



# CITY OF LA PALMA

# NEWS RELEASE

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## **La Palma Completes Labor Negotiations – Employees Approve Concessions**

*La Palma, Calif.* – On November 1, 2011, the La Palma City Council approved a three-year labor agreement with the La Palma Police Association (LPPA). By the end of the agreement, current employees will pay the full employee share of their California Public Employees Retirement System (CalPERS) benefits. The agreement also establishes a second tier retirement formula for future employees. New employees will pay the full employee retirement contribution immediately, with new safety employees receiving the 2% at 55 retirement formula and new miscellaneous employees receiving the 2% at 60 formula.

While the agreement contains no salary increases during Fiscal Years 2011-12 or 2012-13, a salary increase of up to 3% is possible in 2013-14 if certain revenues exceed an established minimum. In Fiscal Year 2013-14, LPPA safety employees will also receive a one-time, one percent (1%) retention payment to offset the additional 1% CalPERS contribution required of safety employees versus miscellaneous employees.

LPPA employees will also receive a \$30 increase in monthly cafeteria health benefit contributions to offset a reduction in total holiday hours received each year. Various reductions in vacation, holiday, and sick leave benefits were also approved as part of the agreement.

The LPPA has withdrawn its Public Employee Relations Board (PERB) unfair labor practices complaint; its compensation-related public records request and the lawsuit regarding that request; and has informed the City that an Initiative suspending the City's utility users tax will no longer be pursued.

With the approval of the LPPA agreement, the City has concluded labor negotiations with its three represented labor groups and its unrepresented executive management team. All of the agreements contained similar concessions and will save the City more than \$1 million over the next three years.

***About the City of La Palma***

Ranked by Money Magazine in both 2007 and 2011 as one of America's Best Places to Live, the City of La Palma is a 1.9 square mile general law city in northwest Orange County, consisting of 15,568 residents and 482 commercial and industrial businesses. The City was incorporated in 1955 under the name of Dairyland and has 65 full-time and 35 part-time employees.

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