

PERSONNEL AND ANIMAL WELFARE COMMITTEE REPORT relative to Memorandum of Understanding (MOU) for the Los Angeles Department of Water and Power (LADWP) Management Employees Unit.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE and SET the salaries agreed to as detailed in the September 30, 2014 LADWP report, attached to the Council file.
2. ADOPT the MOU, attached to the Council file, for the LADWP Management Employees Unit represented by the Management Employees Association (MEA).
3. AUTHORIZE the City Controller and General Manager, LADWP, to make any necessary technical or clerical corrections.

Fiscal Impact Statement: The LADWP reports that the fiscal impact of this four-year MOU will be \$33 million over the term of the contract. However, the fiscal impact is favorable and estimated to save LADWP approximately \$11.2 million over the next four years, compared to a baseline that would have provided cost of living adjustments at the rate of inflation and did not anticipate healthcare concessions. Additionally, the MOU adopts a Tier II pension, the present value of these savings over 30 years could range from \$53 million to \$112 million. There is no fiscal impact on the City of Los Angeles General Fund.

Community Impact Statement: None submitted.

Summary:

On October 7, 2014, your Committee considered a September 30, 2014 LADWP report relative to MOU for the LADWP Management Employees Unit. According to the LADWP, in accordance with bargaining instructions authorized by the Executive Employee Relations Committee, the proposed MOU, attached to the Council file, approved as to form and legality by the City Attorney, codifies the agreements reached by the LADWP and MEA for the term of October 1, 2012, through December 31, 2016. At its meeting on September 16, 2014, the Board of Water and Power Commissioners approved the MOU, as to items within the Board's authority.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the MOU as detailed in the September 30, 2014 LADWP report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

PERSONNEL AND ANIMAL WELFARE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
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KORETZ:	YES
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O'FARRELL:	YES
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FUENTES:	YES
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10/7/14

-NOT OFFICIAL UNTIL COUNCIL ACTS-