

REPORT: Police Overtime for 2005 and 1st Half of 2006

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 2005 and the first half of 2006.

The total 2005 budgeted expense for the Madison Police Department was \$45,266,932. Wages and benefits accounted for \$38,776,268 or 86% of budgeted costs. In all, at least 93% 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 60% 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 2005 OVERTIME:

The total cost of overtime for the Madison Police Department in 2005 was \$1,870,712, or \$228,728 more than initially budgeted. This represents an 8.7% increase, or \$149,269 over the \$1,721,443 expended in 2004, and is approximately \$220,948 more than the average cost of overtime for the previous four years. **(For a comparison of overtime expenses, refer to Appendix A)**

In 2005, the hours earned totaled 94,478. This compares with 94,669 hours in 2004, 91,623 hours in 2003, 80,195 hours in 2002, and 83,846 hours in 2001. **(Refer to Appendix B)**

As you may note, although the hours of overtime earned in 2005 are comparable to the hours earned in 2004, the actual cost of overtime was substantially higher. As discussed in previous reports, often this cost disparity would be attributable to changes in the pay-to-time ratio. In fact, in 2001 and 2002 the pay-to-time ratio was fairly high, and costs were also fairly high in spite of lower hours of overtime earned. However, in 2003 the pay-to-time ratio dramatically decreased, and it remained fairly low through 2005. The pay-to-time ratio was 1.01 in 2005, .99 in 2004 and .93 in 2003.

So, even though the total hours earned were comparable, and the hours taken as pay were comparable, the costs still increased. The reason for this is that employees took less comp time off in 2005. Therefore, the balance of accrued time was substantially higher at the end of the year, and thus the year-end adjustment for time accrued was \$103,288 more in 2005 than in 2004.

The remaining additional cost for 2005 overtime was as a result of the increase in salaries due to contract settlements.

Demand-Driven overtime increased 4% from 2004 to 2005. Although the reports demonstrate an increase in Routine overtime of 1,600 hours, there is some indication that a change in the scheduling software resulted in a decreased ability to capture overtime related to Extraordinary Events. The increase of 1,566 hours of holdover overtime was primarily due to staffing shortages, but may also be partially attributed to the new software.

The comparative breakdown of Demand-Driven overtime hours is:

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Routine	16,844	15,244	16,587	16,882	15,796
Extraordinary Event	3,166	6,061	8,515	2,149	5,225
Planned Event	7,674	6,777	6,084	5,054	3,630
Holdover	4,709	3,143	2,530	2,839	2,690
Meetings	607	527	379	441	440
TOTAL	33,000	31,752	34,095	27,365	27,781

Contractual overtime decreased 3.6% from 2004 to 2005. The most significant change was the decrease in Holiday-Day-In-Future overtime. This was due primarily to the fact that the New Years holiday was charged entirely to 2006, whereas in the recent years, a portion was pro-rated back to the previous year.

The comparative breakdown of Contractually-Driven overtime hours is:

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Briefing Time	25,971	25,780	26,160	25,308	24,311
Legal Appearance	5,426	4,728	5,753	5,664	6,200
Holiday Day In Future	20,017	23,309	17,548	12,232	13,301
Convert to Pay	5,621	5,381	4,512	4,910	5,617
TOTAL	57,035	59,198	53,973	48,114	49,429

Finally, Civilian overtime increased to 4,443 hours in 2005 as compared to 3,719 hours in 2004, 3,555 hours in 2003, 4,716 hours in 2002, and 6,636 hours in 2001. The civilian overtime in 2005 was driven by the increased need for support staff throughout the Police Department.

Summary of 2005 Overtime:

- Hours of overtime earned remained fairly even from 2004 to 2005
- The pay-to-time ratio remained at approximately 1
- Overtime for Planned Events continued the increased trend that has been noted for several years. Other overtime increases were in Routine and Holdover overtime. The increases in these categories of overtime were offset by decreases in Holiday Day-In-Future and Extraordinary Event hours.
- Implementation of the new scheduling software may have resulted in a change in recording types of overtime in 2005.

REPORT OF 1st HALF 2006 OVERTIME:

The total hours of overtime earned in the 1st half of 2006 increased by 13% when compared to the 1st half of 2005. The year-to-date hours for 2006 are 40,889, as compared to 36,183 in 2005, 38,388 in 2004, 38,490 in 2003 and 35,288 in 2002. **(Refer to Appendix C)**

The primary reason for the increase in hours is due to the increase in Holiday Day-In-Future hours. In recent years, a portion of the New Years Day holiday was charged back to the prior year. In 2006, due to the calendar cycle, all of New Years Day was charged to the current year. Holiday Day-In-Future accounted for 2,906 hours of the 4,706 hours increase.

Another significant change in overtime hours occurred in the Planned Event category. In this category, overtime hours dropped 1,140 hours. The major reason for this was the ability to change officer schedules for the Mifflin event, which was not an option in 2005 when students changed the date after the labor agreements were signed. In addition, the new scheduling software provides an improved ability to schedule for all planned events, thereby minimizing overtime requirements.

The last significant change in overtime was an increase in hours earned for Routine overtime. Although Routine overtime has clearly increased, as indicated in the information regarding 2005, a portion of the increase is probably related to the change in scheduling software and a corresponding difficulty in capturing Extraordinary Event hours.

However, even with the preliminary indications that all Extraordinary Event hours have not been captured accurately, there was still an increase of over 100% in hours related to these major incidents. This is primarily due to the increase in high-risk search warrants, and the officer involved shooting on Williamson Street.

Demand-Driven overtime hours increased 12% in comparison to 2005. A comparative breakdown of Demand-Driven overtime hours is:

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Routine	8,077	6,741	7,469	8,569	7,431
Extraordinary Event	1,826	887	2,897	2,243	1,334
Planned Event	1,095	2,235	1,403	1,290	791
Holdover	1,929	1,751	1,164	877	1,415
Meetings	453	319	245	228	182
TOTAL	13,380	11,933	13,178	13,207	11,153

Contractual overtime also increased, rising more than 14% from 2004 to 2005. A comparative breakdown of Contractually-Driven overtime hours is:

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Briefing Time	12,310	12,176	12,391	12,773	12,426
Legal Appearance	2,068	2,461	2,365	2,541	2,893
Holiday Day In Future	8,671	5,765	6,754	6,335	4,931
Convert to Pay	2,154	1,683	1,473	1,791	1,793
TOTAL	25,203	22,085	22,983	23,440	22,043

Finally, civilian overtime also increased slightly. The total hours in the 1st half of 2006 were 2,307, compared to 2,164 in 2005, 2,227 in 2004, 1,843 in 2003, and 2,092 in 2002. The need for support services continues to increase, and this drives the ongoing need for civilian overtime.

In terms of overtime costs, the year-to-date cost as of the end of payroll #13 was \$744,654. This compares to \$628,592 in 2005, \$638,130 in 2004, \$634,647 in 2003 and \$626,168 in 2002. **(Refer to Appendix D)**

PROJECTED COSTS FOR 2006:

As always, it is difficult this early in the year to make accurate projections in regards to overtime costs. The current information clearly demonstrates that overtime is increasing. In addition, if officers are unable to take comp time off, they will either begin to request a greater percentage of overtime as pay or maintain a higher "bank" of hours. This results in either an increase in paid overtime, or an increase in the accrual at the end of the year.

The 2006 MPD Operating Budget provides for \$1,712,698 for overtime costs. This appears to be insufficient to fund probable costs, since at this time it appears we will be at least \$250,000 over budget.