



employee relations **BULLETIN**

July 24, 2009

**To: Heads of All Departments (Excluding DWP)
Departmental Personnel Directors**

Subject: FREQUENTLY ASKED QUESTIONS CONCERNING THE LETTER OF AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND THE COALITION OF LA CITY UNIONS (2007-2014 MEMORANDA OF UNDERSTANDING)

Below is a list of the most frequently asked questions (FAQs) and answers regarding the Letter of Agreement between the City of Los Angeles (“City”) and the Coalition of LA City Unions (“Coalition”) for the 2007-2014 Memoranda of Understanding (MOU).

1. What is the Letter of Agreement?

The Letter of Agreement is the result of the City and the Coalition utilizing the mutual gains bargaining process to identify solutions regarding the City’s emergency financial declaration, unprecedented budget deficit for Fiscal Year 2009-2010 and projected deficit for Fiscal Year 2010-11. The City and Coalition have tentatively agreed to extend and modify the existing 2007-2012 Coalition MOUs by deferring cost-of-living-adjustments for two years, mutually committing to LA’s future, addressing furloughs and layoffs, acknowledging shared sacrifice, establishing early retirement incentive program goals, generating savings from special funds and proprietary departments, and addressing the part-time workforce.

2. Which bargaining units comprise the Coalition?

The Coalition is comprised of eighteen (18) bargaining units. A list of the Coalition bargaining units is attached to this document.

3. Why is the Letter of Agreement still tentative?

On June 26, 2009, the City Council conceptually approved the terms and conditions of the Letter of Agreement. On July 22, 2009, the City received confirmation that all of the bargaining units represented by the Coalition of Los Angeles City Unions ratified the

tentative agreement. The next step is to send the tentative agreement to the City Council for approval.

4. What is the new MOU term under the tentative agreement?

The current MOUs have a term of July 1, 2007 through June 30, 2012, and for the Building Trade units, a term of September 1, 2007 through June 30, 2012. The term for a majority of MOUs will be amended to be July 1, 2007 through June 30, 2014. For the Building Trade units (MOUs 2 and 13), the new term will be September 1, 2007 through June 30, 2014.

5. What is meant by deferring cost-of-living-adjustments for two years?

Beginning July 1, 2009, the tentative agreement defers all salary movement in the existing Coalition MOUs for two years. The following is the new extended salary adjustment schedule:

Fiscal Year	Effective Date	Current Coalition MOUs	Tentative Agreement
2009-10	7/1/09	3% COLA	0%
	1/1/10	2.75% Step Increase	0%
2010-11	7/1/10	2.25% COLA	0%
	1/1/11	2.75% Step Increase	0%
2011-12	7/1/11	2.25% COLA	3% COLA
	11/1/11	---	1.75% Cash Payment
	1/1/12	2.75% Step Increase	2.75% Step Increase
2012-13	7/1/12	---	2.25% COLA
	11/1/12	---	1.75% Cash Payment
	1/1/13	---	2.75% Step Increase
2013-14	7/1/13	---	2.25% COLA
	7/1/13	---	1.75% Additional COLA for Deferral Recovery
	1/1/14	---	2.75% Step Increase

6. Will Coalition bargaining units receive a July 1, 2009 cost-of-living-adjustment?

The Letter of Agreement deferred the 3% cost-of-living adjustment for July 1, 2009, pending ratification by the Coalition bargaining units and adoption by Council. The Controller's Office was instructed not to implement the cost-of-living-adjustment pending the outcome of the ratification and consideration by Council.

7. What is meant in the Letter of Agreement by mutually committing to LA's future?

Due to the uncertainty regarding the economy and potential impact on the City's financial condition, the City and Coalition will address future uncertainties by working

cooperatively under the Mutual Gains process framework and established bargaining practices pursuant to the Employee Relations Ordinance (ERO).

8. How are furloughs and layoffs addressed in the tentative agreement?

Any employee represented by any union that is a member of the Coalition will not be subject to layoffs or the City's mandatory unpaid 2009-10 Furlough Program during the time period from July 1, 2009 to June 30, 2011, except under the following conditions:

- a. During Fiscal Year 2009-10, if the City undergoes a catastrophic occurrence resulting in the loss of at least \$100 million to the City's General Fund or any Special Fund, or unplanned expenditure of at least \$100 million; or
- b. In Fiscal Year 2010-11, if the City elects to lay off any employee in any classification represented by Coalition bargaining units, all wage movement outlined in the MOU extension will be advanced by one year (retroactive if necessary) for all Coalition bargaining units that are covered by the new MOU terms. The cash bonus previously scheduled for 11/1/2011 will be removed, and the MOU extension will end June 30, 2013.
- c. The City will undertake the following mitigation measures before implementing layoffs or furloughs to Coalition members:
 - 1) First attempt to bond against the loss if practicable.
 - 2) Use all State and Federal assistance funds (e.g. Stimulus funds, FEMA, and other State/Federal funds provided in emergency situations).
 - 3) Consider and evaluate the Public Private Parking Partnership (P-3).
 - 4) Attempt to maximize full indirect cost recovery to the General Fund of all special fund/proprietary departments.
 - 5) Conduct a review of all uncommitted general funds available.
 - 6) Consider special obligation bonds against any judgments over \$10 million.

9. What is meant in the Letter of Agreement by acknowledging shared sacrifice?

The City is committed to ensuring that all City employees share in the collective sacrifice during this time and that all City entities participate equitably. If the City experiences an unexpected increase in revenue or improvement in the General Fund, the City shall make it a priority to repay the workers' sacrifices. In the event New Revenues coming into the General Fund are identified, the City and Coalition will meet to determine how a portion of the identified New Revenues will be applied in the form of accelerated or enhanced wages and/or benefits. The cumulative value of any wages and/or benefit adjustments shall be 25% of the identified revenue total.

10. What is meant in the Letter of Agreement by establishing early retirement incentive program goals?

The Early Retirement Incentive Program (ERIP) agreement sets a goal of the retirement of 2,400 civilian employees. In the event that the number of retirees is not achieved, the City and the Coalition will meet promptly in accordance with the Mutual Gains process to address solutions and reach agreement within six (6) weeks of the end of the ERIP subscription period on the steps to be followed to close any financial shortfall resulting from lower than projected employee retirements/departures. Established bargaining practices as prescribed by the Employee Relations Ordinance (ERO) will apply after the six (6) week period. For a description of ERIP, please review the separate Employee Relations Bulletin on ERIP.

11. What is meant in the Letter of Agreement by generating savings from special funds and proprietary departments?

Savings generated in Special Funds and Proprietary Departments will be utilized to offset the budget shortfall in the General Fund. Special Funds and Proprietary Departments will, to the maximum extent legally permissible, contract with City departments to perform duties otherwise performed by outside contractors. The City will continue to use its best efforts to fill vacancies in Special Fund and Proprietary Departments by transfer or promotion from within the City workforce.

12. What is meant in the Letter of Agreement by addressing the part-time workforce?

The Letter of Agreement recognizes that furloughs were not intended to affect half time/part time workers. The savings generated through the shared sacrifice of the part time workforce will be utilized, to the extent that savings are available, to preserve or expand the hours and services provided by those workers.

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COALITION OF LOS ANGELES CITY UNIONS

MOU	Bargaining Unit
02	Building Trades
03	Clerical
04	Equip. Operation & Labor
06	Librarians
07	Recreation Assistants
09	Plant Equip. Operators & Repair
10	Professional Medical
11	Recreational
12	Supervisory Blue Collar
13	Supervisory Building Trades
14	Service & Craft
15	Service Employees
16	Supervisory Librarians
18	Safety / Security
29	Deputy City Attorneys
34	Crossing Guards
36	Management Employees
37	Executive Administrative Assistants