

REPORT: Police Overtime for 2008 and 1st Quarter of 2009

FROM: Noble Wray, Chief of Police

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TO THE MAYOR AND COMMON COUNCIL:

In response to the request of the Common Council for reports regarding the status of overtime expenditures, the Police Department has developed the following information to explain overtime trends and information from 2008 and the first quarter of 2009.

The total 2008 budgeted expense for the Madison Police Department was \$55,693,113. Wages and benefits accounted for \$46,637,852 or 84% of budgeted expenditures. In all, at least 92% of budgeted expenditures were determined by labor contracts, other City agency costs, or additional mandates from outside of the Police Department.

Although overtime is considered a variable expense, in the past three years overtime hours required by contract (such as briefing time, holiday day in future, etc.) accounted for 59% of the overtime hours earned. These expenses have been negotiated in various labor contracts that were approved by the Mayor and Common Council and are required to be paid. Although Police management staff reviews overtime quarterly, they have little or no discretion in allowing contractual overtime.

REPORT OF 2008 OVERTIME:

The total cost of overtime for the Madison Police Department (MPD) in 2008 was \$2,152,791, which is \$44,519 over the 2008 budget of \$2,108,272. The cost of overtime represents a 2.6% decrease, or \$57,963 less than the \$2,210,754 expended in 2007, and is approximately \$166,196 more than the average cost of overtime for the previous four years. This was the first year since 2003 that the cost of overtime decreased from the prior year. **(For a comparison of overtime expenses, refer to Appendix A)**

In 2008, the hours earned totaled 99,671, which is a decrease of almost 1% over the 100,620 hours earned in 2007. These two years compare with the 99,024 hours in 2006, 94,478 hours in 2005, and 94,669 hours in 2004. **(Refer to Appendix B)**

As highlighted in overtime reports throughout the year, the pay-to-time ratio also dropped during 2008, thereby decreasing costs at a greater rate than the decrease in hours earned. **(Refer to Appendix C)** Maintaining lower overtime costs will be contingent upon continuation of a low pay-to-time ratio, which per contract is at the discretion of the employee.

Police overtime is divided into Contractually-Driven, Demand-Driven and Civilian overtime. The comparative breakdown of Contractually-Driven overtime hours is:

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Briefing Time	28,361	26,108	25,883	25,971	25,780
Legal Appearance	4,532	4,697	4,820	5,426	4,728
Holiday Day In Future	21,510	20,490	19,886	20,017	23,309
Convert to Pay	6,461	8,048	7,144	5,621	5,381
TOTAL	60,865	59,343	57,733	57,035	59,198

The additional staff from 2007 entering into full-time assignments, in conjunction with an accelerated academy in 2008 which provided full-time assigned employees mid-year, led to the anticipation that contractually-driven overtime would increase. However, additional staff also provided greater opportunity for employees to take time off. This apparently led to a reduction in the number of hours that were converted to pay.

The comparative breakdown of Demand-Driven overtime hours is:

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Routine	15,332	15,718	15,902	16,844	15,244
Extraordinary Event	8,550	8,743	7,917	3,166	6,061
Planned Event	5,852	4,493	7,177	7,674	6,777
Problem Initiative	1,371	3,435	0	0	0
Holdover	2,478	5,976	5,140	4,709	3,143
Meetings	583	807	967	607	527
TOTAL	34,166	39,172	37,103	33,000	31,752

It is important to note that overall demand-driven overtime dropped significantly. The biggest decrease occurred in the Holdover category of overtime, and is a direct result of staffing levels sufficient to reduce the need for overtime to maintain minimums. Meeting overtime decreased for the same reason. Planned Event overtime increased due to the requirement to utilize overtime rather than adjusting day off schedules for events.

Finally, Civilian overtime, at 4,640 hours, was the highest number of hours for civilians in five years. It compares with 2,105 hours in 2007, 4,188 hours in 2006, 4,443 hours in 2005, and 3,719 hours in 2004. The increase is primarily due to a growing workload, particularly in the Records Section.

Summary of 2008 Overtime:

- Both the cost of overtime and the hours of overtime earned decreased from 2007 to 2008.
- The significant addition of officers led to an increase in contractual overtime, but a decrease in demand-driven overtime.
- It appears that the availability of additional staff resulted in a drop in the pay-to-time ratio as officers opted to “bank” overtime to be used as time off, rather than taking it as pay.

REPORT OF 1st QUARTER 2009 OVERTIME:

After years of consistent increases in overtime hours earned, the first quarter of 2009 saw a dramatic drop of 12.8% when compared with the first quarter of 2007. In fact, the first quarter had the lowest number of hours of overtime earned in a first quarter since 2005. The year-to-date hours for 2009 are 18,618 as compared to 21,347 in 2008, 21,097 in 2007, 20,342 in 2006, and 16,095 in 2005. **(Refer to Appendix D)**

Although a small percentage of the decreased hours is due to the cycle of how hours, particularly Holiday hours were charged back to 2008, it appears that the two key components that have led to the decrease in hours were the lack of Extraordinary Events and staffing levels that are sufficient enough to reduce the need to either holdover or call-in staff on overtime.

Although 2008 saw the pay-to-time ratio at historic lows, during the first quarter of 2009 the pay-to-time ratio actually dropped even lower. Again this seems to be due to staffing levels that allow for sufficient time off.

Demand-Driven overtime hours decreased 36% in comparison to 2008, and were the least amount of hours earned for the first quarter in the past 5 years. A comparative breakdown of Demand-Driven overtime hours is:

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Routine	3,055	4,154	3,565	3,791	3,409
Extraordinary Event	796	2,047	1,227	857	541
Planned Event	1	3	0	6	0
Problem Initiative	43	23	80	N/A	N/A
Holdover	428	689	1,034	1,010	684
Meetings	185	121	209	206	177
TOTAL	4,508	7,037	6,115	5,870	4,811

Hours of overtime related to Extraordinary Events dropped dramatically in the first quarter. In addition, Holdover overtime continued to drop as sufficient staffing resulted in a reduced need to meet minimum

levels through the use of overtime. The first quarter also saw a reduction in Routine overtime, although it's too early to determine if this is a trend or the result of the combination of other factors and their impact on the need for overtime.

A comparative breakdown of Contractually-Driven overtime hours is:

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Briefing Time	6,823	6,329	6,240	6,302	6,252
Legal Appearance	838	999	1,072	994	1,270
Holiday Day In Future	4,169	4,579	5,877	4,210	1,743
Convert to Pay	1,529	1,193	1,288	1,441	723
TOTAL	13,359	13,100	14,477	12,947	9,988

Finally, Civilian overtime also decreased substantially during the 1st quarter of 2009. The total hours in the 1st quarter of 2009 were 751 as compared to 1,211 in 2008, 505 hours in 2007, 1,525 in 2006, and 1,296 in 2005.

PROJECTED COSTS FOR 2009:

As always, it is difficult this early in the year to make accurate projections in regards to overtime costs. As of the end of Payroll #7, the total overtime expenditure was \$339,832. This is substantially lower than the cost of \$441,004 at the end of the first quarter of 2008. If the downward trend of the pay-to-time ratio continues, it is possible that the Police Department could end the year close to the amount currently budgeted. This will depend primarily on a continued ability for officers to utilize earned leave time, and on the level of ongoing events throughout the year.