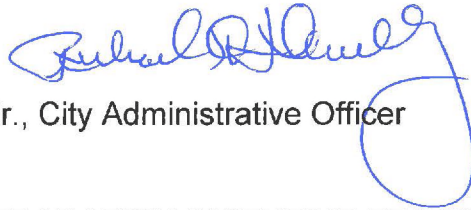


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: August 27, 2020

To: The City Council

From: Richard H. Llewellyn, Jr., City Administrative Officer



Subject: **AMENDMENTS TO SEPARATION INCENTIVE PROGRAM (SIP) LETTERS OF AGREEMENT (LOA) – CF# 20-0600-S56**

RECOMMENDATION

The City Administrative Officer (CAO) recommends that the City Council approve the eleven (11) attached amendments to the previously adopted SIP LOAs for the following labor organizations:

- Service Employee International Union, Local 721 (SEIU)
- Los Angeles Professional Managers Association (LAPMA)
- All City Employees Association, Council 36 (AFSCME)
- Los Angeles/Orange Counties Building and Construction Trades Council
- Laborers International Union of North America (LIUNA)
- Engineers and Architects Association (EAA)
- Municipal Construction Inspectors Association (MCIA)
- Los Angeles City Attorneys Association (LACAA)
- International Union of Operating Engineers, Local 501
- Los Angeles City Attorneys Management Association
- Fiscal and Policy Professionals Association (FPPA)

SUMMARY

On June 30, 2020, the City Council adopted LOA's with the above-listed labor organizations to implement a separation incentive plan to provide a non-retirement-related cash incentive to retirement-eligible employees to retire. The provisions of the agreement included a minimum participation rate of 1,300 eligible employees. At the end of the enrollment and rescission period, only 1,277 eligible employees had applied.

At its August 25, 2020, Special Meeting, the Executive Employee Relations Committee approved moving forward with the implementation of the SIP through an amendment to the adopted LOAs removing the 1,300-participant minimum. Those amendments are herein presented to you for approval.

FISCAL IMPACT

In our report of June 22, 2020, we estimated \$23.2M in savings in FY 2020-21 with 1,425 participants. As the participation rate of the current SIP is lower, the savings from the program have been reduced. The actual savings will be determined primarily by the speed in which LACERS is able to process retirement applications.

RHL:DB:0721019

Attachments