

# LOS ANGELES CITY ATTORNEYS' ASSOCIATION

## HIGHLIGHTS OF THE AMENDED AGREEMENT BETWEEN THE COALITION AND THE CITY

October 5, 2009

The Coalition of City Unions, including SEIU 721 representing the interests of the Los Angeles City Attorneys' Association, reached a tentative agreement with the City to resolve the budget crisis. This is a tentative agreement and must be ratified by Coalition members. Members are encouraged to read the full text of the agreement and the early retirement incentive proposals (ERIP Letter of Agreement, ERIP Ordinance); all are available on the Associations' website: LACAA.org.

The agreement is similar to the previous one approved by the LACAA members in that it prohibits the imposition of furlough days for the next two years, and prohibits lay-offs this fiscal year (ending June, 2010). If any Coalition member is laid off during the second year of the agreement, COLAs and the seniority bonuses (given to those at the G wall of DCA III, IV, and Asst.) would be advanced one year for all Coalition bargaining units, and effective July 1, 2010.

In exchange, the agreement still requires members to defer COLAs and the seniority bonuses for two years. Members would still get their step increases up to the G wall, and the walls between Steps E and F, and F and G at the DCA III, IV and Asst. pay grades would still come down and advancement would be automatic up to Step G.

In addition, the tentative deal calls for the following measures:

- 76.5 Hour pay period. During the 2009 fiscal year only, members will be paid on the basis of a 76.5 hour pay period, resulting in a decrease in salary. The pay period will revert to 80 hours in fiscal year 2010. This means that our members who work more than 76.5 hours in a pay period would not be compensated for the hours worked between 76.5 and 80 hours. Members working in excess of 80 hours would receive comp time for the excess pursuant to our MOU.
- Beginning on July 1, 2011, members would pay an additional contribution to the pension of 1%, instead of .75%, for a maximum of 15 years, to fund ERIP (Early Retirement Incentive Program). Members would therefore be contributing a total of 7% for a maximum of 15 years, or until the cost obligation of the ERIP is satisfied should it be completed earlier.

- Employees who retire pursuant to the ERIP and receive extra age or service credit under the program will have their pension payment reduced by a factor of .990 for the life of the pension. Employees in Group 4 of the ERIP (those fully eligible for retirement with more than 33 years of service who would only receive a cash payout) will not have their pension calculated with this reduction.
- The ERIP cash payouts, deemed "separation pay" to participants, will be completed by the end of the second calendar year following the year of separation from City service.
- Immediate elimination of the pre-1983 pension subsidy. Those employees hired before 1983 who pay less than 6% to the pension fund will have their contribution raised immediately to 6%, the amount paid by employees hired in 1983 or later. All employees, regardless of their date of hire, will contribute 7% to the pension fund, effective July 1, 2011, for a maximum of 15 years or until the cost obligation of ERIP is satisfied should it be completed earlier.
- Deferral of Bar Dues payment. The City currently pays bar dues in February. Members will have to pay their own bar dues (February 2010); the City will reimburse members for this cost in August of 2010.
- Annual sick time payout (employees with excessive sick time receive annual payments) will be deferred until the 2010-2011 fiscal year.
- Overtime will be compensated in time credited, and not cash (this does not apply to LACAA members since we do not receive overtime pay).
- Elimination of Bonus Compounding. City workers who receive more than one category of bonus pay, e.g., bilingual pay and shift differential, have had one bonus compounded on top of another. The City will no longer compound bonus pay, but will calculate bonuses only on base pay (this does not apply to LACAA members since we are not eligible for bonuses).
- The City will make the 72-hour work week option available to all employees (some departments currently resist allowing employees the option).

This tentative agreement requires membership ratification.

If the agreement is not ratified, members will receive their COLA retroactive to July 1, 2009, and in the absence of ratification City management intends to impose furloughs (26 days per employee between now and the end of the fiscal year) and lay-off employees. Taking 26 furlough days between October 1, 2009, until the end of the fiscal year would represent a salary reduction of approximately 13%. (The reduction is greater than 10 % because the 26

furlough days will have to be taken over 9 months, rather than 12).

In addition, the budget operating plan previously adopted by Council assumed that there would not be a Coalition agreement and that the budget would be balanced by a combination of furloughs and lay-offs. That operating plan called for the City Attorney's Office to cut more than \$15 million from its budget. According to the CAO and CLA, this could be accomplished by imposing furloughs and laying off 54 city attorney employees in this fiscal year. A copy of the CAO and CLA Report, dated September 11, 2009, can be found at Council File No. 09-0600-S142.

#### ADDITIONAL NOTE RE LAYOFFS

City Attorney management has proposed a lay-off policy. A draft of this policy is available on the LACAA.org website. Union representatives from the three groups representing city attorneys are meeting with management to discuss the proposed policy.

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