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San Fernando City Council Approves Labor Agreement *City's General Bargaining Unit Agrees to Reductions to Save Jobs*

After nearly seven months of labor negotiations between the City and SEIU Local 721, the City Council approved a labor agreement Thursday night that resulted in no layoffs but reductions to employee benefits.

"What this agreement represents is a partnership between the City and its union employees that we're all in this together," said Mayor Pro Tem Mario Hernandez. "Both sides brought sacrifices to the table that keeps our City whole and the City family together in these trying economic times."

Approval of the agreement comes after the City Council's unanimous vote last month to rescind 15 layoff notices in an effort to continue discussions with the union to close a General Fund deficit. Said Hernandez, "We (the Council) know that our decisions are more than just about numbers. It's about people, their families and livelihoods. By re-opening those negotiations and as a result of the concessions made on both sides, we were able to avoid layoffs while still saving the City over half a million dollars."

Anticipating a question by the local newspaper on whether the City Council was labor friendly, SEIU Organizer Mimi Soto said, "Absolutely."

Both parties will sign the agreement on October 27. The three-year agreement applies to the City's general bargaining group, which represents about 70 employees.

"Approval of this agreement is one substantial hurdle among the City's present economic challenges," said Councilmember Maribel De La Torre. "There's no doubt that 2010 will be a difficult year for the City. But we (the Council) look forward to forging our partnership with SEIU and our employees to find solutions that keep the City financially sound, while maintaining jobs and providing services to the community."

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KEY PROVISIONS

(summarized)

- No salary increases for three years, with a re-opener clause should the City's General Fund reserve meet a minimum of 10 percent after expenditures.
- A reduction in longevity pay from five percent to three percent after 10 years of service, from seven percent to four percent after 20 years of service, and from 10 percent to five percent after 30 years of service.
- A cost-sharing arrangement whereby employees will now pay two percent of their salary into the City's retirement system this year, and four percent the following year.
- An enhancement to retirement benefits whereby employees who retire by June 30, 2010 can use their highest 12 months of salary for final compensation under the City's pension program.
- Changes in health care benefits for future retirees, employees and their dependents by funding an HMO insurance plan (as opposed to a PPO).