



Department of Administration  
Budget and Management Division

John O. Norquist  
Mayor

David Riemer  
Administration Director

Laura J. Engan  
Budget and Management Director

February 4, 2002

Ref: SF - MPD

Alderman Frederick G. Gordon, Chair  
Finance and Personnel Committee  
City Hall, Room 205

Subject: Police Department Overtime

Dear Alderman Gordon:

Per the request of the Finance and Personnel Committee at its January 16, 2002 meeting, the Budget and Management Division submits the following analysis of Police Department overtime and its possible shortfall for 2002. The graph on page two depicts overtime expenditures and sworn vacancies by pay period from 2000 to present.

Since 1997, the Police Department has reduced the use of and controlled overtime expenses. From 1997 to 2000, the department averaged \$7.9 million in overtime per year. This is measurably less than prior years and less than the budgeted average of \$8.7 million per year during that same period. However, recent trends suggest an increase in the use of overtime to conduct policing functions.

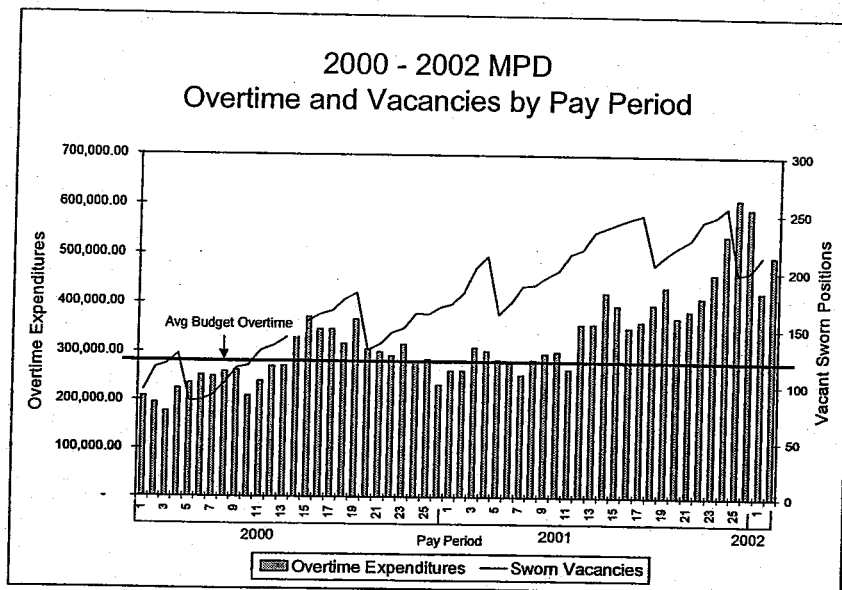
In 2000, the Police Department averaged \$276,238 in overtime expenditure per pay period (1997 rates). By 2001, this amount increased to \$368,470. Even after adjusting for pay rate differences, the increase per pay period totals \$64,414, or \$1,674,764 per year.

The 2002 overtime expenditure has averaged \$462,147 per pay period. However, this only represents two of the twenty-six pay periods in a budget year. While it is not possible to accurately project 2002 total expenditures with only two pay periods of data, if overtime expenditures continue at or near this level, the Police Department will experience a significant shortfall, estimated at \$4.5 million, in their overtime account.

Analysis of previous overtime expenditures has revealed that the use of overtime does increase during the summer months and decrease again after the summer. This is due to staffing of activities such as festivals, concerts, and parades. This trend, however, did not follow through in 2001, as overtime did not decrease after the summer months. As the graph depicts, overtime actually increased and peaked at the end of 2001.

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Police Officer vacancies also have an impact on the use of overtime. Analysis also shows that while in previous years there may have been a correlation between the number of vacancies and the amount of overtime expended, that correlation is not as strong in 2001. The number of sworn vacancies (all sworn positions) has increased in the past few years. The average number of vacancies per pay period in 2000 was 135. This average increased to 213 in 2001. Vacancies are expected to drop slightly in 2002 from the impact of having three Police Officer recruit classes in 2001 and 2002.



Staff deployment is another explanatory factor behind the use of 2001 overtime another factor is the increase of overtime during 2001. In the summer of 2001, the Chief developed and implemented a "Safe Streets Program" as a response to continuing crimes and violence. This program utilizes an unspecified amount of overtime to increase officer patrols and presence in specific neighborhoods that have experienced high activity levels of crime. This program was not budgeted in 2001 and was not requested by the Police Department for their 2002 budget. Should the Chief desire to continue this program, funding should be requested as part of the 2003 budget.

In summary, the data shows that there have been significant increases in overtime in 2001 and continuing into 2002. While vacancies explain a portion of the increase, the conscious deployment of staff is driving costs above anticipated levels.

If you have further questions on this matter, please feel free to contact David Schroeder of my staff at extension 8524.

Sincerely,

Laura J. Engan  
Budget and Management Director

Attachment  
DS:dmr

cc. Finance & Personnel Committee