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DAVID H. WRIGHT
General Manager

September 16, 2016

The Honorable City Council
Office of the City Clerk
200 North Spring Street, Room 395
Los Angeles, California 90012

Honorable Members:

Subject: Executive Retention Premium for Los Angeles Department of Water and Power

This letter recommends the City Council approve the four-level executive retention premium for the Los Angeles Department of Water and Power, which is consistent with the recommended approval received by the Executive Employee Relations Committee at its meeting on August 23, 2016.

BACKGROUND

The Los Angeles Department of Water and Power (LADWP) is experiencing a workforce retention issue as many executive-level employees are eligible for retirement. Specifically, two executive-level Power System employees are retirement-eligible, yet there is an insufficient candidate pool of qualified candidates to backfill these positions. As a result, the LADWP is requesting a retention premium for executive-level employees.

The LADWP is requesting an 11% retention premium to retain current executive-level staff to engage in succession planning to develop qualified candidates for executive-level positions. This would provide a salary up to the fourth premium level above the appropriate step rate of the salary range. While the LADWP is requesting to apply this premium to all executive-level employees, the Department has identified an immediate need to apply this premium to two managers who are critical to the continuation of Power System operations.

The total salary cost of the proposed increase for the two Power System managers is \$26,616 for an Electrical Service Manager-A and \$26,345 for a Power Engineering

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Manager-B, for a total of \$52,961. These employees will be transitioned to non-represented Assistant General Manager positions prior to implementation of the bonus.

RECOMMENDATION

That the City Council:

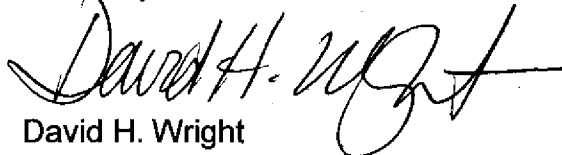
Approve the four-level executive retention premium for two Assistant General Manager positions.

FISCAL IMPACT

The fiscal impact of the executive-level retention premium for the two Power System managers is \$92,152 which includes \$52,961 for direct costs and \$39,191 for related costs. The cost of this request is an obligation of the LADWP and will have no impact on the City's General Fund.

If you have any questions or require further information, please contact Ms. Deitra O. Fernandes, Director of Labor Relations at (213) 367-1373.

Sincerely,



David H. Wright
General Manager

DOF:la

c: Mr. Miguel A. Santana, City Administrative Officer
Ms. Maritta H. Aspen, Chief Administrative Analyst
Ms. Deitra O. Fernandes, Director of Labor Relations