

June 26, 2009

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**LETTER OF AGREEMENT  
BETWEEN THE CITY OF LOS ANGELES AND  
COALITION OF LOS ANGELES CITY UNIONS  
2007-2014 MEMORANDA OF UNDERSTANDING**

**2, 3, 4, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 18, 29, 34, 36, 37**

**Amendment to Coalition MOUs of 2007-2012**

1. Term – the term of this MOU shall be amended to July 1, 2007 through June 30, 2014. For MOUs 2 and 13, the term shall be amended to September 1, 2007 through June 30, 2014.
2. Should either the Union or Management desire a successor MOU, that party shall serve upon the other during the period from April 1, 2014, through April 30, 2014, its written proposals for such a successor MOU.
3. Except as delineated in this amendment, all provisions of the existing MOUs shall remain in full force and effect through June 30, 2014.
4. These amendments are subject to ratification by each Coalition member union and will become effective after such ratification and approval by the City.

**Continued Mutual Commitment To LA's Future**

The City of Los Angeles and Coalition of Los Angeles City Unions have negotiated to extend the current Memoranda of Understanding two additional years, through June 30, 2014. Agreement was reached by utilizing the Mutual Gains process to identify solutions to help address the largest budgetary deficit in the City's history during fiscal year 2009-10 and projected deficit for fiscal year 2010-11. The parties acknowledge there is still much uncertainty regarding the economy and potential impact on the City's financial condition. The parties recognize that these economical factors include, but are not limited to the local economy, City revenue, revenue from State and Federal budgets, and adverse litigation. It is therefore essential that both parties maintain the ability to address these uncertainties.

To address future uncertainties, both parties agree to continue to work cooperatively under the framework of the Mutual Gains process under the provisions of the existing MOUs and under the provisions of this letter of agreement. Either party may invoke the Mutual Gains process under any of these provisions.

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**Salary Movement**

The following is the new extended salary adjustment schedule.

Fiscal Year	Effective Date	Current Provision	Modified Provision
2009/10	7/1/09	3% COLA	0%
	1/1/10	2.75% Step Increase	0%
2010/11	7/1/10	2.25% COLA	0%
	1/1/11	2.75% Step Increase	0%
2011/12	7/1/11	2.25% COLA	3% COLA
	11/1/11	---	1.75% Cash Payment
2012/13	1/1/12	2.75% Step Increase	2.75% Step Increase
	7/1/12	---	2.25% COLA
	11/1/12	---	1.75% Cash Payment
	1/1/13	---	2.75% Step Increase
2013/14	7/1/13	---	2.25% COLA
	7/1/13	---	1.75% Additional COLA for Deferral Recovery
	1/1/14	---	2.75% Step Increase

**Note:** Each cash payment shall be delivered in a single separate check as a lump sum, calculated on annual base wage (excludes all bonuses) as of November 1, 2011 and 2012.

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**Furloughs & Layoffs**

The undersigned parties agree that any employee represented by any union that is a member of the Coalition of Los Angeles City Unions will not be subject to layoffs or a mandatory unpaid furlough program during the time period from July 1, 2009 to June 30, 2011, except as provided below.

During fiscal year 2009-10, if the City undergoes a catastrophic occurrence resulting in the loss of at least \$100 million dollars to the City General Fund or any Special Fund, or unplanned expenditure of at least \$100 million dollars, the Coalition and City shall meet under Mutual Gains to address the shortfall. In any event, the Coalition shall be responsible for up to one-third of the shortfall.

In fiscal year 2010-11, if the City elects to lay off any employee in any classification represented by Coalition bargaining units, all wage movement outlined in the MOU extension will be advanced by one year (retroactive if necessary) for all Coalition bargaining units. The cash bonus previously scheduled for 11/1/2011 will be removed, and the MOU extension will end June 30, 2013. Before implementing any layoffs, the City will meet with the Coalition to discuss other options, including furloughs, using the Mutual Gains process. Should agreement not be reached, established bargaining practices as prescribed by the Employee Relations Ordinance (ERO) shall be used. The Coalition does not waive any of its rights under the MOU, this agreement or law with respect to layoffs or furloughs.

In either year, the City agrees to undertake the following mitigation measures before enacting this provision. The City will:

1. First attempt to bond against the loss if practicable.
2. Use all State and Federal assistance funds (e.g. Stimulus funds, FEMA, and other State/Federal funds provided in emergency situations).
3. Consider and evaluate the Public Private Parking Partnership (P-3).
4. Attempt to maximize full indirect cost recovery to the general fund of all special fund/proprietary departments.
5. Conduct a review of all uncommitted general funds available.
6. Consider special obligation bonds against any judgments over \$10 million dollars.

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**Acknowledgement of Shared Sacrifice**

In order to meet current economic challenges and maintain critical City services for all communities, the Mayor and Council have promulgated a policy of shared sacrifice, asking their labor partners to fully engage in confronting an historic budget shortfall. The Mayor and Council are committed to ensuring that all City employees share in the collective sacrifice during this time and that all City entities participate equitably.

In reaching this agreement, the Coalition of LA City Unions has stepped forward ahead of all others and demonstrated its commitment to the long-term sustainability of the City workforce and the services its workers provide. The City acknowledges the sacrifice and initiative taken by the Coalition, and will use the Mutual Gains process to address concerns that Coalition members are treated equitably for the life of this agreement.

For those Unions that have cooperated in the spirit of shared sacrifice, it is the intent of the City that they should also share in the benefits when the financial position of the City improves. If the City experiences an unexpected increase in revenue or improvement in the General Fund the City shall make it a priority to repay the workers' sacrifices.

In the event New Revenues coming into the General Fund are identified, either party may begin the discussion by notifying the other party in writing of its intent to meet to determine how a portion of the identified New Revenues will be applied in the form of accelerated or enhanced wages and/or benefits. It is the intent of this letter of agreement that the cumulative value of any wages and/or benefit adjustments shall be 25% of the identified revenue total.

New Revenue is defined as General Fund revenue from any new source, in excess of \$40 million, that is fungible or otherwise not designated. Public-private partnerships shall be excluded from this provision, with the understanding that the Coalition shall be part of discussions around the use of any revenues gained from such a program, and the revenues will be used primarily to fortify the long-term viability of City operations and the City workforce. In addition, this provision does not apply to pension-related funding.

Nothing in this provision contravenes the job protection language included in all Coalition labor agreements. The parties agree that during the term of this MOU the following terms and conditions shall apply to the contracting of unit work:

- A. No Coalition member shall be laid off, demoted or suffer loss of pay or benefits as a result of the contracting of unit work.
- B. If any Coalition member subject to the provisions herein is displaced as a result of contracting, he/she shall be retained in a position within a classification represented by the Coalition.
- C. Notwithstanding any provision of this MOU to the contrary and excluding the provisions of paragraph 6 below, the provisions of this article shall be subject to advisory arbitration only.

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- D. In lieu of the meet-and-confer process prescribed by the Employee Relations Ordinance (ERO), the parties agree to meet and discuss, in accordance with the provisions outlined below, all contracts to perform Coalition work except for contracts required by bona fide emergencies.
- E. The parties agree that the following expedited procedure shall replace the impasse resolution provisions of the ERO for disputes arising out of the meet and discuss process specified above:
1. The City shall provide timely notice, through the existing "clearinghouse" procedure, of proposed contracts to perform unit work. In addition, the City shall provide the Coalition a list of individuals responsible for coordinating contracting information in each department.
  2. The Coalition may request to meet and discuss such proposed contracts within five (5) working days following notice as indicated in "a." above. Failure by the Coalition to request such meeting(s) within the prescribed five days shall constitute a waiver of the Coalition's right to continue this process.
  3. Meeting(s), if requested, shall begin within five (5) working days following notice to the City by the Coalition of its desire to discuss the proposed contract(s).
  4. If the parties cannot reach agreement through the meet-and-discuss process, the Coalition may request expedited advisory arbitration within five (5) working days following the last meet-and-discuss session. Failure by the Coalition to request arbitration within the specified five days shall constitute a waiver of the Coalition's right to continue in this process. The parties will attempt to establish a mutually agreeable, expedited process for selecting arbitrators. Absent any such agreement, arbitrators will be selected in accordance with Rules 11.03 and 11.04 of the Employee Relations Board.
  5. The parties agree that for contracts with a value of less than \$1 million, the hearing and issuance of the advisory decision by the arbitrator shall be concluded within thirty (30) calendar days following request for arbitration; and within (90) calendar days for contracts of \$1 million or more.
  6. The arbitrator's advisory decision and recommendation shall be transmitted to the appropriate determining body simultaneously with the proposed contract.
  7. The time limits in this process may be extended only by the mutual, written agreement of the parties.
  8. The expedited arbitration process herein shall be informal. Court reporters shall not be used; rules of evidence shall be informal; the production of witnesses and documentary evidence shall be at the discretion of each party; the arbitrator's notes, exhibits (if any), and the written advisory decision and

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recommendation shall constitute the record of the proceedings; post hearing briefs shall not be required or submitted.

9. Arbitration fees shall be shared equally by the Coalition and the City.
- F. Disputes over the practical consequences of the contracting of unit work, other than those occurring under paragraphs 4 and 5 above, shall be resolved in accordance with the provisions of the Grievance Procedure under the specific Coalition MOU, and shall not delay the implementation of the contract if all other provisions of this article have been met. The parties agree that the review of "practical consequence" grievances shall begin with the first formal level of review of the grievance procedure and that said grievances shall be subject to advisory arbitration, except as provided in the Arbitration step (Step 4) of the specific Coalition MOU Grievance Procedure.

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**Early Retirement Incentive Program Goals**

The Early Retirement Incentive Program (ERIP) agreement sets a goal of the retirement of 2,400 civilian employees. In the event that the number of retirees is not achieved, the City and the Coalition will meet promptly in accordance with the Mutual Gains process to address solutions and reach agreement within 6 weeks of the end of the ERIP subscription period on the steps to be followed to close any financial shortfall in employee retirements/departures. For those six weeks, Mutual Gains shall take precedence over established bargaining practices as prescribed by the Employee Relations Ordinance (ERO). Thereafter, established bargaining practices shall apply. Any solution will not disproportionately impact Coalition members.

**Special Fund/Proprietary Savings**

The savings generated by this Coalition agreement in Special Funds and Proprietary Departments will be utilized, to the greatest extent possible, to offset the shortfall in the General Fund.

Special Funds and Proprietary Departments will, to the maximum extent legally permissible, contract with City departments to perform duties otherwise performed by outside contractors.

The City will continue to use its best efforts to fill vacancies in Special Fund and Proprietary Departments by transfer or promotion from within the City workforce.

The CAO shall report to the Mayor and Council by mid-year on the status of implementation of this provision.

**Part Time Workforce**

It is recognized that furloughs were not intended to affect half time/part time workers. The savings generated through the shared sacrifice of the part time workforce will be utilized, to the extent that savings are available, to preserve or expand the hours and services provided by those workers.

The implementation of this provision will be discussed with each affected department, including the Library Department, the Department of Recreation and Parks, the Zoo Department, the Department of Cultural Affairs, the Los Angeles Convention Center, and the Department of Transportation.

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**Temporary Cost of Living Deferment**

The City of Los Angeles (City) is facing a fiscal crisis of unprecedented proportions. The Los Angeles City Council adopted a budget for Fiscal Year 2009-10 that includes a reduction of \$320 million in departmental salary accounts. In recognition of the gravity of the City's fiscal condition, the Coalition of LA City Unions has been meeting with representatives of the City to identify viable solutions to address the budget deficit. The parties have reached a tentative agreement. The terms of the tentative agreement will be submitted for ratification by the members of each Coalition member union. The terms of the tentative agreement cannot be ratified and implemented prior to July 1, 2009. Therefore, the City and the Coalition of LA City Unions agree to the following effective June 23, 2009:

1. A deferral in the implementation of the 3% cost-of-living increase that is contractually due to all members represented by the Coalition of LA City Unions effective July 1, 2009.
2. The deferral of the cost-of-living increase shall not exceed four pay periods after results of ratification.
3. The City guarantees full retroactivity of the contractually obligated 3% cost-of-living increase to July 1, 2009 in the event that either the City or any of the Coalition member unions does not agree to amend the existing contracts.

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