

LRB-FISCAL REVIEW SECTION ANALYSIS

FINANCE & PERSONNEL COMMITTEE

ITEM 5, FILE # 011099

DECEMBER 19, 2001

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File # 011099 is an ordinance relating to the continuation of compensation during certain military leaves of absence.

Background

This ordinance provides that permanent full time city employees, as members of a national guard unit or reserve component of the United States who are called to active duty relating to the anti-terrorism campaign *Operation Enduring Freedom*, shall receive their full city pay, less a deduction equal to their military pay, for a period not to exceed twelve months.

Discussion

1. The intent of this ordinance is to provide a supplement to the military pay of permanent, full time city employees who are called to active duty in the current U.S. military campaign, *Operation Enduring Freedom*, in an amount to equal their current City of Milwaukee salary.
2. The provisions of this ordinance would *commence* after **15 days** of military service and *end* on the **last day of the month** in which the national guard or reserve member is released from active duty or upon the expiration of 12 months of the employee's military leave or absence, whichever occurs first.
3. The Department of Employee Relations (DER) provides the following assumptions as the basis for a fiscal assessment of this ordinance:
 - Military pay is 75% of city pay
 - 60 eligible general city employees earn an average annual salary of \$45,000
 - 128 eligible fire and police employees earn an average salary of \$52,000
4. **A precise prospective fiscal estimate is difficult to ascertain.** The determination of the employee's supplemental salary that this ordinance would approve is predicated upon the following:
 - the number of employees called to active duty
 - the individual city salary of the employee
 - the military rate of pay with which the employee is compensated
 - the length of time of the employee in active duty
5. This ordinance provides for supplemental salary only (*see Further Information*).

6. The amount of military pay shall not be deducted from the full city pay for purposes of computing pension benefits.

Fiscal Impact

1. Based upon the assumptions articulated, this ordinance will supplement the eligible city employee's military salary to an amount equal to their current city salary.
2. All positions are currently budgeted for 2002 and sufficient funds are in place in the department accounts.
3. Costs incurred for replacement/temporary employees or overtime have not been assumed as an estimate of total costs related to this ordinance.
4. The fiscal impact of this ordinance could have a range of **\$118,250** based upon a 10% complement of city employees activated for a 6 month period of time to **\$2,339,000** based upon 100% of eligible employees activated for a 12-month or longer period.

Further Information

1. On October 12, 2001, the Common Council passed File # 010133 which extends health and dental benefits to the dependents of city employees who are called to active duty in the referenced military campaign. Currently, 6-10 employees are on leave for active military duty.
2. This ordinance provides that, after 30 days of active military service, health and/or dental benefits for the city employee's dependents shall be continued.
3. The coverage provided in this extension of benefits ordinance commences on the first day of the month following the month in which the employee's on-payroll status coverage terminates. The city will contribute an amount towards meeting the subscriber cost for family enrollment in the health and dental plan elected of up to 100% of the monthly subscriber cost. This contribution will extend for 24 months of the military leave of absence or up to the last day of the month in which the employee's military service concludes, whichever comes first.

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LRB-Fiscal Review Section
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