire Department's appropriation of**  
15 **\$7,992,170 pursuant to Charter, Section 9.113(c).**

16  
17 Note: Additions are single-underline italics Times New Roman;  
18 deletions are ~~strikethrough italics Times New Roman~~.  
19 Board amendment additions are double underlined.  
20 Board amendment deletions are ~~strikethrough normal~~.

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

22 Section 1. The sources of funding outlined below are herein appropriated and de-  
23 appropriated to reflect the projected sources of funding for FY2025-2026.

**SOURCES Appropriation**

	<b>Fund /</b>	<b>Project &amp; Activity /</b>	<b>Account</b>	<b>Description</b>	<b>Amount</b>
	<b>Department ID</b>	<b>Authority</b>			
4	10000 - GF Annual	10001966 - FD Operations /	465916	Ambulance	\$1,163,325
5	Account Ctrl /	0001 - Operations / 10000 -		Billings	
6	130650 - FIR	Operating			
7	Operations				
8					
9	10000 - GF Annual	10001963 - FD Prevention /	460678	Fire Overtime	\$425,898
10	Account Ctrl /	0001 - Prevention / 10000 -		Service Fees	
11	130651 - FIR	Operating			
12	Prevention				
13					
14	<b>Total Sources Appropriation – FIR</b>				<b>\$1,589,223</b>

**USES De-appropriation**

	<b>Fund /</b>	<b>Project &amp; Activity /</b>	<b>Account</b>	<b>Description</b>	<b>Amount</b>
	<b>Department ID</b>	<b>Authority</b>			
20	10000 - GF Annual	10001780 - EM DEM	501010	Perm	(\$500,000)
21	Account Ctrl /	EMERGENCY		Salaries-Misc-	
22	229986 - DEM	COMMUNICATION / 0001 -		Regular	
23	Emergency	DEM EMERGENCY			
24	Communications	COMMUNICATION / 10000			
25		- Operating			

	<b>Fund /</b>	<b>Project &amp; Activity /</b>	<b>Account</b>	<b>Description</b>	<b>Amount</b>
1	<b>Department ID</b>	<b>Authority</b>			
2					
3	<b>Subtotal – DEM</b>				<b>(\$500,000)</b>
4					
5	10000 - GF Annual	10001966 - FD Operations /	501010	Perm	(\$5,408,789)
6	Account Ctrl /	0001 - Operations / 10000 -		Salaries-Misc-	
7	130650 - FIR	Operating		Regular	
8	Operations				
9					
10	10000 - GF Annual	10001966 - FD Operations /	515710	Dependent	(\$994,158)
11	Account Ctrl /	0001 - Operations / 10000 -		Coverage	
12	130650 - FIR	Operating			
13	Operations				
14					
15	17960 - AIR Op	10001967 - FD Airport	501010	Perm	(\$679,581)
16	Annual Account Ctrl	Operations / 0001 - Airport		Salaries-Misc-	
17	/ 130645 - FIR	Operations / 10000 -		Regular	
18	Airport	Operating			
19					
20	<b>Subtotal – FIR</b>				<b>(\$7,082,528)</b>
21					
22					
23					
24					
25					

	<b>Fund /</b>	<b>Project &amp; Activity /</b>	<b>Account</b>	<b>Description</b>	<b>Amount</b>
	<b>Department ID</b>	<b>Authority</b>			
3	25940 - WTR Op	10029997 - UW Water	501010	Perm	(\$950,000)
4	Annual Account Ctrl	Transmission WTR 0020 -		Salaries-Misc-	
5	/ 232422 -	Transmission: Peninsula		Regular	
6	WTR0502 WST	Region / 10000 - Operating			
7	Distribution Ops				
8					
9	24970 - HHWP Op	10029992 - UH	501010	Perm	(\$300,000)
10	Annual Account Ctrl	Administration HHP 0014 -		Salaries-Misc-	
11	/ 298646 - HHP10	General Joint Administration		Regular	
12	Hetchy Water	/ 10000 - Operating			
13					
14	<b>Subtotal – PUC</b>				<b>(\$1,250,000)</b>
15					
16	<b>Total Uses De-appropriation</b>				<b>(\$8,832,528)</b>

18 Section 2. The uses of funding outlined below are herein appropriated to reflect  
19 the projected funding available for FY2025-2026.

21 **USES Appropriation**

	<b>Fund /</b>	<b>Project &amp; Activity /</b>	<b>Account</b>	<b>Description</b>	<b>Amount</b>
1	<b>Department ID</b>	<b>Authority</b>			
2					
3	10000 - GF Annual	10001780 - EM DEM	511010	Overtime -	\$500,000
4	Account Ctrl /	EMERGENCY		Scheduled	
5	229986 - DEM	COMMUNICATION / 0001 -		Misc	
6	Emergency	DEM EMERGENCY			
7	Communications	COMMUNICATION / 10000			
8		- Operating			
9					
10	<b>Subtotal – DEM</b>				<b>\$500,000</b>
11					
12	10000 - GF Annual	10001966 - FD Operations /	511010	Overtime -	\$7,566,272
13	Account Ctrl /	0001 - Operations / 10000 -		Scheduled	
14	130650 - FIR	Operating		Misc	
15	Operations				
16					
17	10000 - GF Annual	10001963 - FD Prevention /	511010	Overtime -	\$425,898
18	Account Ctrl /	0001 - Prevention / 10000 -		Scheduled	
19	130651 - FIR	Operating		Misc	
20	Prevention				
21					
22	17960 - AIR Op	10001967 - FD Airport	511010	Overtime -	\$679,581
23	Annual Account Ctrl	Operations / 0001 - Airport		Scheduled	
24	/ 130645 - FIR	Operations / 10000 -		Misc	
25	Airport	Operating			

	<b>Fund /</b>	<b>Project &amp; Activity /</b>	<b>Account</b>	<b>Description</b>	<b>Amount</b>
1	<b>Department ID</b>	<b>Authority</b>			
2					
3	<b>Subtotal – FIR</b>				<b>\$8,671,751</b>
4					
5	25940 - WTR Op	10029997 - UW Water	511010	Overtime -	\$950,000
6	Annual Account Ctrl	Transmission WTR 0020 -		Scheduled	
7	/ 232422 -	Transmission: Peninsula		Misc	
8	WTR0502 WST	Region / 10000 - Operating			
9	Distribution Ops				
10					
11	24970 - HHWP Op	10029992 - UH	511010	Overtime -	\$300,000
12	Annual Account Ctrl	Administration HHP 0014 -		Scheduled	
13	/ 298646 - HHP10	General Joint Administration		Misc	
14	Hetchy Water	/ 10000 - Operating			
15					
16	<b>Subtotal – PUC</b>				<b>\$1,250,000</b>
17					
18	<b>Total Uses Appropriation</b>				<b>\$10,421,751</b>
19					
20					
21					
22					
23					
24					
25					

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

4  
5 Section 4. Two-Thirds Vote Required. In accordance with Charter Section  
6 9.113(c), passage of this ordinance by the Board of Supervisors requires an affirmative  
7 vote of two-thirds of the Board of Supervisors to approve the Overtime appropriation of  
8 \$7,992,170 to the Fire Department.

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

APPROVED AS TO FORM:  
DAVID CHIU, City Attorney

FUNDS AVAILABLE:  
GREG WAGNER, Controller

By: /s/Brad Russi  
BRADLEY RUSSI  
Deputy City Attorney

By: /s/Greg Wagner  
GREG WAGNER  
Controller

<b>Item 5</b> <b>File 26-0297</b>	<b>Departments:</b> Fire Department (FIR), Emergency Management (DEM), Public Utilities Commission (PUC)
--------------------------------------	--

**EXECUTIVE SUMMARY**

**Legislative Objectives**

- The proposed ordinance (a) appropriates \$1,163,325 in Ambulance Billing Revenue and \$425,898 in Overtime Services Fees revenue in the Fire Department and (b) de-appropriates \$500,000 from permanent salaries in the Department of Emergency Management, \$6,088,370 in permanent salaries and \$994,158 in dependent coverage in the Fire Department (SFFD) and \$1,250,000 in permanent salaries in the Public Utilities Commission and appropriates a total of \$10,421,751 to overtime in the Department of Emergency Management (\$500,000), Fire Department (\$8,671,751), and Public Utilities Commission (\$1,250,000).

**Key Points**

- The Department of Emergency Management, Fire Department, and the Public Utilities Commission are requesting a supplemental appropriation to increase their overtime budgets in annual operating funds, as per Administrative Code Section 3.17.
- Overtime needs vary by department. The Department of Emergency Management does not currently project exceeding its FY 2025–26 overtime budget but requests additional appropriation as a precautionary measure to address major events and emergencies, such as protests and power outages. The Fire Department attributes increased overtime needs to vacancies and minimum staffing levels required to maintain services, while PUC cites higher workloads from winter storms and critical pipeline maintenance in the regional water system.

**Fiscal Impact**

- The proposed ordinance shifts savings from position vacancies to pay for the following increased overtime costs: (1) \$500,000 for the Department of Emergency Management, (2) \$8,671,751 for the Fire Department, and (3) \$1,250,000 for the Public Utilities Commission. The proposed percent increases in overtime in annual operating funds for the three departments range from six percent for the Department of Emergency Management up to 20 percent for the Public Utilities Commission. The ordinance also provides spending authority for \$1,163,325 of unbudgeted ambulance revenues for the Fire Department.

**Recommendation**

- Approve the proposed ordinance.

**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 states that the Airport; Department of Emergency Management; Fire Department; Police Department; Department of Public Health; Public Utilities Commission; Department of Public Works; Recreation and Park Department; and Sheriff must obtain a supplemental appropriation to exceed the overtime budgets in their annual operating funds.

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.

**BACKGROUND**

Three departments (Department of Emergency Management, Fire Department, and the Public Utilities Commission) are requesting a supplemental appropriation to increase their overtime budgets in annual operating funds, as per Administrative Code Section 3.17. The need for additional overtime funds varies across departments. Department of Emergency Management (DEM) does not anticipate exceeding its overtime budget in FY 2025-26 but is requesting an appropriation as a precautionary measure to address potential increases in overtime costs associated with major events and other unforeseen emergencies such as protests or power outages. The Fire Department (SFFD) reports that vacancies combined with minimum staffing levels required to maintain services are contributing to the need for staff to work overtime. In addition, the Public Utilities Commission (PUC) reports that they have seen increased workloads from the winter storms and critical pipeline maintenance in the regional water system, resulting in a need for additional overtime.

**DETAILS OF PROPOSED LEGISLATION**

The proposed ordinance (a) appropriates \$1,163,325 in Ambulance Billing Revenue and \$425,898 in Overtime Services Fees revenue in the Fire Department and (b) de-appropriates \$500,000 from permanent salaries in the Department of Emergency Management, \$6,088,370 in permanent salaries and \$994,158 in dependent coverage in the Fire Department (SFFD) and \$1,250,000 in permanent salaries in the Public Utilities Commission and appropriates a total of \$10,421,751 to overtime in the Department of Emergency Management (\$500,000), Fire Department (\$8,671,751), and Public Utilities Commission (\$1,250,000). Approval of the proposed appropriation of \$7,992,170 to the Fire Department requires a two-thirds vote of all members of the Board of Supervisors pursuant to Charter Section 9.113(c).

Exhibit 1 below summarizes the proposed appropriation of \$10,421,751 by department.

**Exhibit 1: Appropriation of \$10,421,751 by Department**

Sources	Emergency Management	Fire	Public Utilities	Total
<u>Appropriation</u>				
Ambulance Billing Revenue		\$1,163,325		\$1,163,325
Fire Overtime Service Fee Revenue		\$425,898		\$425,898
<u>De-Appropriation</u>				
Permanent Salaries	\$500,000	\$6,088,370	\$1,250,000	\$7,838,370
Dependent Coverage		\$994,158		\$994,158
<b>Total Sources</b>	<b>\$500,000</b>	<b>\$8,671,751</b>	<b>\$1,250,000</b>	<b>\$10,421,751</b>
<u>Uses</u>				
<u>Appropriation</u>				
Overtime	\$500,000	\$8,671,751	\$1,250,000	\$10,421,751
<b>Total Uses</b>	<b>\$500,000</b>	<b>\$8,671,751</b>	<b>\$1,250,000</b>	<b>\$10,421,751</b>

Source: Proposed ordinance

**FISCAL IMPACT**

**Proposed Increases in Overtime**

The proposed percent increases in overtime for the three departments range from six percent for DEM up to 20 percent for PUC. Exhibit 2 summarizes the FY 2025-26 approved budget for each department, the resulting increase from the proposed ordinance, and FY 2024-25 actual expenditures.

**Exhibit 2: FY 2025-26 Overtime Budget and Proposed Increase, Annual Operating Funds**

	Emergency Management	Fire	Public Utilities	Total
FY 2025-26 Overtime Budget	\$7,823,288	\$59,152,776	\$6,238,058	\$73,214,122
Proposed Increase in Ordinance	\$500,000	\$8,671,751	\$1,250,000	\$10,421,751
New Overtime Budget	\$8,323,288	\$67,824,527	\$7,488,058	\$83,635,873
Percent Increase	6%	15%	20%	14%
FY 2024-25 Actual Overtime Expenditures	\$8,517,468	\$65,089,476	\$6,887,508	\$80,494,452
New Overtime Budget, Percent of FY 2024-25 Actual Expenditures	98%	104%	109%	104%

Source: Proposed ordinance, City budget system.

The following sections provide additional detail on the proposed increases in overtime for each of the three departments.

**Department of Emergency Management: \$500,000**

The proposed ordinance de-appropriates \$500,000 in permanent salaries in the Department of Emergency Management's (DEM) FY 2025-26 budget to pay for \$500,000 in overtime expenditures, as shown in Exhibit 1 above.

DEM does not anticipate exceeding its overtime budget in FY 2025-26. According to DEM, the department is requesting a \$500,000 appropriation as a precautionary measure to address potential increases in overtime costs associated with major events, including the FIFA World Cup, and other unforeseen emergencies such as protests or power outages. DEM projects that FY 2025-26 General Fund permanent salaries will total approximately \$40.0 million compared to the budgeted amount of \$42.0 million, resulting in a projected surplus of \$2.0 million. DEM projects total FY 2025-26 overtime expenditures of approximately \$7.7 million compared to the budgeted amount of \$7.8 million, resulting in a projected surplus of less than \$100,000.

DEM states the permanent salaries surplus is largely attributable to the delay of the final POST Academy<sup>1</sup> class, rescheduled from April 13, 2026 to May 23, 2026. Additional savings on fringe benefits result from DEM's reliance on overtime to meet 911 call-answering standards, as the associated overtime fringe rate (approximately 10 percent) is lower than the regular fringe rate (approximately 30 percent). DEM reports 16 vacant 8238 Public Safety Dispatcher positions (five percent vacancy rate); 15 are expected to be filled through the POST Academy class beginning May 23, 2026, with the remaining vacant position to be filled by a returning former dispatcher prior to fiscal year-end.

DEM is proposing to reduce the FY 2026-27 overtime budget by approximately \$2.2 million, as the department's ongoing goal is to reduce overtime usage by filling POST Academy classes to capacity and conducting three cohorts annually.

**Fire Department: \$8,671,751**

The proposed ordinance appropriates \$1,163,325 in additional ambulance service revenue and \$425,898 in additional overtime service fee revenue and de-appropriates \$7,082,528 in surplus salaries and dependent coverage<sup>2</sup> in the SFFD's FY 2025-26 budget to pay for \$8,671,751 in additional overtime expenditures. SFFD anticipates exceeding its overtime budget in the pay period ending May 22, 2026. Exhibit 3 below summarizes the de-appropriation and appropriation of funds.

---

<sup>1</sup> The POST Academy serves as the primary recruitment and training pathway for 911 dispatchers, functioning as the dispatcher equivalent of a police academy.

<sup>2</sup> SFFD stated this reflects a technical budgeting issue related to a structural mismatch between where fringe benefits are budgeted and where they are recorded. As fringe is automatically applied to salary accounts and aggregates at the total level, SFFD consolidated the adjustment into a single fringe line for administrative efficiency, with no impact on overall funding levels.

**Exhibit 3: Proposed SFFD Appropriation**

<b>Sources</b>	<b>General Fund</b>	<b>Airport Operating Fund</b>	<b>Total Amount</b>
<u>Appropriation</u>			
Ambulance Billings (Operations)	\$1,163,325		\$1,163,325
Overtime Service Fees (Prevention)	425,898		425,898
<u>De-Appropriation</u>			
Fire Salaries (Operations)	5,408,789		5,408,789
Dependent Coverage (Operations)	994,158		994,158
Fire Salaries (Airport)		679,581	679,581
<b>Total Sources</b>	<b>\$7,992,170</b>	<b>\$679,581</b>	<b>\$8,671,751</b>
<b>Uses</b>			
<u>Appropriation</u>			
Fire Overtime (Operations)	\$7,566,272		\$7,566,272
Fire Overtime (Prevention)	425,898		425,898
Fire Overtime (Airport)		679,581	679,581
<b>Total Uses</b>	<b>\$7,992,170</b>	<b>\$679,581</b>	<b>\$8,671,751</b>

Source: Proposed ordinance

According to SFFD, the additional ambulance billing revenue is primarily driven by State-level supplemental reimbursement programs<sup>3</sup> through the California Department of Health Care Services (DHCS) that leverage federal and State funds to enhance Medi-Cal revenues, as well as delayed back payments from prior fiscal years and improved billing efficiency. According to SFFD, the additional overtime service fee revenue is due to higher than anticipated demand for customer-requested or Fire Code–required services performed outside regular hours, necessitating a corresponding appropriation adjustment to align revenues with expenditures.<sup>4</sup>

SFFD projects that FY 2025-26 General Fund permanent salaries will total approximately \$256.1 million compared to the budgeted amount of \$261.5 million, resulting in a projected surplus of \$5.4 million. SFFD projects total General Fund overtime expenditures of approximately \$54.7 million compared to the budgeted amount of \$46.7 million, resulting in a projected deficit of \$8.0 million. SFFD states the salary surplus budget is largely attributable to lower than budgeted staffing levels. According to SFFD, vacancy levels fluctuate throughout the year and are primarily concentrated in the H-2 Firefighter classification. Due to the approximately 21-week training academy and ongoing retirements and separations, staffing gaps are temporarily backfilled with overtime; however, SFFD’s hiring plan of two academies annually producing 40–50 new hires

<sup>3</sup> SFFD states that the largest program that the department is participating in is the State’s Public Provider Ground Emergency Medical Transportation Intergovernmental Transfer Program, which leverages federal funding with State/local funding to increase reimbursement rates for municipalities.

<sup>4</sup> Fees are charged to recover costs, and revenue is deposited in the Fire Overtime Services Fees account, while corresponding expenditures are recorded in the general overtime account.

help reduce overtime as recruits enter field operations. According to the City Budget System, SFFD has approximately 53 vacancies in the H-2 Firefighter classification as of April 7, 2026, which translates to a 5.5 percent vacancy rate.<sup>5</sup> SFFD reports that overall staffing has improved in recent years due to its hiring plan, resulting in a corresponding decline in overtime usage.

SFFD states that the majority of overtime would be used in front-line emergency services to meet minimum staffing levels for fire suppression, emergency medical staffing services, and community paramedicine. Overtime would also be used for training and fire prevention, and \$679,581 would be used in the Airport Bureau. As of April 2026, fire and ambulance calls are projected to increase by approximately one percent in FY 2025-26 compared to FY 2024-25.

### **Public Utilities Commission: \$1,250,000**

The proposed ordinance de-appropriates \$1,250,000 in permanent salaries in the PUC's FY 2025-26 budget to pay for \$1,250,000 in overtime expenditures. This amount includes \$950,000 in the Water Enterprise and \$300,000 in the Hetch Hetchy Water Enterprise.

According to PUC, the department's increased overtime usage in FY 2025-26 is primarily due to critical pipeline maintenance in the regional water system and for planning, preparation, and response to winter storm events. PUC projects that FY 2025-26 overtime expenditures will total approximately \$4.5 million for the Water and Hetch Hetchy Enterprises, exceeding the budgeted amount of \$3.3 million by \$1.2 million or 38 percent.<sup>6</sup> Overtime has been utilized as follows:

- Water Enterprise (\$950,000): Overtime usage was driven by the need for additional staffing to support critical maintenance within the Water Supply and Treatment Division, including extended work on regional transmission pipelines to ensure regulatory compliance and system reliability. The shutdown of Mountain Tunnel for a major capital project required increased staffing at the Harry Tracy and Sunol Valley treatment plants to maintain water delivery.<sup>7</sup> Additional overtime was incurred to address fire suppression system issues at the Millbrae Yard and ensure operational safety. PUC projects total overtime expenditures of \$3,212,079, exceeding the overtime budget of \$2,274,317 by \$937,762. PUC estimates that the Water Enterprise will exceed its overtime budget in the pay period ending March 27, 2026.
- Hetch Hetchy Water Enterprise (\$300,000): The primary overtime drivers include staffing coverage for vacancies and leave, emergency response to winter storms, and critical maintenance within the regional water and power system. Storm-related damage required immediate repairs to restore access to key facilities, and the shutdown of Mountain Tunnel increased overtime for system repairs. Additional drivers include

---

<sup>5</sup> According to SFFD, fire suppression vacancies are dynamic and fluctuate due to retirements, academy graduations, and new hires; therefore, the Department does not budget to the full number of authorized positions. Overall, net staffing has increased compared to the prior year, reducing vacancies and contributing to lower projected overtime.

<sup>6</sup> The Water and Hetch Hetchy Enterprises' FY 2025-26 overtime budget of \$3.3 million reflects 53 percent of PUC's overtime budget across all operating funds (\$6.2 million) shown in Exhibit 2.

<sup>7</sup> SFPUC is undertaking capital improvements on the Mountain Tunnel, a component of the Regional Water System, which required a 74-day shutdown. During the shutdown, additional 24/7 staffing was required at the Harry Tracy and Sunol Valley treatment plants to treat and deliver water from local reservoirs, resulting in increased overtime costs.

staffing shortages in 24/7 powerhouse operations and extended work hours for wildfire mitigation and vegetation management across remote watershed areas. PUC projects total overtime expenditures of \$1,266,116, exceeding the overtime budget of \$1,015,002 by \$251,114. PUC estimates that the Hetch Hetchy Enterprise will exceed its overtime budget in the pay period ending April 24, 2026.

PUC states the proposed supplemental appropriation amounts will be sufficient to cover the projected deficits.

The proposed de-appropriation of \$1,250,000 from permanent salaries is due to projected salary savings in the enterprise budgets, primarily driven by vacancies and staff turnover. PUC projects that total salary expenditures in the two enterprises, including overtime, will total approximately \$129 million, compared to the budgeted amount of \$133 million, resulting in projected savings of approximately \$4 million. Between the Water and Hetch Hetchy Enterprises, PUC has approximately 212 vacant positions out of 1,268 FTE positions, a 16.7 percent vacancy rate. PUC is proposing to increase the overtime budget in the Water Enterprise by \$500,000 and the Hetch Hetchy Enterprise by \$100,000 in the upcoming FY 2026-27 two-year budget submission to try to right-size it.

#### **RECOMMENDATION**

Approve the proposed ordinance.

OFFICE OF THE MAYOR  
SAN FRANCISCO



DANIEL LURIE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Dexter Darmali, Legislative & Ethics Secretary  
RE: Appropriation - Fire Department - Revenue - \$1,589,223 and De-Appropriation - Various  
Departments - Permanent Salaries and Dependent Coverage - \$8,832,528 - Appropriation -  
Overtime - \$10,421,751 - FY2025-2026  
DATE: March 24, 2026

---

Ordinance appropriating \$1,163,325 of Ambulance Billings and \$425,898 of Fire Overtime Service Fees revenues in the Fire Department, de-appropriating permanent salaries of \$500,000 in the Department of Emergency Management, permanent salaries of \$6,088,070 and dependent coverage of \$994,158 in the Fire Department, and permanent salaries of \$1,250,000 in the Public Utilities Commission, and appropriating \$500,000 to overtime in the Department of Emergency Management, \$8,671,751 to overtime in the Fire Department, and \$1,250,000 to overtime in the Public Utilities Commission in order to support the Departments' projected increases in overtime as required per Administrative Code Section 3.17; this Ordinance requires a two-thirds vote of all members of the Board of Supervisors for approval of the Fire Department's appropriation of \$7,992,170, pursuant to Charter Section 9.113(c).

Should you have any questions, please contact Adam Thongsavat at [adam.thongsavat@sfgov.org](mailto:adam.thongsavat@sfgov.org)