

Coalition of LA City Unions: Proposed Changes to the Existing Letter of Agreement

	Proposed Changes	What This Means
Overall Changes	<ul style="list-style-type: none"> • End furloughs on Monday, March 28, 2011; salary restored by 10% for those being furloughed. • Guaranteed no furloughs through June 30, 2014. • Extend contract by one year to June 30, 2014. • Secures by vesting the two-party retiree medical benefit for current and future employees with all future cost increases. • FY 2011-12: Four-day citywide shutdown between Christmas and New Year's. • FY 2012-13: Four-day citywide shutdown between Christmas and New Year's. • Guaranteed 11.75% in pay raises over the next four years – on top of the 5.75% in pay raises received in FY 2010-11. • Wage adjustments due in current Letter of Agreement protected; deferred but not deleted. 	<p>Summary: Immediate elimination of furloughs, guarantee of no furloughs through June 30, 2014, an extended contract, protections to prevent layoffs, and four additional holidays between Christmas and New Year's in 2011 and 2012.</p> <p>Additional Details:</p> <ul style="list-style-type: none"> • City agrees to implement a process to protect jobs. • Secured two-party retiree medical for current and future employees (covers all future cost increases). • In FY 2011-12: Citywide shutdown between Christmas and New Year's. Emergency services will have four alternate days off consecutive with a holiday. This is a 1.5% (pre-tax) reduction for all workers paid for throughout the year to ensure a consistent paycheck and is restored on July 1, 2012.
Landmark Retirement Security	<ul style="list-style-type: none"> • Secures by vesting two-party retiree health benefits with subsidy increases guarantee. 	<p>Summary: This provision secures by vesting the two-party retiree medical benefits for you and your spouse into the MOU. Nationwide, workers are fighting to protect retiree healthcare. The current benefit is worth \$1,190 per month. This amount will lock in and cover all future increases.</p>
Retirement Changes	<ul style="list-style-type: none"> • Secures two-party retiree health coverage through a 2% (pre-tax) contribution increase effective July 1, 2011. • An additional 2% (pre-tax) increase in pension contributions for retiree medical benefits effective July 1, 2011. This is 4% total (pre-tax). 	<p>Summary: Retirement contributions increase from 6% to 11% total.</p> <ul style="list-style-type: none"> • The 4% contribution (pre-tax) will secure retiree medical benefits as a "vested" benefit locked into the MOU. • ERIP 1% (pre-tax) contribution, which was previously ratified, kicks in on July 1, 2011.
Furloughs End	<ul style="list-style-type: none"> • Furloughs end on Monday, March 28, 2011, through the duration of this agreement. • Employees who have been furloughed in excess of 160 hours will receive paid time off for furloughs taken in excess of 160 hours. 	<p>Summary: This agreement guarantees no furloughs through June 30, 2014.</p> <ul style="list-style-type: none"> • Without this agreement, the City announced its intent to expand furloughs to a minimum of 36 days and expand the departments subject to furloughs, to include special-funded departments.

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Protects Pay Raises	<ul style="list-style-type: none"> • Receive a 2.25% Cost of Living Adjustment on July 1, 2011. • Receive a 2.25% Cost of Living Increase on July 1, 2012. • Receive a 1.75% Cost of Living increase on July 1, 2013. • Receive a combined 5.5% Salary Adjustment on January 1, 2014 (deferred from January 1, 2012, and January 1, 2013). 	<p>Summary: Guaranteed 11.75% in pay raises over the next four years – on top of the 5.75% in pay raises received in FY 2010-11. Portions of the COLAs and the two extra steps negotiated in the last contract will be deferred until January 2014.</p>
Deferrals	<ul style="list-style-type: none"> • Effective April 24, 2011: Temporarily postpones salary step increases through April 23, 2012. • In FY 2012-13: 1.75% bonus converts to time (equivalent to 4 days) taken during citywide shutdown. • Defer 1/1/12 Salary adjustment of 2.75% to 1/1/14. • Defer 1.75% Cost of Living Adjustment to 7/1/13. • Defer 2.75% salary adjustment to 1/1/13. 	<p>Summary: Deferrals create a grace period allowing the economy to recover and the City to generate savings. Cost of Living Adjustments, step increases, and bonuses are staggered, deferred to 2014, or converted to an equal form of payment such as time or retirement payout. All existing financial increases are protected and moved back.</p> <ul style="list-style-type: none"> • Postpone step increases April 24, 2011, to April 23, 2012. • Anniversary dates remain unchanged. Step increases resume next anniversary date. • 1.75% cash bonus converts to four-days off on FY 2012-13.
Health Care Changes	<p>Agreement incorporates moderate increases to medical health care co-pays.</p>	<p>Summary: This provision credits the changes implemented for July 1, 2011, by the Joint Labor Management Benefits Committee (JLMBC).</p> <ul style="list-style-type: none"> • Affirms the Joint Labor Management process regarding plan designs. • Contains future costs. • Expected savings for the JLMBC of \$4.2 million in 2012 and \$5.5 million in 2013, offset to our share of potential increases.
Sick Leave	<ul style="list-style-type: none"> • Sick leave payout converts to banked time as a current employee or paid out at retirement. This is only for 2012 and 2013. • OT for General Fund employees will be paid in CTO only on June 30, 2012. 	<p>Summary: Allows the City of Los Angeles to convert or defer expenditures and allocate funds to core services instead of sick leave payouts. Sick leave payouts are paid out as either additional time for current employees or are payable at retirement.</p>
Overtime Changes	<ul style="list-style-type: none"> • Increase OT to FLSA cap (240 hours) for the term of this agreement. General fund employees, except Traffic Officers, will receive CTO through 6/30/12. 	<p>Summary: The City would increase the FLSA threshold from 80 to 240 hours, allowing up to 240 hours overtime to be earned in accrued time instead of cash through June 30, 2012.</p>
Revenue Enhancement	<ul style="list-style-type: none"> • Traffic Officers will continue to receive cash overtime. 	<p>Summary: Traffic Officers are exempted to maximize revenue generation.</p>