



Memorandum

TO: RULES COMMITTEE

FROM: Kay Winer

SUBJECT: Police Department Overtime

DATE: 01-03-05

Per direction from the Making Government Work Better Committee meeting of 12-16-04, a section of the item: Auditor's Semi-annual Recommendation Follow-up Report for the Six Months Ended June 30, 2004 is being brought forward to the Rules Committee meeting of 01-12-05 for a recommendation regarding Police Department overtime. The minutes on Police Department overtime are attached.

Kay Winer
Deputy City Manager



b. Auditor's Semi-annual Recommendation Follow-up Report for the Six Months Ended June 30, 2004 - (Auditor)

Jerry Silva, City Auditor gave an overview of the report on all outstanding recommendations. For the first half of the year, there were 131 outstanding recommendations of which 17 were implemented, 68 were partly implemented, 42 were not implemented, two were dropped and two were deferred. Of the 112 recommendations that remain open, four are priority one, 44 are priority two and 64 are priority three. All four priority one recommendations are in the process of being resolved.

One open audit recommendation has been outstanding for 16 years regarding documentation of overtime for the police department. Auditor's staff has been working with the police department on ways to implement this without success. The police department would like this dropped as they feel there are mitigating controls that have been put into place so that this is no longer necessary. He stated the suggestion is for the rules committee to put a re-review of police overtime on the audit workplan for next year. Councilmember Reed agreed that this should go to Rules for resolution.

Councilmember Reed stated that there was no mention of for-profit leases in the current report and recalled there were some commercial properties that appeared to be under market in the original audit. He wondered if there had been any new information on those. Jerry replied that that was part of the policy review to be done by Council, which has not yet occurred. Councilmember Reed asked when that was scheduled to take place. Kay replied it's scheduled for June '05. Councilmember Reed suggested this be referred to the Budget department to determine if there is any potential financial gain to be found. Councilmember Cortese would like to see the for-profit list incorporated with the non-profit list on the report for next June.

Chair Campos wanted to know the status of the safety index formula for school crossing guards. Jerry agreed to provide an informational memo on that.

Deputy Chief Pete Oliver and Lieutenant Gary Kirby, SJPd spoke regarding the overtime controls that have been put into place at the Police department. Lieutenant Kirby stated that the overtime budget for this year is about \$6.7M, rather than \$11M as stated in the report. The majority of that is in pre-set patrol overtime in Airport, Council-mandated projects and things of that nature. The remaining amount is left to the uncontrolled nature such as arrests, court time, etc. The monitoring process currently in place is supervisory approval and time sheet submittal. There is agreement with the Auditor on the point that the occurrence of every piece of incremental overtime performed be signed at the time of occurrence, done on a two-week basis; and this process is in place. Currently, the police department should be at approximately 39% utilization for the year and is actually at 31%. Last year ('03-'04 budget), there was a savings of \$1.5M in overtime, with a utilization of only 79% of the total. During the '02-'03 budget, when the war with Iraq necessitated security of strategic points within the city mandating overtime, the department went over by \$2.4M on a \$7.9M budget. Some of that was recovered from the federal government. The department feels there have been fair and accurate monitoring devices put in place that have been successful. The department, through

budgetary contracts, is allowed to put three hours of paid overtime into each officer per pay period. If each officer used that amount, the budget would not cover it. The department is counting on the officers not using it; or putting it into another method, such as comp. time. The department also has a position in place that monitors and controls the comp. time in that officers are only allowed to accrue 240 hours. Once an officer is approaching that 240 hour mark, an officer is told to go home to keep the balance in alignment so as not to affect the City's bond rating. The department feels that appropriate monitoring controls are in place for the time spent in monitoring, balanced with the time in savings, to negate the need for further audit. Deputy Chief Oliver added that the process regarding the 240 hours of comp. time is part of the MOA with the labor union wherein every October the department runs the comp. time balance of every officer to determine if any have exceeded the 240 hours. Then that officer must submit a plan on comp. time reduction. Between that time and the end of the year, another run is done to determine if there have been any additional officers that have gone over the 240 mark. During the following 90 days, Staff must reduce those that have gone over the 240 mark by the end of the 90 days. Each bureau chief receives a bi-weekly report in order to plan for staff reductions. This plan has been successful over the last 16 years, with the exception of the years during the Iraq war.

Mike Edmonds, Supervising Auditor clarified that the \$10.8M figure used in the audit report reflects the estimated value of hours actually worked, including regular pay and comp. time.

Upon motion of Councilmember Reed, seconded by Councilmember Cortese, the Committee accepted the Staff report with the direction to attach the Police department's comments to the Rules Committee meeting on January 12th for a recommendation.