



Department of Administration  
Budget and Policy Division

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June 23, 2008

Ref: 08034

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

Subject: 2008 Police Department Overtime YTD 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 year-to-date overtime data related to funds and hours expended, along with various comparison data from prior years. All 2008 data are through pay period 11, which concluded May 31, 2008 with a check date of June 12, 2008.

#### Issue Summary

1. MPD expended a total of \$7.34 million of overtime so far in 2008. Of that amount, \$6.58 million was tax levy supported.
2. MPD utilized about 171,800 hours of total overtime so far in 2008, a 1.68% increase from 2007.
3. Overtime controls were put in place during the second quarter of 2008, and are showing results. Recent pay periods have experienced a significant reduction in overtime without an increase in compensatory time.
4. It is difficult to project whether the MPD will require Contingent Funds for 2008 salaries. If the recent trends in overtime and salaries are maintained, it greatly reduces the city's financial risk.

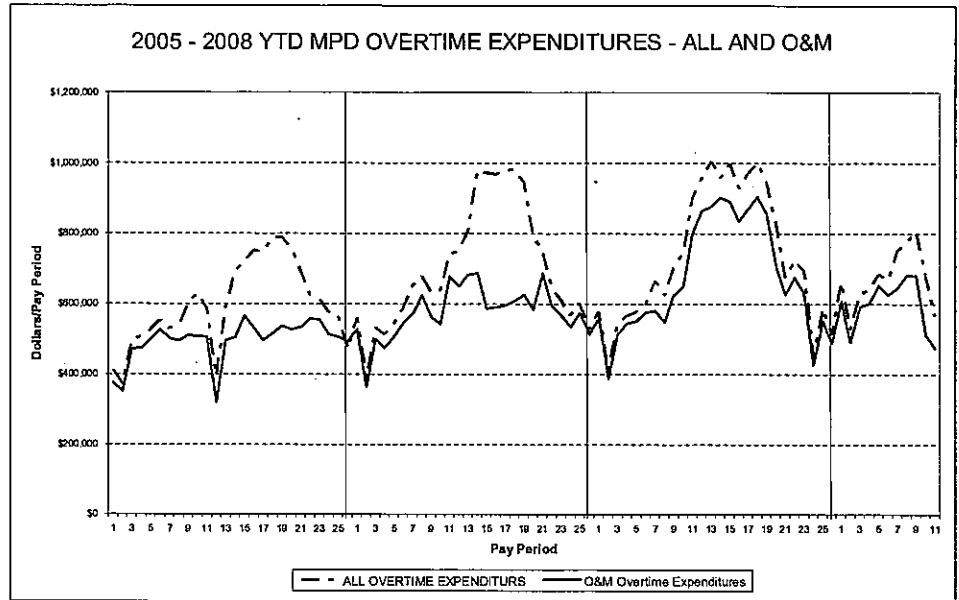
#### Overtime Budgets and Expenditures

The 2008 MPD tax levy-supported overtime budget is \$13.3 million, but when adjusted for the recent Milwaukee Police Association (MPA) settlement, the overtime budget totals approximately \$14 million (the additional budget funding is included in the Wages Supplement Fund). The tax levy and grant supported overtime expenditures, depicted in Figure 1 show that there has been a significant reduction of overtime expended since pay period 10. Tax levy-supported overtime has decreased over 30% from the peak in pay period 9 to pay period 11. If these recent overtime reductions are maintained, the MPD stands a reasonable ability to stay within its adjusted overtime budget.

Through pay period 11, the Milwaukee Police Department expended \$7.34 million in total overtime, \$6.58 million of that supported directly by the tax levy (O&M). Compared to 2007 expenditures, this is an increase of about \$400,000 in total overtime and \$200,000 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.

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. In the past, it has been common experience that when salary retro's have been paid, overtime expenditures drop while experiencing a corresponding increase to compensatory time. This would limit an individual employee's tax liability. This has not been the case with the recent reductions in paid overtime.

Figure 1



**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 represent 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 currently receive 2008 rates. The Milwaukee Police Supervisors Organization (MPSO) members are still at 2003 rates of pay at this time. As Figure 3 depicts, the overtime hours expended were at a greater rate when compared to the same time periods of previous years. Total hours expended year-to-date 2008 has totaled 171,800 hours compared to 169,000 hours last year, a 1.68% increase. However, this trend has been recently reversed, as the total overtime hours expended since pay period 9 have been reduced by about 30%.

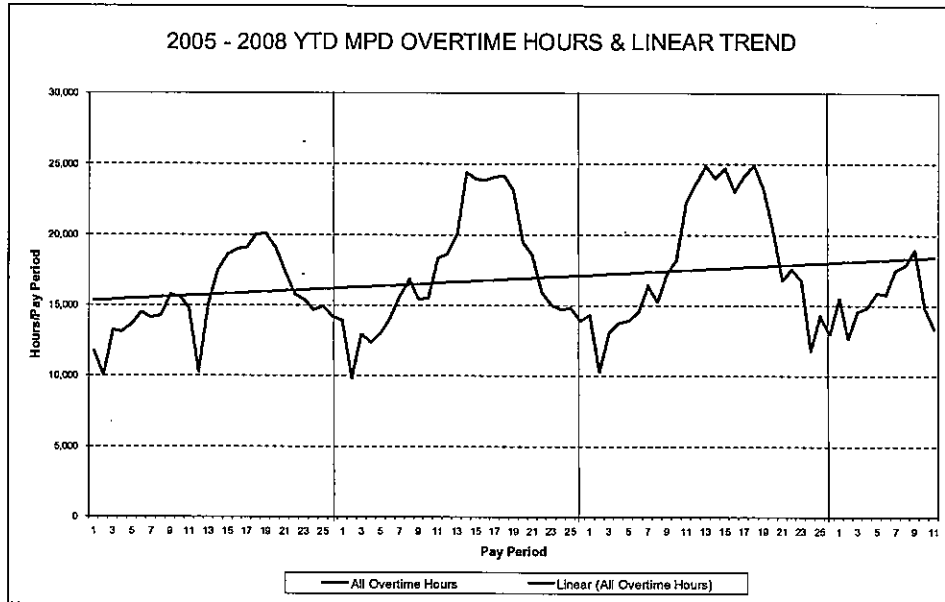
Figure 2

MPD Compensatory Time Earned		
PP	Check Date	Total
1	1/24/2008	\$ 359,728.82
2	2/7/2008	\$ 473,832.23
3	2/21/2008	\$ 311,005.21
4	3/6/2008	\$ 311,447.89
5	3/20/2008	\$ 296,637.37
6	4/3/2008	\$ 298,529.68
7	4/17/2008	\$ 279,044.55
8	5/1/2008	\$ 304,673.38
9	5/15/2008	\$ 305,083.77
10	5/29/2008	\$ 276,466.60
11	6/12/2008	\$ 278,988.42
<b>Grand Total</b>		<b>\$ 3,495,437.92</b>

**Total Salary Expenditures**

Overtime, while represented as a separate budget line item, is accounted for within the MPD's \$151.5 million 2008 salary account. Currently, the MPD salary account shows expenditures of \$69.8 million for 2008. Taking into account funds reserved in the Wages Supplement Fund for MPA members and recent overtime trends, the Budget Office's salary bench marking process shows a diminishing risk that Contingent Funds would be necessary to cover salary account shortfalls. We will keep the Council informed on any changes to this initial projection.

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 Jennifer Meyer at extension 935-7770.

Sincerely,

Mark Nicolini  
Budget and Management Director

Edward Flynn  
Chief of Police

DS:cei

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

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