

MPD 2010 Budget Update - Ways & Means Committee

December 6, 2010

2010 MPD Budget (General Fund):	\$123,869,443
2010 MPD Budget (All Funds):	\$135,698,627

Incorporating some of the risk factors indentified in MPD's last projection, specifically the FLSA settlement and certain 1-time payouts, as well as new information regarding variable fringe benefits, leads MPD to currently project a full-year expenditure in the General Fund of approximately \$125 million, or slightly more than \$1 million over budget.

General Fund Highlights:

- **Pay:**
 - Base pay is down from last year (approximately \$700k thru November). For full-year, non-overtime pay is on track to be approximately at the \$70.1 million budget.
 - Regular overtime pay remains on track to be approximately \$150k under last year though approximately 200k over the full year budget of \$2.35 million as unforeseen events required additional expenditures (such as 75k for October Obama visit). Special overtime related to federal and state investigations will be over budget due primarily to over \$500k in unreimbursed expenditures. In addition, MPD expects a charge of at least \$525k in December related to the FLSA settlement.
 - Overall pay anticipated to come in approximately **\$1 million over** budget.
- **Fringe benefits:**
 - Fixed fringes (medical, dental, life and disability insurance), which are based on FTEs, are projected to come in at \$12.9 million, \$350k under budget.
 - Variable fringes (e.g., pension contributions, Medicare, FICA, unemployment insurance), which are based on pay, are expected to total about \$13.9 million, \$1.75 million over budget, as budget may not have fully funded costs of these benefits given anticipated underlying pay.
 - Overall, benefits tracking to be approximately **\$1.4 million over** budget.
- **Non-personnel operating costs:**
 - Costs for materials, operating supplies and contractual services remain on track to be down significantly from both last year and budget, due largely to savings on all components of fleet management. Full-year projection is for total expenses of \$24.3 million, **\$1.4 million under** budget.
- **Staffing: current sworn FTE count of 877, with 12 retirement incentives pending, positions MPD to reach 2011 budget goals via additional attrition.**

Major risks to current 2010 Budget projection:

- Additional pay events (1-time payouts, FLSA) and attendant variable fringe expense.
- Year-end spike in operating costs.
- Accounting movements of expense between General Fund and Revenue Funds.