

January 30, 2009

Ref: 08034

Alderman Michael Murphy, Chair
Finance and Personnel Committee
City Hall, Room 205

Subject: 2008 Police Department Overtime Final Status Report

Dear Alderman Murphy:

This communication reports Milwaukee Police Department (MPD) overtime expenditures in accordance with Common Council File 021045. The report contains general 2008 overtime and salary data related to funds and hours expended, along with various comparison data from prior years.

Issue Summary

1. MPD expended a total of \$17.1 million of overtime in 2008, a decrease of \$2.0 million from 2007. Of that amount, \$14.5 million was tax levy supported, a decrease of \$2.9 million from 2007.
2. MPD utilized about 402,000 hours of total overtime in 2008, a 14.8% decrease from 2007.
3. Overtime controls put in place during the second quarter of 2008 produced favorable and lasting results. Data reflects a significant reduction in overtime without an increase in compensatory time.
4. The MPD's salary account expended \$2.7 million less in salaries than what was estimated for 2008.

Overtime Budgets and Expenditures

The 2008 MPD tax levy-supported overtime budget was \$13.3 million. When adjusted for the Milwaukee Police Association (MPA) 2007-2009 contract settlement, the adjusted overtime budget totals approximately \$14 million. This additional budget funding is included in the Wages Supplement Fund carryovers and appropriations. The tax levy and grant supported overtime expenditures, depicted in Figure 1 show the results of comprehensive overtime planning and controls, with its greatest impacts visible starting in pay period 10. With the exceptions of overtime peaks associated with Summerfest and Harley Davidson's 105th Anniversary, the average pay period tax levy-supported overtime decreased 18% compared to pay periods 1 through 9..

In 2008 the Milwaukee Police Department expended \$17.1 million in total overtime, \$14.5 million of that supported directly by the tax levy (O&M). Compared to 2007 expenditures, this is a decrease of about \$2.0 million in total overtime and \$2.9 million in tax levy-supported overtime. However, the 2007 funds expended were at 2006 rates of pay for Milwaukee Police Association members, while the 2008 funds are expended at 2008 MPA rates of pay. Also, the Milwaukee Police Supervisors Organization (MPSO) settlement changed their rates of pay from 2003 rates to 2006 rates in pay period 26, 2008.

It is important to report, as depicted in Figure 2, that the MPD overtime control has been successful in that overtime has not simply shifted to compensatory time. For comparison, the department experienced a 7.7% reduction in compensatory time in 2008 versus 2007.

Overtime Hours

A more meaningful way to compare overtime to prior years is by comparing the hours expended instead of dollars expended. Prior years may contain wage rates of different labor agreements for multiple bargaining units, thus individuals in the department may be receiving different levels of compensation at any particular time. For example, MPA members were at 2003 and 2005 rates of pay in 2005, 2006 rates in 2006 and most of 2007. The MPA members started to receive 2007 rates of pay in pay period 22, 2007, and received 2008 rates throughout 2008. The Milwaukee Police Supervisors Organization (MPSO) members were at 2003 rates of pay until pay period 26, 2008 when they started receiving 2006 rates. As Figure 3 depicts, the overtime hours expended were at a lower rate when compared to the same time periods of previous years. Total hours expended in 2008 totaled 402,000 hours compared to 472,000 hours in 2007, a 14.8% decrease.

Total Salary Expenditures

Overtime, while represented as a separate budget line item, is accounted for within the MPD's \$159.8 million 2008 salary account (adjusted for the mentioned MPA rates of pay). As of January 30, 2009, the MPD expended \$157. million in total 2008 salaries, about \$2.7 million below expectations. The new controls on overtime, along with fewer than expected retirements and other various vacancy experience account for these savings.

Figure 1

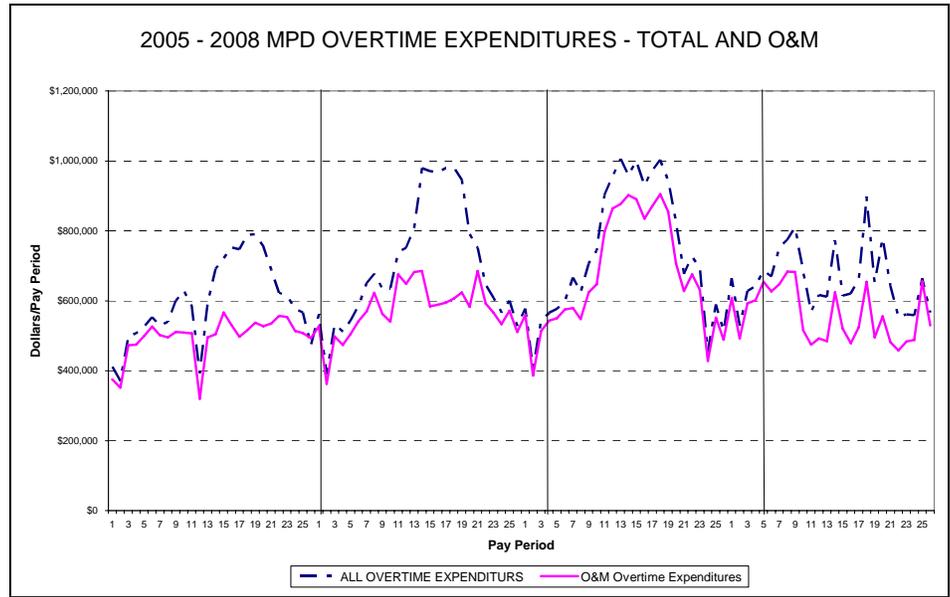


Figure 2

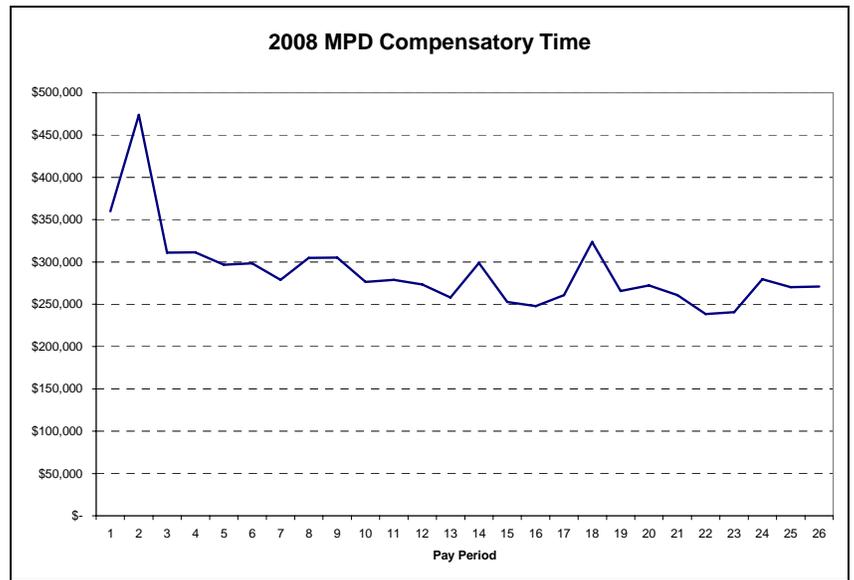
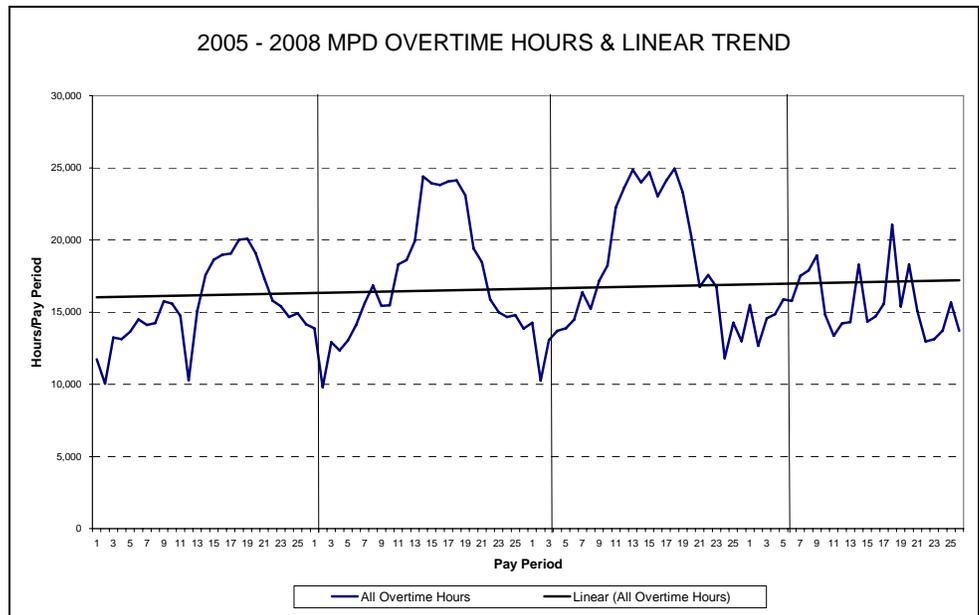


Figure 3



If you have further questions regarding overtime expenditure data, please feel free to contact David Schroeder of the Budget Office at extension 8524. If you need additional information regarding Police Department strategies and initiatives, please contact Acting Chief of Staff Captain Diana Rowe at 935-7770.

Sincerely,

Mark Nicolini
Budget and Management Director

Edward Flynn
Chief of Police

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cc: Finance and Personnel Committee
Fire and Police Commission
Mayor's Office

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