

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: April 23, 2014 Budget and Finance Committee Meeting

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<p>Item 3 File 14-0377</p>	<p>Department: Fire Department (Fire)</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • The proposed ordinance would appropriate \$1,773,466 to overtime and de-appropriate \$1,773,466, consisting of \$1,369,787 in salaries and \$403,679 in fringe benefits, in the Fire Department’s FY 2013-14 operating budget funded by the Airport Fund. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • There are currently 81 Fire Department personnel assigned to the Airport. The majority (73) are assigned to 24-hour shifts to provide fire suppression and emergency medical services (EMS). The remaining (8) are assigned a 40-hour/week in non-suppression roles. • At the beginning of the current fiscal year, the Fire Department’s minimum fire suppression and EMS staffing were 23 positions that had to be filled 24-hours per day. As a result of the Asiana crash in July 2013, the Fire Department increased fire suppression and EMS minimum staffing to 24 positions. • The Fire Department estimates 3.44 full time equivalent positions (FTEs) for each 24-hour position to meet minimum staffing requirements, not including coverage for vacation, sick leave and other time off. Although the Fire Department would require 82.50 FTEs to meet the Airport’s minimum staffing requirements, the Department has 73 FTEs as noted above. The Fire Department uses overtime to backfill vacant positions, including vacancies due to vacation, sick leave and other time off. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • Based on actual Fire Department overtime expenditures at the Airport through March 28, 2014, the projected year-end overtime deficit is \$1,712,732, which is \$60,734 less than the requested appropriation of \$1,773,466. The Budget and Legislative Analyst recommends reducing the requested re-appropriation by \$60,734, from \$1,773,466 to \$1,712,732. 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> • The Fire Department uses overtime rather than fill vacant positions because overtime can be less costly than permanent positions when paid time off and benefits are factored into the position costs. However, staffing with overtime is less predictable than staffing with permanent positions and may result in other costs, such as increased sick leave use and other costs that may result from high overtime use. • The Fire Department graduated a Fire Academy class in December, and is planning for another graduation in May. According to the Fire Department, the staffing level department-wide has increased, and it may be possible to shift additional staff with the appropriate qualifications to the Airport in FY 2014-15. 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> • Amend the proposed ordinance to reduce the requested re-appropriation by \$60,734, from \$1,773,466 to \$1,712,732, resulting in the return of \$60,734 to the Airport Fund balance. • Approve the proposed ordinance as amended. 	

MANDATE STATEMENT / BACKGROUND**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 of 2011, requires that the Annual Appropriation Ordinance contain a separate overtime appropriation within the Airport, Emergency Management, 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 eight identified City departments must also request a supplemental appropriation ordinance, which is subject to Board of Supervisors approval, 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.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate \$1,773,466 to overtime and de-appropriate \$1,773,466, consisting of \$1,369,787 in surplus salaries and \$403,679 in surplus fringe benefits, in the Fire Department's FY 2013-14 operating budget funded by the Airport Fund.

There are currently 81 Fire Department personnel assigned to the Airport. The majority (73) are assigned to 24-hour shifts to provide fire suppression and emergency medical services (EMS). The remaining (8) are assigned a 40-hour/week in non-suppression roles.

Table 1: Current Staffing Model Employed by the Fire Department at the Airport

Suppression and EMS	Total Staff
H2 - Firefighter	47
H3 - Firefighter/Paramedic	10
H20 - Lieutenant	10
H30 - Captain	3
H33 - Paramedic Captain	3
Subtotal	73
Other	
H51 - Assistant Deputy Chief	1
H40 - Battalion Chief	1
H32 - Fire Prevention Captain	2
H22 - Fire Prevention Lieutenant	1
H40 - Battalion Chief	1
5215 - Fire Protection Engineer	1
6281 - Fire Safety Inspector	1
Subtotal	8
Total	81

Source: Mr. Mark Corso, Chief Financial Officer, San Francisco Fire Department

At the beginning of the current fiscal year, the Fire Department's minimum fire suppression and EMS staffing at the Airport were 23 positions that had to be filled 24-hours per day. As a result of the Asiana crash in July 2013, the Fire Department increased fire suppression and EMS minimum staffing by one position to 24 positions.

The Fire Department estimates 3.44 full time equivalent positions (FTEs) for each 24-hour position to meet minimum staffing requirements, not including coverage for vacation, sick leave and other time off. Although the Fire Department would require 82.50 FTEs to meet minimum staffing requirements at the Airport for fire suppression and EMS, the Department has 73 FTEs as shown in Table 1 above. The Fire Department uses overtime to backfill vacant positions, including vacancies due to vacation, sick leave and other time off.

The Fire Department's current policy is to cap overtime use at 1,100 hours per uniform staff per year. According to Mr. Mark Corso, Fire Department Chief Financial Officer, seven uniform staff department-wide have exceeded this cap in FY 2013-14. Fire Department staff at the Airport cannot volunteer for overtime over 1,100 hours, but the Fire Department can require the uniform staff to work additional overtime to meet operational need.

FISCAL IMPACT

As noted above, the proposed ordinance would de-appropriate \$1,773,466, consisting of \$1,369,787 in surplus salaries and \$403,679 in surplus fringe benefits, in the Fire Department's FY 2013-14 operating budget funded by the Airport Fund and re-appropriate \$1,773,466 to overtime. Table 2 below shows the Fire Department's actual salaries and fringe benefit expenditures through March 28, 2014, and projected salaries and fringe benefit expenditures through June 30, 2014, funded by the Airport Fund.

Table 2: Fire Department's FY 2013-14 Budgeted, Actual and Projected Expenditures Funded by the Airport Fund

	FY 2013-14 Budget	Actual Expenditures through Pay Period Ending 3/28/14	Projected Expenditures through June 30, 2014	Projected Expenditures Under/ (Over) Budget
Regular Salaries	\$270,997	\$100,855	\$135,331	\$135,666
Uniform Salaries	11,481,776	7,408,673	9,870,853	1,610,923
Premium Pay	1,757,748	1,001,583	1,324,644	433,104
Retirement Payout	500,000	330,669	330,669	169,331
Overtime	2,606,394	3,169,800	4,319,126	(1,712,732)
Total Salaries	16,616,915	12,011,580	15,980,622	636,293
Fringe Benefits	4,891,039	3,061,374	4,062,145	828,894
Total	\$21,507,954	\$15,072,954	\$20,042,767	\$1,465,187

Source: Controller's March 2014 Financial Projections

As shown in Table 2 above, the year-end projected overtime deficit is \$1,712,732, which is \$60,734 less than the requested appropriation of \$1,773,466. The Budget and Legislative

Analyst recommends reducing the requested re-appropriation by \$60,734, from \$1,773,466 to \$1,712,732.

POLICY CONSIDERATIONS

According to the Budget and Legislative Analyst's January 13, 2014 performance audit report, the Fire Department has used overtime rather than permanently fill vacant positions because overtime can be less costly than permanent positions when paid time off and benefits are factored into the position costs. The Budget and Legislative Analyst concluded in the performance audit report that while overtime may be less costly than permanent positions, increasing the use of permanent positions makes staffing more predictable and reduces the risk of workers compensation, disability, sick leave and other costs that may result from high overtime use due to fatigue and other factors.

According to Mr. Corso, there is no Fire Department hiring plan specific to the Airport. Staffing needs for the Airport are considered within the context of the Fire Department's overall plan. Fire suppression staff must complete additional training requirements before they can be assigned to the Airport.

Specifically, to be eligible for the Fire Department's Airport operations, fire suppression and EMS staff must:

- Have five years of experience in the Department and be EMT (Emergency Medical Technician) certified;
- Complete Live Burn Training, as well as Aircraft Rescue and Firefighting (ARFF) training;
- Complete Federal Aviation Administration (FAA) mandated trainings;
- Complete San Mateo County paramedic accreditation, if they are paramedics; and
- Attend Hazardous Materials and Surface Rescue courses put on by the Airport for any operations staff assigned there.

According to Mr. Corso, there are Fire Department fewer staff available for the Airport due to retirements, promotions, and low levels of staff in the Fire Department generally. The pool of staff members available for assignment to the Airport is also smaller than for the Fire Department in general due to the additional certifications needed.

The Fire Department graduated a Fire Academy class in December 2013, and is planning for another academy class graduation in May. According to Mr. Corso, the Fire Department's staffing level department-wide has increased, and it may be possible to shift additional staff with the appropriate qualifications to the Airport in FY 2014-15.

RECOMMENDATIONS

Amend the proposed ordinance to reduce the requested re-appropriation by \$60,734, from \$1,773,466 to \$1,712,732, resulting in the return of \$60,734 to the Airport Fund balance.

Approve the ordinance as amended.

<p>Item 6 File 14-0378</p>	<p>Department: Sheriff's Department (Sheriff)</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <p>The proposed ordinance would (a) de-appropriate \$115,883 of surplus monies budgeted for food expenses in the Sheriff Department's FY 2013-14 budget, and (b) re-appropriate \$115,883 for uniform overtime in the Sheriff Department's FY 2013-14 budget, in order to resolve the Department's projected FY 2013-14 budgetary shortfall in Overtime in accordance with Administrative Code Section 3.17.</p> <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The Sheriff's Department is requesting the proposed re-appropriation of funds to overtime because of higher than projected overtime expenses in FY 2013-14. • According to the Sheriff's Department, the increase of overtime expenses is driven primarily by the use of overtime to backfill vacancies created by deputy sheriffs on vacation. The increase in vacancies due to vacation use results from changes to the collective bargaining agreement between the City and the Deputy Sheriff's Association. The current collective bargaining agreement, which is effective from July 1, 2014 through June 30, 2014 allocates one vacation slot per shift, per day, per unit for every seven deputies. In the previous agreement which ended on June 30, 2012, the number of vacation slots per unit was allocated based on the total amount of vacation time accrued in the unit divided by 365 days in the year. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The Sheriff's Department's FY 2013-14 General Fund operating budget for overtime is \$7,516,940. Projected overtime expenditures through June 30, 2014 are \$7,697,401, resulting in a deficit in overtime expenditures of \$180,461. According to the Sheriff's Department, the Sheriff's Department is requesting funds to cover \$115,883 in the overtime deficit, which is \$64,578 less than the \$180,461 projected by the Controller's Office, based on the Sheriff's Department's estimated overtime spending in April through June 2014. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed ordinance. 	

MANDATE STATEMENT / BACKGROUND

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

Administrative Code Section 3.17, which was approved by the Board of Supervisors in September of 2011, requires that the Annual Appropriation Ordinance contain a separate overtime appropriation within the Airport, Emergency Management, 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 eight identified City departments must also request a supplemental appropriation ordinance, which is subject to Board of Supervisors approval, 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.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would (a) de-appropriate \$115,883 of surplus monies previously appropriated by the Board of Supervisors for food expenditures in the Sheriff's Department's FY 2013-14 operating budget, and (b) re-appropriate \$115,883 for overtime in the Sheriff Department's FY 2013-14 operating budget, in order to resolve the Department's projected FY 2013-14 budgetary shortfall in Overtime in accordance with Administrative Code Section 3.17.

According to Ms. Bree Mawhorter, Chief Financial Officer at the Sheriff's Department, the Sheriff's Department is requesting the proposed supplemental appropriation because of higher than projected overtime expenses, which are driven primarily by the use of overtime to backfill vacancies due to vacation use. Vacation policy for the Sheriff's Department is dictated by the Deputy Sheriff's Association collective bargaining agreement, which went into effect on July 1, 2012 and terminates on June 30, 2014. The current collective bargaining agreement allocates one vacation slot per shift, per day, per unit for each seven deputies. In the previous agreement which ended on June 30, 2012, the number of vacation slots per unit was allocated based on the total amount of vacation time accrued in the unit divided by 365 days in the year.

The implementation of the new vacation allocation formula significantly increased the number of vacation slots available, allowing specific days to be selected by multiple deputies. As multiple deputies take vacation leave on the same day, the Department fills the open shifts through placement of overtime shifts to other deputies which worked in place of those deputies on vacation .

FISCAL IMPACT

Table 1 below shows the proposed de-appropriation and re-appropriation of \$115,883.

Table 1: De-appropriation and Re-appropriation of Proposed Supplemental Appropriation

	FY 13-14 Budget	Surplus monies to be appropriated	Revised Budget Amount	Percentage Increase/ (Decrease)
De-appropriation Food Expenses	\$1,776,699	(\$115,883)	\$1,660,816	(6.5%)
Re-appropriation for Overtime – Uniform	\$7,516,940	\$115,883	\$7,632,823	1.5%

Food expenses funds for this supplemental appropriation would be taken from savings in the Sheriff Department’s budgeted meal contract with Aramark. These savings were generated because of a lower than projected jail population, which are consuming fewer meals than were previously anticipated.

Based on actual overtime expenditures through the pay period ending March 28, 2014, the Controller projects an overtime deficit in the Sheriff’s annual operating budget of \$180,461, as shown in Table 2 below.

Table 2: Controller’s Office Projected Overtime Deficit through June 30, 2014

	FY 2013-14 Budget	Expenditures through Pay Period Ending 3/28/14	Projected Expenditures through June 30, 2014	Balance
Overtime	\$7,516,940	\$5,435,417	\$7,697,401	(\$180,461)

Source: Controller’s March 2014 Financial Projections

According to the Sheriff’s Department, the Sheriff’s Department is requesting funds to cover \$115,883 in the overtime deficit, which is \$64,578 less than the \$180,461 projected by the Controller’s Office, based on the Sheriff’s Department’s estimated overtime spending in April through June 2014.

RECOMMENDATIONS

Approve the proposed ordinance.