



Department of Administration
Budget and Policy Division

Tom Barrett
Mayor

Sharon Robinson
Administration Director

Mark Nicolini
Budget and Management Director

November 30, 2005

Ref: 05013

MEMORANDUM

TO: Alderman Michael J. Murphy, Finance & Personnel Committee Chair
Members of the Finance & Personnel Committee
Alderman Joe Dudzik
Alderman Terry L. Witkowski
Alderman Tony Zielinski

FROM: Mark Nicolini *MN*
Budget and Management Director

SUBJECT: Military Pay - Common Council File Number 041221

Common Council File 041221 is a substitute ordinance providing that permanent fulltime city employees who are activated to serve on military duty in the U.S. armed forces shall be paid for a period of up to 365 days his or her city base salary, less any military pay and allowances that he or she receives. At the October 12th, 2005 Finance & Personnel Committee meeting, the Committee held this file and directed our office to develop a more precise fiscal impact estimate that applied the actual military pay of the affected employees to the fiscal estimate calculation.

This new estimate, based on the estimated actual military pay of individual eligible employees, is attached. It includes both the supplemental base pay, as well as special pays to which Fire and Police personnel are entitled. If applied retroactively to January 1, 2005, this ordinance would cost \$647,913. If applied in December only, the estimated fiscal impact for 2005 is \$63,192.

Our office reiterates its concerns that:

- Under both scenarios, this ordinance would present an ongoing liability to city finances that has not been budgeted.
- Funds that have been budgeted for such employees' wages could be used to offset this cost. However, reallocation of such funds for this purpose would result in either a reduced service level, or the need for additional overtime and/or temporary employee expense. Since 43 of the 48 employees identified to be potentially eligible for this benefit are either Police or Fire employees, I expect

November 30, 2005

this resolution would generate overtime and special duty expenses that would require Contingent Fund appropriations in 2005 and increased budget appropriations for 2006, relative to what would be required in the absence of this ordinance.

- This is a benefit and should be addressed through collective bargaining.

Provisions have been made to address some of the concerns relative to the well being of such employees and their families:

- The Federal government currently provides various forms of relief via the Soldier's and Sailor's Act including low interest rate caps on loans, mortgages and credit cards; protection from eviction; legal services; and release from rental agreements signed prior to being called to duty.
- The City of Milwaukee currently waives an employee's health insurance premium for family coverage while he or she is on active military duty.

I hope this information is useful to you. Please call Erick Shambarger at extension 8556 if you have questions.

Attachment

Cc: Maria Monteagudo, DER Director
Rhonda Kelsey, Mayor's Office
W. Martin Morics, Comptroller

EDS:dmr
Common/finance/military pay memo