

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

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February 13, 2008

TO: Supervisor McGoldrick

FROM: Budget Analyst

SUBJECT: Analysis of the Total Budgetary Impact of the Mayor's Staff Changes Announced on January 4, 2008

Pursuant to your request, the Budget Analyst has prepared this report analyzing the total budgetary impact of the Mayor's staff changes announced by the Mayor's Office in a January 4, 2008 press release, including the appointment of (a) 17 department directors to replace existing directors, and (b) ten Mayor's Office staff members, of which two represent new functions and eight are senior staff appointments performing existing functions. Our analysis includes salary increases and decreases, severance packages, and related funding sources. Also, pursuant to your request, our analysis includes a review of 1,670 requisitions for positions¹ that became vacant prior to July 1, 2007.

Summary of Findings

This report evaluates (a) the increased salary and fringe benefit costs of the 17 newly-appointed department directors to replace existing directors, and ten Mayor's Office staff appointments, of which two represent new functions and eight are staff appointments performing existing functions, (b) ten positions working in the Mayor's Office that are funded by other City

¹ The Department of Human Resources provided information on 1,679 position requisitions, of which nine were Commission members, resulting in 1,670 City department position requisitions. When a vacant position in a department is to be filled, the department director submits a personnel requisition to the Department of Human Resources.

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Departments, including the two new senior staff appointments representing new functions and eight of the Mayor's Office existing staff members, and (c) the status of the 1,670 positions that became vacant prior to July 1, 2007 and were approved by the Department of Human Resources for hire.

This report found that:

- The estimated total increased annual salary and fringe benefit costs for the Mayor's staff changes announced by the Mayor's Office in the January 4, 2008 press release are \$553,716. This includes (a) \$139,853 for 17 newly appointed department directors replacing existing department directors², and (b) \$413,863 for nine Mayor's Office staff, including \$389,657 for two new senior staff appointments representing new functions, and \$24,206 for seven Mayor staff appointments performing existing functions.³
- As of the writing of this report, other City departments fund approximately \$1.34 million in annual salary and estimated fringe benefits for ten positions assigned to the Mayor's Office, including the two new senior staff appointments representing new functions and eight of the Mayor's Office existing staff members, as discussed in detail on pages 14 through 20 of this report.⁴ The other City departments pay for these positions working in the Mayor's Office either by (a) funding the positions in their departmental budgets, or (b) funding the positions through Departmental work orders.

² This estimate does not include salary and fringe benefit costs for the new appointments for the Public Utilities Commission General Manager, the Controller, and the Taxi Commission Acting Director, which have not yet been finalized.

³ The Mayor's January 8, 2008 press release announced the appointment of ten Mayor's Office senior staff, of which one position, the Director of State and Federal Affairs is currently vacant. The remaining nine staff, as shown in Table 4 on page 13, include (a) two new functions, the Homelessness Policy Director and the Climate Protection Initiatives Director, and (b) seven existing functions, including the Violence Prevention Director, Community Engagement Director, Liaison to the Board of Supervisors, Liaison to City Commissions, Deputy Chief of Staff for Health and Human Services, Deputy Chief of Staff for Government Affairs, and the Greening Director.

⁴ The ten Mayor's Office positions funded by City departments, as shown in Tables 6, 7 and 8 of this report, include (a) two new functions, the Homelessness Policy Director and the Climate Protection Initiatives Director as noted above, and (b) eight existing positions, including the Deputy Chief of Staff for Transit Issues, the 1452 Executive Secretary supporting the Deputy Chief of Staff, the City Build Director, the Special Events Coordinator, the Deputy Press Secretary, the Greening Director, and two Human Services Agency positions supporting the new Homelessness Policy Director.

According to the Mayor's Office, as of February 8, 2008, two positions included in the Municipal Transportation Agency (MTA) budget and assigned to the Mayor's Office, the 9185 Chief Operating Officer serving as the Deputy Chief of Staff for Transit Issues and the 1452 Executive Secretary, were returned to the Municipal Transportation Agency. According to the Mayor's Office the Deputy Chief of Staff position became vacant as of February 8, 2007, and the 1452 Executive Secretary is a filled position that will now be working for the Municipal Transportation Agency. The Municipal Transportation Agency funded 60 percent of the cost of these two positions, as shown on page 17, totaling \$209,050. Therefore, if these two positions have been returned to the Municipal Transportation Agency, total funding of Mayor's Office positions by other City departments will be approximately \$1.13 million.

Further, on February 7, 2008, the Mayor's Office advised that the 1314 Public Relations Officer position serving as a Deputy Press Secretary in the Mayor's Office of Communications, which the Municipal Transportation Agency reported was to have been funded by the Municipal Transportation Agency, will be fully funded by the Mayor's Office. Therefore, if the Mayor's Office fully funds the 1314 Public Relations Officer position, the total funding of Mayor's Office positions by other City departments will be reduced by \$110,074, resulting in total City departmental funding of Mayor's Office positions of \$1.02 million.

- Of the ten positions funded by other City departments and assigned to the Mayor's Office, seven are funded by other City departments in their budgets. The Human Services Agency (HSA) funds three positions, and the Planning Department funds one position in the departments' respective budgets. The Municipal Transportation Agency funds three positions in the MTA budget. As noted above, the Mayor's Office states that two of these three positions have been returned to the Municipal Transportation Agency as of February 8, 2008. The Municipal Transportation Agency also includes the Mayor's new Climate Protection Initiatives Director position in the MTA budget, and, according to an undated draft Memorandum of Understanding, will be reimbursed by the Public Utilities Commission and the Department of the Environment for 60 percent of the costs of this position assigned to the Mayor's Office.

The Mayor's Office's practice of including positions assigned to the Mayor's Office in the Municipal Transportation Agency, Human Services Agency, and Planning Department budgets understates the Mayor's Office's budgeted costs, as previously approved by the Board of

Supervisors. Further, the actual costs of these positions result in an overstatement in the three Departmental budgets, as approved by the Board of Supervisors.

According to the Mayor's Office, these positions perform the functions of the funding department, such as the Homelessness Policy Director position which is funded by the Human Services Agency. However, these positions report to the Mayor rather than the other respective departmental directors, performing services for the Mayor's Office rather than performing services for the City departments which fund these positions, and therefore, such positions are not accurately accounted for in the budgets previously approved by the Board of Supervisors.

Further, this practice has allowed one position working in the Mayor's Office and funded by the Municipal Transportation Agency budget to be paid more than the salary cap limit set by the Charter for Mayor's Office personnel. Specifically, the salary cap is \$172,024 but this Deputy Chief of Staff for Transit Issues position earns \$203,814 or \$31,790 more than the salary cap.

- Of the 1,670 positions that were vacant prior to July 1, 2007, 624 positions or approximately 37 percent had been vacant for twelve months or less prior to July 1, 2007. Of the remaining 1,046 or 63 percent had been vacant for more than one year prior to July 1, 2007, and therefore do not represent any new salary savings in FY 2007-2008. 216 of these 1,046 positions had been vacant for more than six years, with some being vacant as far back as 1963. 205 of these 216 positions, that had been vacant for more than six years, were transit operator positions in the Municipal Transportation Agency budget.

The conclusions in this report are based on documentation provided to the Budget Analyst by the Mayor's Office and the subject departments between January 25, 2008 and February 8, 2008. On February 7, 2008 and February 8, 2008, the Mayor's Office informed the Budget Analyst that changes in the funding, assignment, and location of certain positions was planned or going to take place in the near future. While this latest information provided by the Mayor's Office's is presented in this report, such new information does not substantially change our conclusions, as many of the reported changes have either not yet taken place or were not confirmed by sufficient documentation.

Increased Costs for the 17 New Department Director Appointments and the 10 New Mayor's Senior Staff Appointments

Increased Salary Costs for 17 New Department Director Appointments

On January 4, 2008, the Mayor announced his appointment of 17 new department directors replacing existing department directors. As shown in Table 1 below, the total actual annual salaries of the 17 newly-appointed department directors exceed the budgeted salaries included in the Annual Salary Ordinance by \$121,863. If the estimated costs of fringe benefits are included, the actual annual salaries and fringe benefits of the 17 newly-appointed department directors exceed budgeted salaries and fringe benefits by approximately \$130,832.

Under the City's Management Classification and Compensation Plan (MCCP), department directors may be appointed to a salary that is greater than the salary specified in the Annual Salary Ordinance if certain criteria are satisfied, including (a) demonstrated recruitment or retention issues, (b) exceptional skills or qualifications, and (c) internal equity considerations. The Management Classification and Compensation Plan allows department directors to pay salaries that exceed the salary amount included in the Annual Salary Ordinance, as long as the Controller certifies that sufficient funds are available in the department's budget.

The estimated increased annual salaries and fringe benefits compared to the budgeted salaries specified in the Annual Salary Ordinance do not include the salary costs for the announced appointments to (a) the General Manager of the Public Utilities Commission, which has not yet been approved by the Commission; (b) the Controller, which has not yet been approved by the Board of Supervisors; (c) the interim director of the Housing Authority, who has not yet assumed the position, and (d) the Acting Director of the Taxi Commission, who has not yet assumed the position.

Table 1
Increased Actual Annual Salary Costs Paid to 17 Newly-Appointed
Department Directors which Exceed the Budgeted Salary Costs
included in the Annual Salary Ordinance

| | Department | Class (Annual Salary Ordinance) | | Salary (Annual Salary Ordinance) | Actual Salary | Increase/ (Decrease) of Actual Salary Over Budget |
|---|---|---------------------------------|-----------------------------------|----------------------------------|---------------------|---|
| Director | Redevelopment Agency | | Executive Director | \$197,043 | 178,724 | (18,319) |
| Director | Planning | 0963 | Department Head III | 170,276 | 210,000 | 39,724 |
| Director | Human Resources | 1293 | Director, Human Resources | 195,750 | 195,000 | (750) |
| Director | Public Works | 0964 | Department Head IV | 195,750 | 195,000 | (750) |
| Director | Economic and Workforce Development | 0963 | Department Head III | 170,276 | 193,570 | 23,294 |
| Director | Office of Citizen Complaints | 0961 | Department Head I | 129,247 | 171,262 | 42,015 |
| Director | Mayor's Office of Criminal Justice | 0905 | Mayoral Staff XVII | 139,505 | 160,862 | 21,358 |
| Director | Human Rights Commission | 2986 | Director, Human Rights Commission | 138,722 | 149,058 | 10,337 |
| Director | 311 | 0953 | Deputy Director IIII | 149,631 | 149,058 | (573) |
| Director | Mayor's Office of Community Development | 0905 | Mayoral Staff XVII | 139,505 | 143,123 | 3,619 |
| Director | Art Commission | 0961 | Department Head I | 129,247 | 140,000 | 10,753 |
| Director | Civil Service Commission | 0951 | Department Head I | 129,247 | 128,752 | (495) |
| Director | Mayor's Office of Neighborhood Services | 0904 | Mayoral Saff XVI | 129,247 | 120,900 | (8,347) |
| Acting Director | Taxi Commission | 0961 | Department Head I | 129,247 | Not yet in position | - |
| General Manager | Public Utilities Commission | 9989 | Executive Contract Employee | Per Contract | Not yet determined | - |
| Controller | Controller | 0965 | Department Head V | 243,278 | Not yet determined | - |
| Director | Housing Authority | - | Non City Position | Non City Position | Not yet determined | - |
| Total Increased Actual Salary Costs Compared to Budgeted Salary Costs | | | | | | \$121,863 |
| Total Increased Salary and Estimated Fringe Benefit Costs | | | | | | \$130,832 |

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As shown in Table 2 below, the total salary costs of the 17 newly-appointed department directors exceed the actual salary costs of prior directors by \$130,265. If the estimated costs of fringe benefits are included, the actual salary and estimated fringe benefit costs of the 17 newly-appointed department director positions exceed actual salary and estimated fringe benefit costs of the prior directors by approximately \$139,853.

These estimated increased annual salaries and fringe benefits compared to the actual salaries of the prior directors do not include the salary costs for the announced appointments to (a) the General Manager of the Public Utilities Commission, which has not yet been approved by the Commission; (b) the Controller, which has not yet been approved by the Board of Supervisors; (c) the interim director of the Housing Authority, who has not yet assumed the position, and (d) the Acting Director of the Taxi Commission, who has not yet assumed the position.

Table 2
Increased Annual Salary Costs Paid to 17 Newly Appointed
Department Directors which Exceed the Actual Annual Salary Costs
of the Prior Department Directors

| Position | Department | Class (Annual Salary Ordinance) | | Salary (Annual Salary Ordinance) | Actual Salary | Prior Director Class | Prior Director Salary | Increase/ (Decrease) in Salary of New Appointee Compared to Prior Director |
|---|---|---------------------------------|-------------------------|----------------------------------|---------------------|----------------------|-----------------------|--|
| Director | Redevelopment Agency | | Executive Director | \$197,043 | 178,724 | Executive Director | \$197,043 | (\$18,319) |
| Director | Planning | 0963 | Department Head III | 170,276 | 210,000 | 0963 | 175,578 | 34,422 |
| Director | Human Resources | 1293 | Human Resources | 195,750 | 195,000 | 1293 | 204,672 | (9,672) |
| Director | Public Works | 0964 | Department Head IV | 195,750 | 195,000 | 0964 | 220,419 | (25,419) |
| Director | Economic and Workforce Development | 0963 | Department Head III | 170,276 | 193,570 | 0963 | 159,640 | 33,930 |
| Director | Office of Citizen Complaints | 0961 | Department Head I | 129,247 | 171,262 | 0961 | 128,986 | 42,276 |
| Director | Mayor's Office of Criminal Justice | 0905 | Mayoral Staff XVII | 139,505 | 160,862 | 0905 | 118,014 | 42,848 |
| Director | Human Rights Commission | 2986 | Human Rights Commission | 138,722 | 149,058 | 2986 | 145,912 | 3,146 |
| Director | 311 | 0953 | Deputy Director IIII | 149,631 | 149,058 | 0953 | 165,000 | (15,942) |
| Director | Mayor's Office of Community Development | 0905 | Mayoral Staff XVII | 139,505 | 143,123 | 0905 | 130,130 | 12,993 |
| Director | Art Commission | 0961 | Department Head I | 129,247 | 140,000 | 0961 | 131,352 | 8,648 |
| Director | Civil Service Commission | 0951 | Department Head I | 129,247 | 128,752 | 0951 | 135,738 | (6,986) |
| Director | Mayor's Office of Neighborhood Services | 0904 | Mayoral Staff XVI | 129,247 | 120,900 | | 92,560 | 28,340 |
| Acting Director | Taxi Commission | 0961 | Department Head I | 129,247 | Not yet in position | 0961 | 118,168 | - |
| General Manager | Public Utilities Commission | 9989 | Contract Employee | Per Contract | Not yet determined | Per contract | 258,450 | - |
| Controller | Controller | 0965 | Department Head V | 243,278 | Not yet determined | 0965 | 250,296 | - |
| Director | Housing Authority | - | Non City Position | Non City Position | Not yet determined | Non City Position | Non City Position | - |
| Total Increased Actual Salary Costs Compared to Prior Director Salary Costs | | | | | | | | \$130,265 |
| Total Increased Salary and Estimated Fringe Benefit Costs | | | | | | | | \$139,853 |

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As noted in the above Table 1, seven of the 17 newly-appointed department directors' actual annual salaries exceed budgeted salary amounts included in the Annual Salary Ordinance. Also, as noted in Table 2, eight of the 17 newly-appointed department directors' actual salaries exceed the salaries of the prior directors.

- The new Director of Planning salary of \$210,000 is \$39,724 or 23.3 percent more than the budgeted salary of \$170,276 and \$34,422 or 19.6 percent more than the salary of the prior director of \$175,578. According to the Planning Department, the Planning Department will request substitution of the existing 0963 Department Head III position for a 0964 Department Head IV position in the FY 2008-2009 budget.
- The new Director of Economic and Workforce Development salary of \$193,570 is \$23,294 or 13.7 percent more than the budgeted salary of \$170,276, and \$33,930 or approximately 21.3 percent more than the prior director's salary of \$159,640. The newly-appointed Director of Economic and Workforce Development was previously classified as an 8183 Assistant Chief Attorney II position with a salary of \$193,570, and served as the Director of Base Reuse and Real Estate Development. According to the City Attorney's Office, the Mayor's Office reimbursed the City Attorney's Office for the cost of the 8183 Assistant Chief Attorney II position through a work order. According to the Mayor's Office, the newly-appointed Director of Economic and Workforce Development will be placed into the existing 0963 Department Head III position in the Department of Economic and Workforce Development but will be compensated at the higher rate of \$193,570.
- The new Director of the Office of Citizen Complaints salary of \$171,262 is \$42,015 or 32.5 percent more than budgeted salary of \$129,247. According to the Director of the Office of Citizen Complaints, this salary of \$171,262 is authorized under the Memorandum of Understanding between the City and the Municipal Executive Association, which provides for the director to be paid five percent more than 8177 Attorney positions in the Office of Citizen Complaints who are paid \$163,725 at the highest salary step.
- The new Director of the Mayor's Office of Criminal Justice salary of \$160,862 is \$21,358 or 15.3 percent more than the budgeted salary of \$139,505. According to the Mayor's January 4, 2008 press release, this position has been elevated to a Mayor's Deputy Chief of Staff.

- The new Director of the Human Rights Commission salary of \$149,058 is \$10,337 or 7.5 percent more than the budgeted salary of \$138,722. As noted in Table 2, the \$149,058 salary of the newly-appointed director is \$3,146 or 2.2 percent more than the salary of the prior director of \$145,912.
- The new Director of the Mayor's Office of Community Development salary of \$143,123 is \$3,619 or 2.6 percent more than the budgeted salary of \$139,505.
- The new Director of the Art Commission salary of \$140,000 is \$10,753 or 8.3 percent more than the budgeted salary of \$129,247.
- The new Director of the Mayor's Office of Neighborhood Services salary of \$120,900 is \$28,340 or 30.6 percent more than the salary of the prior director of \$92,560, as shown in Table 2. According to the Mayor's Office, this position is classified as 0904 Mayoral Staff XVI, with a salary range from \$101,294 to \$129,247.

Status of Prior Director Personnel

Although the Mayor appointed 17 new departmental directors, four individuals who previously held four of the departmental director positions now hold other City positions, as shown in Table 3 below.

- The former Director of the Human Rights Commission, now being paid \$145,918 has transferred to the Municipal Transportation Agency with a \$6 increase in salary.
- The former Director of Human Resources, now being paid \$160,862 has been appointed the Mayor's Chief of Staff with a \$43,810 reduction in salary.
- The former Director of Public Works, now being paid \$170,560 has transferred to a Deputy Director, Public Works position with a \$49,859 reduction in salary.
- The former Director of the Mayor's Office of Neighborhood Services, now being paid \$120,042, has transferred to the City Administrator's Office, with a \$27,482 increase in salary.

Table 3
Current City Department Position and Annual Salary of Four
Former Department Directors

| Position | Department | Prior Director Salary | New Position | New Salary | Increase/ (Decrease) |
|----------|---|-----------------------|--|------------|----------------------|
| Director | Human Rights Commission | \$145,912 | Manager VII, Municipal Transportation Agency | \$145,918 | \$6 |
| Director | Human Resources | 204,672 | Mayor Chief of Staff | 160,862 | (43,810) |
| Director | Public Works | 220,419 | Deputy Director, Public Works | 170,560 | (49,859) |
| Director | Mayor's Office of Neighborhood Services | 92,560 | Manager III, City Administrator's Office | 120,042 | 27,482 |
| Total | | | | | (\$66,181) |

According to the City Administrator, the former Director of the Mayor's Office of Neighborhood Services was hired as a temporary Manager III in the City Administrator's Office to create a disaster recovery plan. The Budget Analyst notes that this results in a new annual salary cost to the City of \$120,042.

The Public Utilities Commission General Manager's Severance Package

The salary and benefits for the Public Utilities Commission General Manager are established through an executive employment agreement. Under that agreement, the current General Manager's annual salary is \$258,450. The executive employment agreement contains a termination clause that provides for the General Manager to receive two-years base salary or an amount equivalent to the base salary from the date of termination to the end date of the employment agreement of August 23, 2009, if the General Manager is terminated without cause. For example, if the PUC terminates the current General Manager, as recommended by the Mayor, based upon a termination date of February 15, 2008, the General Manager would receive base salary for the period from February 15, 2008 through August 23, 2009, resulting in an estimated cost to the City of \$401,392.

Increased Costs for the Mayor's Nine Senior Staff Positions

The Mayor's January 4, 2008 press release announced ten Mayor's Office staff appointments. According to the Mayor's Office, one of the ten appointments, the Director of State and Federal Affairs is currently vacant and will not be filled at this time. Of the nine remaining appointments, two represent new functions and seven are senior staff appointments performing existing functions. The salary and estimated fringe benefit increase for these nine positions is \$413,863, including \$389,657 for two appointments representing new functions and \$24,206 for seven appointments performing existing functions, as shown in Table 4 below.

Table 4
Estimated Increased Annual Salary and Fringe Benefit Costs for the
Mayor's Nine Senior Staff Appointments⁵

| Position | Class | Actual Annual Salary Paid to Newly-Appointed Mayoral Senior Staff Member | Annual Salary of Prior Incumbent | Increased/ (Decreased) Annual Salary of Newly-Appointed Mayoral Senior Staff Member Compared to Prior Incumbent |
|---|-------|--|----------------------------------|---|
| Appointments Representing New Functions | | | | |
| Homelessness Policy Director | 0954 | \$169,624 | \$0 | \$169,624 |
| Climate Protection Initiatives Director | 9180 | <u>130,112</u> | <u>0</u> | <u>130,112</u> |
| Subtotal Salary Costs | | 299,736 | 0 | 299,736 |
| Subtotal Salary and Estimated Fringe Benefit Costs | | 389,657 | 0 | 389,657 |
| Appointments Performing Existing Functions | | | | |
| Violence Prevention Director | 0892 | \$91,520 | \$87,178 | \$4,342 |
| Community Engagement Director | 0904 | 143,123 | 128,752 | 14,371 |
| Liaison to the Board of Supervisors | 0901 | 91,000 | 97,084 | (6,084) |
| Liaison to City Commissions | 0901 | 81,276 | 94,718 | (13,442) |
| Deputy Chief of Staff, Health and Human Services | 0905 | 143,123 | 138,970 | 4,153 |
| Deputy Chief of Staff, Government Affairs | 0905 | 143,123 | 123,916 | 19,207 |
| Greening Director | 0901 | <u>111,228</u> | <u>111,228</u> | <u>0</u> |
| Subtotal Salary Costs | | 804,393 | 781,846 | 22,547 |
| Subtotal Salary and Estimated Fringe Benefit Costs | | 1,045,711 | 1,016,400 | 24,206 |
| Total Salary and Estimated Fringe Benefit Costs | | \$1,435,368 | \$1,016,400 | \$413,863 |

⁵ As noted above, one of the ten Mayor's Office appointments is vacant and will not be filled at this time. The total salary and estimated fringe benefit costs for the remaining nine Mayor's Office senior staff appointments of \$1,435,368 and for the prior incumbents of \$1,016,400 are calculated, based on a Citywide average of 30 percent for fringe benefits, which includes benefits based on (a) percentages, including Social Security, Medicare, and retirement, and (b) fixed costs including health care. However, the total increased salary and estimated fringe benefit costs of \$413,863 for the seven Mayor's Office senior staff appointments representing existing functions compared to the prior incumbents are calculated, based only on the percentage costs since the fixed fringe benefit costs do not change.

The Mayor's Newly-Appointed Senior Staff Representing New Functions

As discussed above, two Mayor's staff appointments represent new functions, which the Budget Analyst has estimated will incur increased salary and fringe benefit costs of \$389,657, as shown in Table 4 above. One position is included in the Municipal Transportation Agency budget, and one position is included in the Human Services Agency budget.

- The Municipal Transportation Agency includes the one new 9180 Manager VI Climate Protection Initiatives Director position in the MTA budget, as discussed on page 17. According to the Municipal Transportation Agency (MTA), the 9180 Manager VI position was previously a manager in the MTA's Safety and Training Unit and became vacant on June 27, 2007 when the incumbent retired.
- The Budget Analyst notes that the newly-appointed Climate Protective Initiatives Director is a new function unrelated to the Municipal Transportation Agency's Safety and Training Unit.
- The Human Services Agency (HSA) requested and the Department of Human Resources approved creation of one new temporary 0954 Deputy Director IV position to serve as the Mayor's Homelessness Policy Director position. According to the Human Services Agency, the Human Services Agency will request this position as a new permanent 0954 Deputy Director IV position in the FY 2008-2009 Humans Services Agency budget to serve as the Mayor's Homelessness Policy Director.

City Department Funding of Mayor's Office Positions

Other City departments fund approximately \$1.34 million in salaries and estimated fringe benefits for ten positions working in the Mayor's Office, including two new and eight existing positions. The two new positions include the Homelessness Policy Director and the Climate Protection Initiatives Director. The eight existing positions include the Deputy Chief of Staff for Transit Issues, the 1452 Executive Secretary supporting the Deputy Chief of Staff, the City Build Director, the Special Events Coordinator, the Deputy Press Secretary, the Greening Director, and two Human Services Agency positions supporting the new Homelessness Policy Director.

Table 5 below shows the total salary and fringe benefit costs for each department that pays for positions working in the Mayor's Office, totaling \$1,344,458. This does not include work orders from other City departments to pay for the position costs of the Mayor's Office Liaison to the Board of Supervisors, the Mayor's Office Liaison to various Commissions, and the two Deputy Chiefs of Staff for Government Affairs and Health and Human Services.

Table 5
Annual Salary and Fringe Benefit Costs of Mayor's Office Positions
Funded by City Departments

| Department | City Departments' Funding for Annual Salary and Estimated Fringe Benefit Costs For Mayor's Office Positions |
|---------------------------------|--|
| Municipal Transportation Agency | \$821,747 |
| Human Services Agency | 388,092 |
| Planning | 50,106 |
| Public Utilities Commission | 39,440 |
| Public Works | 28,170 |
| Recreation and Park Department | 16,903 |
| Total | \$1,344,458 |

Reduced Funding of Mayor's Office Positions by City Departments

The Mayor's Office has stated that two positions, the 9185 Chief of Operations serving as the Mayor's Deputy Chief of Staff for Transit Issues and the 1452 Executive Secretary, included in the Municipal Transportation Agency budget and currently assigned to the Mayor's Office were returned to the Municipal Transportation Agency as of February 8, 2008 as discussed in detail on pages three and 17. Additionally, the Mayor's Office advised the Budget Analyst on February 7, 2008 that the 1314 Public Relations Officer serving as the Deputy Press Secretary in the Mayor's Office of Communications, which the Municipal Transportation Agency reported was to be funded by the Municipal Transportation Agency, will be funded by the Mayor's Office. If the Mayor implements these changes, total City department funding of Mayor's Office positions will be reduced by \$319,124 or approximately 23.7 percent, from \$1,344,458 to \$1,025,334.

Municipal Transportation Agency

The Municipal Transportation Agency partially or fully funds seven positions working in the Mayor's Office, with annual salary and estimated fringe benefit costs of \$821,747, as shown in Table 6 below.

Table 6
The Municipal Transportation Agency's Annual Salary and
Estimated Fringe Benefit Costs Paid by MTA for Positions Working
in the Mayor's Office

| Job Class / Job Class Title | Position Title / Position Function | The Municipal Transportation Agency's Salary and Estimated Fringe Benefit Costs for the Mayor's Office Positions |
|---|--|---|
| Positions Working in the Mayor's Office and Funded in the MTA Budget | | |
| 9185 Chief Operating Officer, Municipal Transportation Agency | This position serves as the Mayor's Deputy Chief of Staff, Transit Issues. According to the Mayor's Office, the City Administrator, who provides administrative services as assigned by the Mayor and in accordance with the Charter, reimburses the MTA for 40 percent. | \$156,332 |
| 1452 Executive Secretary | This position supports the Mayor's Deputy Chief of Staff, Transit Issues. According to the Mayor's Office, the City Administrator, who provides administrative services as assigned by the Mayor and in accordance with the Charter, reimburses the MTA for 40 percent. | 52,718 |
| 9180 Manager VI, Municipal Transportation Agency | Climate Protection Initiatives Director | 160,720 |
| Subtotal | | 369,770 |
| Mayor's Office Positions Funded through Work Orders with the MTA | | |
| 0941 Manager VI | City Build Director | 171,594 |
| 1372 Special Assistant XIII | Special Events Coordinator | 130,869 |
| 1314 Public Relations Officer | Deputy Press Secretary | 110,074 |
| Subtotal | | 412,537 |
| 0901 Mayoral Staff XIII | The Municipal Transportation Agency pays 28 percent of the Greening Director position through a work order with the Planning Department. | 39,440 |
| Total | | \$821,747 |

According to information provided to the Budget Analyst by the Mayor's Office on February 7, 2008, the Mayor intends to reduce the Municipal Transportation Agency's funding of Mayor's Office positions from \$821,747 to \$406,191, a reduction of \$415,556 or approximately 50.6 percent, as follows:

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- \$209,050 in reduced salaries and estimated fringe benefits for the 9185 Chief of Operations who has served as the Deputy Chief of Staff for Transit Issues and the 1452 Executive Secretary. The 9185 Chief of Operations position became vacant as of February 8, 2008 and the Mayor's Office states that the vacant 9185 Chief of Operations and the filled 1452 Executive Secretary position will be returned to the Municipal Transportation Agency.
- \$110,074 in reduced salaries and estimated fringe benefits for the 1314 Public Relations Officer position serving as a Deputy Press Secretary in the Mayor's Office of Communications, which will be funded by the Mayor's Office.
- \$96,432, or 60 percent of the total \$160,720 salary and estimated fringe benefit costs for the 9180 Manager VI Climate Protection Initiatives Director. According to an undated draft Memorandum of Understanding among the Mayor's Office, Municipal Transportation Agency, Public Utilities Commission, and Department of the Environment, (a) the Municipal Transportation Agency will pay \$64,288 or 40 percent of the position costs, (b) the Public Utilities Commission will pay \$64,288 or 40 percent of the position costs, and (c) the Department of the Environment will pay \$32,144 or 20 percent of the position costs.

In summary, if the Mayor's Office implements these changes, the Municipal Transportation Agency's funding of positions assigned to the Mayor's Office would be reduced by \$415,556 or approximately 50.6 percent, from \$821,747 to \$406,191. The Public Utilities Commission's estimated funding of Mayor's Office positions would increase by \$64,288, or approximately 163 percent, from \$39,440, as shown in Table 5 above, and the Department of the Environment's estimated funding of Mayor's Office positions would be \$32,144.

The Municipal Transportation Agency pays the annual salary and estimated fringe benefit costs for one 1374 Special Assistant XIII Special Events Coordinator, and one 0941 Manager VI CityBuild Director in the Department of Economic and Workforce Development⁶ through work orders with the Mayor's Office.

⁶ The Budget Analyst notes that the Economic and Workforce Development Department is a department separate from the Mayor's Office. However, the Mayor's Office has included certain positions in the Economic and Workforce Development Department as Mayor's positions for the purposes of this report.

The Special Events Coordinator working in the Mayor's Office does not have full responsibilities directly related to the Municipal Transportation Agency's core functions. According to the Mayor's Office, the Special Events Coordinator, which is located in the Department of Economic and Workforce Development, is currently responsible for the technical coordination of all the weekly special events in the City, such as parades, fireworks and large scale street closures.

The CityBuild Director position manages the CityBuild program, which places low-income residents into construction jobs with City contractors. Several City departments and public agencies, including the Airport, the Municipal Transportation Agency, the Public Utilities Commission, the Human Services Agency, the Transportation Authority, and the Community College District provide funding to the CityBuild program. From September 2005 through May 2007, CityBuild placed 36 program participants on construction projects funded by the Municipal Transportation Agency.⁷

Municipal Transportation Agency Percentage of Costs for the Greening Director

The Municipal Transportation Agency pays 28 percent of the cost of the 0901 Mayoral Staff XIII Greening Director, totaling \$39,440 as shown in Table 6 above and Table 8 on page 19.

Human Services Agency

The Human Service Agency (HSA) funds three positions in the HSA budget assigned to the Mayor's Office, with total annual salary and estimated fringe benefit costs of \$388,092, as shown in Table 7 below.

⁷ The Budget Analyst notes that the Manager VI City Build Director position is currently vacant. The Mayor's Office is recruiting for a replacement to the CityBuild Director as a 0923 Manager II position, with salary and fringe benefit costs of \$144,596, a reduction of \$26,998 or 15.7 percent, from the currently budgeted Manager VI salary and estimated fringe benefits of \$171,594.

Table 7
**The Human Services Agency's Annual Salary and Estimated Fringe
Benefit Costs for the Mayor's Office Positions**

| Class | | Annual Salary and Estimated Fringe Benefits |
|--------------|------------------------------|--|
| 0954 | Homelessness Policy Director | \$220,511 |
| 2904 | Human Services Technician | 72,501 |
| 1312 | Public Information Officer | 95,080 |
| Total | | \$388,092 |

Planning Department

The Mayor's Greening Director Position in the Planning Department Budget

The Mayor's Greening Director position is included in the Planning Department's budget. The Planning Department has substituted an existing 5291 Planner III position for a 0901 Mayoral Staff XIII position to fund the Greening Director position, with salary and fringe benefit costs of \$140,856. This position is funded by several City departments through work orders with the Planning Department, as shown in Table 8 below.

Table 8
**City Departments' Funding of the Mayor's Greening Director
Position**

| Department | Percentage | Annualized Cost |
|---------------------------------|-------------------|------------------------|
| Planning | 12% | \$16,903 |
| Public Utilities Commission | 28% | \$39,440 |
| Recreation and Park | 12% | \$16,903 |
| Public Works | 20% | \$28,170 |
| Municipal Transportation Agency | 28% | \$39,440 |
| TOTAL | 100% | \$140,856 |

Planning Department Funding of the Mayor's Office Positions

In addition to funding \$16,903, or 12 percent of the Greening Director position assigned to the Mayor's Office at the cost of \$140,856, the Planning Department has a \$33,203 work order with the Department of Economic and Workforce Development to partially fund the Production, Distribution and Repair retention position, which is focused on expanding industrial uses and related job opportunities in the City. According to the Planning Department, the issue of retention of industrial uses and blue collar jobs in the City is a major focus of our Eastern Neighborhoods Planning initiative.

Total Planning Department funding of Mayor's Office positions is \$50,106.

Department of Human Resources

According to the Department of Human Resources, one 0922 Manager I, serving in a limited-term, three-year exempt position, is assigned to the Mayor's Office to serve as the Assistant to the Chief of Staff. According to the Department, the Manager I has provided support during the transition for the Chief of Staff from his role as the Human Resources Director, and ensured the continuity of the Human Resources program during appointment of the interim and permanent director.

The Department of Human Resources will be fully reimbursed through a direct transfer of salary to the Mayor's Office for this Manager I with an annual salary and estimated fringe benefit costs of \$145,860.

According to the Department of Human Resources, the Manager I position will end on June 30, 2008, and the Department will request substitution of the 0922 Manager I position for one 1244 Senior Personnel Analyst, with annual salary and benefit costs of \$123,133 in the FY 2008-2009 budget.

Impact of Funding Positions Assigned to the Mayor's Office in the Departments' Budgets

According to Article III of the Charter, no member of the Mayor's staff shall receive a salary in excess of 70 percent of that paid the Mayor. The salary cap is currently \$172,024 but one position assigned to the Mayor's Office is budgeted and paid for by the Municipal Transportation Agency, thereby enabling the position to be paid more than the salary cap for staff working in the Mayor's Office. The Deputy Chief of Staff for Transit Issues, assigned to

the Mayor's Office, fills a Municipal Transportation Agency 9185 Chief Operating Officer position, with top salary step of \$203,814, which is \$31,790 or approximately 18.5 percent more than the salary cap of \$172,024.

Vacant Positions

The Mayor issued a directive in December 2007 which would result in prohibiting the filling of currently vacant positions that existed prior to July 1, 2007. Of the 1,670 vacant positions which were vacant as of July 1, 2007, 1,046 or approximately 63 percent had been vacant for more than one year and do not represent new salary savings in FY 2007-2008. A total of 216 requisitions had been vacant prior to FY 2001-2002, with some vacant as far back as 1963. Of these 216 requisitions, 205 are transit operator positions in the MTA budget. Table 9 below provides a summary of these positions.

Table 9
Vacant Positions by Classification
through FY 2006-2007

| Classifications | Vacant Positions Prior to FY 2001-2002* | Vacant Positions FY 2001-2002 through FY 2005-2006* | Vacant Positions for One Year or Less FY 2006-2007 | Total |
|--|--|--|---|--------------|
| Sheriff (Uniform) | 0 | 4 | 3 | 7 |
| Fire (Uniform) | 0 | 13 | 6 | 19 |
| Police (Uniform) | 0 | 31 | 17 | 48 |
| Nurses | 0 | 52 | 51 | 103 |
| Other Health Care Professionals and Paraprofessionals | 0 | 91 | 46 | 137 |
| Transit Operators | 205 | 85 | 8 | 298 |
| Juvenile Probation Officers and Counselors | 0 | 18 | 9 | 27 |
| Social and Eligibility Workers | 0 | 26 | 45 | 71 |
| Community Development and Employment | 0 | 7 | 10 | 17 |
| Library Positions | 0 | 20 | 2 | 22 |
| Recreation Positions | 0 | 4 | 12 | 16 |
| Engineers, Architects, Planners, Environmental Specialists | 0 | 49 | 48 | 97 |
| Skilled Trades and Technicians and Laborers | 0 | 90 | 68 | 158 |
| Construction, Street and Building Inspectors | 0 | 8 | 2 | 10 |
| Food Service, Laundry, Housekeeping | 0 | 37 | 11 | 48 |
| Clerical and Administrative Support | 0 | 86 | 51 | 137 |
| Personnel and Payroll | 0 | 25 | 18 | 43 |
| Accounting Series | 0 | 35 | 15 | 50 |
| Information Technology | 0 | 13 | 22 | 35 |
| Administrative and Management Analysts | 0 | 7 | 20 | 27 |
| Purchasing and Materials Management | 0 | 1 | 1 | 2 |
| Management and Administration | 0 | 7 | 35 | 42 |
| Mayoral Staff | 0 | 2 | 1 | 3 |
| Miscellaneous Staff | 11 | 119 | 123 | 253 |
| Total | 216 | 830 | 624 | 1,670 |

* 216 plus 830 equals 1046 position vacant for more than one year.

Of the 624 positions that had been vacant for one year or less as of July 1, 2007, 26 were uniform and public safety positions, including three Sheriff Department positions, six Fire Department positions, and 17 Police Department positions. Additionally, 51 nursing positions in the Department of Public Health were vacant.

According to Ms. Nani Coloretti of the Mayor's Office, the Mayor's Office will evaluate vacant positions that were approved prior to July 1, 2007 to identify those vacant positions that should be reinstated because they either (a) are temporarily filled, (b) require constant recruitment, (c) require staffing seven-days per week and 24-hours per day, or (d) require more costly backfilling by paying overtime.

Policy Considerations


The Mayor's practice of including positions assigned to the Mayor's Office, which are funded in the Municipal Transportation Agency, the Human Services Agency, and the Planning Department budgets, understates the Mayor's Office's budgeted and actual costs for such positions while such costs are overstated in those three other Departmental budgets.

As a policy option, the Board of Supervisors could consider rescinding funding for such positions assigned to the Mayor's Office but included in the budgets of the Municipal Transportation Agency, the Human Services Agency, and the Planning Department. Then, if the Mayor includes such positions in the Mayor's Office budget, the cost of these positions, estimated to be \$898,718, would likely be paid by General Fund monies in the Mayor's Office. These estimates include (a) the 9185 Deputy Chief of Staff and 1452 Executive Secretary positions, totaling \$209,050, as shown in Table 6 on page 16, which the Mayor's Office states were returned to the Municipal Transportation Agency as of February 8, 2008, (b) the 9180 Manager VI in the Municipal Transportation Agency budget and serving as the Climate Protection Initiatives Director, totaling \$160,720, as shown in Table 6 on page 16, (c) three positions in the Human Services Agency, totaling \$388,092, as shown in Table 7 on page 19 and (d) one position in the Planning Department, totaling \$140,856, as shown in Table 8 on page 19.

Further, as a policy option, the Board of Supervisors could consider eliminating Municipal Transportation Agency funding for Mayor's Office positions that do not directly benefit the Municipal Transportation Agency's core functions. This includes the Special Events Coordinator position in the Department of Economic and Workforce Development (with salary and fringe benefit costs of \$130,869) and the 1314 Public Information Officer position serving as the Deputy Press Secretary in the Mayor's Office of Communications (with salary and fringe benefit costs of \$110,074). If the Mayor should continue to fund these two positions in the Mayor's budget, the General Fund costs would be \$240,943.

If the Board of Supervisors implements these policy options, General Fund costs are estimated to increase by \$1,139,661 (\$898,718 plus \$240,943). However, the Municipal Transportation Agency, the Human Services Agency (which receives General Fund support), and the Planning Department (which also receives General Fund support) would receive corresponding benefits by the return of such funding to their respective departments.

Alternatively, since the Municipal Transportation Agency, the Human Services Agency, and the Planning Department do not utilize the services of these positions presently, the elimination of such positions in these Departmental budgets could contribute to future budget savings for those three Departments.



Harvey M. Rose

cc: President Peskin
Supervisor Alioto-Pier
Supervisor Ammiano
Supervisor Chu
Supervisor Daly
Supervisor Dufty
Supervisor Elsbernd
Supervisor Maxwell
Supervisor Mirkarimi
Supervisor Sandoval
Mayor Newsom
Clerk of the Board
Cheryl Adams
Controller
Nani Coloretti