



Request for City Council Committee Action from the Department of Police

Date: October 28, 2010

To: Council Member Betsy Hodges – Chair

Referral to: Ways and Means

Subject: Minneapolis Police Department – Budget Update

Recommendation: Receive and File

Previous Directives: Ongoing updates of budget

Department Information:

Prepared by: Kevin Carpenter

Approved by: Deputy Chief Scott Gerlicher

Presenters in Committee: Deputy Chief Scott Gerlicher, Kevin Carpenter

Reviews

- Permanent Review Committee (PRC): Approval ___ Date _____
- Civil Rights Approval Approval ___ Date _____
- Policy Review Group (PRG): Approval ___ Date _____

Financial Impact *(delete all lines not applicable to your request)*

- Action requires an appropriation increase to the Capital Budget or Operating Budget
- Action provides increased revenue for appropriation increase
- Action is within the Business Plan
- Request provided to the Finance Department

Community Impact

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other

Supporting Information: Update on MPD Budget attached.

MPD 2010 Budget Update to Ways & Means

November 1, 2010

2010 MPD Budget (General Fund):	\$123,869,443
2010 MPD Budget (All Funds):	\$133,663,596

MPD is currently anticipating that full-year expenditures for 2010 in the General Fund will be approximately \$750,000 under budget.

General Fund Highlights:

- **Pay:**
 - Regular pay, including vacation, sick, etc. down approximately \$1 million from last year thru September and on track to be significantly under budget.
 - Overtime: regular overtime hours down 12% from year ago, \$275,000 below 2009 year-to-date. For full-year, projecting approximately \$250,000 over budget, as budget was down 15% from last year actual. Special overtime (buy-back and potentially reimbursable) up by \$100,000 year-to-date from last year, and expected to be \$200,000 over budget full-year. \$500,000 of overtime expected to be reimbursed by federal agency not likely to be funded.
 - Overall pay tracking **\$500,000 under** budget.
- **Fringe benefits:**
 - \$500,000 over last year thru September, as increase in health care costs offsets reduction in other fixed and variable fringes.
 - Relative to 2010 budget, fringes expected to be **\$750,000 over**, largely due to higher than budgeted pension contributions for sworn and higher unemployment taxes.
- **Non-personnel operating costs:**
 - Fleet costs remain on track to be down \$500,000 from last year and **\$800,000 under** budget.
 - Other operating costs projected at approximately **\$200,000 under** budget.
- **Staffing: attrition remains on track to reach budget goals; 11 retirement incentives submitted.**
- **Fine revenue: \$2.5 million collected year to date is up \$250,000 from last year but tracking \$225,000 under budgeted target.**

Risks to 2010 Budget projection:

- Unforeseen events requiring additional overtime.
- Higher than anticipated pay-outs (both 1-time and from retirements) for accumulated vacation, sick and comp time.
- Reconciliation of additional expense – both retroactively and in current year – from application of FLSA overtime rules.
- Year-end rush to spend operating dollars, especially related to IT projects.
- Timing and accounting for various expense movements (both ways) between General Fund and Revenue Funds for grants, contract services (e.g., school liaisons), CDBG, forfeitures, etc.