

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE


C.F. #20-0600

Date: October 1, 2020

To: The City Council

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

Subject: **COST SAVINGS FOR FY 2020/21 - LETTERS OF AGREEMENT**

**RECOMMENDATION**

The City Administrative Officer (CAO) recommends that the City Council:

1. Approve the ten (10) attached cost savings Letters of Agreement (LOAs) for the following labor organizations:
 - Service Employee International Union, Local 721 (SEIU)
 - Los Angeles Professional Managers Association (LAPMA)
 - American Federation of State, County and Municipal Employees, Council 36 (AFSCME)
 - Los Angeles/Orange Counties Building and Construction Trades Council
 - Laborers International Union of North America, Local 777 (LIUNA)
 - Engineers and Architects Association (EAA)
 - Municipal Construction Inspectors Association (MCIA)
 - International Union of Operating Engineers, Local 501
 - Los Angeles City Attorneys Management Association
 - Fiscal and Policy Professionals Association (FPPA)
2. Defer the implementation of furloughs until no earlier than January 17, 2021 (Pay Period 16).
3. Reduce the number of furlough days for FY2020/21 to 11 days.
4. Instruct the City Administrative Officer to report back in January with updated projections on savings from the Separation Incentive Program.

SUMMARY

On September 14, 2020, the City Council adopted a recommendation to implement 18 furlough days for most civilian employees effective October 11, 2020. These 18 days were a

reduction from the original 26 furlough days adopted in the 2020/21 budget. That reduction reflected the Council's decision to budget \$40Million in the Unallocated Balance to address furlough shortfalls as well as anticipated savings from the City's Separation Incentive Program (SIP).

Since then, the CAO has continued to bargain with civilian labor organizations regarding additional cost savings to further delay and/or eliminate the need for furloughs. During those bargaining sessions a tentative agreement was reached with the following key terms:

- An 8-hour unpaid day for all civilian employees on Tuesday, November 3, 2020.
- An 8-hour unpaid day for all civilian employees on Friday April 2, 2021.
- Add a one-time paid eight (8) hour floating holiday to FY 2020/21.
- Defer the January 2021 payment of excess sick leave to January 2022.

We believe that these additional savings, coupled with anticipated SIP savings and prior contribution of JLMBC savings, will enable us to defer further furloughs from October 2020 to January 2021.

Finally, additional employees have enrolled in the SIP. We will report back no later than January 2021 on updated projections on SIP savings.

FISCAL IMPACT

The fiscal impact of these additional cost saving measures is approximately \$21.4M in fiscal 2020-2021.

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Attachments