

File No. 170457

Committee Item No. 2
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date May 18, 2017

Board of Supervisors Meeting

Date _____

Cmte Board

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Completed by: Linda Wong Date May 12, 2017
Completed by: Linda Wong Date _____



EDWIN M. LEE
MAYOR

CITY AND COUNTY OF SAN FRANCISCO
POLICE DEPARTMENT
HEADQUARTERS
1245 3RD Street
San Francisco, California 94158



WILLIAM SCOTT
CHIEF OF POLICE

7 April 2017

Supervisor Malia Cohen
Chair, Budget and Finance Committee
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102

Subject: Release \$1.1 million Police Overtime Funding from Reserves

Dear Supervisor Cohen,

The Police Department respectfully requests that the Budget and Finance Committee release \$1,100,000 in reserves placed on the department's budget for fiscal year 2016-17. The Budget and Finance Committee placed \$1,100,000 of the department's general fund overtime budget on reserves as part of the fiscal year 2016-17 Annual Appropriation Ordinance.

The department's general fund overtime budget, including the \$1.1 million on reserves, is \$14.6 million. For comparison, the department spent 16,553,967 last year (not including Super Bowl 50) and \$14,174,399 the prior year, in general fund operating overtime. The department anticipates spending over \$20 million in general fund operating overtime this fiscal year.

As a result of the spending rate and in order to ensure the Department has sufficient funds to close the year within budget, the Police Department is requesting both the release of the reserve, and in partnership with the Controller's Office and Mayor's Office, a supplemental appropriation. The Department will be providing detail regarding the needs for the supplemental appropriation, in the form of a surplus transfer, during the Budget and Finance Committee meeting that is scheduled on May 11, 2017 along with other City Departments making the same request. We look forward to presenting you this information at that meeting.

Sincerely,


William Scott
Chief of Police

cc: Angela Calvillo
Melissa Whitehouse
Harvey Rose
Ben Rosenfield

<p>Item 2 Files 17-0457</p>	<p>Department: Police Department (Police)</p>
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EXECUTIVE SUMMARY

Legislative Objectives

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.

Key Points

- 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.

Fiscal Impact

- 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.

Recommendations

- 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.