

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 6, 2015 Budget and Finance Committee Meeting

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<p>Item 2 File 15-0347</p>	<p>Departments: Department of Emergency Management (DEM); Department of Public Health (DPH), Fire Department (Fire); Public Utilities Commission (PUC); Sheriff’s Department (Sheriff)</p>
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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance (File 15-0347) would authorize the transfer of \$9,630,762 of currently appropriated funds from non-overtime funds for overtime usage. The Department of Emergency Management (DEM), Department of Public Health (DPH), Fire Department (Fire), Public Utilities Commission (PUC), and Sheriff’s Department (Sheriff) request a combined \$9,630,762 be de-appropriated from permanent salaries, miscellaneous pay, and power for resale and appropriated to overtime funds to pay for unforeseen labor needs in the departments.

Key Points

- The Department of Emergency Management is requesting authority to transfer \$1,476,760 from permanent salaries and miscellaneous pay to overtime pay due to increased 911 call volume and unavailability of staff due to dispatcher leaves. Overtime staffing is necessary to improve the Department’s primary performance goal of answering 90% of emergency calls within ten seconds.
- The Department of Public Health is requesting authority to transfer \$2,950,000 from permanent salaries to overtime pay primarily due to overages at SF General Hospital, Primary Care, and Laguna Honda. Staff vacancies have fueled overtime use at SF General and Primary care, while unexpected additional needs at Laguna Honda have required the use of overtime to maintain patient care.
- The Fire Department is requesting authority to transfer \$449,002 from permanent salaries and benefits to overtime pay to fund additional staffing at its Airport Operations. Reassignments, retirements, and promotions have required Fire to use overtime in order to maintain sufficient staffing of specially-trained firefighters at SFO.
- The Public Utilities Commission is requesting authority to transfer \$455,000 from premium pay and power for resale accounts to overtime pay. Overtime hours have been necessary due to staffing vacancies in both Water and Power, damage from the December 2014 storm, and responses to third-party property damage.
- The Sheriff’s Department is requesting authority to transfer \$4,300,000 from permanent salaries, retirement pay, and benefits to overtime pay. Additional overtime is needed to maintain minimum staffing levels due an unexpected number of separations, long-term disability and leave, and security provided at World Series events.

Fiscal Impact

- This request has no new impact on the General Fund, as all funds are currently appropriated to various accounts.

Recommendations

- Amend the proposed ordinance to reduce the requested appropriation by \$91,499 from \$9,630,762 to \$9,539,263.
- Approve the proposed ordinance as amended.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

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

City Administrative Code Section 3.17(a) states that the Annual Appropriation Ordinance must contain a separate appropriation for overtime within the operating budgets for the: Airport, Department of Emergency Management, Fire Department, Police Department, Department of Public Health, Public Utilities Commission, Department of Public Works, Recreation and Park, and the Sheriff's Department.

City Administrative Code Section 3.17(b) states that any supplemental appropriations to the overtime appropriation in operating budgets of the departments listed in Section 3.17(a) shall be subject to approval by the Board of Supervisors after the Controller certifies the availability of funds.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would amend the Annual Appropriation Ordinance for FY 2014-15 to de-appropriate \$9,630,762 from funds previously appropriated for permanent salaries, premium pay, and other uses; and re-appropriate \$9,630,762 for additional overtime for the Department of Emergency Management (DEM), Department of Public Health (DPH), Fire Department, Public Utilities Commission (PUC), and Sheriff's Department (SHF).

FISCAL IMPACT

The proposed ordinance has no additional General Fund and non-General Fund fiscal impact, as all of the funds to be re-appropriated to overtime are currently appropriated to various funds that have a projected year-end surplus.

The sources of the re-appropriation and the uses, which are additional overtime for the five applicable Departments, as well as the explanation for the need for additional overtime, are described below.

The overall reasons for the need for additional overtime for the Department of Emergency Services, the Department of Public Health, the Fire Department, the Public Utilities Commission and the Sheriff's Department, are shown in Table 1 below.

Table 1: Reasons for Supplemental Appropriation by Department

Department	Amount	Explanation
DEM	\$1,476,760	Higher than expected 911 call volumes and dispatcher leaves, requiring overtime staffing to answer emergency calls within ten seconds.
DPH	\$2,950,000	Staff vacancies at San Francisco General Hospital (SFGH) and Primary Care; an unusually high number of patients with complex needs at Laguna Honda Hospital (LHH); and implementation of IT system upgrades.
FIRE	\$449,002	Reassignments, retirements and promotions within the Airport Division necessitated overtime to ensure sufficient staffing of specially-trained firefighters at the Airport.
PUC	\$455,000	Additional staff hours in both Water and Hetch Hetchy Power Enterprises due to damage from the December 2014 storm; vacancies in both divisions; and responses to third-party property damage.
SHF	\$4,300,000	Higher than projected number of separations and long-term disability and leave; additional security responsibilities related to SF General Hospital, the Hall of Justice, and World Series events.
Total	\$9,630,762	

Department of Emergency Management

The proposed ordinance de-appropriates \$1,476,760 in FY 2014-15 General Fund monies previously appropriated by the Board of Supervisors for permanent salaries, premium pay, and holiday pay, as shown in Table 2 below, and re-appropriates these funds for additional overtime.

Table 2: Department of Emergency Management Overtime Re-Appropriation

		Total General Fund
Sources	Permanent Salaries	\$960,000
	Premium Pay	\$488,000
	Holiday Pay	\$28,760
	Total (Sources)	\$1,476,760
Uses	Overtime	\$1,476,760
	Total (Uses)	\$1,476,760

The requested appropriation of \$1,476,760 for overtime would increase the total overtime budget for the Department of Emergency Management to \$2,583,310 or 133.5% more than the original FY 2014-15 overtime budget of \$1,106,550.

According to Mr. William Lee, DEM Deputy Director of Administration and Support, the reasons for the increased overtime are driven primarily by an unexpected increase in emergency call volume, staff vacancies, and above-normal use of leave by DEM staff. Overtime has been necessary to maintain sufficient numbers of emergency operators to respond to 911 calls.

According to the Department of Emergency Management's projections, the Department has surplus funds in permanent salaries, premium pay, and holiday pay due to vacancies and leave, which are available for re-appropriation to overtime.

Based on spending data provided by the Department of Emergency Management, the Budget and Legislative Analyst agrees with the Department's projected year-end overtime expenditures. The Budget and Legislative Analyst recommends approving the request to re-appropriate \$1,476,760 for overtime use.

Department of Public Health

The proposed ordinance de-appropriates \$2,950,000 in FY 2014-15 in San Francisco General Hospital (SFGH) Enterprise Fund and General Fund monies, previously appropriated by the Board of Supervisors, for permanent salaries, as shown in Table 3 below, and re-appropriates these funds for additional overtime.

Table 3: Department of Public Health Overtime Re-Appropriation

		SFGH	LHH	General Fund	Total
Sources	Permanent Salaries	\$1,900,000	\$0	\$1,050,000	\$2,950,000
	Total (Sources)	\$1,900,000	\$0	\$1,050,000	\$2,950,000
Uses	Overtime	\$1,900,000	\$500,000	\$1,050,000	\$2,950,000
	Total (Uses)	\$1,900,000	\$500,000	\$550,000	\$2,950,000

The requested appropriation of \$2,950,000 for overtime would increase the total overtime budget for the Department of Public Health to \$14,242,006 or 26.1% more than the original FY 2014-15 overtime budget of \$11,292,006.

According to Ms. Jenny Louie, DPH Budget Director, the reasons for the increased overtime are due to staff vacancies at San Francisco General Hospital and Primary Care, which require the use of overtime to meet minimum staffing levels. In addition, Laguna Honda Hospital has a number of factors necessitating overtime use, including an acute flu season, an unusually high number of new residents that require additional care, and the implementation of an electronic medical system.

According to the Department of Public Health's projections, the Department has surplus funds in permanent salaries due to staff vacancies, which are available for re-appropriation to overtime.

Based on spending data provided by the Department of Public Health, the Budget and Legislative Analyst agrees with the Department's projected year-end overtime expenditures. The Budget and Legislative Analyst recommends approving the request to re-appropriate \$2,950,000 for overtime use.

Fire Department

The proposed ordinance de-appropriates \$449,002 in FY 2014-15 Airport Fund monies previously appropriated by the Board of Supervisors for permanent salaries and health service match pay, as shown in Table 4 below, and re-appropriates these funds for additional overtime.

Table 4: Fire Department Overtime Re-Appropriation

		Total Airport Fund
Sources	Permanent Salaries	\$354,890
	Health Service Match	\$94,112
	Total (Sources)	\$449,002
Uses	Overtime	\$449,002
	Total (Uses)	\$449,002

The requested appropriation of \$449,002 for overtime would increase the total overtime budget at the Airport for the Fire Department to \$4,187,251 or 12% more than the original FY 2014-15 overtime budget of \$3,738,249.

According to Mr. Mark Corso, Fire Department Chief Financial Officer, the increased overtime is due to staffing needs within the Airport Division. A number of promotions and retirements in the Airport Division required the use of overtime to maintain minimum staffing levels of specially-trained firefighters at the Airport.

According to the Fire Department's projections, the Department has surplus funds in permanent salaries and health service match pay due vacancies, which are available for re-appropriation to overtime.

Based on spending data provided by the Fire Department, the Budget and Legislative Analyst agrees with the Department's projected year-end overtime expenditures. The Budget and Legislative Analyst recommends approving the request to re-appropriate \$449,002 for overtime use.

Public Utilities Commission

The proposed ordinance de-appropriates \$455,000 in FY 2014-15 Water Enterprise and Hetch Hetchy Power Enterprise monies previously appropriated by the Board of Supervisors for premium pay and power for resale, as shown in Table 5 below, and re-appropriates these funds for additional overtime.

Table 5: SFPUC Overtime Re-Appropriation

		Water Enterprise	Hetch Hetchy Power Enterprise	Total
Sources	Premium Pay	\$350,000	\$0	\$350,000
	Power for Resale	\$0	\$105,000	\$105,000
	Total (Sources)	\$350,000	\$105,000	\$455,000
Uses	Overtime	\$350,000	\$105,000	\$455,000
	Total (Uses)	\$350,000	\$105,000	\$455,000

The requested appropriation of \$455,000 for overtime would increase the total overtime budget to \$4,503,852 or 11.2% more than the original FY 2014-15 overtime budget of \$4,048,852.

According to Mr. Carlos Jacobo, SFPUC Budget Manager, the increased overtime is due to needs in both the Water Enterprise and Hetch Hetchy Power Enterprise. Water's increased use is a result of the December 2014 storms, a number of vacancies, and response calls to third-party property damage. Power also had to respond to storm damage in December, has a number of vacancies, and continues to respond to unexpected pole knockdowns and 311 requests.

According to the Public Utilities Commission's projections, the Department has surplus funds in premium pay due to vacancies and power for resale due to postponement of maintenance on power generating units, which are available for re-appropriation to overtime.

Based on spending data provided by the Public Utilities Commission, the Budget and Legislative Analyst agrees with the Department's projected year-end overtime expenditures. The Budget and Legislative Analyst recommends approving the request to re-appropriate \$455,000 for overtime use.

Sheriff's Department

The proposed ordinance de-appropriates \$4,300,000 in FY 2014-15 General Fund monies previously appropriated by the Board of Supervisors for permanent salaries, retirement, and health service match pay, as shown in Table 6 below, and re-appropriates these funds for additional overtime.

Table 6: Sheriff's Department Overtime Re-Appropriation

		Total General Fund
Sources	Permanent Salaries	\$3,000,000
	Retirement	\$400,000
	Health Service Match	\$900,000
Total (Sources)		\$4,300,000
Uses	Overtime	\$4,300,000
	Total (Uses)	\$4,300,000

The requested appropriation of \$4,300,000 for overtime would increase the total overtime budget to \$13,854,953 or 45% more than the original FY 2014-15 overtime budget of \$9,554,953.

According to Chief Deputy Kathy Gorwood, the reasons for the increased overtime are due to sworn officer separations exceeding sworn officer hires, a significant number of officers on long-term disability or leave, and additional operations related to special events including the World Series. Overtime has been necessary to maintain minimum staffing levels.

According to the Sheriff's Department projections, the Department has surplus funds in permanent salaries, retirement, and health service match pay due to separations, vacancies, and leave, which are available for re-appropriation to overtime.

Based on spending data provided by the Sheriff's Department, the Budget and Legislative Analyst estimates year-end overtime expenditures of \$13,763,454, which is \$4,208,501 more than the FY 2014-2015 overtime budget of \$9,554,953. Based on a detailed analysis by the Budget and Legislative Analyst's Office, the request for an additional \$4,300,000 in the Sheriff's Department is \$91,499 more than the estimated need of \$4,208,501. Therefore, the Budget and Legislative Analyst recommends reducing the requested appropriation by \$91,499, which is a General Fund savings.

Budget and Legislative Analyst Recommendations

As shown in Table 7 below, the Budget and Legislative Analyst's Office recommends a reduction of \$91,499 from the originally requested amount of \$9,630,762 to \$9,539,263. This represents a General Fund savings of \$91,499 in the Sheriff's Department.

Table 7: BLA Recommended Reductions

Department	Requested Amount	BLA Recommendation	General Fund Savings
DEM	\$1,476,760	\$1,476,760	-
DPH	\$2,950,000	\$2,950,000	-
Fire	\$449,002	\$449,002	-
PUC	\$455,000	\$455,000	-
Sheriff	\$4,300,000	\$4,208,501	\$91,499
Total	\$9,630,762	\$9,539,263	\$91,499

RECOMMENDATIONS

1. Amend the proposed ordinance to reduce the requested appropriation by \$91,499 from \$9,630,762 to \$9,539,263.
2. Approve the proposed ordinance as amended.