

# OPERATING BUDGET FISCAL NOTE

**DATE OF COUNCIL CONSIDERATION:**  
**CONTACT DEPARTMENT(S):**  
**FUND:**

6/6/13  
Financial Services; Human Resources  
Various

**SUBJECT:** Approve a resolution directing the City Manager to provide 30 days of paid parental leave to be used during Family and Medical Act (FMLA) leave after all accrued leave is exhausted, and directing the City Manager to develop a paid leave bank for employees requiring leave for other family and personal health reasons.

**CURRENT YEAR IMPACT:** This item has no fiscal impact in FY 2013. The proposed program start date begins in FY 2014.

## FY 2014 PROGRAM COST ANALYSIS

Cost Details	Estimated Cost
Direct costs of employees utilizing this program by taking paid leave as opposed to unpaid leave.	262,217
Cost for backfilling 25% of the positions utilizing this program.	59,217
	<b>321,434</b>

*\* An additional "lost productivity" cost of \$177,650 due to employees taking additional paid leave as opposed to being at work is not included in this amount.*

### FIVE-YEAR ESTIMATED IMPACT:

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Total Direct Costs	0	262,217	272,706	283,614	294,958
Total Backfill Costs	0	59,217	61,586	64,049	66,611
Net Impact	0	321,434	334,291	347,663	361,570

**ANALYSIS / ADDITIONAL INFORMATION:** This program will permit 30 days of paid parental leave to City employees for birth or adoption of a child during the 90 day FMLA window after all sick and vacation time was expended. The direct costs are those employees who would now take paid leave as opposed to unpaid leave. Based on data for this analysis, 82% of the direct cost would be the result of the employees taking paid leave versus unpaid leave. The remaining 18% are backfill costs due to projected increases in backfills from employees taking greater time off under this program.

To arrive at cost estimates, some key assumptions were made. The data set used is from 2012 and included 86 employees who added dependents to the City's health plan with an average hourly rate of \$27.47. Of this total, 59 employees were non-civil service with an average hourly rate of \$26.27. Of these, 30 took no unpaid leave and 29 took at least some unpaid leave. Lastly, the analysis is based on the assumption two-thirds of dependents were added to the City's health plan, one-third added to non-City health plans, and 25% of the positions were backfilled.

The total estimated five-year impact from this program is \$1,364,958. Beginning in FY 2015, an annual 4% increase in personnel cost drivers is projected.