

BUDGET AND FINANCE COMMITTEE REPORT relative to the Department of Water and Power employee relations package.

Recommendations for Council action:

1. APPROVE the agenda items associated with Council file nos. 13-1459, 13-1595, and 13-1627.
2. WAIVE review of the Board of Water and Power Commissioners action to approve the new retirement tier and suspend the reciprocity agreement between Water and Power Employees' Retirement Program (WPERP) and Los Angeles City Employees' Retirement System (LACERS).
3. DIRECT the City Administrative Officer (CAO) to continue discussions with the Coalition and provide information to assist Coalition members with making informed decisions regarding transferring pension systems.

Fiscal Impact Statement: The CAO reports that the cumulative fiscal impact of the changes described in these items totals \$5.2 billion over 30 years as outlined in the document, attached to the Council file. These savings include those gained from the Memorandum of Understanding component, the lawsuit settlement, and the pension reform. The CAO further notes that failure to adopt any part of this package will result in a complete collapse of the entire package yielding no savings to the City and substantial monetary liability from legal proceedings associated with litigation.

Community Impact Statement: None submitted.

**(Personnel and Animal Welfare Committee waived consideration of the above matter)**

#### SUMMARY

At its special meeting of December 9, 2013, the Budget and Finance Committee considered the CAO's report relative to the Department of Water and Power employee relations package. The report, attached to the Council file, describes the various items and Council files involved in the comprehensive package.

During Committee discussion, the CAO provided an overview of the matter and responded to related questions from Committee members. After further consideration and having provided an opportunity for public comment, the Budget and Finance Committee recommended approval of the recommendations contained in the CAO report dated December 6, 2013. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE REPORT

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	YES
KORETZ:	ABSENT
BLUMENFIELD:	YES
BONIN:	ABSENT

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**