

SUMMARY OF SETTLEMENT + LETTERS OF AGREEMENT

**THE CITY OF LOS ANGELES &
THE COALITION OF LA CITY UNIONS**

2015-2018 MEMORANDA OF UNDERSTANDING



LIUNA



COALITION OF LA CITY UNIONS

AFSCME LA CITY LOCAL UNIONS

- 741 - LA CITY PART TIME RECREATION & PARKS EMPLOYEES
- 901 - LA CITY RECREATION & PARKS PROFESSIONALS
- 2006 - LA CITY PROFESSIONAL MEDICAL EMPLOYEES
- 2626 - LIBRARIANS' GUILD, SUPERVISORY AND RANK & FILE
- 3090 - LA CITY CLERICAL & SUPPORT SERVICES UNIT
- 3672 - LA CITY EXEC. ADMINISTRATIVE ASSISTANTS AND EXEC. LEGAL SECRETARIES

LABORERS' LOCAL 777

LA/ORANGE COUNTIES BUILDING & CONSTRUCTION TRADES COUNCIL

OPERATING ENGINEERS LOCAL 501

SEIU LOCAL 721

LAPMA - LA PROFESSIONAL MANAGERS' ASSOCIATION

TEAMSTERS LOCAL 911

WE DID IT! WE WON AN AGREEMENT

NOW, YOUR BARGAINING TEAM RECOMMENDS A "YES" VOTE FOR RATIFICATION!

A little over a year ago, Los Angeles City workers joined forces with community partners to "Fix LA." Now, after more than a year of intensive bargaining, rallies, actions and mediation, the City and the Coalition of LA City Unions **have reached a Tentative Agreement for our next contract!**

On August 5, 2015, all Coalition bargaining teams **voted overwhelmingly to approve it and recommend membership ratification. Here's why:**

- ✓ WE BEAT BACK CONCESSIONS AND PROTECTED COMPENSATION
- ✓ WE PROTECTED HEALTHCARE AND WORKERS' COMP
- ✓ WE WON A COMMITMENT FOR 5,000 NEW HIRES
- ✓ WE IMPROVED PENSIONS, MOVING ALL TIER 2 EMPLOYEES TO TIER 1
- ✓ WE WON KEY UNIT TABLE IMPROVEMENTS
- ✓ WE SECURED A RAISE OF AT LEAST 4.75 PERCENT FOR EVERY WORKER

Our Coalition and community partners knew all along we could all do better by fighting proactively for meaningful, equitable and fair solutions that benefit everyone.



THAT PROTECTS ALL OF OUR MEMBERS

OVERVIEW OF WINS: *Where We Started and Where We are Now*

Item	Management Takeaways	We Pushed Back
COLA	Zero	Won 4.75% pay rate increase , including 2% COLA effective 6/25/17 and step increases on 1/1/18.
Salary Ranges	Increase salary structure to Protected Salaries 15-steps with 2.75% for each step. This would cut an average employee's career earnings by 30%.	Protected salaries, step increases, and career earnings. Familiar salary structure retained with optional 3 lower steps added (See details on page 4).
Healthcare	Workers pay an extra 10% for family healthcare — costing each family up to \$148 per month — with annual increases.	No out-of-pocket costs toward premium! 1.5% health and wellness bonus given to workers applicable to healthcare costs.
Workers' Comp	Slash benefits to state rate.	Maintained full wage protection.
Supervision Differential Pay	Cut in half from 5.5% to 2.75%	Protected 5.5%
Acting Pay	Cut in half from 5.5% to 2.75%	Protected 5.5%
Lead Pay	Cut in half from 5.5% to 2.75%	Protected 5.5%
Promotional Step Placement	Cut in half from 5.5% to 2.75%	Protected 5.5% ; safeguarded career earnings; added new step increase effective 1/1/18.
Bilingual Pay	Flat rate to \$25 or \$50 per person	Protected 2.75% and 5.5%
Shift Differential Pay	Cut in half from 5.5% to 2.75%	Protected 5.5%
Union-Sponsored Extra Benefits	Eliminate	Saved
Union-Sponsored Training	Eliminate	Saved
LACERs—Tier 2 Pension	Keep unilateral Tier 2 plan. Force union to drop opposition.	All employees protected! Negotiated a fair pension plan: Workers currently in Tier 2 will move to Tier 1 with all of the same entitlements and benefits as other Tier 1 employees. Future hires will be enrolled in a new Tier 3.
Overtime	Change definition of "hours worked" so that compensated time (SK, VC, etc.) doesn't count toward 40 hours	Protected overtime
Family/Medical Leave	Limit eligibility for FMLA & CFRA	Protected Family/Medical Leave
Lift City's Part-Time Workers Out of Poverty	No action	Increase minimum wage to \$15 for 2,500 Coalition members, effective 1/1/17 (ahead of citywide increase)
Improved Protections for the City's Part-time Workers	No action	Landmark new recourse for part-time workforce , including provisions for third-party review of disciplinary matter. Part-time workers now will qualify for benefits in half the time.
DWP Retirement Reciprocity	Union to drop all legal claims.	We will continue to fight! Our legal challenge will continue.

WAGES AND SALARIES

TERM

- Term of MOU: July 1, 2015 to June 30, 2018.
- The MOU that was in effect on June 29, 2014 shall have remained in effect through June 30, 2015.

PROMOTION DIFFERENTIAL

Increased to a minimum 5.5% over the rate received in the former position, including any regularly assigned bonus or premium compensation amounts.

WAGES

- 2% COLA for all workers on 6/25/17; and
- All workers move up one step on 1/7/18, including a new 2.75% top step.
- Effective 1/7/18, all flat-rated classifications get a salary adjustment increase of 2.75%.
- All workers will make at least \$15 per hour effective 1/1/17.



SALARY STRUCTURE PROTECTED — A New 12-Step Salary Structure

Current Coalition Step System	New Coalition Step System
NA	Step 1: New "Trainee" step added for bona fide Training Program with the mutual agreement of City and Unions; 2.75% below Step 2
NA	Step 2: New 2.75% below Step 3. Employee moves up to next step after 9 months.
NA	Step 3: New 2.75% below Step 4. Employee moves up to next step after 9 months.
Step 1: Entry	Step 4: Same as old Step 1
Step 2: 5.5% on anniversary	Step 5: 5.5% on anniversary
Step 3: 5.5% on anniversary	Step 6: 5.5% on anniversary
Step 4: 5.5% on anniversary	Step 7: 5.5% on anniversary
Step 5: 5.5% on anniversary	Step 8: 5.5% on anniversary
Step 6: 2.75% on anniversary	Step 9: 2.75% on anniversary
Step 7: 2.75% on anniversary	Step 10: 2.75% on anniversary
Step 8: 2.75% on anniversary	Step 11: 2.75% on anniversary
NA	Step 12: New Step effective January 7, 2018 — 2.75%

HEALTHCARE

HEALTHCARE COVERAGE PROTECTED

Healthcare Protected — No 10% Contribution

- Health and wellness bonus of 1.5% of base salary; simultaneous contribution of 1.5% of base salary to cover the cost of health care.
- LA City Agrees to No Unilateral changes for
 - ✓ Co-pays
 - ✓ Doctor Networks
 - ✓ Benefits

Sick Leave Benefits

- Increase to forty (40) hours to use for preventative medical treatment.

Family Illness

- Increase to fifteen (15) days off to care for family.

Workers Compensation – Protected!

Succeeded in protecting full take-home pay for injured workers.

- Addition of Alternative Dispute Resolution (ADR) program to ensure workers will get prompt medical care and faster recovery.
- Executive Directive: for enforcing City's adherence to the light duty program and return-to-work policies.

STAFFING RESTORATION

STAFFING RESTORED WITH 5,000 NEW HIRES COMMITTED

Service Restoration (ADEQUATE STAFFING)

- Accomplishment of major goal of Fix LA, the restoration of public services and positions cut as a result of the financial crisis and bad deals between big banks and the City of LA.
- City commits to hiring goal of 5,000 additional civilian workers by fiscal year 2017-18.
- Strategic Workforce Development Task Force & Targeted Local Hire Task Force created to achieve this goal.

New Revenue

COMMISSION ON REVENUE GENERATION

- Creates Commission on Revenue Generation to identify new sources of revenue for the City.
- This Commission's mission is to make recommendations to the City Council and Mayor identifying new City revenue potential in order to reinforce the delivery of high quality City services.

STRONGER ON THE JOB PROTECTIONS

OUTSOURCING

TRANSPARENCY AND ACCOUNTABILITY IMPROVED!

- Uniform standard for examining outsourcing while increasing transparency of decision-making.
- Creation of a central online database of service contracts covering bargaining unit work.
- Increased to 15 days from receipt of outsourcing notification to grieve disputes.
- City will negotiate amendments to the Public Infrastructure Stabilization Ordinance expanding the DPW Project Labor Agreement.
- New study and recommendations on best practices for the Bureau of Contract Administration, General Services, Bureau of Engineering.

SPECIAL PAY AND INEQUITIES

NEW RECOURSE ADDED!

- A Mediation process shall be set up for Specials, Differentials and inequities using the following criteria: Recruitment, Retention, Working Conditions, Workload, Expansion of Duties and Internal Equity.

PART-TIME EMPLOYMENT

ENDING OVERUSE AND ABUSE!

- After 1,000 hours of service in one service year, Part-Time employees shall:
 - ✓ Qualify for half-time status benefits; and
 - ✓ Be certified to LACERS.
- **Additionally, the Mayor shall issue an Executive Directive** directing GMs not to terminate or schedule an intermittent employee solely to avoid an employee qualifying for benefits; and "As Needed" employees cannot be used to circumvent hiring of Permanent employees.

- **New Discipline Appeal Procedure for PT Workers Created to Protect Against Arbitrary Management Actions** for Intermittent Part-Time and Civil Service-Exempt Half-Time employees who have worked at least 2,000 cumulative hours from their initial hire date.

UNION STEWARDS

RIGHTS ENHANCED

- New training program and an increase to two (2) hours of City time to investigate potential grievances.

JURY SERVICE

ALTERNATIVE SCHEDULE

- Employees can remain on an alternative work schedule (9/80, 4/10, 3/12) during jury service.

AGENCY SHOP

WORKERS' SECURITY PROTECTED

- **Join the Union or pay "fair share" representation service fees after thirty (30) calendar days of hire to ensure that every member of the bargaining unit contributes to collective bargaining power.**

MAINTENANCE OF MEMBERSHIP

- Members will stay enrolled over the term of the agreement.



PENSION SECURITY

LACERS TIER 2 — New TA Discontinues unilaterally imposed LACERS Tier 2.

- Employees who were members of LACERS Tier 2, including members with contributions on deposit and disability retirees, shall become members of LACERS Tier 1 and be treated as if they had been LACERS Tier 1 members, with the same conditions of entitlement and benefits

NEWLY CREATED LACERS TIER 3 — LA City workers now have a plan with Better Formula, Better Benefits, including 2 party retirement medical benefit.

- Agreement will create LACERS Tier 3 for employees hired after the implementation of the Tier 3 ordinance.

ITEM	LACERS Tier 1	LACERS Tier 2	LACERS Tier 3
Normal (Unreduced) Retirement Eligibility	Age 60/10 yrs service Age 55/30 yrs service Age 70	Age 65/10 yrs service Age 70	Age 63/10 yrs service Age 55/30 yrs service Age 70
Early Retirement Eligibility	Age any/30 yrs service Age 55/10 yrs service	Age 55/10 yrs service	Age any/30 yrs service Age 55/10 yrs service
Benefit Formula	2.16%	2.0%	2.1% @ 63/30 yrs service 2.0% @ 63 2.0% @ 55/30 yrs service 1.5% @ 60/10 yrs service
Final Pay	1 Year	3 Year Excludes bonuses	3 year Includes bonuses as detailed in MOU
Maximum Benefit	100%	75%	80%
Employee Contribution	.7% pension 4% retiree medical	6.3% pension 1.7% retiree medical Adjusted every 3 years as 75% Normal Cost & 50% of UAAI	7% pension 4% retiree medical
COLA	3% max, COLA bank	2% max, No COLA bank	2% max with discretionary Purchasing Power Adjustment, No COLA bank
Survivor Continuance	50% continuance	None, reduced allowance option	50% continuance
Retiree Health Subsidy	Eligibility: Age 55/10 yrs service Subsidy: Two-party Kaiser coverage Vesting: 40% with 25 yrs service	Eligibility: Age 55/10 yrs service Subsidy: Single-party Kaiser subsidy Vesting: 40% with 30 years service	Eligibility: Age 55/10 yrs service Subsidy: Two-party Kaiser subsidy Vesting: 40% with 25 yrs service
Disability Retiree Health Subsidy	Same as retirement subsidy deferred to retirement eligibility Reopener.	Same as retirement subsidy deferred to retirement eligibility	Same as retirement subsidy deferred to retirement eligibility Reopener.
Death Benefit (post retirement)	\$2,500	\$2,500	\$2,500
Disability	> 5 yrs – maximum 1.43% per yr of service or 33% of final pay < 5 yrs contrib. fund Reopener	> 10 yrs – 1.11% per yr of service < 10 yrs – same as termination	> 5 yrs – maximum 1.43% per yr of service or 33% of final pay < 5 yrs contrib. fund Reopener
Termination	< 5 yrs – contrib refund > 5 yrs – deferred ret benefit	< 5 yrs – contrib refund > 5 yrs – deferred ret benefit	< 5 yrs – contrib refund > 5 yrs – deferred ret benefit
Government Service Buy Back	Member contribution only	Full actuarial cost; limited to 4 years (Not valued)	Full actuarial cost; limited to 4 years Member contribution cost only for buy back of military time and maternity leave
Part Time Retiree Medical Health	Administrative code will be amended to provide the same vesting schedule as full time employees and prorated service credit, benefit amount based on pro-rated service credit		Administrative code will be amended to provide the same vesting schedule as full time employees and prorated service credit, benefit amount based on pro-rated service credit