

City and County of San Francisco

**Budget and
Human Resource Issues**

FY 2006-2007 Quarter 1 Update

Revenues and Expenditures

Overtime

Work and Leave Hours

Workers Compensation

November 6, 2006

Agenda

Introduction

Noelle Simmons, Mayor's Budget Office

Revenues and Expenditures

Todd Rydstrom, Controller's Office

Overtime and Leave

Anne Jenkins, Controller's Office

Workers Compensation

Priscilla Morse, Human Resources Department

BUDGET: FY 2006-07 Update, \$ millions

GENERAL RESERVE - Beginning Balance \$ 25.0

SOURCES

Revenues	\$ 30.6	
less Baselines Offset	\$ (2.1)	
	<u> </u>	\$ 28.5

USES**Supplemental Appropriations**

Public Safety	\$ (3.4)	
Human Services (100% revenue backed)	\$ (10.7)	
Workers Compensation	\$ (0.7)	
Expenditure Savings (DHS, CPC & Natural Gas)	\$ 5.3	
	<u> </u>	\$ (9.5)

Subtotal - FY 2006-07 Operations

\$ 19.0

Projected Balance

\$ 44.0

BUDGET: FY 2006-07 Additional Sources

\$ millions

	FY 2004-05	FY 2005-06	FY 2006-07		sort order
	Year-End Actuals	Pre-Audit Actuals	Original Budget	3-Month Projection	Surplus / (Shortfall) from 3- Month to Actual
Revenues & Transfers-In, US\$ Millions					
State Social Service Subventions (DHS)	\$ 120.0	\$ 124.0	\$ 127.4	\$ 140.8	\$ 13.5
Property Tax	\$ 710.5	\$ 782.7	\$ 837.5	\$ 847.2	\$ 9.7
Business Taxes	\$ 292.2	\$ 322.4	\$ 332.2	\$ 335.5	\$ 3.4
Hotel Room Tax	\$ 108.9	\$ 130.8	\$ 125.9	\$ 128.2	\$ 2.3
Sales Tax	\$ 94.7	\$ 103.1	\$ 106.2	\$ 108.2	\$ 2.0
Interest	\$ 12.6	\$ 31.0	\$ 34.0	\$ 35.3	\$ 1.3
Parking Tax	\$ 33.1	\$ 36.2	\$ 36.1	\$ 37.2	\$ 1.2
Subtotal - Key Surpluses	\$ 1,372.0	\$ 1,530.2	\$ 1,599.3	\$ 1,632.6	\$ 33.4
Real Property Transfer Tax	\$ 116.8	\$ 131.3	\$ 105.0	\$ 103.1	\$ (1.9)
Utility Users Tax	\$ 72.6	\$ 76.4	\$ 79.4	\$ 77.8	\$ (1.7)
Other Revenues	\$ 497.2	\$ 543.1	\$ 557.4	\$ 558.1	\$ 0.7
Health & Welfare Realignment	\$ 156.1	\$ 157.9	\$ 165.2	\$ 165.2	\$ -
Property Sales	\$ 9.2	\$ -	\$ 10.7	\$ 10.7	\$ -
Motor Vehicle In Lieu	\$ 3.7	\$ 35.8	\$ 5.6	\$ 5.6	\$ -
Subtotal - Other Key Revenues	\$ 855.6	\$ 944.5	\$ 923.3	\$ 920.5	\$ (2.8)
Total Revenues	\$ 2,227.5	\$ 2,474.6	\$ 2,522.5	\$ 2,553.1	\$ 30.6
Transfers In	\$ 140.4	\$ 59.6	\$ 57.2	\$ 57.2	\$ -
Total Revenues & Transfers In	\$ 2,367.9	\$ 2,534.3	\$ 2,579.7	\$ 2,610.2	\$ 30.6
<i>Revenues Better from Prior Year Actual by...</i>	<i>\$ 157.18</i>	<i>\$ 247.11</i>	<i>\$ 47.89</i>	<i>\$ 78.44</i>	
<i>% Increase</i>	<i>7.6%</i>	<i>11.1%</i>	<i>1.9%</i>	<i>3.2%</i>	
<i>Revenues & Transfers In Better from Prior Year...</i>	<i>\$ 176.1</i>	<i>\$ 166.3</i>	<i>\$ 45.4</i>	<i>\$ 76.0</i>	
<i>% Increase</i>	<i>8.0%</i>	<i>7.0%</i>	<i>1.8%</i>	<i>3.0%</i>	

BUDGET: Rainy Day – Economic Stabilization Account

\$ millions

	Beginning Balance	Uses	Deposits	Ending Balance
FY 2004-05	\$55.1	\$7.0	\$ 0.0	\$48.1
FY 2005-06	\$48.1	\$0.0	\$49.8	\$97.9
FY 2006-07	\$97.9	\$0.0	\$ 0.0	\$97.9

- **4.1% revenue growth projected over prior-year, pre-audit actual.**
- **50% of growth exceeding 5.0% deposited into the Rainy Day Economic Stabilization Account.**
- **3-Month Projection shows GF within \$21 M of deposit threshold.**

BUDGET: Rainy Day – One-Time Account

\$ millions

	Beginning			Ending
	Balance	Uses	Deposits	Balance
FY 2004-05	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
FY 2005-06	\$ 0.0	(\$ 0.8)	\$24.9	\$24.1
FY 2006-07	\$24.1	(\$15.9)	\$ 0.0	\$ 8.2

- **25% of growth exceeding 5.0% deposited into Rainy Day One-Time Spending Account.**

BUDGET: FY 2006-07 General Fund Department Update

HUMAN SERVICES AGENCY

State & Federal Funding Up, Covered \$10.7M Supplemental
Caseload Savings Up in CAAP/PAES & CalWORKS Aid
+\$6.3M of Net Savings Projected as of 1st Quarter

PUBLIC HEALTH

SF General: Census Exceeding Budget by 5.2% for 1st Quarter
+ \$6.3M of Offsetting Patient Revenues Projected
Laguna Honda: Higher Personnel Costs, including State Licensing Survey
+ \$4.0M of Offsetting MediCAL SNF Reimbursement Revenues

ELECTIONS

+\$1.8 M of Special Elections Costs Reimbursed

CITY PLANNING

Revenues Weaker than Budget, Salary Savings More than Offsetting

ENERGY - Natural Gas

17% Decrease in Commodity Prices, \$0.3 M Savings

WORKER'S COMPENSATION

Costs Over Budget in Police, \$0.7 M Shortfall

BUDGET: FY 2006-07 Other Funds Update, \$ millions**MUNICIPAL TRANSPORTATION AGENCY****3rd Street Light Rail**

- +\$32.9M Prop 42 Sales Tax on Gasoline Funding
- \$28.0M Project Funding Need, Supplemental Anticipated

Fare Revenues Under Budget

- \$7-10M Proof of Payment Program, Delays in Hiring Inspectors
- \$3-5M Cash Fares Under Budget

Transit Advertising, - \$2.5M Under Budget**Paratransit (Taxi Surcharge Offset), - \$0.5M Shortfall****Bike Program Litigation Costs, - \$0.5M Shortfall****Worker's Compensation, +\$1.3M Savings****Net Impact, -\$1M to +\$5M****PORT**

- + \$2.6M Revenue, mostly Interest, Fines, Harbor Services & Ship Repair

WORKER'S COMPENSATION, + \$1.3M Savings (excluding MTA)**NATURAL GAS, + \$0.3M Savings**

BUDGET: Election Issues

State Initiatives

- **Tobacco Tax – Proposition 86**

- +\$2,100 M of Estimated Total Tax Revenue Statewide (LAO)
- + \$ 756 M for Hospital Emergency & Trauma Statewide (LAO)
- + \$ 202 M for Public Hospitals Statewide (CAPH & DPH)
- + \$ 15 M for SF Public Health (CAPH & DPH)

Local Initiatives

- **Parking Tax – Proposition E**

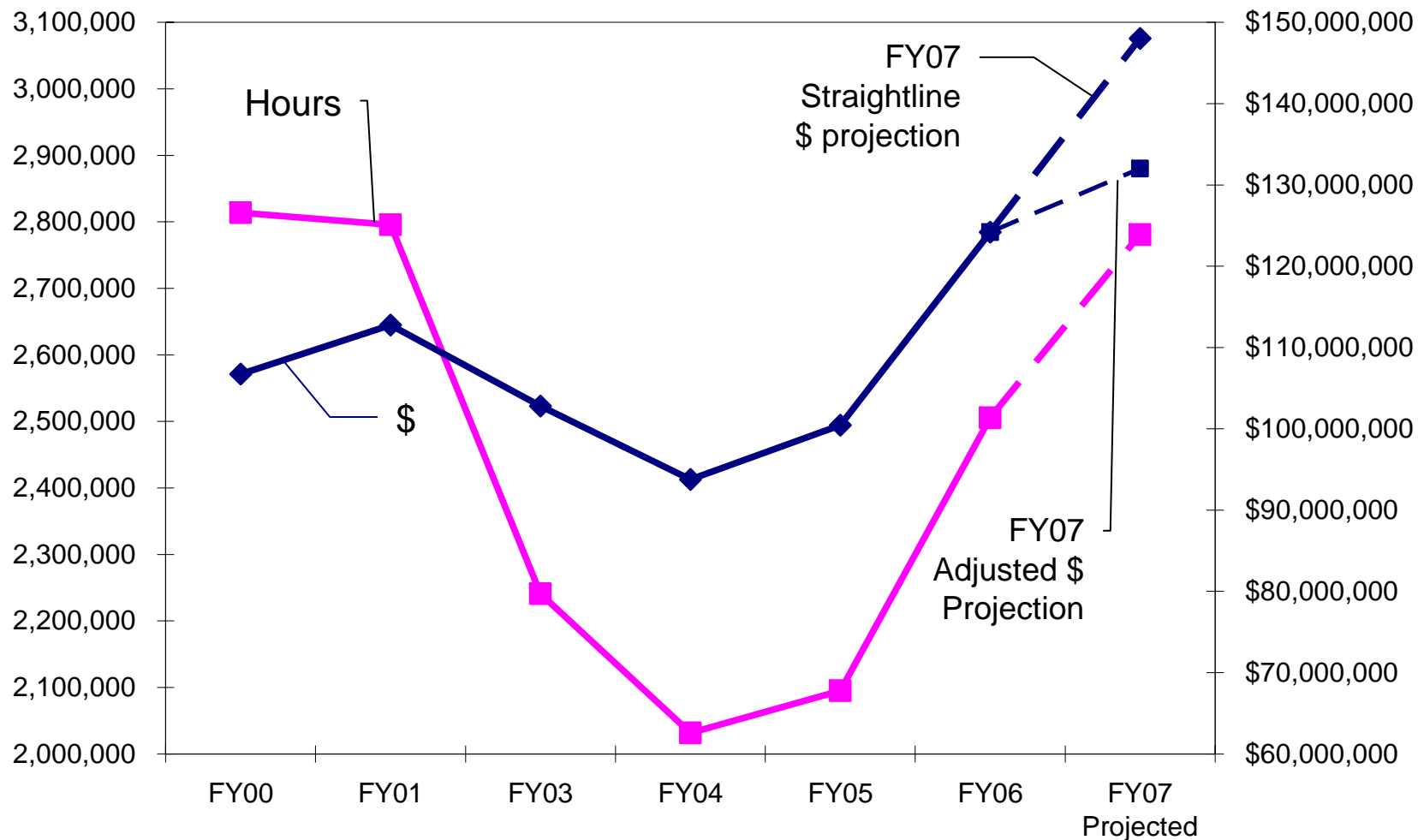
- + 10% add-on to existing 25% tax rate for a 35% total rate
- + \$26 M additional revenue

- **Sick Leave – Proposition F**

- + \$9.3 M of additional costs to City, largest components being \$5.9M IHSS and \$2.8M Part-time staff & childcare contracts

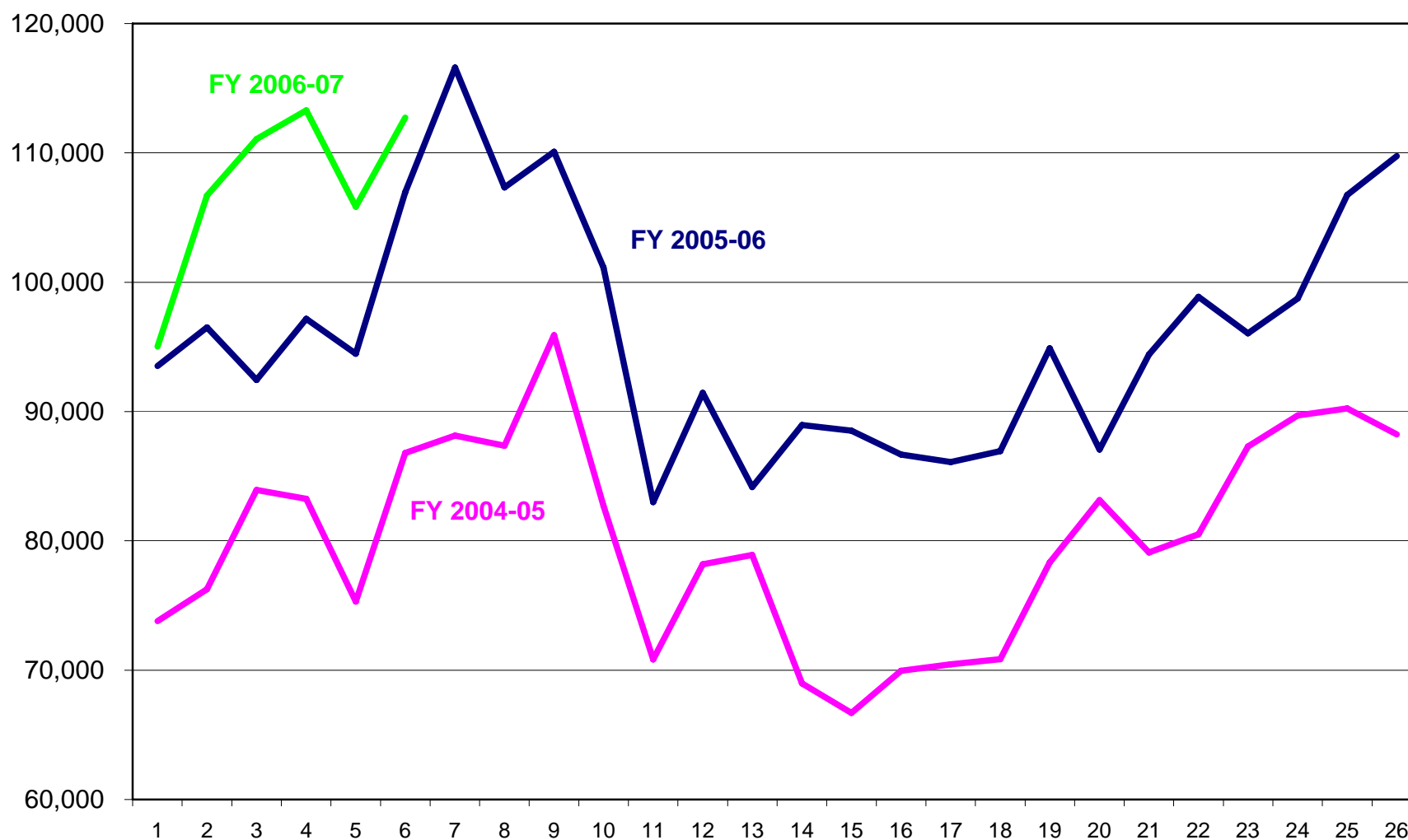
OVERTIME: Citywide Trends

Overtime Hours and Expenditures
Seven Year Trend

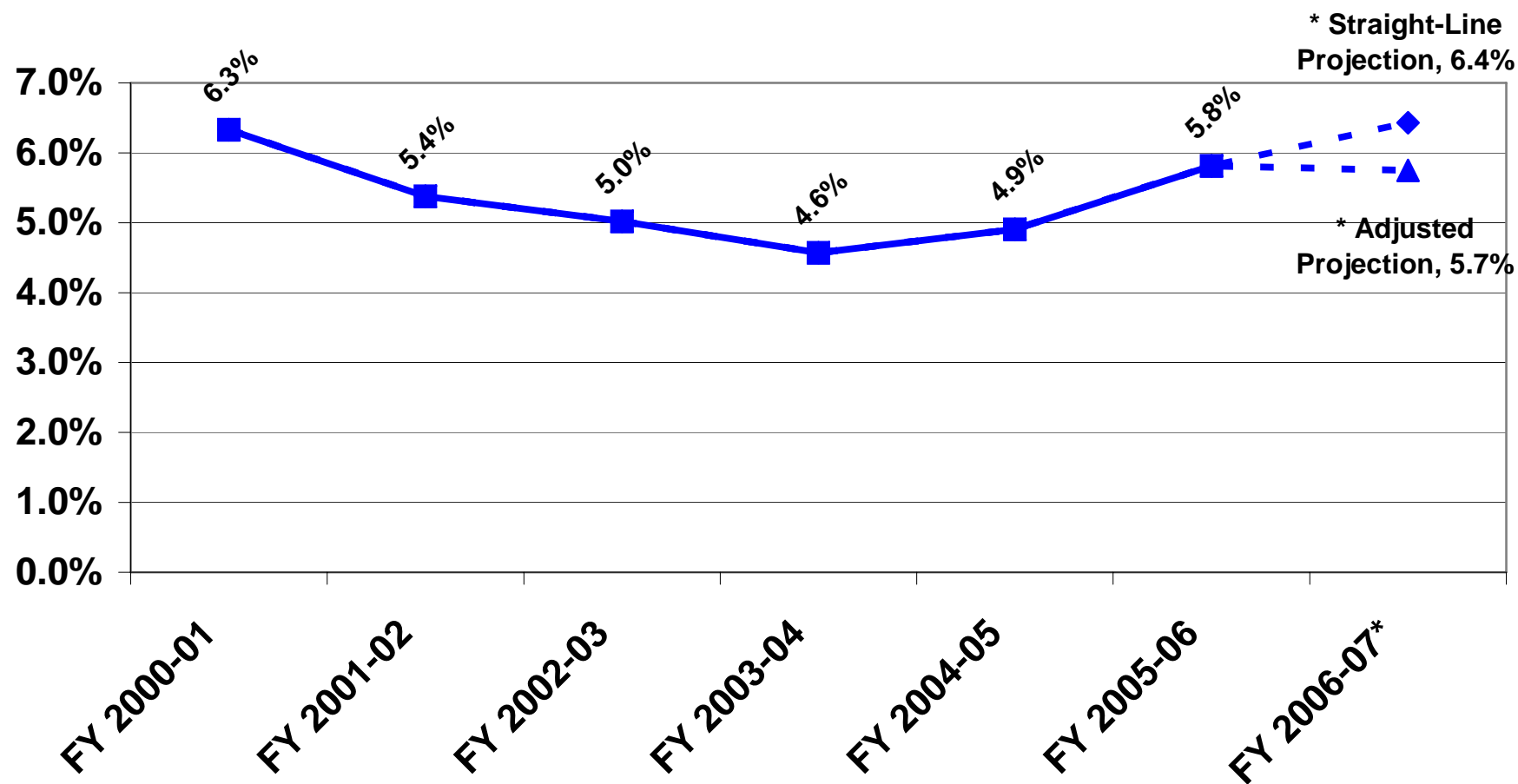


OVERTIME: Citywide Trends

Overtime Hours by Pay Period



OVERTIME: As a % of Gross Salary



OVERTIME: Citywide Trends

FY2005-06

- Overtime hours increased 20% from FY05.
- Spending increased 24%.
- Spending was \$124 million, or 5.8% of payroll.

FY2006-07, First Quarter

- Overtime hours rose 11% from same period last year.
- Spending is up 18%.
- Overtime spending was 6.9% of payroll in the first quarter.

OVERTIME: Top Five Departments in Spending

FY07 Q1	FY06		FY07 Q1 OT Spending	Rank in % of Payroll	Change from PY	% Change from PY
1	2	MTA - Municipal Railway	\$ 8,732,884	4	\$ 237,399	3%
2	1	Police	7,626,639	5	411,740	6%
3	5	Fire Department	4,552,926	6	1,840,636	68%
4	3	Public Health	4,472,204	13	1,153,347	35%
5	4	Sheriff	2,881,651	3	801,562	39%
Total Top 5			\$ 28,266,304		\$ 4,444,684	16%
% of Citywide				84%		88%

- Fire Department overtime is up significantly from last year, as expected under Proposition F.
- Health Department has experienced increased patient census this year.
- Sheriff continues to experience vacancies and use overtime to meet jail staffing requirements.

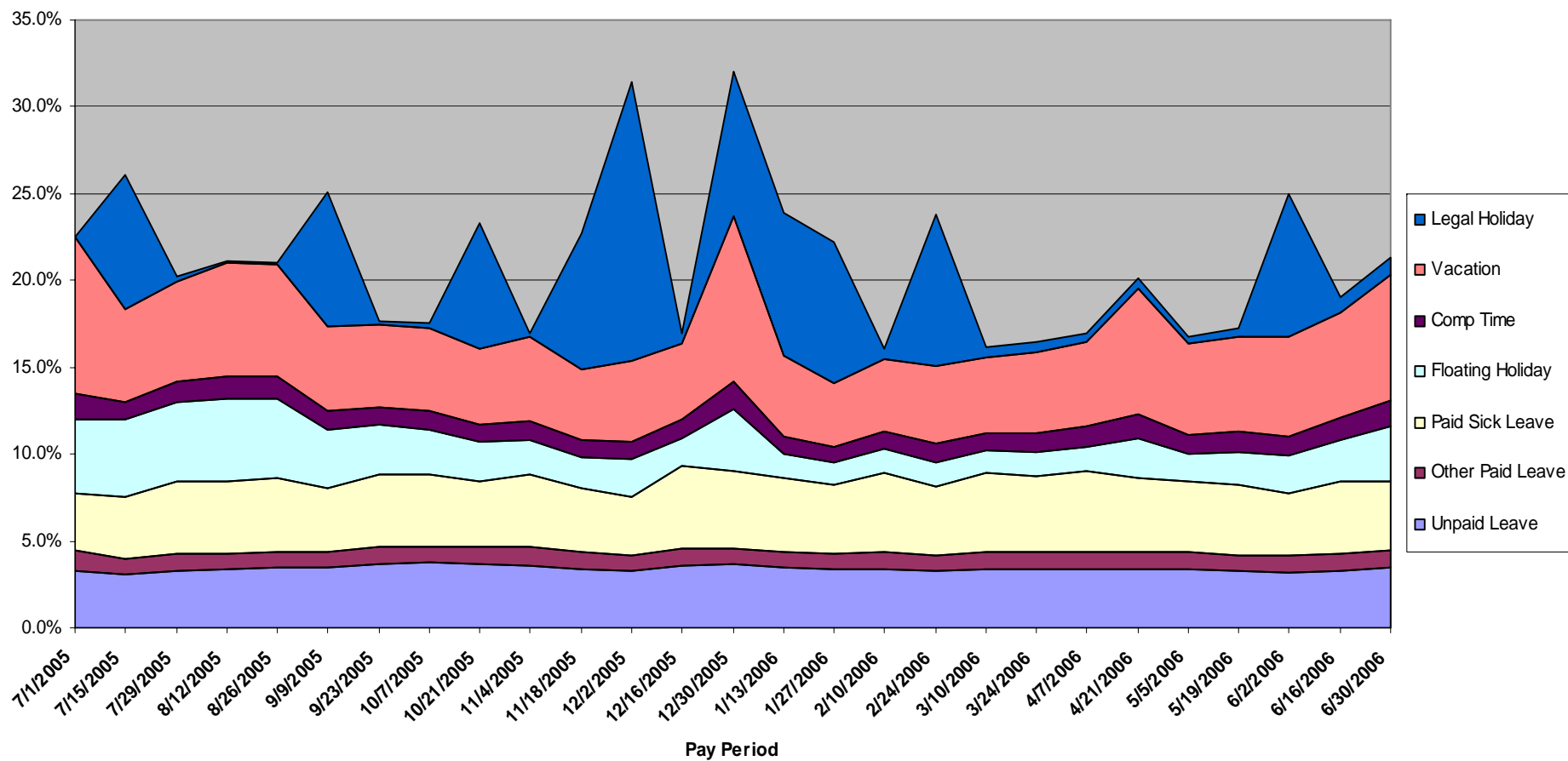
OVERTIME: Budget Projections

Fund/Service Area	FY 2004-05	FY 2005-06	FY 2006-07				
	Actual	Actual	Revised Budget*	Straight Line Projection*	Surplus/ (Deficit)	Adjusted Projection	Adj. Surplus/ (Deficit)
MTA							
Municipal Railway	\$ 29.06	\$ 32.96	\$ 26.68	\$ 38.21	\$ (11.53)	\$ 32.68	\$ (6.00)
Parking & Traffic	0.71	0.98	0.81	\$ 1.51	(0.69)	1.51	(0.69)
Subtotal - MTA	29.76	33.94	27.49	39.72	(12.23)	34.19	(6.69)
Police							
General Fund Operations	12.74	18.27	14.17	20.13	(5.96)	18.67	(4.50)
Special Law Enforcement Services (10B)*	7.28	9.83	10.29	10.29	-	10.29	-
Grants & Other Non-10B Special Revenues	5.12	3.15	1.04	1.69	(0.65)	1.04	-
Airport	1.72	1.85	1.31	2.29	(0.98)	2.29	(0.98)
Subtotal - Police	26.86	33.10	26.81	34.39	(7.58)	32.29	(5.48)
Public Health							
All Other Non-Hospital Operations	0.68	0.69	0.77	0.83	(0.07)	0.83	(0.07)
SF General	6.59	6.13	4.55	8.37	(3.83)	8.37	(3.83)
Laguna Honda Hospital	4.92	7.52	2.20	9.93	(7.73)	9.93	(7.73)
Subtotal - Public Health	12.19	14.34	7.51	19.14	(11.62)	19.14	(11.62)
Fire							
General Fund Operations	5.56	7.22	14.58	15.03	(0.45)	14.58	-
Grants & Other Special Revenues	0.85	1.30	0.36	2.41	(2.05)	0.36	-
Airport	1.39	1.66	1.53	2.41	(0.88)	2.41	(0.88)
Port	0.20	0.18	0.21	0.23	(0.02)	0.23	(0.02)
Subtotal - Fire	8.00	10.36	16.68	20.08	(3.41)	17.58	(0.91)
Sheriff	6.59	10.76	5.27	12.45	(7.18)	8.67	(3.40)
PUC	6.06	6.52	2.68	6.12	(3.44)	6.12	(3.44)
Subtotal - Big 6	89.47	109.01	86.43	131.90	(45.46)	117.98	(31.54)
Airport Commission	1.74	1.59	0.95	2.05	(1.10)	0.95	-
Fine Arts Museum	0.41	0.71	0.09	0.78	(0.69)	0.78	(0.69)
Juvenile Probation	1.18	1.26	1.08	1.85	(0.76)	1.85	(0.76)
Recreation & Park	0.88	1.94	0.36	2.68	(2.31)	2.04	(1.67)
Telecommunications	0.88	0.85	0.37	0.92	(0.55)	0.92	(0.55)
All Other Departments	5.49	9.68	6.15	7.70	(1.54)	7.70	(1.54)
Total	\$ 100.04	\$ 124.18	\$ 95.45	\$ 147.87	\$ (52.42)	\$ 132.21	\$ (36.76)
Big 6 % of Total	89.4%	87.8%	90.6%	89.2%	86.7%	89.2%	85.8%
Change from Prior Year	\$ 6.46	\$ 24.14	\$ (28.74)	\$ 23.68		\$ 8.02	
Change from FY 2000-01 Peak	\$ (12.42)	\$ 11.72	\$ (17.01)	\$ 35.41		\$ 19.75	
Total Gross Salaries (Cash Compensation, Millions) ^	\$ 2,039.82	\$ 2,135.33	\$ 2,326.49	\$ 2,299.73		\$ 2,299.73	
Overtime as a % of Total Gross Salaries	4.9%	5.8%	4.1%	6.4%		5.7%	

* Straight line projections do not adjust for savings plans, seasonality or other one-time events. Adjusting for those items generally results in lower projected shortfalls.
Police 10B Revised Budget reflects self-appropriation levels equal to the straight-line projection.

LEAVE USAGE: Seasonal Patterns

FY 2005-06 by Pay Period



LEAVE USAGE: By Major Service Area

Fiscal Year 2005-2006

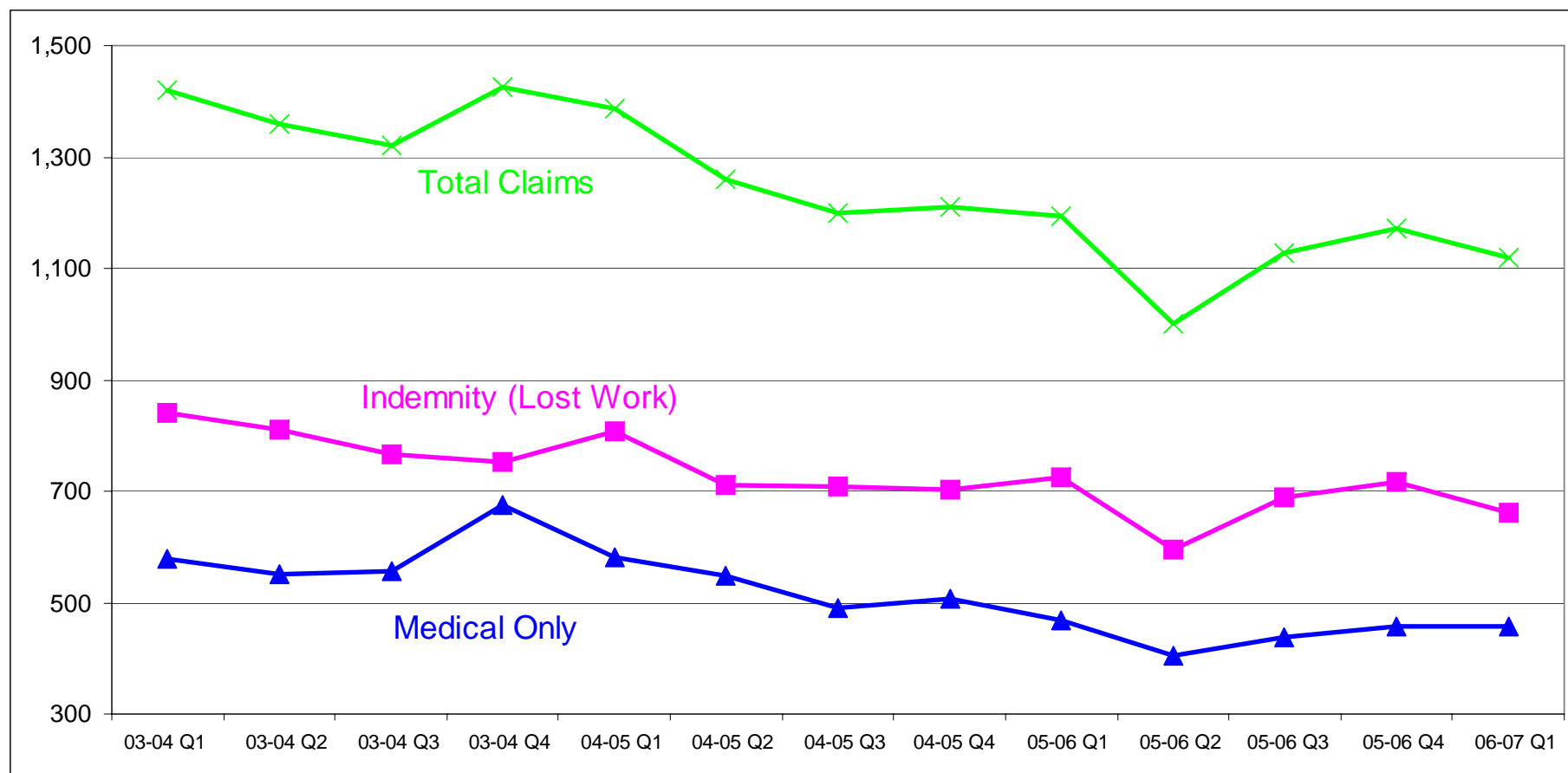
	Legal Holiday	Floating Holiday	Vacation	Paid Sick Leave	Comp Time	Other Paid Leave	Unpaid Sick Leave	Workers' Comp	Other Unpaid Leave	Total Leave
A - Public Protection *	4.4%	2.1%	5.8%	3.7%	2.9%	3.1%	0.9%	0.6%	0.1%	23.9%
B - Public Works, Transportation & Commerce	3.9%	2.7%	5.4%	4.1%	0.7%	0.3%	2.0%	1.7%	0.1%	22.2%
E - Culture & Recreation	4.1%	3.0%	5.1%	3.8%	0.7%	0.2%	1.2%	1.4%	0.1%	19.9%
D - Community Health	4.1%	2.5%	5.0%	4.0%	0.9%	0.4%	1.1%	0.5%	0.1%	19.4%
C - Human Welfare & Neighborhood Development	3.7%	3.1%	4.7%	3.7%	1.2%	0.1%	0.6%	0.1%	0.0%	18.7%
F - General Administration & Finance **	3.7%	3.0%	4.5%	3.7%	0.8%	0.1%	1.0%	0.5%	0.0%	18.6%
Citywide Average ***	3.7%	2.5%	5.3%	4.1%	1.1%	1.0%	1.3%	0.9%	0.1%	21.1%

* does not include Fire, because firefighters receive a pay premium in lieu of holiday leave.

** does not include BOS or Elections

*** Citywide Average includes Fire, BOS and Elections

WORKERS COMP: Claims



WORKERS COMP: Claims

Department	2005-2006 First Quarter		2006-2007 First Quarter		2006-2007 Increase/Decrease	
	Indemnity	Medical	Indemnity	Medical	Indemnity	Medical
Municipal Transportation Agency	181	73	152	77	(29)	4
Police	92	66	104	65	12	(1)
Public Health	83	127	84	150	1	23
Fire	97	43	76	31	(21)	(12)
Public Works	52	13	55	14	3	1
Recreation & Parks	41	18	37	22	(4)	4
Human Services	36	16	31	11	(5)	(5)
Sheriff	40	18	28	11	(12)	(7)
PUC-Water	27	14	17	17	(10)	3
Airport	13	24	7	22	(6)	(2)
Juvenile Probation	7	0	6	5	(1)	5
Total Top Eleven Departments	669	412	597	425	(72)	13
Total of All City Departments	726	467	661	458	(65)	(9)

Claims are down at MTA, Fire, Sheriff, HSA, PUC and Airport.

WORKERS COMP: Costs

	FY06 Q1	FY07 Q1	Change	Percent
INDEMNITY	\$ 8,865,485	\$ 7,984,296	\$ (881,189)	-10%
MEDICAL	6,084,237	7,440,149	1,355,913	22%
TOTAL	\$ 14,949,722	\$ 15,424,446	\$ 474,723	3%

WORKERS COMP: Costs

Department	FY06 Q1 Expenditures	FY07 Q1 Expenditures	Increase/ (Decrease)	FY07 Q1 Budget	Q1 Surplus/ (Deficit)
MTA (Muni, Parking & Traffic)	\$4,843,424	\$4,996,646	\$153,222	\$4,675,000	(\$321,646)
Police	1,990,079	2,947,492	\$957,413	2,646,635	(\$300,857)
Public Health	2,200,109	2,374,433	\$174,324	2,415,074	\$40,640
Fire	1,888,085	1,992,343	\$104,258	1,994,863	\$2,520
Recreation & Parks	842,662	730,236	(\$112,426)	897,520	\$167,283
Public Works	826,197	717,746	(\$108,451)	856,905	\$139,160
Human Services	656,466	615,953	(\$40,513)	631,676	\$15,722
Sheriff	846,785	597,522	(\$249,263)	727,019	\$129,497
Airport	572,264	447,794	(\$124,470)	498,719	\$50,924
PUC-Water	430,733	446,033	\$15,300	497,463	\$51,430
Juvenile Probation	208,922	312,610	\$103,689	302,347	(\$10,264)
Total Top Eleven Departments	\$15,305,725	\$16,178,809	\$873,084	\$16,143,219	(\$35,590)
Total of All City Departments	\$17,200,992	\$18,132,500	\$931,508	\$18,455,315	\$322,814

WORKERS COMP: Costs

Public Safety Disability Pay

Department	FY06 Q1	FY07 Q1	Change	Percent
Police	\$ 1,879,512	\$ 1,992,994	\$ 113,482	6%
Fire	1,383,477	1,079,758	(303,719)	-22%
Sheriff	430,582	596,555	165,973	39%
Juvenile Probation	54,725	49,429	(5,296)	-10%
Adult Probation	54,512	0	(54,512)	-100%
Total	\$ 3,802,808	\$ 3,718,735	\$ (84,072)	-2%