

REPORT: Police Overtime for 2014 and 1st Quarter of 2015

FROM: Michael C. Koval, 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 2014 and the first quarter of 2015.

The total 2014 budgeted expense for the Madison Police Department was \$66,296,215. Wages and benefits accounted for \$56,071,443 or 85% of budgeted expenditures. In all, more than 91% 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 five years overtime hours required by contract (such as briefing time, holiday day in future, etc.) accounted for more than 62% 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 2014 OVERTIME:

The total cost of overtime for the Madison Police Department (MPD) in 2014 was \$2,474,361, which is \$47,076 under the 2014 budget of \$2,521,437. The total cost of overtime in 2014 compares with the \$2,334,852 expended in 2013, \$2,367,346 in 2012, \$2,687,008 in 2011, and \$2,161,406 in 2010. **(Refer to Appendix A)**

In 2014, the overtime hours earned totaled 101,419, which is comparable to the 101,900 hours earned in 2013, and continues a trend of lower hours from 2008 and prior. These two years compare with the 104,553 hours in 2012, 113,571 hours in 2011, and 106,285 hours in 2010. **(Refer to Appendix B)**

The pay-to-time ratio has a significant impact on the cost of overtime as officers choose whether or not to take overtime as pay or as time. Increases in the pay-to-time ratio in 2011 resulted in higher costs than prior years, when officers “banked” more of their hours. **(Refer to Appendix C)** Maintaining lower overtime costs will be contingent upon the 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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Briefing Time	30,336	29,186	29,767	29,886	30,492
Legal Appearance	3,838	5,016	4,788	4,740	4,006
Holiday Day In Future	22,611	22,074	22,751	24,488	26,018
Convert to Pay	6,668	7,587	7,622	7,292	7,394
TOTAL	63,453	63,863	64,928	66,406	67,910

Contractually-Driven overtime in 2014 was comparable to 2013. Briefing Time decreased in 2013 due to the change in the Preservice Academy start date, but increase in 2014 as overall staffing is maintained due to the authorized overhire. The Holiday Day in Future hours continued at a lower trend due to the year-end holidays falling in the middle of the week. Legal appearance hours were also significantly lower than in the past. Finally, fewer employees elected to convert comp time to pay in 2014.

The comparative breakdown of Demand-Driven overtime hours is:

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Routine	12,264	12,372	11,720	14,570	14,465
Extraordinary Event	7,631	8,479	9,359	18,881	8,924
Planned Event	7,472	6,402	7,754	6,862	5,985
Problem Initiative	3,749	3,252	4,626	2,131	2,785
Peak Staffing – Central	2,226	2,315			
Holdover	2,017	2,216	2,579	2,451	2,346
Meetings	377	285	358	379	760
TOTAL	35,736	35,321	36,396	45,274	35,265

In 2014, Demand-Driven overtime continued fairly low. In spite of a continuation in lower hours for the Spring Block Party, increased hours for Rhythm & Booms as well as the addition of several paid events, resulted in an increase in the overall hours worked. In regards to the decreased hours for Extraordinary Events, although there were more significant events during 2014 that resulted in an increase in overtime hours, these were offset by a decrease in overtime related to court prep for prior year events. In addition to seeing a reduction in legal appearance overtime, there was also a considerable decrease in the overtime required to develop these cases.

Both Routine and Holdover overtime remained comparatively low when compared to the previous four years, in spite of staffing issues at the end of the year. This is a direct result of the ongoing initiative implemented by police managers in 2012.

Finally, Civilian overtime continued a downward trend, dropping another 18% in 2014. Civilian overtime totaled 2,230 hours in 2014, as compared with 2,716 hours in 2013, 3,230 hours in 2012, 1,891 hours in 2011, and 3,110 hours in 2010.

Summary of 2014 Overtime:

- The total hours of overtime were comparable from 2013 to 2014, and these two years continued a trend of lower overtime hours earned.
- The cost of overtime increased by 5% from 2013 to 2014 as officers converted less time to pay, resulting in an increased year-end accrual.
- Contractual overtime was comparable to 2013, primarily due to a decrease in hours for legal appearances.
- Demand Driven overtime continued at a low rate, with Planned Event hours increasing and Extraordinary Event hours decreasing as explained above.

REPORT OF 1st QUARTER 2015 OVERTIME:

Before I begin the report on 1st quarter 2015 overtime, I would like to issue a disclaimer. Due to the implementation of the new MUNIS financial system, we have had to adjust how reports are pulled. At this time, we cannot guarantee the accuracy of either the data or the interpretation of the data. Revised information will be provided, if needed, when reports are produced later in the year.

It is important to note that the way comp time hours are calculated has changed with the new system. In the past hours earned as comp time inflated on the reports. So if an employee worked 1 hour at time and a half, it appeared as 1.5 hours on the overtime report. In 2015, the comp hours do not inflate, but are actual hours worked. This means that it appears as if the overtime hours have dropped substantially, when that may not actually be the case. For example, on this report Extraordinary Event overtime hours total 3,781. If it were calculated in the same manner as reported last year, the hours would be 4,235.

In the first quarter of 2015, the number of hours of overtime earned according to the report is 17,774 compared with 18,383 in the first quarter of 2014, 21,541 in 2013, 22,980 in 2012, and 31,489 in 2011. **(Refer to Appendix D)**

A comparative breakdown of Demand-Driven overtime hours is:

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Routine	2,257	2,627	2,680	3,035	2,939
Extraordinary Event	3,781	1,081	2,235	2,098	12,177
Planned Event	0	0	0	2	18
Problem Initiative	34	62	26	187	42
Peak Staffing – Central	170	102	27		
Holdover	201	413	499	446	564
Meetings	49	101	82	83	104
TOTAL	6,492	4,386	5,549	5,851	15,844

With the change in reporting, it is difficult to compare data. However, it is important to note that between overtime related to homicides, attempted homicides, shootings and protests, there has been a considerable increase in overtime related to Extraordinary Events. At this point, it appears that this will be maintained through 2015. In addition, the peak staffing plan for the downtown was implemented earlier in 2015 in response to increasing crowds earlier in the year.

A comparative breakdown of Contractually-Driven overtime hours is:

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Briefing Time	5,652	7,221	7,467	7,808	7,820
Legal Appearance	754	1,076	955	1,259	1,224
Holiday Day In Future	3,380	3,984	4,797	6,452	4,523
Convert to Pay	1,163	1,305	1,594	1,167	1,476
TOTAL	10,949	13,586	14,813	16,686	15,043

It appears that most of the significant changes in hours for contractually driven overtime relate to the change in how data is reported.

Finally, Civilian overtime continues to trend downward. The total hours in the 1st quarter of 2015 were 333, as compared to 413 in 2014, 1,179 in 2013, 443 in 2012, and 602 in 2011.

PROJECTED COSTS FOR 2015:

As always, it is difficult this early in the year to make accurate projections in regards to overtime costs. In addition, at this point I am not sure of the actual cost of overtime at the end of the first quarter. As of the end of Payroll #7, I believe the overtime expenditure on non-grant and non-special duty costs totaled \$445,079. This is trending higher than in 2014, but is comparable to 2013 costs. However, increased costs are likely in the second quarter due to ongoing protests, as well as the response to increased gun violence in the City.