



Fiscal Year 2022-23 and 2023-24 Budget Instructions, Overview, and Discussion

San Francisco Fire Department

Fire Commission – January 26, 2022

Update from FY22 & FY23 Budget

- Mayor Breed signed off on City's Fiscal Years 2021-22 and 2022-23 budget in July 2021, marking a return to the standard budget process for the City
- Budgets loaded in Fall 2021, including new initiatives
- Many uncertainties remain during the current fiscal year, including impacts from COVID, both operationally as well as economically
- After approval of the budget, the Fire Department has a budget supplemental making its way through the process
- Joint Report Update just released, driving budget instructions

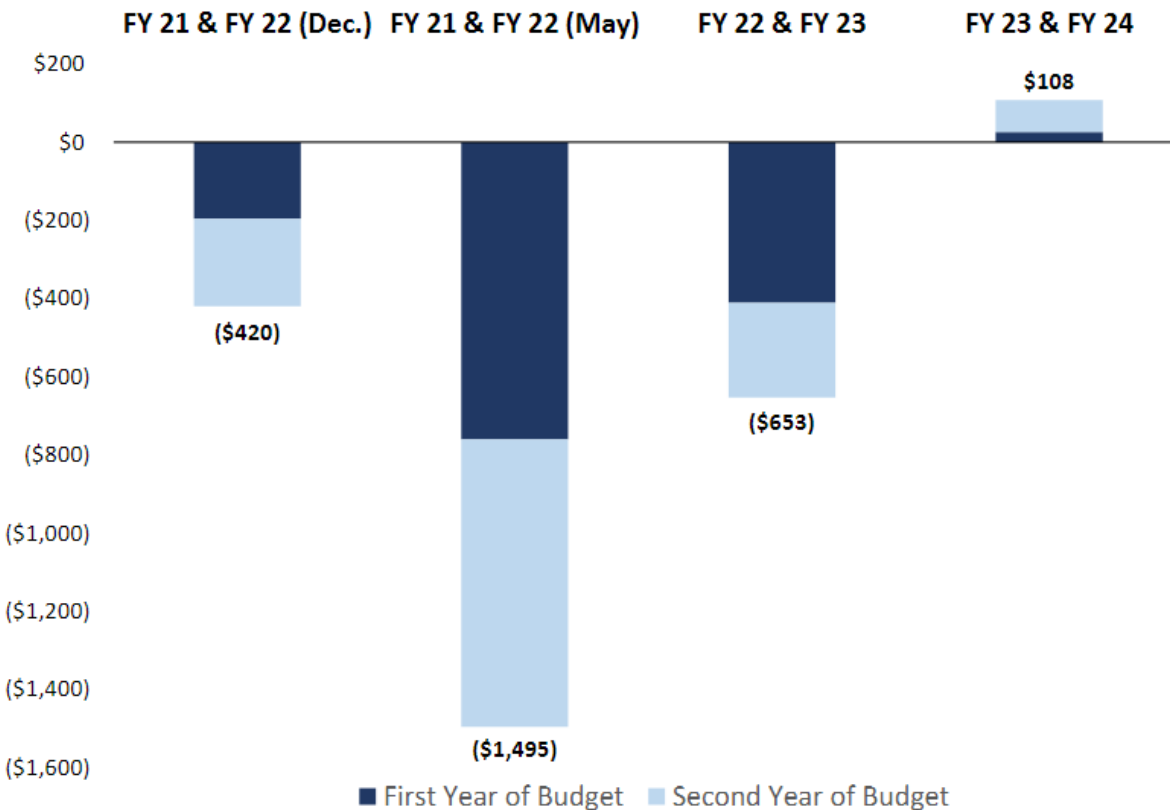
Current Year Update

Five-Year Fiscal Projection

	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
<i>SOURCES Increase / (Decrease)</i>	40.1	323.4	522.5	710.9
Uses				
Baselines & Reserves	(112.9)	(202.7)	(271.2)	(318.9)
Salaries & Benefits	(57.8)	(81.7)	(140.6)	(266.3)
Citywide Operating Budget Costs	132.9	58.4	(75.2)	(161.0)
Departmental Costs	24.0	(15.5)	(74.1)	(113.6)
<i>USES Decrease / (Increase)</i>	(13.9)	(241.5)	(561.1)	(859.8)
Projected Cumulative Projected Surplus/(Shortfall)	26.2	81.9	(38.6)	(148.9)
Two-year Surplus/(Shortfall)	108.1			

Current Year Update

Deficit at Time of Budget Instructions (\$M)



- City is projecting a budget surplus for the upcoming two-year budget process
- Improved revenues and Federal relief funds helped in projections
- Reduced pension costs was largest driver in deficit reduction

From City's upcoming Joint Report

Budget Process/Instructions

Budget Instructions

- As a result of improved fiscal outlook, no mandatory reductions are being requested
- No new requests for general fund support should be requested – utilize existing budget and find efficiencies
- Concentrate on Mayoral priorities:
 - Restoring vibrancy in San Francisco
 - Recovery of local economy
 - Reprioritization of existing funding
 - Accountability & Equity

Other Budget Process Notes

- City has implemented a new budget system for staff in the current FY22-23 and FY23-24 budget process and going forward
- Adherence to Budget Process Legislation requirements effective December 2020 and implemented last year:
 - Two Public Meetings prior to February 14th
 - Centralization of all budget documents for public access and viewing

Budget Process Timelines

<u>Date</u>	<u>Description</u>
Mid-December, 2021	Budget Instructions released to Department heads
February 22nd, 2022	Budget Submissions Due from Departments
June 1st, 2022	Mayor's Budget Submitted to Board of Supervisors
Mid-June 2022	Department Budget Committee Hearings
July 2022	Budget considered at Board of Supervisors
Late July/Early August 2022	Final approval by Board of Supervisors and Mayor

Department Process Timelines

<u>Proposed Date</u>	<u>Description</u>
January 26th, 2022	Budget Conversation Continues at Commission; Departmental Budget Priorities; Budget Overview and Discussion
February 9th, 2022	Submission of Final Budget for Commission Approval; Discussion and Possible Action
February 14th-18th, 2022	Special meeting called if necessary
February 22nd, 2022	Department budget submitted to CON/MYR

FY22-23 and FY23-24 Base Budget Overview

- Base budget consists of continuation of initiatives from current FY2021-22 and FY2022-23 budget approved in July 2021 over the next two years
- Includes assumptions and known information pertaining to salaries and benefits, as well as any changes since the budget was approved last year
- Working with Mayor's Office on some structural updates
- Does not include additional initiatives approved during the current fiscal year
- Areas of uncertainty hanging over the budget moving forward

High-Level Budget Overview

SFFD Total Budget Summary By Fund

Fund	FY21-22	FY22-23 Base	FY23-34 Base
GF-Operating Fund	387,581,564	410,286,727	413,442,276
GF-Annual Projects	1,079,646	1,079,646	1,079,646
GF-Continuing Projects	9,902,191	4,365,506	2,938,164
GF-Work Order	11,818,733	11,786,240	11,947,249
Transfers	1,290,721	1,290,721	1,290,721
Airport	31,395,342	32,498,981	32,932,675
Total:	443,068,197	461,307,821	463,630,731

High-Level Budget Overview

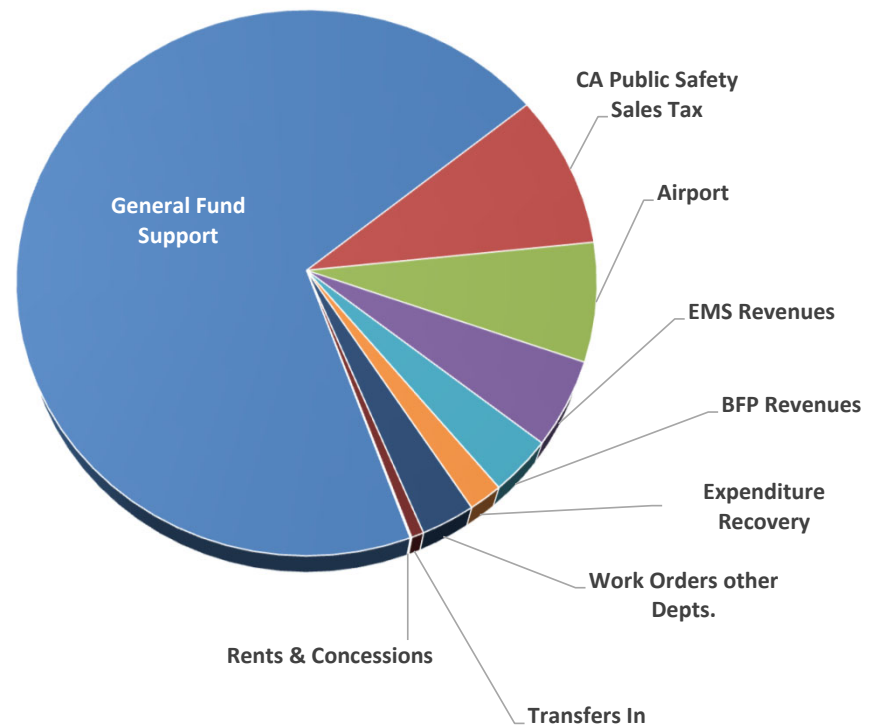
SFFD Total Budget Summary by Expenditure Type

Expenditure	FY21-22	FY22-23 Base	FY23-34 Base
Salaries	295,391,608	324,493,592	337,355,716
Fringe Benefits	90,217,114	87,477,538	81,875,996
Non-Personnel	3,099,814	3,101,959	3,101,959
Materials & Supplies	6,189,566	5,974,922	5,974,922
Capital/Equipment	8,585,304	4,937,672	-
Overhead	184,389	184,389	184,389
Programmatic Projects	8,050,000	2,475,000	2,475,000
Work Orders	28,258,183	29,570,530	29,570,530
Transfers	3,092,219	3,092,219	3,092,219
Total:	443,068,197	461,307,821	463,630,731

High-Level Budget Overview

SFFD FY22-23 Budget Summary by Revenue Type

Revenue	FY 23 Amount
General Fund Support	322,035,408
CA Public Safety Sales Tax	41,940,000
Airport	32,498,981
EMS Revenues	23,836,704
Fire Prevention Revenues	15,699,624
Expenditure Recovery	8,438,773
Work Orders other Depts.	13,396,112
Transfers In	3,092,219
Rents & Concessions	370,000
Total:	461,307,821



Key Budget Challenges and Changes

- COVID continues to impact the City and the SFFD
- Staffing issues
- Folding in additional hiring academies that have been approved to address staffing shortfall
- Ramp up of approved initiatives in the current year
- Impacts on revenues as the City recovers from the pandemic
- Limited staffing flexibility given mandatory minimum staffing requirements

Budget Priorities

- Work to align Departmental priorities with Mayoral priorities
 - Supporting Public Safety
 - Recovery of the local economy
 - Improving core service delivery
 - Equity
- Among SFFD Departmental priorities:
 - Front-line Fire Suppression and EMS services, including Community Paramedicine initiatives
 - Supporting Departmental employees
 - Internal and external equity
 - Infrastructure (Facilities, equipment, systems)

Internal Processes

- Meeting internally to develop and prioritize needs for the Fire Department
- Reconvening the SFFD Budget Committee
- Working with Mayor and Controller's Office on current year initiatives and resource allocations
- Incorporating current year budget changes into Department budget
- Evaluating and projecting revenues
- Evaluating staffing model based on projected staffing

Questions/Discussion

