

A BETTER WAY FOR LA

★ COALITION OF LA CITY UNIONS ★

Dear Sisters and Brothers,

The member Bargaining Teams for the Coalition of LA City Unions set clear goals for any agreement with the City to extend Coalition MOUs:

- No layoffs;
- No unilateral furloughs; and,
- Preserve City services to the greatest extent possible.

The members of all Coalition unions ratified the original "Better Way" agreement in July by a strong majority with a large turnout. However, through no fault of Coalition members, the City dragged its feet in implementing this agreement that would have quickly retired 2,400 City workers rather than laying them off and/or imposing mandatory furloughs. Further, the economy has continued to deteriorate, leaving not only a sizable deficit for the current fiscal year, but a long-term problem that requires long-term solutions.

Coalition leaders were faced with a hard choice: make further sacrifices to preserve the goals set by our member Bargaining Teams, or sit by while the Mayor and his new CAO turned their backs on the agreement in favor of a new Operational Plan that contained 926 immediate layoffs and 26 furlough days in approximately eight months. Under the Mayor's plan, there was **no limitation** on either furlough days or the number of layoffs, this year or next.

Coalition member action brought the City back to the table, where Coalition leaders worked to find temporary solutions that members could live with for this fiscal year only, ending June 30, 2010. The negotiators worked hard to get the City Council to agree that it is a top priority to keep everybody working and prevent the extremely severe pay and service cuts outlined in the Mayor's Operational Plan.

The member Bargaining Teams recommend this amended agreement because they believe it achieves our goals. The final say, as always, belongs to the members of each Coalition union who will vote on the agreement.

In solidarity,



Cheryl Parisi
AFSCME Council 36



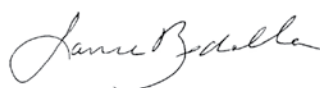
Robbie Hunter
LA County Bldg & Construction Trades Council



Carlos Rubio
Teamsters, Local 911



Julie Butcher
SEIU Local 721



Lance Bedolla
Operating Engineers, Local 501



Victor Gordo
LIUNA, Local 777

Summary of Proposed Amended Letter of Agreement Between the City of Los Angeles and the Coalition of LA City Unions 2007-2014 Memoranda of Understanding

Amendments to Agreement for Fiscal Year 2009-10 Only (One Time Savings to City of LA)

- ERIP cash incentives to be paid over two years. Sick and vacation time will be paid in full as "Severance," broken up over two years, beginning in fiscal year 2010-11.
- For fiscal year 2009-10 only, overtime – up to the Fair Labor Standards Act (FLSA) 240-hour limit – will be banked as time in full (at time and a half).
- Sick leave accrued in excess of the 800-hour limit will be paid in fiscal year 2010-11 rather than in January 2010.
- Bar dues for Attorneys reimbursed in August 2010 rather than in fiscal year 2009-10.
- The City will use ERIP and COLA savings in Special Funded and Proprietary Departments to fill vacancies through transfer opportunities and contract-in with General Fund Departments.

To cover Coalition units' share of the City's decline in revenue:

- The 17 pay periods from October 25, 2009, to the end of the fiscal year (June 19, 2010) will be adjusted down to 76.5 hours, or **3.5 hours off unpaid** per pay period. This is a total cut of 59.5 hours over the rest of 2009-10.
- Multiple bonuses will not compound. Instead, bonuses will be paid individually – in full – on top of base pay.
- Employees who want to **voluntarily** work a 72-hour work schedule for the remainder of the Fiscal Year shall be allowed to do so (management refusals will be reviewed by CAO).

The Mayor's Operational Plan called for 26 furlough days (208 hours) with more likely.

★ TWO-YEAR EXTENSION OF CURRENT MOUS

(No change from previously ratified agreement)

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

(No change from previously ratified agreement)

Mutual Commitment to LA's Future will remain in effect, allowing either the Coalition or the City to engage under the Mutual Gains process to discuss any problems. (No change)

If the City experiences catastrophic losses of more than \$100 million in fiscal year 2009-10, the parties will meet to explore all options. (No change)

To avoid sudden drastic problems, the Coalition and the City will meet on a regular basis to monitor the status of the City's finances.

★ MANDATORY FURLONGHS

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

Under this agreement, the City will not move to change alternative work schedules (such as 9/80, 4/10, etc.) that are operationally feasible.

The Mayor's furlough plan eliminates alternative work schedules and disrupts posted shift scheduling.

★ LAYOFFS

(No change from previously ratified agreement)

No layoffs in fiscal year 2009-10 for Coalition units.

Before laying off any worker in a Coalition unit in fiscal year 2010-11, 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 Parking Partnership (P-3).
4. Maximizing 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 three percent COLA effective July 1, 2010, and 2.75 percent Step increase effective January 1, 2011. The MOU extension would end June 30, 2013.

★ COLA DELAY WITH INCENTIVES: Modified COLA Schedule			
(No change from previously ratified agreement)			
Fiscal Year	Effective Date	Current Provision	Modified Provision
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

★ 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.

The age and service credit provided under ERIP adds to your retiree medical eligibility.

Incentives will be set in five 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 up to 5 years age and/or service credit to achieve unreduced retirement (**minimum of 3 years credit**), 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 who need more than 5 years combined age and service credit to reach full retirement eligibility, would be allowed to retire at a reduced rate, receiving 5 years' service credit.

Retirement contributions will be adjusted to reflect the revised actuarial report:

1. Employee retirement contributions will be increased 1 percent (was 0.75 percent), 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.
3. ERIP retirees receiving age and/or service credit shall have their initial pension benefit reduced by 1 percent, according to the formula: (Final Compensation x Years x 2.16 percent) x 0.99
 - All COLAs granted by LACERS in future years will be received in full.
 - Those who receive only cash incentives under ERIP will not see their pension reduced

★ CONTRACTING OUT OF BARGAINING UNIT WORK

(No change from previously ratified agreement)

No Coalition member shall be laid off, demoted, or suffer a loss of pay as a result of contracting out Bargaining Unit work.

If any Coalition member is displaced as a result of contracting out, he/she shall be retained in a position within a classification represented by the Coalition.

Under the Mayor's plan, the membership would not have this protection. These provisions of the agreement are of great importance to all of our members in today's environment.

★ 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 General Fund 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.

★ 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 be encouraged 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.

★ PRIMARY DOCUMENTS

The Amended Letter of Agreement, as well as the ERIP Letter of Agreement, the City Council's ERIP Ordinance, this ratification summary and a Presentation outlining how the Coalition led the way to avoid layoffs and furloughs are all available for download at www.lacitycoalition.com.

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

Contact your Steward, Bargaining Team, Business Representative, or Worksite Organizer if you have questions before you vote.