

July 24, 2007

Ref: 07034

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

Subject: 2007 Police Department Overtime

Dear Alderman Murphy:

This communication reports Milwaukee Police Department (MPD) overtime expenditures in accordance with Common Council File 021045. The report contains 2007 data through pay period 13, along with various comparison data from prior year(s).

Issue Summary

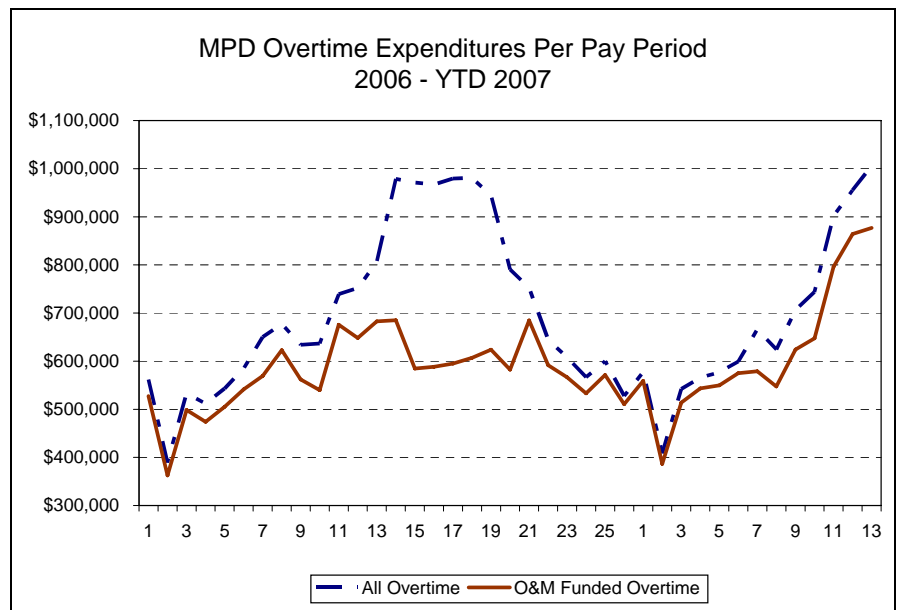
1. MPD overtime for 2007 is projected to be about \$18 million in total overtime, over \$15 million of that supported by the tax levy.
2. Based on current expenditure trends, we project no need for additional Contingent Funds to balance the MPD's 2007 salary budget.

Overtime Budgets and Expenditures

Through pay period 13 (check date July 12, 2007), the Milwaukee Police Department has expended \$8.9 million in total overtime, \$8.1 million of that supported directly by the tax levy (O&M). Compared to this time in 2006, this is an increase of about \$850,000 in total overtime and tax levy supported overtime.

When viewed against 2006 overtime expenditure patterns, there is a noticeable difference appearing this summer in O&M overtime (Figure 1). Comparing 2006 and 2007 summer months related overtime, starting around pay period 10, there

Figure 1



is less disparity between total and O&M overtime. By this time last year, the City of Milwaukee was fortunate to secure grants from the State of Wisconsin, totaling \$950,000. Charging to these particular grants contributed to the significant difference last summer between total overtime (dashed line) and O&M overtime (solid line).

The Budget Office, along with the MPD, will continue to monitor overtime and overall salaries, as it is evident that the MPD will likely exceed its overtime budget for 2007. As we discussed with the Finance and Personnel Committee in May, summer activities are the driving force for projecting the MPD's total 2007 overtime. The impact of the City to secure any additional grant funding notwithstanding, it is expected that 2007 overtime totals will be within +/- 5% of 2006's totals of \$18.3 million total overtime and \$15 million O&M overtime.

Overtime Hours

Stated in prior reports, a more meaningful way to compare overtime to prior years is by comparing the hours expended versus dollars expended. Prior years may represent different contracts for multiple bargaining units, thus individuals in the department may be receiving

different levels of compensation at any particular time. For example, Milwaukee Police Association (MPA) members were at 2003 and 2005 rates of pay in 2005 and 2006 rates in 2006 and 2007. The Milwaukee Police Supervisors Organization (MPSO) members are still at 2003 rates of pay at this time. As Figure 2 depicts, total overtime hours have increased significantly during the summer months in 2006 and 2007 compared to 2005.

To better understand the increase in summer overtime hours, the MPD outlined the 2007 Neighborhood Safety Initiative (NSI) in a previous communication with the Common Council. Started on May 20, 2007, the NSI is a proactive directed patrol initiative designed to reduce the levels of violent crime and calls for service. The additional NSI resources - dedicated personnel, will be focused in specific areas in which incidents of homicides, non-fatal shootings, armed robberies, gun related offenses, recovered firearms, search warrants, and shots fired calls

Figure 2

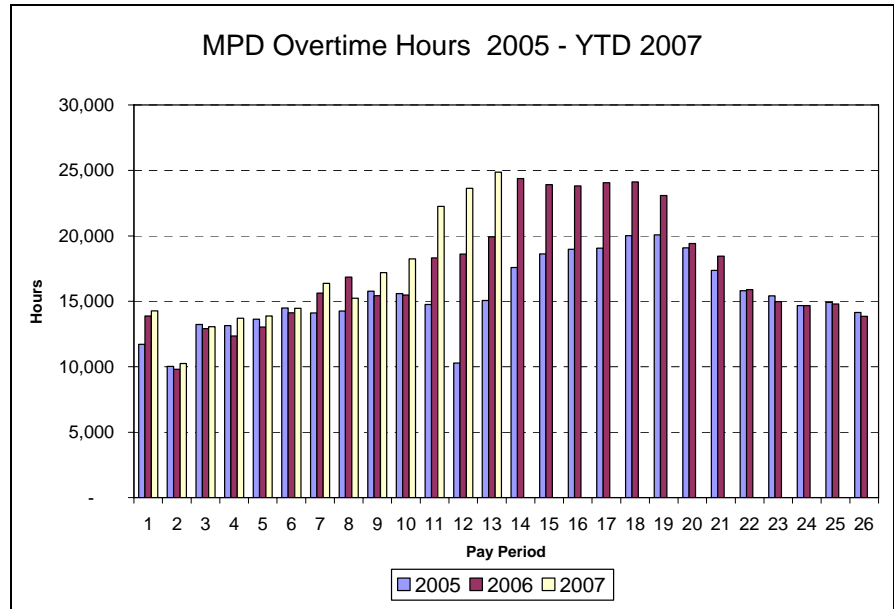
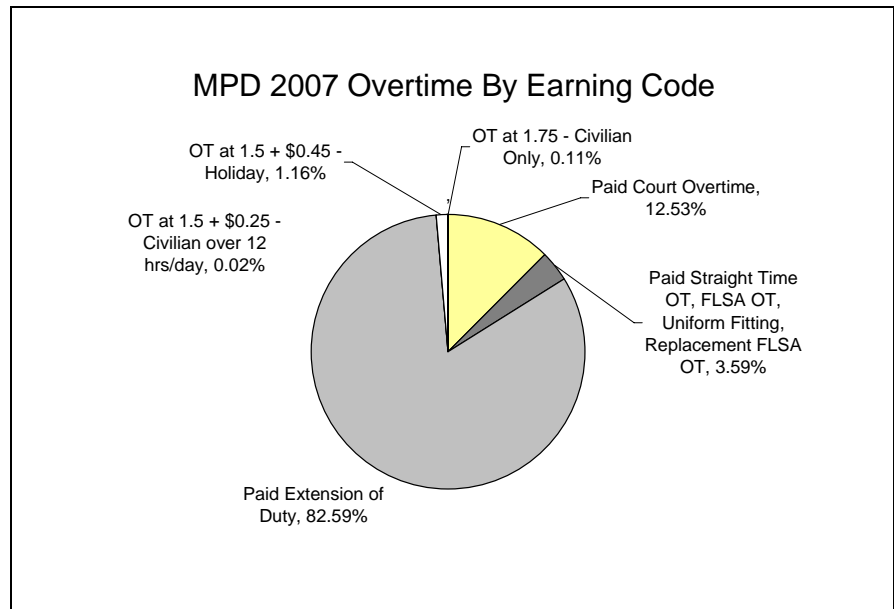


Figure 3



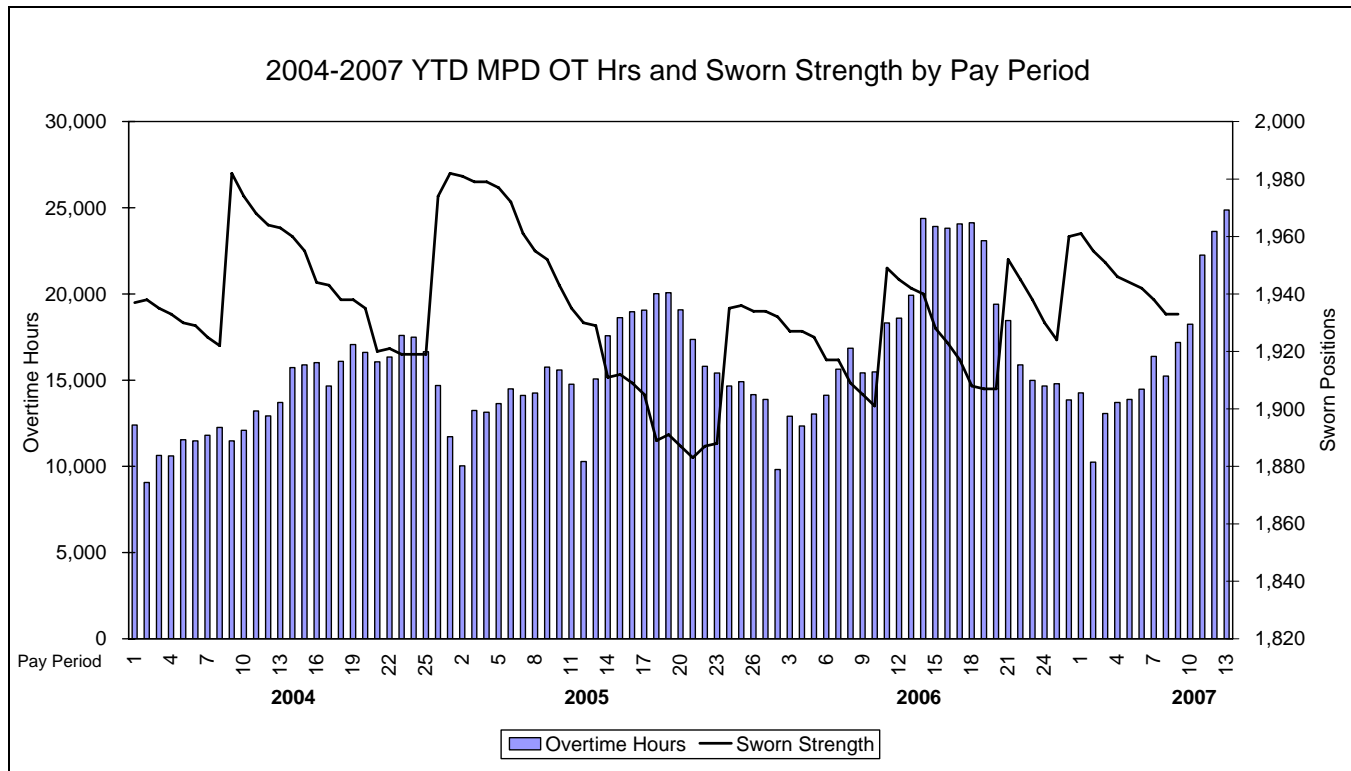
are high. The NSI is utilizing dedicated personnel, thus necessitating additional overtime for regular patrol coverage of the districts. The NSI is scheduled to conclude on September 8, 2007, pay period 18.

To assist the Committee in understanding how the overtime has been utilized by the MPD, overtime hours by type is provided (see Figure 3). Compared to prior years, there has been no significant a change to utilization. The vast majority of overtime, approximately 83%, continues to be utilized as “extension of duty.”

Overtime vs. Sworn Strength

Figures 4 and 5 depict overtime hours and sworn and Police Officer strength levels. It was requested at the previous Finance and Personnel meeting that this graph also be depicted with Police Officer strength levels instead of just all sworn positions (including Police Officers) to see if there is a visible difference in trends. As these graphs depict, the number filled sworn positions and number of Police Officers reveals practically the exact same patterns, decreasing strength levels followed with new recruit classes.

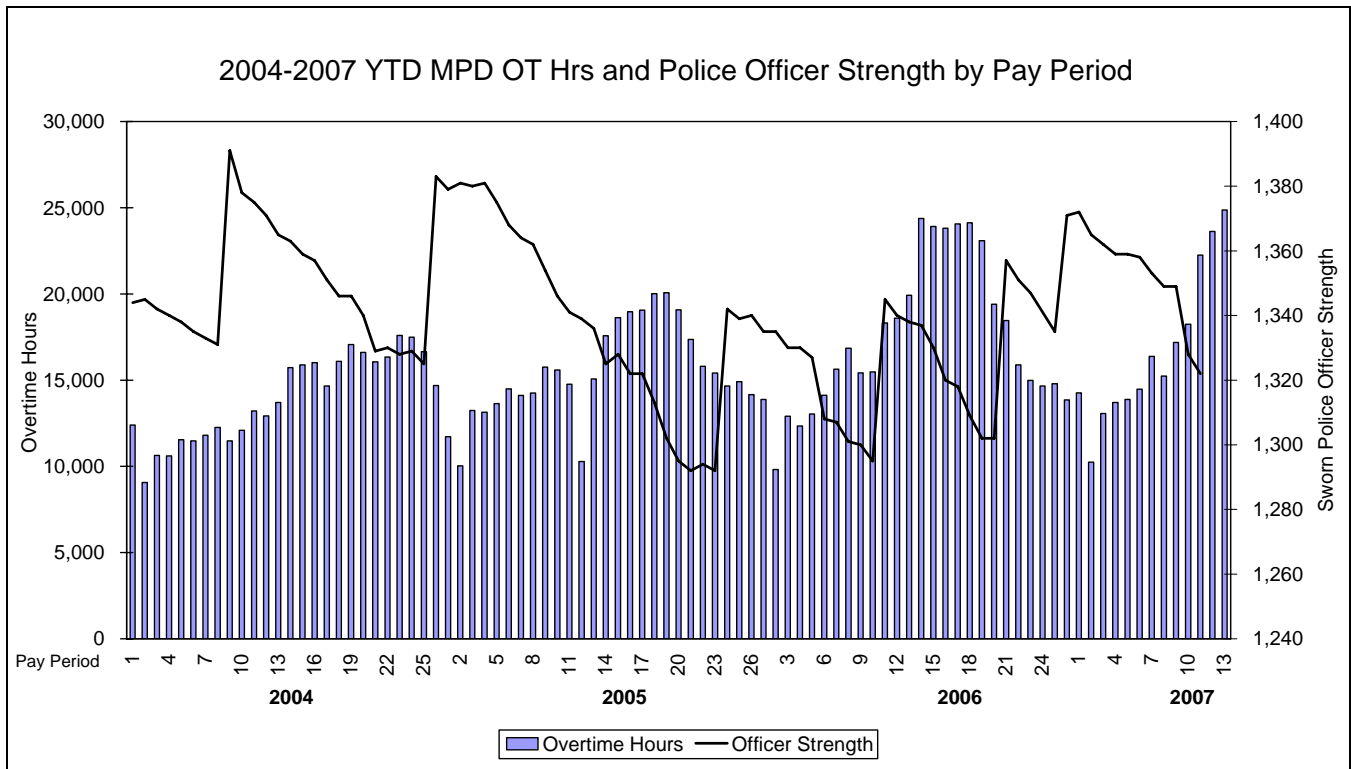
Figure 4



Total Salary Expenditures

Overtime, while represented as a separate budget line item, is accounted for within the MPD’s \$149.7 million salary account. The adjusted total 2007 salary budget for the MPD is \$151.6 million, which includes funds reserved from the Contingent Fund in Common Council Resolution 070339. As of pay period 13, the MPD 2007 salary account showed expenses of \$77.2 million. After overlaying expenditure patterns from 2006 while trying to account for other variables such as recruit class timing and sizes, grant reimbursements, expected vacancies, the ending date of the NSI, and year end accounting procedures, the current estimate projects a low probability that the MPD will need additional funds transferred into the salary account.

Figure 5



As in prior years, our office will ensure the Finance and Personnel Committee is kept apprised of any necessary fund transfers and carryovers to close the 2007 books. We would expect this to occur in early 2008.

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

Sincerely,

Mark Nicolini
Budget and Management Director

David Schroeder
Fiscal Planning Specialist Senior

DS:dmr
Cc: Finance and Personnel Committee
Fire and Police Commission
Mayor's Office
Chief Nannette Hegerty