

A BETTER WAY FOR LA

★ COALITION OF LA CITY UNIONS ★

SUMMARY OF PROPOSED LETTER OF AGREEMENT

BETWEEN THE CITY OF LOS ANGELES

AND THE COALITION OF LA CITY UNIONS

2007-2014 MEMORANDA OF UNDERSTANDING

AFSCME LA City Local Unions

- 741 - LA City Part Time Rec. Unit
- 901 - Recreation & Parks Prof. Unit
- 2006 - LA City Prof. Medical Employees
- 2626 - Librarians' Guild, Supervisory and Rank & File
- 3090 - LA City Clerical & Support Services Employees
- 3672 - Executive Admin. Assistants

Operating Engineers Local 501

Laborers' Local 777

LA/Orange Counties Building & Construction Trades Council

SEIU Local 721

- LAPMA - LA Prof. Managers' Assn.
- LACAA - LA City Attorneys' Assn.

Teamsters Local 911



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TWO YEAR EXTENSION OF CURRENT MOUs

Coalition MOUs will be extended through June 30, 2014.

Except as specifically changed by this agreement, all provisions of the existing MOUs shall remain in full force and effect through June 30, 2014.

CONTINUED MUTUAL COMMITMENT TO LA'S FUTURE

Mutual Commitment to LA's Future will remain in effect, allowing either the Coalition or the City to engage under Mutual Gains process to discuss any problems. If the City experiences catastrophic losses of more than \$100 million in 2009-10, the parties will meet to explore all options.

MANDATORY FURLOUGHS

The City will not attempt to unilaterally implement mandatory furloughs on Coalition units in fiscal year 2009-10 or fiscal year 2010-11.

The City will not implement the planned furlough-related scheduling changes.

LAYOFFS

No layoffs in fiscal year 2009-10.

No layoffs in fiscal year 2010-11, except in catastrophic circumstances. Before laying off any worker in a Coalition unit, the City must meet a series of measures showing that the City has accessed and utilized all available funds, including:

1. Attempting to bond against losses.
2. Using all State and Federal funds available.
3. Considering the Public Private Partnership.
4. Attempting to maximize cost recovery from special funds and proprietary departments to the General Fund.
5. Scouring all uncommitted General Funds.
6. Considering special obligation bonds against large legal settlements.

If the City were to lay off even one person in a Coalition unit, all wage movement scheduled for all coalition units would move forward by one year, retroactive if necessary. With this provision, workers in Coalition units would receive the full 3% COLA effective July 1, 2010, and 2.75% Step increase effective January 1, 2011. The MOU extension would end June 30, 2013.

COLA DELAY WITH INCENTIVES

Currently scheduled salary movement will be delayed by two years, according to the new schedule on page 3.

Workers will receive two cash payments of 1.75% of annual salary each, in lump sum separate checks on the first payday following November 1, 2011, and November 1, 2012.

An additional 1.75% COLA increase will be added on July 1, 2013.

COALITION OF LA CITY UNIONS

FULL EARLY RETIREMENT INCENTIVE PROGRAM (ERIP)

An ERIP will be implemented with a target of 2,400 participants.

The ERIP will be open to full time and part time workers who are already eligible for unreduced retirement, or who can reach eligibility with a combination of five years age and service credit. In addition, all workers hired before 1983 will also have a chance to take the early retirement option.

Certain classifications will have a set cap on participants.

Incentives will be set in three categories:

1. Members not yet eligible for full retirement would receive up to 5 years age and/or service credit needed to achieve unreduced retirement (minimum of 3 years credit), plus a cash incentive of \$15,000.
2. Members currently eligible for unreduced retirement with 33 years' service or more would receive a cash incentive of \$1,000 per year service, up to \$50,000.
3. Members not yet eligible for full retirement, but with 33 years' service or more would receive all age credit needed, plus a cash incentive of \$15,000.
4. Members currently eligible for unreduced retirement with fewer than 33 years' service would receive 3 years' service credit, plus a cash incentive of \$15,000.
5. Members hired before 1983, but more than 5 years combined age and service credit from full retirement eligibility, would be allowed to retire at a reduced rate, receiving 5 years' service credit.

Contribution Increases to Offset Pension Costs:

1. Employee retirement contributions will be increased 0.75%, beginning on July 1, 2011, and lasting only until new member contributions cover the net pension cost from ERIP or for 15 years, whichever is shorter.
2. Pre-1983 employees will equalize retirement contributions with the rest of LACERS unit members upon ratification

MODIFIED COLA SCHEDULE

<u>Fiscal Year</u>	<u>Effective Date</u>	<u>Current Provision</u>	<u>Modified Provision</u>
2009-10	July 1, 2009	3% COLA	---
	Jan. 1, 2010	2.75% Step Increase	---
2010-11	July 1, 2010	2.25% COLA	---
	Nov. 1, 2011	2.75% Step Increase	---
2011-12	July 1, 2011	2.25% COLA	3% COLA
	Nov. 1, 2011	---	1.75% Cash Payment
	Jan. 1, 2012	2.75% Step Increase	2.75% Step Increase
2012-13	July 1, 2012	---	2.25% COLA
	Nov. 1, 2012	---	1.75% Cash Payment
	Jan. 1, 2013	---	2.75% Step Increase
2013-14	July 1, 2013	---	2.25% COLA
	July 1, 2013	---	1.75% Additional COLA for Deferral Recovery
	Jan. 1, 2014	---	2.75% Step Increase

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ACKNOWLEDGEMENT OF SHARED SACRIFICE

The City acknowledges the leadership of the Coalition in confronting the current budget challenge and maintaining City services. The Mayor and Council commit to ensuring that Coalition members are treated equitably during the life of the agreement. If other units receive increases beyond those scheduled for Coalition units, the City and Coalition will meet under Mutual Gains to address the disparity. In the event that new general fund revenues in excess of \$40 million are identified, the City and Coalition will meet to determine how the Coalition's share of the identified new revenues will be applied in the form of enhanced wages and/or benefits.

If the City considers contracting out work, strong protections for workers shall apply. No Coalition member shall be laid off, demoted, or suffer loss of pay or benefits as a result of contracting of unit work.

SPECIAL FUND AND PROPRIETARY SAVINGS

The savings generated by this Coalition agreement in Special Funds and Proprietary Departments will be utilized, to the greatest extent possible, to offset the shortfall in the General Fund.

Special Funds and Proprietary Departments will attempt to contract with City departments to perform duties otherwise performed by outside contractors.

The City will continue its best efforts to fill vacancies in Special Fund and Proprietary Departments by transfer or promotion from within the City workforce.

PART TIME WORKFORCE

Savings generated by the part time workforce through this amendment will be utilized, to the extent that savings are available, to preserve or expand the hours and services provided by those workers.

SUSPENSION OF LAYOFFS AND FURLOUGHES; TEMPORARY COLA DEFERRAL

Based on the strength of the Coalition Bargaining Teams' recommendation for a yes vote and the unanimous approval of the City Council, in order to allow time for ratification the City will temporarily:

1. Defer implementation of the 3% COLA scheduled for July 1, 2009, with full retroactivity guaranteed.
2. Not implement layoffs, mandatory furloughs, and/or work schedule changes related to the furlough plan at this time, for any worker in a Coalition unit.

Final approval of this agreement remains solely in the hands of the membership of Coalition unions.

To read the full language of the Tentative Agreement, log on to:

www.lacitycoalition.com

