

Reply to Common Council File No. 010733

From DOA-Budget and Management Division

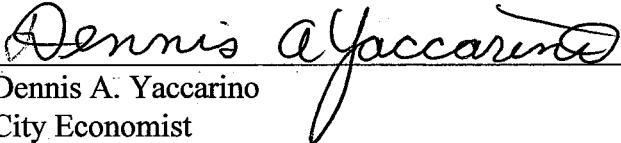
October 3, 2001

Ref: 01013(27)

Common Council file 101733 contains an ordinance relating to continuation of city employee benefits during certain military leaves of absence. More specifically the ordinance extends health and dental benefits for employees who serve on active duty for more than 30 days in connection with the anti-terrorism campaign Operation Enduring Freedom.

This legislation has the effect of providing free health care to those called to active duty. The cost of this proposal range from \$20,000 to almost \$400,000 annually depending on whether or not the vacated positions are filled. Whether or not positions are filled will be impacted by the length of the campaign and whether the position critical. Federal law requires the city to place military personnel called to active duty back in their former position if the leave is 90 days or less.

Costs of this proposal for the remainder of 2001 should be relatively minimal. The maximum impact to 2001 will be approximately \$50,000. For 2002 purposes, funding is included in the 2002 proposed budget.

  
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