

BUDGET AND FINANCE AND PERSONNEL AND ANIMAL WELFARE COMMITTEES' REPORT relative to the resolution of various labor issues and the 2015 Memoranda of Understanding (MOUs) for Coalition of Los Angeles City Unions.

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

1. APPROVE the MOUs for bargaining units 2, 3, 4, 6, 7, 8, 9,10,11,12,13,14,15, 16, 17, 18, 34, 36 and 37 (Attachments 1 through 19 of the City Administrative Officer [CAO] report dated December 2, 2015, attached to the Council file).
2. APPROVE the Settlement Agreement with Letters of Agreement included as Attachment 20 of the CAO report December 2, 2015 (attached to the Council file).
3. APPROVE the findings of the actuary included as Attachment 21 of the CAO report dated December 2, 2015 (attached to the Council file).
4. PRESENT and ADOPT the accompanying ORDINANCE amending Chapters 10 and 11 of Division 4 of the Los Angeles Administrative Code (LAAC) to transfer current members of Tier 2 of the Los Angeles City Employees' Retirement System (LACERS) to Tier 1 of LACERS, establish Tier 3 of LACERS and retiree health and welfare programs for members of Tier 3 of LACERS, change prospectively the eligibility requirements of the retiree health benefit program for part-time employee members of LACERS, and make related technical changes.
5. REQUEST the City Attorney to resolve the pending litigation and unfair employee relations practice charges consistent with the CAO report dated December 2, 2015 (attached to the Council file).
6. Provide resolution authority for Fiscal Year 2015/16 for the following positions:

Personnel Department

- 1 Senior Personnel Analyst II
- 1 Senior Personnel Analyst I
- 1 Personnel Analyst II

Office of the CAO

- 1 Senior Labor Relations Specialist I
- 1 Senior Administrative Analyst II

Fiscal Impact Statement: The CAO reports that the fiscal impact of the MOUs and the pension changes represent both immediate and long-term costs and savings to the City. As detailed in the CAO's report dated December 2, 2015 (attached to the Council file), the long-term savings derived from the salary structure reform, as identified by the

independent actuarial study, more than surpass the immediate costs occurring during the term of the agreements.

Community Impact Statement: None submitted.

(10 Votes Required)

(Pursuant to Charter Section 1168, final adoption of the accompanying Ordinance cannot occur until at least 30 days after its first presentation to the Council)

SUMMARY

At a special joint meeting held on December 7, 2015, the Budget and Finance and Personnel and Animal Welfare Committees considered a report from the CAO dated December 2, 2015 relative to the proposed resolution of various labor issues and the proposed 2015-18 MOUs for the six employee organizations comprising the Coalition of Los Angeles City Unions (MOUs 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 34, 36, and 37), and City Attorney report and Ordinance relative to amending the LAAC to: transfer members of Tier 2 of LACERS to Tier 1, establish a Tier 3 of LACERS, and change the eligibility requirements of the Retiree Health and Welfare Programs for part-time employee members of LACERS.

The CAO, the Assistant CAO, and independent actuary (Bartel Associates) addressed the Committees and provided a detailed overview of the proposed resolution of labor issues, the proposed labor agreements, the creation of a LACERS Tier 3 and the resultant estimated future pension savings, and related issues. Additionally, the Committees were also addressed by the Chair of the City's Workforce Restoration Program and the directors of the American Federation of State, County, and Municipal Employees (AFSCME) and the Service Employees International Union (SEIU).

The CAO reported that a significant component of the proposed labor agreement is service and workforce restoration with a goal of hiring 5,000 permanent civilian employees by the end of Fiscal year 2017-18, particularly since nearly 40 percent of the civilian workforce is currently eligible for retirement. The Chair of the City's Service and Workforce Restoration Program, former Assemblymember Jackie Goldberg, elaborated on the Program (a collaboration among the Mayor, Council President, CAO, Personnel Department, AFSCME, SEIU, Building Trades, et al.) and the ongoing plans for achieving the workforce restoration goal which include: establishment of strategic hiring plans for each City department; developing partnerships with community college districts, the City's WorkSource Centers, and community organizations for the hiring of at-risk youth and other target populations; and development of training and support programs for the employees recruited via these partnerships. Members of the Committee also requested that the City's hiring program also include homeless, veterans, and others.

After providing an opportunity for public comment, the Budget and Finance and Personnel and Animal Welfare Committees approved the recommendations in the CAO report and the accompanying Ordinance. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



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

PERSONNEL AND ANIMAL WELFARE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KORETZ:	YES
RYU:	YES
HARRIS-DAWSON:	YES

REW
12/8/15
FILE NO. 15-1423

-NOT OFFICIAL UNTIL COUNCIL ACTS-