We’re Fighting to Fix LA!

Contract Negotiations 2014
“Los Angeles **cannot permanently exist as two cities**—one amazingly prosperous, the other increasingly poorer in substance and hope. This city, like the nation, is living with an **increasing polarization of incomes**. A rising tide no longer lifts all boats.”

**Mayor Tom Bradley,**

**5th Inaugural Address**
Tom Bradley saw the writing on the wall 25 years ago. It’s gotten a lot worse since.

By 2008, unregulated Wall Street greed crashed our economy, causing the Great Recession. Corporate tax giveaways are deepening the divide between rich and poor. Workers have lost their jobs. Public services have declined.
Los Angeles, 2014: Most Families are Scraping By – While the Rich Have Gotten Richer

- LA has the highest poverty rate* of any U.S. city
- LA has the second-highest number of millionaires** of any U.S. City
- LA has an 18% unemployment & underemployment rate
- Fortune 500 billionaires and Wall Street banks are still evading taxes, shipping jobs overseas, and gaming the system…

*LA 2020 Commission report

**Business Insider
Wall Street Blames Public Employees and “Too Much Gov’t. Spending.”
The Truth: Wall Street Crash Killed Government Jobs
(measured as percentage of population)
LA City Workforce: Over 5,000 Jobs Lost Since 2008
Communities are Paying the Price

- **Sanitation: Flood Control Catch Basin Cleaning**
- **Street Services: Debris Removed**
- **Transportation: Intersection Traffic Control**
- **Street Services: Land Cleared**
- **Street Services: Trees Trimmed**
- **Transportation: Abandoned Vehicles Abated**

![Bar charts showing data for various services over different years.](chart.png)
LA Needs Fixing!

• Impacts of service cuts disproportionately hurt lower-income/ minority/ single parent households

• City services must be restored to help level the playing field

• Good civilian jobs and career ladders must be created to preserve the middle class.

• Minimum wage must be raised for all workers
But...City Hall is still shifting costs on to working families, rather than demanding a fair shake from Wall Street

- Recreation and Parks programs have taken steep cuts.

- Exploited City Workforce: Part-Time Rec & Parks workers earn $15k-$18k per year, and few have benefits.

- “LA Kids” – offering a range of low-cost or free activities – will be shut down in September.

- 2 of 26 childcare centers remain open. What are struggling single parents supposed to do with their little ones when they go to work?

- Senior citizens and children now have to pay for entrance to swimming pools ($1). General admission prices have increased another dollar.
We Say It’s Time to…

STOP taking MORE from working families

STOP asking MORE from suffering communities
City Workers Have Stepped Up

TAKE FOR EXAMPLE, PENSIONS:

- Librarians, trash truck drivers and other civilian workers now **pay 11%** of their salaries toward retirement – **more than everyone else** (DWP/Police/Fire).

- Private sector workers **pay 6.2%** toward their Social Security.

- City workers **don’t get Social Security**.
Top budget officials acknowledged our sacrifices. But seem to have a memory lapse.

- CAO Miguel Santana told the Coalition of LA City Unions, “If I have to come back to you again, then that means I haven’t done my job.” – March 24, 2011, Friendship Auditorium

- Worse, the City is signing toxic deals with Wall Street banks – largely unknown to the public before our Fix LA findings – that continue to drain precious revenues
We’ve always provided budget solutions... and this year’s no different...
Fix LA showed Wall Street banks are charging the City $300 million/year in fees – almost twice what the City spends on our streets!
When we suggested that the Budget and Finance Committee take a look at this, here’s what they said:

- “Some of the ideas that you come up with [have] accounted for tens of millions of, not just efficiencies, [but] dollars coming back into services.” – City Councilman Mitchell Englander, at a budget hearing in May 2014.

- “LA has 99 problems and one of them is not that we lack a smart, willing cooperative labor partner.” – City Councilman Mike Bonin at the same hearing.
But here’s what City officials are DOING:
ASKING FOR MORE CUTS FROM US!

The City has just approved a long list of unprecedented negotiating goals that will further hurt middle class workers, struggling families and underserved communities.
## City Management Goals

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>Action</th>
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<tbody>
<tr>
<td>Term</td>
<td>4 Years</td>
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<tr>
<td>COLA</td>
<td>ZERO!</td>
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<tr>
<td>Salary Ranges</td>
<td><strong>TAKE</strong> from 5-steps to 15-steps and <strong>CUT</strong> starting salaries by 8.25%</td>
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<td>health care</td>
<td>City wants WORKERS TO PAY on average an extra $140/mo. for family health care</td>
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<td>Workers Comp</td>
<td>Make “cost-saving” measures</td>
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<td>Supervision Differential</td>
<td><strong>CUT IN HALF</strong> from 5.5% to 2.75%</td>
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<td><strong>CUT IN HALF</strong> from 5.5% to 2.75%</td>
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<td>Lead Pay</td>
<td><strong>CUT IN HALF</strong> from 5.5% to 2.75%</td>
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<tr>
<td>Promotional Step Placement</td>
<td><strong>CUT</strong> from 5.5% to 2.75%</td>
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<tr>
<td>Union-Sponsored/Extra Benefits</td>
<td><strong>ELIMINATE</strong></td>
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<td>Union-Sponsored Training</td>
<td><strong>ELIMINATE</strong></td>
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<tr>
<td>Bonuses (ie: shift, language/sign)</td>
<td>“Reduce/Flat-Rate” bonuses, non-pension based where applicable</td>
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<td>Retirement Reciprocity with DWP</td>
<td>Union to DROP opposition</td>
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<td>LACERS Tier 2</td>
<td>Union to DROP opposition</td>
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<tr>
<td>Overtime</td>
<td><strong>CHANGE</strong> definition of “hours worked”</td>
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<tr>
<td>Family/Medical Leave</td>
<td><strong>CUT</strong> hours worked eligibility from 1,040 to 1,250 per FLMA and CFRA</td>
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Let’s break some of that down…
Wages:
No COLAs for Four Years

Projecting a 2.34% CPI (inflation rate), that’s equivalent to a nearly 10% wage loss over the term of the MOU (9.69%)
Wages: Additional Cuts – 15-Step vs. 5-Step

15-Step change means it will take workers three times as long to get to the top step; many workers will never make it to the top.

Workers will lose 30% of their total wages over that period of time.

This is not the way for the City to attract or retain talent in professional positions.
Health Care

The City wants us to pay $140 per month (on average) toward premiums for family plans.
This, Even Though We Are Already Saving the City $9.5 Million/Year in Health Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>Savings</th>
</tr>
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<tbody>
<tr>
<td>2011</td>
<td>$7.23 Million</td>
</tr>
<tr>
<td>2012</td>
<td>$8.80 Million</td>
</tr>
<tr>
<td>2013</td>
<td>$12.90 Million</td>
</tr>
<tr>
<td>2014</td>
<td>$7.40 Million</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$36.33 Million</td>
</tr>
<tr>
<td>Dependent Drive Savings</td>
<td>$2 Million</td>
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<tr>
<td>GRAND TOTAL</td>
<td><strong>$38.33 MILLION</strong></td>
</tr>
</tbody>
</table>
That’s nearly $40 MILLION in savings over four years

But the Mayor and CAO say they want more.
The City workforce should be treated equitably. Yet we are being targeted.

Here’s How Our Health Care Costs Compare to Other City Workers

Cost Per Employee Group for Health/Dental Coverage Each Year.

<table>
<thead>
<tr>
<th>DWP Civilian</th>
<th>Sworn Fire</th>
<th>Sworn Police</th>
<th>Coalition Civilian</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,194</td>
<td>$13,885</td>
<td>$12,541</td>
<td>$11,148</td>
</tr>
</tbody>
</table>

The City spends 35% more on Health Care for DWP Workers.
Health Care Goals Will Hit Lowest-Paid Workers Hardest

<table>
<thead>
<tr>
<th>Classification</th>
<th>Annual Earnings</th>
<th>10% of Kaiser Annual Premium for Family 2015</th>
<th>Percent of Gross Annual Income Lost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Custodian</td>
<td>$37,911</td>
<td>$1,691</td>
<td>-4.50%</td>
</tr>
<tr>
<td>Librarian I</td>
<td>$64,498</td>
<td>$1,691</td>
<td>-2.50%</td>
</tr>
<tr>
<td>Dep. City Atty. III</td>
<td>$154,449</td>
<td>$1,691</td>
<td>-1.10%</td>
</tr>
<tr>
<td>CAO</td>
<td>$256,803</td>
<td>$1,691</td>
<td>-0.65%</td>
</tr>
</tbody>
</table>
Increasing # Hours to Qualify for Family/Medical Leave

The City is proposing to increase the hours that qualify workers for family and medical leave. **From 1,040 to 1,250!**

This will devastate half-time workers – whom the City keeps at the 1,040 hour mark.

*Since when was LA trying to be worse than Wal-Mart?*
Workers’ Compensation

Workers’ compensation benefits would be cut by 33%. Instead of getting full pay if you’re hurt on the job, you would only receive \( \frac{2}{3} \) of your pay.
Acting Pay Differential

The City wants to cut the pay for Supervision Differential, Acting Pay, Temporary Supervisory Pay and Lead Pay **IN HALF**!

From 5.5% to 2.75%
Eliminate Union-Sponsored Trainings and Extra Benefits

In previous contracts we gave up wages so the City would fund union-sponsored trainings and benefits. Now the City wants to eliminate that right without compensating us for the wages sacrificed.

This is yet another pay cut.
Cutting the Tie Between Bonuses and Pensions

Workers who qualify for bonuses due to a special skillset would no longer have that bonus amount included when calculating pension contributions.

This goal would result in City workers earning less in their retirement.
The City unilaterally imposed pension reductions and broke collective bargaining agreements in 2012, but now wants us to drop our legal challenge to those violations as a goal of negotiations!
Redefining “Hours Worked” for Overtime Pay

Currently, **holiday, vacation and sick time** are calculated as “hours worked” so that any time above the regular work week – including those hours – is considered OT.

The City wants to change that too. They want to **exclude paid holiday, sick leave and vacation time from that equation.**
The Impact of Management Goals on City Workers

For illustration purposes, we’re going to use a Clerk Typist (Step 1) as our example. Let’s call her “Eva.”

Eva, a single mom, currently makes $36,540 a year (about $703 a week), not including her bilingual bonus.

Eva has three dependents and utilizes the family health care plan through Kaiser.
The Impact of Management Goals on City Workers

No COLA for 4 years

Eva – earning roughly $36K/year – would lose a projected $3,300 over 4 years, as inflation rises. That’s $68/month.
The City also wants Eva to pay a new co-payment. Since she has the Kaiser Family plan, that will cost her 4.6% of her salary. She will lose an additional $32 per week.
The Impact of Management Goals on City Workers

*Furthering discrimination and inequity in hiring practices*

**Cut Starting Salaries by 8.25%**

A new clerk typist would start out making $34,030 or $2,970 per year less than those hired before her.
The Impact of Management Goals on City Workers

Change 5 Steps to 15 Steps

It would take this same new Clerk Typist 14 years to earn a salary of $49,000 instead of 7 years, per currently scheduled increases.
Eva was hurt on the job, and developed carpal tunnel from fast repetitive motion. In the past, she received full pay when forced to take comp time; but if it happens again, she will receive **2/3 pay – another 33% wage cut** – on top of being injured while working.
The Impact of Management Goals on City Workers

Changes to Bilingual Pay

Eva translates on the job, but now – instead of getting a 5.5% bonus for her bilingual skills – the City wants to cut it in half, to 2.75%. Based on her salary of roughly $36,000, that means she will lose another $1,000 each year.
The Impact of Management Goals on City Workers

Bonuses and Pensions No Longer Tied Together

Eva’s 5.5% bilingual bonus is currently calculated into her pension. But now the City wants to cut that bonus from being pensionable, equaling another cut of 5.5% to her retirement security, or $2,000/year (assuming an average pension history).
The Impact of Management Goals on City Workers

Dropping our legal challenge to the unilaterally imposed Reciprocity Policy…

Without reciprocity, Eva would not be able to take her years of service with her to DWP – resulting in another cut to her pension accrual.
The Impact of Management Goals on City Workers

Overtime Pay

The City wants to base OT on “hours of work.” Eva, who was forced to take sick leave, would no longer be able to include those sick days in OT calculations.
City Workers Hold Middle Class Jobs

- City workers are not complaining. But they’re not getting rich, either.

- The average worker (no advanced degrees) in the Coalition of L.A. City Unions makes \$58,000 per year.\n
- The California Budget Project says it costs \$77,000 per year to provide necessities for a family of three in Los Angeles.
Tom Bradley’s vision of opportunity for all is being dismantled.

Since Bradley, entry to civilian jobs has increasingly opened to minorities and women, who were traditionally discriminated against in the private sector; but bad fiscal policies, layoffs, and deteriorating wages are threatening to reverse that progress.
Putting Public Safety – and Common Sense – First

- City officials have kept hiring police but have drastically cut back on civilian support staff.

- The result: Huge backlogs in areas like updating records means many sworn officers are being taken off the street to fulfill clerical functions.

- Not only does it hurt public safety. It costs more.

- The LAPD needs to hire more civilians and the right workers for the right jobs.
We Must Fight Against An Aggressive City Agenda that:

Erodes Quality Jobs
and
Drives Communities Into Further Disrepair
MESSAGE TO
LA CITY LEADERS:

STOP giving Wall Street a FREE PASS
AND
Sticking Working Families with the BILL

We’re Fighting to Fix LA!
Let’s stand together to make our message *heard*!

Join us as we speak out at City Hall on **Tuesday, July 1st at 10am**!

Twitter: @LACityUnions  Web: [LACityCoalition.org](http://LACityCoalition.org)