



TO: Dennis W. Beach, City Manager
 FROM: R. Sean Baldwin, Chief of Police *(RSB)*
 DATE: August 22, 2008
 SUBJECT: FY 2009 Budget Proposal – Overtime Adjustments

During our last budget workshop, there was some discussion about having the police department reduce our FY 2009 overtime request in order to provide funding to purchase three replacement vehicles. I have considered this option, and I do not believe it is feasible. However, as an alternative, it may be possible to allocate funding the department has conserved in the current year's budget for the purchase of vehicles.

I provided a report concerning the status of our vehicle fleet following a previous workshop. This report indicated that the police department needs to replace 26 vehicles during the next budget year. This need is real, and we know that eventually these cars will fail or become unsafe for service. Nevertheless, I made a conscious decision to eliminate vehicle purchases in the police department's FY 2009 budget request, so that we could maintain current staffing and service capability, without exceeding our prescribed budget target. You will recall that in an earlier workshop, the City Commission overwhelmingly rejected a draft budget that reduced the police department's staffing and service capability. I absolutely agree with the City Commission, and I am thankful for their commitment to public safety. In fact, this is the very reason why I do not recommend a reduction in our overtime allocation. Any reduction in overtime allocations will reduce services to the community.

We have requested \$698,343 in overtime for FY 2009, which is the same amount approved for FY 2008. The following table shows the department's overtime spending for the last eight years:

Police Department Historical Overtime Comparison - Budgeted vs. Actual Expenditures								
	2000	2001	2002	2003	2004	2005	2006	2007
Budgeted Amount	\$450,000	\$318,700	\$400,500	\$400,500	\$400,500	\$416,000	\$457,600	\$507,936
Regular Overtime Expenditure					\$507,622	\$533,545	\$961,351	\$679,901
Reimbursable Expenditure (Grant, Details, Etc.)					\$4,512	\$36,756	\$69,371	\$46,485
Disasters					\$568,889	\$332,570		
Total Expended	\$501,367	\$524,915	\$468,273	\$615,615	\$1,081,023	\$902,871	\$1,030,722	\$726,386
Difference from Budget (Less Reimbursable)	(\$51,367)	(\$206,215)	(\$67,773)	(\$215,115)	(\$676,011)	(\$450,115)	(\$503,751)	(\$171,965)

These figures show that the department has spent considerably more than the amount budgeted every year for the last eight years. In 2004 and 2005, disaster events contributed to the overages, which is something that was not provided in the department's budget. In the last four years, the department participated in several reimbursable projects (grants, details, etc.) that falsely increased the overage, because these expenditures were all reimbursed to the General Fund. However, even with these issues taken into account, the department has still consistently run considerably over budget for regular overtime expenses.

The following table shows the different categories for overtime payments in FY 2007, which is our last completed budget period:

Police Department Overtime Distribution FY 2007		
Description	Amount	Percentage
Administrative	\$25,278	3%
Acting Supervisor	\$31,577	4%
Community Meeting	\$7,382	1%
Call Out	\$67,956	9%
Court	\$76,936	11%
Enforcement Detail	\$29,316	4%
Event Detail	\$37,124	5%
Field Training Incentive	\$48,798	7%
Instructor Incentive	\$15,353	2%
Late Call	\$13,938	2%
On Call	\$19,337	3%
Other	\$48,643	7%
Special Assignment *	\$108,357	15%
Short Patrol Shift	\$69,374	10%
Training	\$45,574	8%
System Not Coded	\$72,443	10%
Total Expenditure	\$726,386	100%

* Special Assignment includes \$46,485 in reimbursed grant projects

The police department is legally bound to pay overtime rates in compliance with the Fair Labor Standards Act (FLSA) for overtime work. We are also bound by our labor agreements to pay overtime for activities like acting supervisors, field training officers, call outs, and instructor incentives.

In addition to regular operating and administrative overtime expenses, we always have unexpected overtime demands. These demands include hurricanes, special investigations, and even commission projects like community events or special assignments. The expanded hours pilot project at the Ellis Substation is the latest example, costing the police department over \$20,000 in overtime that was not contemplated in the current budget.

Of course, the department's workload is also increasing at an incredible rates. Although we have consistently posted decreases in crime over the last 8 years, the size and population of our jurisdiction has grown considerably.

I am fully aware of my responsibility to operate the police department as efficiently as possible, and I have instituted policies and controls specifically designed to reduce overtime expenses in the last two years. In FY 2007, despite an ever increasing staffing gap, we saw the lowest overage in regular overtime spending in the last several years. In FY 2008, we do not expect any overage in regular overtime spending for the first time in over ten years.

I believe that there are indeed opportunities for the police department to further reduce some overtime spending, and we are implementing those measures now. However, I have already taken these measures into account in our FY 2009 budget proposal, and I have not asked for an increase in overtime, which would otherwise be required.

I strongly recommend that we avoid cuts to the police department's overtime budget request for FY 2009. As an alternative to reducing overtime allocations in order to purchase vehicles, I recommend that we apply funding conserved within the police department's FY 2008 operating budget to purchase or refurbish a few vehicles. Our initial projections indicate that we may have been able to save enough funding in the current year to provide 2 or 3 vehicles in this manner. If this is acceptable, I will work to accomplish these purchases in early October.

c: Honorable Mayor and Commissioners
David Recor, Deputy City Manager
James Nygaard, Deputy Chief of Police
Frank Amandro, Captain
Stephanie Smith, Fiscal Manager