

Committee Item No. 3  
Board Item No. 1

## COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

**Committee:** Budget & Finance Committee

**Date** April 23, 2014

## Board of Supervisors Meeting

Date May 6, 2014

## 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 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"/>	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)

[illegible]

**Completed by:** Linda Wong

**Date** April 11, 2014

Completed by: L.W.

Date April 24, 2014

## AMENDED IN COMMITTEE

4/23/14

FILE NO. 140377

ORDINANCE NO.

RO#14022

SA#31-22

[Appropriation and De-Appropriation - Surplus Expenditures of \$1,773,466 \$1,712,732  
Supporting Increased Overtime Expenditures - FY2013-2014]

Ordinance appropriating \$1,773,466 \$1,712,732 to overtime and de-appropriating  
\$1,773,466 \$1,712,732 consisting of \$1,369,787 \$1,322,877 in salaries and \$403,679  
\$389,855 in fringe benefits in the Fire Department's Operating Budget in order to  
support the Department's projected increases in overtime as required per Ordinance  
No. 194-11 in FY2013-2014.

Note: **Unchanged Code text and uncodified text** are in plain Arial font.  
**Additions to Codes** are in single-underline italics Times New Roman font.  
**Deletions to Codes** are in ~~strikethrough-italics Times New Roman font~~.  
**Board amendment additions** are in double underlined Arial font.  
**Board amendment deletions** are in ~~strikethrough Arial font~~.  
**Asterisks ( \* \* \* )** indicate the omission of unchanged Code  
subsections or parts of tables.

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

Section 1. The uses of funding outlined below are herein appropriated to reflect the  
projected uses of funding for FY2013-2014.

**USES Appropriation**

Fund	Index/Project Code	Subobject	Description	Amount
5A AAA AAA	315017	01102	SALARIES -	\$1,773,466
SFIA - NON PROJECT			OVERTIME - UNIFORM	<u>\$1,712,732</u>
CONTROLLED				

1 **Total USES Appropriation**

**\$1,773,466**

2 **\$1,712,732**

3  
4 Section 2. The uses of funding outlined below are herein de-appropriated to reflect the  
5 projected funding available for FY2013-2014.  
6

7 **Uses De-Appropriation**

8	Fund	Index/Project Code	Subobject	Description	Amount
9	5A AAA AAA	315017	00201	SALARIES -	(\$1,369,787)
10	SFIA - OPERATING - NON			REGULAR - UNIFORM	<u>(\$1,322,877)</u>
11	PROJECT CONTROLLED				
12					
13	5A AAA AAA	315017	01573	DEPENDENT	(\$403,679)
14	SFIA - OPERATING - NON			COVERAGE - UNIFORM	<u>(\$389,855)</u>
15	PROJECT CONTROLLED				
16					
17	<b>Total USES De-Appropriation</b>				<u><b>(\$1,773,466)</b></u>
18					<u><b>(\$1,712,732)</b></u>

19  
20 Section 3. The Controller is authorized to record transfers between funds and adjust  
21 the accounting treatment of sources and uses appropriated in this Ordinance as necessary to  
22 conform with Generally Accepted Accounting Principles.  
23  
24  
25

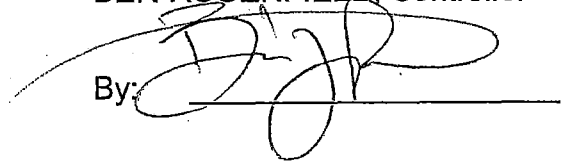
1 APPROVED AS TO FORM:  
2 DENNIS J. HERRERA, City Attorney

3 By:

4   
THOMAS OWEN  
Deputy City Attorney

FUNDS AVAILABLE:  
BEN ROSENFELD, Controller

By:



<b>Item 3</b> <b>File 14-0377</b>	<b>Department:</b> Fire Department (Fire)
<b>EXECUTIVE SUMMARY</b>	
<b>Legislative Objectives</b>	
<ul style="list-style-type: none"> <li>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.</li> </ul>	
<b>Key Points</b>	
<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>	
<b>Fiscal Impact</b>	
<ul style="list-style-type: none"> <li>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.</li> </ul>	
<b>Policy Consideration</b>	
<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	
<b>Recommendations</b>	
<ul style="list-style-type: none"> <li>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.</li> <li>Approve the proposed ordinance as amended.</li> </ul>	

**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**

<b>Suppression and EMS</b>	<b>Total Staff</b>
H2 - Firefighter	47
H3 - Firefighter/Paramedic	10
H20 - Lieutenant	10
H30 - Captain	3
H33 - Paramedic Captain	3
<b>Subtotal</b>	<b>73</b>
<b>Other</b>	
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
<b>Subtotal</b>	<b>8</b>
<b>Total</b>	<b>81</b>

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)
<b>Total Salaries</b>	<b>16,616,915</b>	<b>12,011,580</b>	<b>15,980,622</b>	<b>636,293</b>
Fringe Benefits	4,891,039	3,061,374	4,062,145	828,894
<b>Total</b>	<b>\$21,507,954</b>	<b>\$15,072,954</b>	<b>\$20,042,767</b>	<b>\$1,465,187</b>

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.



OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: *For* Mayor Edwin M. Lee *JE*  
RE: Appropriation and De-Appropriation - Surplus Expenditures of \$1,773,466  
Supporting Increased Overtime Expenditures - FY2013-2014  
DATE: April 15, 2014

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Attached for introduction to the Board of Supervisors is the ordinance Appropriating \$1,773,466 to Overtime and De-Appropriating \$1,773,466, consisting of \$1,369,787 in Salaries and \$403,679 in Fringe Benefits, in the Fire Department's Operating Budget in order to support the Department's projected increases in Overtime as required per Ordinance 194-11 in FY2013-2014.

I request that this item be calendared in Budget and Finance Committee on April 23, 2014.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

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SAN FRANCISCO

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