



# City of Cincinnati

September 14, 2015

## FOR YOUR INFORMATION

**To:** Mayor and Members of City Council  
**From:** Harry Black, City Manager **HB**  
**Subject:** Parental Leave Report – Financial Impact

At the Human Services, Youth and Arts Committee on September 8, 2015, councilmembers Seelbach and Simpson requested additional information on the financial impact of the proposed changes to the proposed Parental Leave Policy by the mayor and a similar policy as adopted by the city of Dayton.

### Financial Impact

The Human Resources Department submitted a Parental Leave Report, Council Item 201500654, which outlined the current city leave policy including the Family Medical Leave Act and also current negotiated benefits in the city's labor agreements. Pages 13-15 of the report discuss the cost impact to the city based on advancing leave time and not requiring employees to take unpaid leave.

The report explains the three components that will cause a financial impact for the city: straight cost for the absent employee, the cost of advancing sick or vacation time, and the potential cost of the replacement worker. The straight cost for the absent employee is included in the base budget and there would be no additional cost for the employee who is on leave, assuming the position is 100% funded. However, the leave without pay taken by employees during their absence generates budget savings which is used to offset the cost of the replacement workers. The cost of advancing the sick or vacation time would not have a short term impact but long term would impact the lump sum payment when the employee retires.

The potential cost of the replacement worker would have the most financial impact to the city. Currently, male employees are allowed off for two days for paternity leave. Allowing six weeks of paid time off either advanced or paid by the city, will increase the cost related to replacement workers, specifically in departments that have minimum staffing levels. For example, the Fire Department has minimum staffing in the bargaining agreement. Any additional time granted off will result in calling in firefighters on overtime. It is estimated that one additional firefighter off for six weeks will result in \$7,500 in additional overtime. In 2014, there were 30 firefighters that took paternity leave which would have resulted in an additional \$225K in overtime. Based on the age trends, that number may increase dramatically if additional leave time is offered. The Emergency Communications Center, Police and Public Services also have minimum staffing requirements but it is uncertain the financial impact of replacement workers given historical trends. Negotiating this change during the bargaining process will provide additional opportunity to conduct in depth analysis of the costs for these and other potentially impacted organizations.

Table 4 on page 16 discusses the average cost of replacement workers. An additional assumption should be added to factor in overtime costs related to calling in employees per union agreements and is shown below as "Overtime Pay." Also, this table only looks at historical data and does not factor any increase in the number of employees using additional time. Administration assumes there will be a substantial increase in the number of employees taking advantage of this change in policy but cannot quantify the impact.

Total Cost Based on Historical Annual Maternity Leaves

	Double Fill	Hire Temp Agency Employee(10% Premium)	Temporary Promotion (10% Increase)	Absorb Within Current Staffing Complement	Overtime Pay (1.5x)
\$	388,745	\$ 427,620	\$ 38,875	\$ -	\$ 583,118
\$	277,986	\$ 305,785	\$ 27,799	\$ -	\$ 416,979
\$	32,155	\$ 35,370	\$ 3,215	\$ -	\$ 48,232
\$	698,886	\$ 768,775	\$ 69,889	\$ -	\$ 1,048,329

**Recommendation**

The Administration recommends taking appropriate time to review and revise the parental leave policy for the city. Further, because 90% of city employees are represented employees, the Administration recommends implementing any employee policy changes as a negotiated benefit in the upcoming union negotiations which will occur in 2016 for CODE, Police, Fire, and AFSCME.

cc: Christopher Bigham, Budget Director *CB*  
 Georgetta Kelly, Human Resources Director *GK*