

Los Angeles  Department of Water & Power

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January 28, 2014

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

Honorable Members:

Subject: Approval of the Memorandum of Understanding for the Security Unit represented by the Service Employees International Union, Local 721, for the term October 1, 2010, through September 30, 2017

In accordance with bargaining instructions authorized by the Executive Employee Relations Committee, the attached Memorandum of Understanding (MOU) Amendment, approved as to form and legality by the City Attorney, codifies the agreements reached by the Los Angeles Department of Water and Power (LADWP) with the Service Employees International Union (SEIU), Local 721, for the term of October 1, 2010, through September 30, 2017, for the Security Unit.

Discussion

The following is a summary of the terms and conditions of the accompanying MOU Amendments.

Summary

1. New provision to provide for Disturbance Call (Article 9.3) and compensate at the appropriate overtime rate for one hour for each instance while on off-duty status.
2. New provision to create a procedure to track and monitor the equal distribution of overtime Accumulated Overtime Log (Article 9.6).
3. New provision to allow the Security Unit to elect to be compensated for overtime at the appropriate rate or accumulate overtime hours for later use (Article 9.7).

Los Angeles Aqueduct Centennial Celebrating 100 Years of Water 1913-2013

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4. Effective October 1, 2010 – two percent (2%) Cost-of Living-Adjustment (COLA)
5. Effective October 1, 2011 – four percent (4%) COLA
6. Effective October 1, 2012 – two percent (2%) COLA
7. Effective October 1, 2013 – two percent (2%) COLA
8. In addition to the COLA for 2013, LADWP shall contribute, on behalf of the employee, one percent (1%) of base pay contribution, on behalf of the employee, to the Water and Power Active Employee Healthcare Benefits Fund and two percent (2%) on behalf of the employee, to LADWP's Retiree Health Benefit Fund. However, this 1% and 2% contribution does not result in any obligation by LADWP to pay any additional contribution to either Fund above and beyond what LADWP currently contributes to each Fund.
9. Zero percent (0%) COLA for October 1, 2014. In lieu of the COLA, LADWP shall contribute, on behalf of the employee, a one percent (1%) of base pay contribution to the Water and Power Active Employee Healthcare Benefits Fund and two percent (2%) on behalf of the employee, to LADWP's Retiree Health Benefit Fund. However, this 1% and 2% contribution does not result in any obligation by LADWP to pay any additional contribution to either Fund above and beyond what LADWP currently contributes to each Fund.
10. Zero percent (0%) COLA for October 1, 2015. In lieu of the COLA, LADWP shall contribute, on behalf of the employee, a two percent (2%) of base pay cash contribution to the Water and Power Active Employee Healthcare Benefits Fund and a 4 percent (4%) of base pay cash contribution to LADWP's Retiree Health Benefit Fund. However, this 2% and 4% contribution does not result in any obligation by LADWP to pay any additional contribution to either Fund above and beyond what LADWP currently contributes to each Fund.
11. Zero percent (0%) COLA for October 1, 2016. In lieu of the COLA, LADWP shall contribute, on behalf of the employee, a two percent (2%) of base pay cash contribution to the Water and Power Active Employee Healthcare Benefits Fund and a 4 percent (4%) of base pay cash contribution to LADWP's Retiree Health Benefit Fund. However, this 2% and 4% contribution does not result in any obligation by LADWP to pay any additional contribution to either Fund above and beyond what LADWP currently contributes to each Fund.

12. The parties agree, during the term of the MOU, employee pay stubs shall reflect benefits described here in lieu of cost of living adjustment; such contributions are not pensionable income and no income tax liability to be attributed to the employee.
13. Reduction in the starting salary in the classification of Security Officer, a classification that is common to LADWP and other City Departments.
14. Requirement for submission of medical certification for absences due to illness or injury of three (3) or more consecutive workdays.
15. Acceptance of the retirement plan benefits for Tier 2 retirees consistent with the plan as approved by the Board of Water and Power Commissioners effective January 1, 2014, which raises the eligibility age to retire and limits the medical and dental subsidies to single party coverage.

All other terms and conditions of the MOU remains the same.

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 the LADWP to make any necessary technical or clerical corrections

Fiscal Impact

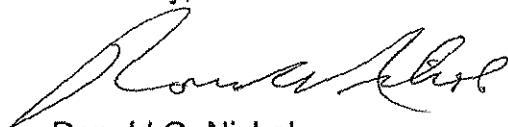
The fiscal impact of this MOU is estimated to save LADWP approximately \$6.2 million over the next four (4) years, which includes savings in base wage, overtime, and retirement. The savings reflect projections made in LADWP's financial plan which assumed 2.9 percent COLA for the term of the contract.

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

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

Sincerely,



Ronald O. Nichols
General Manager

RMG:DOF:jjj
Enclosure

c:w/enc: Mr. David Sanders, Regional Director SEIU Local 721
Mr. Miguel A. Santana, City Administrative Officer
Ms. Maritta H. Aspen, Chief Administrative Analyst
Ms. Rose M. Garcia, Director of Labor Relations