

Los Angeles city unions back concessions agreement

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The Los Angeles Coalition of City Unions has recently provided its membership with copies of its Memorandum of Understanding with the city. The new agreement reduces wages, pits different layers of workers against one another, lays the basis for job cuts, and allows the city to impose further attacks in the future if its fiscal health is threatened.

The memorandum promises the city \$78 million in savings to be recouped through a variety of mechanisms. These include a cancellation of cost-of-living adjustments (COLA) for the next two years and a reduction in work hours from 80 to 76.5 per two-week pay period, thereby resulting in a net 4.5 percent loss in compensation.

Additionally, any employees eligible for overtime pay will still need to work a standard 40-hour workweek to gain overtime benefits, while overtime-eligible employees compelled by operational necessity to work more than the 76.5 hour pay period limit will be required to “make up” the hours by cutting work times in subsequent weeks.

The agreement also includes an Early Retirement Incentive Package (ERIP) that allows veteran workers to retire early by increasing pension contributions. This will have the effect of making workers pay for the cost of their own buyouts.

Under the terms of the agreement, pension contributions will increase 1 percent, up from a previously negotiated 0.37 percent. The union claims that the increase will be made up through the reintroduction of COLAs in 2011 and 2012. They also claim that the new rate had to be introduced after they arrived at the conclusion that many city workers would be leaving their jobs, making them eligible for pension contribution refunds.

One of the most significant aspects of the agreement is that it allows the city to reconsider harsher measures in the near future. It stipulates that should the city experience a budget shortfall of \$100 million or more beginning as soon as the current fiscal year, the city will meet with the coalition leaders within five working days to address it. Regardless of the actual size of the gap, the coalition will be responsible for addressing up to a third of it through further concessions from its members.

And while the agreement technically does not include layoffs, it virtually acknowledges their inevitability. The shortfall provision allows for the possibility of sackings if the terms of the agreement have to be renegotiated in the future due to a budget deficit, which given the state of the California economy is highly likely.

The whole agreement exposes the utter rottenness of the trade unions and the city’s Democrats.

Los Angeles Democratic Mayor Antonio Villaraigosa had promised the unions last summer that any concessions would be limited to the ERIP package alone. The mayor later reneged on his promise and said that any package that arrived on his desk containing only the ERIP would be immediately vetoed. Villaraigosa, who has longstanding ties to the labor movement, won office with the backing of numerous unions, which have routinely hailed him as a friend of working people.

After the coalition unhesitatingly accepted the mayor’s change of heart, he boasted that “the people will feel these concessions in the pocketbook. One of the criticisms was [that] we were not asking city employees to take a cut. They will be seeing a reduction in their pay.”

The mayor has long been an enthusiastic backer of monied interests in the city and could really care less about the plight of the city's workers. In spite of this, the unions claimed that Villaraigosa simply "wimped out" in the face of intransigent Republican opposition.

The coalition, for its part, held a series of public informational meetings this week to discuss the memorandum. All of the meetings were held during work hours when few members could attend.

Reporters from the WSWs attended one of the meetings on Friday. Union representatives attempted to present the proposed contract as a "win win win win situation." They also claimed that workers should be happy that they will only be receiving a 4.5 percent cut in pay, whereas state workers have seen their wages reduced by 15 percent through the imposition of mandatory unpaid furlough days for state workers.

At last Friday's meeting union representatives pressured the 6 percent of members currently eligible for the ERIP package to take the offer, implying that if they did not they would make things more difficult for their fellow workers by staying.

The majority of the 15 city workers who attended the event were extremely distrustful of the idea that the city would honor even this agreement. During a question and answer session a few of the workers asked what the point was in voting for the agreement when the city was essentially free to revisit and modify the agreement whenever they saw fit. "How do we know they're not going to just stab us in the back later?" one worker asked.

To this question, the union representatives could give no answer. When another worker asked why the unions made no attempt to coordinate actions with their fellow locals in the nearby city of Long Beach, which is itself negotiating a new contract, a union leader stated, "What's going on in Long Beach is not our concern."



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