

September 20, 2005

Ref: 03042

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

Subject: 2005 Police Department Overtime and Salary Expenditure Update

Dear Alderman Murphy:

This letter contains data and projections regarding Milwaukee Police Department's (MPD) overtime and salary accounts through pay period 18 (September 8, 2005 check date).

Overtime

As of pay period 18, the Police Department's operating budget (O&M) overtime expenditures totals \$8.65 million, or approximately \$480,000 per pay period. This average is about \$65,000 more than the budgeted pay period average of \$375,000. It is projected that the MPD will spend approximately \$12.5 million on O&M overtime in 2005 or \$2.7 million more than its budget. However, it should be noted that members of the Milwaukee Police Association (MPA) pay rate changed from 2003 rates to 2005 rates of pay beginning in pay period 10 of 2005. This new rate of pay does impact the overtime expenditures made since pay period 10.

Salaries

The MPD has expended \$104.6 million on all salaries (regular pay, overtime, compensatory time, special pays, and contract settlement retro pays) through pay period 18. Since pay period 13 (after all new pay rates and retros have taken affect), the MPD is averaging about \$5.4 million in salaries per pay period and is projected to spend \$147 to \$148 million on salaries in 2005, or approximately \$11 to \$12 million more than is represented in the department's 2005 budget.

These salary expenditures do include retros and new rates of pay for MPA and ALEASP members. Funds for salary settlements have been separately budgeted in the Wages Supplement Fund and will be transferred from that special purpose account to the MPD salary account during the closing of the 2005 books. As of this time, projections show that the department may slightly go under or over their total budgeted salary amount (including funding from the Wages Supplement Fund). The Finance and

Personnel Committee will be kept apprised of the situation as the department, Budget Office, and Comptroller finishes closing the 2005 books and considers fund transfers and carryovers.

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
Budget and Management Special Assistant

DS:dmr

cc. Finance and Personnel Committee
Fire and Police Commission
Mayor's Office
Chief Nannette Hergerty
Grant Langley, City Attorney