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APPROVED
OCT 30 2001
OFFICE OF THE
CITY CLERK

OFFICE OF
LABOR RELATIONS

CITY OF SACRAMENTO
CALIFORNIA

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October 22, 2001

City Council
Sacramento, CA

Honorable Members In Session:

**SUBJECT: Continuation of Partial Salary and
Health and Welfare Coverage for Military Leave**

LOCATION/COUNCIL DISTRICT:

City-wide

RECOMMENDATION:

It is recommended that the City Council approve the attached resolution authorizing the Continuation of Partial Salary and Health and Welfare Coverage Program for career employees who are called to military service for Operation Enduring Freedom in response to the current national emergency that resulted from the attack upon the United States on September 11, 2001. If this proposed resolution is approved, the benefits would be available for the remainder of this fiscal year, effective October 1, 2001 through June 30, 2002.

CONTACT PERSON:

Dee Contreras, Director of Labor Relations, 264-5424

FOR COUNCIL MEETING OF:

October 30, 2001 (Afternoon)

SUMMARY:

In 1991 the City established a partial continuation of salary and health and welfare benefits for employees who were called to active duty during the Gulf War. The City Council again provided similar benefits to those employees being called up for military service with the United Nations military troops in Bosnia. This resolution, if approved, will establish the partial continuation of salary and health and welfare benefits for employees who are called to active duty for Operation Enduring Freedom in response to the current national emergency. Individual departments are responsible for determining what, if any, backfill is needed for these employees. In the event funds are required to cover the backfill, the departments will bring those forward as budget issues.

COMMITTEE/COMMISSION ACTION:

None

BACKGROUND INFORMATION:

In recognition of those career City employees called into active duty during the current national emergency, it is recommended that the City Council approve a nine month continuation of partial salary and health and welfare benefits.

The following proposed extension of the Continuation of Partial Salary and Health and Welfare Coverage Program, to be effective October 1, 2001, is recommended for adoption:

1. To be eligible to participate in the program an employee must be entitled to military leave under Civil Service Board Rule (CSBR) 17, have been called into active duty for Operation Enduring Freedom, and make written request for the benefit. It shall be assumed that a military reservist or member of the State National Guard called to active duty during this period is directly related to the current national emergency.
2. In addition to the benefits set forth in CSBR 17, pursuant to paragraph #1 above, employees shall be eligible to receive from the City while on active duty between October 1, 2001 and June 30, 2002, a partial salary continuation for a maximum period of nine months, commencing immediately after the period of any salary entitlement pursuant to CSBR 17.
3. The amount of such salary continuation shall be the difference between the actual amount of his/her military pay, including any and all allowances, and the amount of City salary the employee would have received at his/her basic classification rate of pay, including incentive pay and in-grade step increases

the employee would have otherwise been eligible to receive had he/she continued working, but not including, and not limited to, such special pay differentials as out-of-classification, night-shift differential, standby, call-back, overtime, or productivity pay.

4. In addition to the benefits set forth above and in CSBR 17, and pursuant to #1 above, at the request of the employee the City will continue to make monthly health and welfare contributions in the amount provided in this section. The City contributions may only be applied toward the premiums of those medical, dental and life insurance plans in which the employee and qualified dependents were enrolled through payroll deduction prior to the leave. Eligible employees may receive such City contribution toward insurance premiums for the period of unpaid military leave for Operation Enduring Freedom. Further, this section specifically does not provide any contribution toward the employee's retirement contribution or any cash-back amount previously received by such employee.
5. For those employees who elect to have the City continue the monthly health and welfare contribution, the City will also continue basic life insurance coverage consistent with #4 above.
6. An employee must submit a copy of the military documents ordering him/her to active service and copies of his/her military pay stubs for each eligible pay period in order to receive the continuation of partial salary and/or health and welfare benefits.
7. An employee voluntarily enlisting during the eligibility period, or called to active duty after the cessation of the current national emergency is not eligible for this benefit.
8. Any individual receiving continuation of partial salary and/or health and welfare contributions who does not return to City service within sixty (60) days of release from active military service, shall have the salary and health and welfare continuation amount deemed a loan, repayable to the City within one year of such release. At the discretion of the City Manager, repayment of all or any part of the amount may be waived.

FINANCIAL CONSIDERATIONS:

At this time, 39 career employees are members of the military reserve or State National Guard. The estimated number of those career employees that may be called to active duty for Operation Enduring Freedom is unknown. Currently, only three employees have provided reserve/Guard documents ordering them to active duty.

The ongoing employee cost is included in the current budget and only those positions that are backfilled will create additional costs. The estimated additional cost of the program for the period between October 1, 2001, and June 30, 2002 is a maximum of \$620,000 if all of the employees are called to active duty and require backfill. This cost is based on the difference between an employee's City salary and base military pay only. The cost does not include additional military entitlements such as housing allowances, sea duty pay, hazardous duty pay, and uniform allowances. Such additional military entitlements will reduce the amount of difference between the pay received while on active duty and the employee's City salary, and therefore reduce the City's actual cost for the program.

ENVIRONMENTAL CONSIDERATIONS:

Not applicable

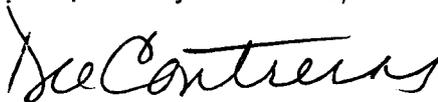
POLICY CONSIDERATIONS:

Approval of this report will affirm City support for those employees called to active military service and recognize the burden being placed on those individuals and their families.

MBE/WBE EFFORTS:

Not applicable.

Respectfully submitted,



Dee Contreras
Director of Labor Relations

RECOMMENDATION APPROVED:



Robert P. Thomas
City Manager

Attachment

APPROVED
OCT 30 2001
OFFICE OF THE
CITY CLERK

RESOLUTION NO. 2001-726

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION ADOPTING CONTINUATION OF PARTIAL SALARY
AND HEALTH AND WELFARE COVERAGE FOR EMPLOYEES ON MILITARY LEAVE
SERVING OR SUPPORTING OPERATION ENDURING FREEDOM**

WHEREAS, Rule 17 of the Rules and Regulations of the City's Civil Service Board acknowledges and recognizes the fact that City employees currently serving as reservists may be called to involuntary military service; and

WHEREAS, Civil Service Board Rules and Regulations ensure the continued full compensation for career employees obligated to serve involuntary periods of active military service during the employees' absence from City employment for a maximum of thirty (30) calendar days in any fiscal year; and

WHEREAS, the City of Sacramento supports those employees called to active military service for Operation Enduring Freedom in response to the current national emergency that resulted from the attack upon the United States on September 11, 2001, and recognizes the burden being placed on these individuals and their families; and

WHEREAS, the City desires to lessen the burden being placed on these employees called to involuntary active military service; and

WHEREAS, the City desires to supplement such employees' military pay up to an amount equal to the difference between his/her total military and City base pay, and continue such employees' medical, dental, and life insurance coverage for a nine month period; and

WHEREAS, all City recognized employee organizations support a continuation of partial salary and continuation of health and welfare coverage program outlined in the staff report, which report is attached hereto and made a part hereof;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, that it adopt in full the terms and conditions contained in the said staff report.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____