

Reply to Common Council File No. 041221
From DOA-Budget and Management Division

March 17, 2006

Ref: 05020

Common Council File 041221 is a substitute ordinance providing that permanent full-time 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.

Estimates based on the actual military pay of individual eligible employees as of November 30, 2005 are 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 an estimated \$647,913.

- This ordinance would present an on-going liability to city finances that has not been budgeted.
- Funds that have been budgeted in Departments 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 this resolution would generate overtime and special duty expenses that would require Contingent Fund appropriations and increased budget appropriations for 2007, 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.

RECOMMENDATION: PLACE ON FILE