

June 20, 2017

The Honorable City Council
c/o Office of the City Clerk
Room 395, City Hall
Mail Stop 160

Honorable Members:

Subject: Approval of Amendments to the Memoranda of Understanding for
Ten Bargaining Units represented by the International Brotherhood of
Electrical Workers, Local 18 for the Term October 1, 2017 Through
September 22, 2017

In accordance with bargaining instructions authorized by the Executive Employee Relations Committee, the attached Memorandum of Understanding (MOU) Amendments and Resolution, approved as to form and legality by the City Attorney, codifies the agreements reached between the Los Angeles Department of Water and Power (LADWP) and the International Brotherhood of Electrical Workers (IBEW), Local 18, for the term of October 1, 2017 through September 30, 2022. At its meeting on June 20, 2017, the Board of Water and Power Commissioners (Board) approved the MOU Amendments, as to items within the Board's authority, for the following bargaining units:

- Administrative Representation Unit
- Clerical Unit
- Operating, Maintenance and Service Unit
- Professional Unit
- Steam Plant and Water Supply Unit
- Supervisory Blue Collar Unit
- Supervisory Clerical and Administrative Unit
- Supervisory Professional Unit
- Supervisory Technical and Business Administration Unit
- Technical Representation Unit

Discussion

The following is a summary of MOU Amendments and revisions recommended for approval:

- 1) Five-year term from October 1, 2017 through September 30, 2022
- 2) Effective October 1, 2017, Cost of Living Adjustment (COLA) of three percent (3%)
- 3) Effective December 1, 2017, COLA of one and one-half percent (1.5%)
- 4) Effective October 1, 2018, COLA based on Consumer Price Index (CPI)*
- 5) Effective October 1, 2019, COLA based on CPI*
- 6) Effective October 1, 2020, COLA based on CPI*
- 7) Effective October 1, 2021, COLA based on CPI*

*Salary ranges shall be increased by a percentage equal to the percentage increase in CPI for Urban Wage Earners and Clerical Workers as measured from August of the prior year to August of the current year for United States City Average (1982-84=100); provided, however, that if the CPI increases less than or equal to 2 percent (2%), the salary ranges shall be increased by 2 percent (2%), and if the CPI increases by 4 percent (4%) or more, the salary ranges shall be increased by 4 percent (4%).

- 8) Effective October 1, 2017, a retention incentive of two percent (2%) base pay increase for the class of Electric Distribution Mechanic (Class Code 3879).
- 9) Effective October 1, 2017, a retention incentive of two percent (2%) base pay increase for the class of Electric Distribution Mechanic Supervisor (Class Code 3873).
- 10) Effective October 1, 2018, a retention incentive of two percent (2%) base pay increase for the class of Electric Distribution Mechanic (Class Code 3879).
- 11) Effective October 1, 2018, a retention incentive of two percent (2%) base pay increase for the class of Electric Distribution Mechanic Supervisor (Class Code 3873).

- 12) New Article: Annual performance evaluations will be conducted for all employees on an annual basis.
- 13) Revision of Overtime Provision: For bargaining units Operating, Maintenance and Service; Supervisory Blue Collar; and Steam Plant and Water Supply – Increases overtime to a rate of double-time when an employee is required to work overtime without having eight (8) consecutive hours off duty.
- 14) Revision of Overtime Provision: For bargaining units Operating, Maintenance and Service; Supervisory Blue Collar; and Steam Plant and Water Supply – Increases overtime to a rate of double-time when an employee is held over after the conclusion of the work shift.
- 15) New Article: For bargaining units Operating, Maintenance and Service; Supervisory Blue Collar; and Steam Plant and Water Supply – Provides overtime at a rate of double-time for overtime worked between the hours of 10:00 p.m. and 6:30 a.m.
- 16) New (Footnote) Provision: For bargaining units Operating, Maintenance and Service; and Supervisory Blue Collar – Provides a daily rate premium of fifteen percent (15%) to employees in the class of Electric Distribution Mechanic (Class Code 3879), Line Maintenance Assistant (Class Code 3882), Electric Distribution Mechanic Supervisor (Class Code 3873) and Helicopter Pilot (Class Code 3560) while performing transmission duties utilizing Human External Cargo (HEC) methods. The parties will meet to explore establishing a life insurance policy for employees assigned to a HEC crew.
- 17) New Article: For the Technical Representation bargaining unit - Provides an annual tool allowance of \$500 for the classification of Equipment Specialist (Class Code 3734).
- 18) Revision to Appendix G Longevity Premium: For bargaining units Operating, Maintenance and Service; Supervisory Blue Collar; and Steam Plant and Water Supply – Authorizes the General Manager the authority to approve longevity premium to newly created and/or revised journey-level craft and supervisory classifications on a go forward basis; and provides the longevity premium to the following classifications: Electric Trouble Dispatcher (Class Code 3828), Electric Meter Setter Supervisor (Class Code 3824) and Wind Plant Technician (Class Code 3826).

- 19) New Article – Standby Pay when providing Mutual Assistance: For bargaining units Operating, Maintenance and Service Unit; and Supervisory Blue Collar – Provides standby pay at the rate of straight time for non-working hours to employees providing mutual assistance following a natural or man-made emergency.
- 20) Agreement between the parties that within the first two years of this amendment to the MOU, the LADWP and IBEW, Local 18 will take the necessary steps to create a single entity to replace the Joint Training Institute (JTI) and the Joint Safety Institute (JSI).
- 21) Agreement between the parties that effective October 1, 2017, LADWP will no longer fund the JTI and JSI, or the successor institute.
- 22) Agreement between the parties that effective October 1, 2018, IBEW-represented employees shall contribute 0.43 percent of all hours worked to fund the JTI/JSI successor institute.
- 23) Agreement between the parties that during the term of this amendment to the MOU, in accordance with established practice, LADWP shall seek approval of the Board and the Water and Power Employees' Retirement Board to reduce the current Tier II pension vesting schedule from ten (10) years to five (5) years.

Recommendations

That the City Council:

1. Approve and set the salaries agreed to herein;
2. Adopt the MOU; and
3. Authorize the City Controller and the General Manager of LADWP to make any necessary technical or clerical corrections.

Fiscal Impact

There is no fiscal impact on the City of Los Angeles General Fund.

The fiscal impact associated with the proposed MOU Amendments is approximately \$56 million annualized over the five (5) year MOU term, inclusive of COLA, CPI at 2.9 percent (2.9%), retention incentives, overtime, HEC premium, longevity premium,

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tool allowance and offsets resulting from proposed changes to the funding of the JSI and JTI. Budgeted funds are anticipated to be available to cover these estimated costs. Any additional funding needed to cover these estimated costs will be pursued through LADWP's budgetary re-estimation process.


The cost of the Tier II Vesting Plan Amendment will require an actuarial analysis by an independent actuary. It is anticipated that the cost of this plan Amendment will result in a minimal increase (e.g. 0.01%) to the LADWP contribution towards the Water and Power Employees' Retirement Plan.

The remaining MOU Amendment items, including the performance evaluations and mutual assistance provisions, will not result in any costs for LADWP.

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

Sincerely,



 David H. Wright
General Manager

DOF:tts/am

Enclosure

c/enc: Mr. Richard H. Llewellyn, Jr., Interim City Administrative Officer
Ms. Maritta H. Aspen, Chief Administrative Analyst
Ms. Deitra O. Fernandes