

PERSONNEL AND ANIMAL WELFARE COMMITTEE REPORT relative to Memorandum of Understanding (MOU) for the Los Angeles Department of Water and Power (LADWP) Confidential Management Representative 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 Confidential Management Representative Unit represented by the LADWP Association of Confidential Employees (ACE).
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 MOU is estimated to save the LADWP approximately \$404,000 over the next four years. The savings reflect projections made in LADWP's financial plan which assumed a 2.9 percent cost-of-living for the term of the contract and did not anticipate healthcare concessions. Additionally, the MOU adopts a Tier II pension for new LADWP employees, and for ACE positions, the present value of these savings over 30 years could range from \$800,000 to \$2.0 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 Confidential Management Representative 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 ACE 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-**