

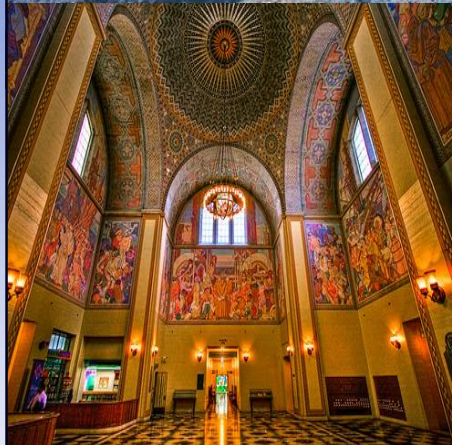


# **OPA Analysis of IBEW MOU Proposal**

**CF13-1627**

**Frederick H. Pickel, Ph.D**  
**Office of Public  
Accountability /  
Ratepayer Advocate,  
City of Los Angeles**  
[opa@LAcity.org](mailto:opa@LAcity.org)  
**tel. 213-978-0220**

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# Background and Recommendation

- ❑ As agreed to during the 2015 rate review, OPA worked with DWP in 2016 to complete a “first ever” Joint DWP/OPA Total Compensation Study, comparing DWP to other public and investor-owned utilities.
  - Compensation comparisons have progressed from a salary-only study for limited job classes in the 2012 rate review to a Total Compensation Study including salary, bonus, retirement, health and other benefits, using standard industry measures. It is available at <http://opa.lacity.org>.
  - Overall, based on the comparison of classes with public and investor-owned utilities nationwide, LADWP was median. Some classes were compensated better than peers, and others worse.
- ❑ **The Office of Public Accountability / Ratepayer Advocate (OPA) supports the proposed IBEW MOU amendments**, with a specific recommendation:
  - As agreed during the Total Compensation study, further benchmarking work is needed to analyze DWP productivity so that DWP can adapt to rapid industry changes.





## ***Remember the key goals: hire & retain to meet DWP's business goals***

- ☐ There is more competition now for new and existing employees.
- ☐ Unlike most of the last decade, the economy is doing well. The unemployment rate is 4.3%, close to the best levels in 3 decades.
- ☐ Inflation is starting to creep up. Nationally, the CPI grew at 1.3% in 2016. LA's core inflation rate (without energy & food) was higher at 3.3%
- ☐ The MOU addresses the competition for specific employee categories facing extraordinary hiring and retention threats.

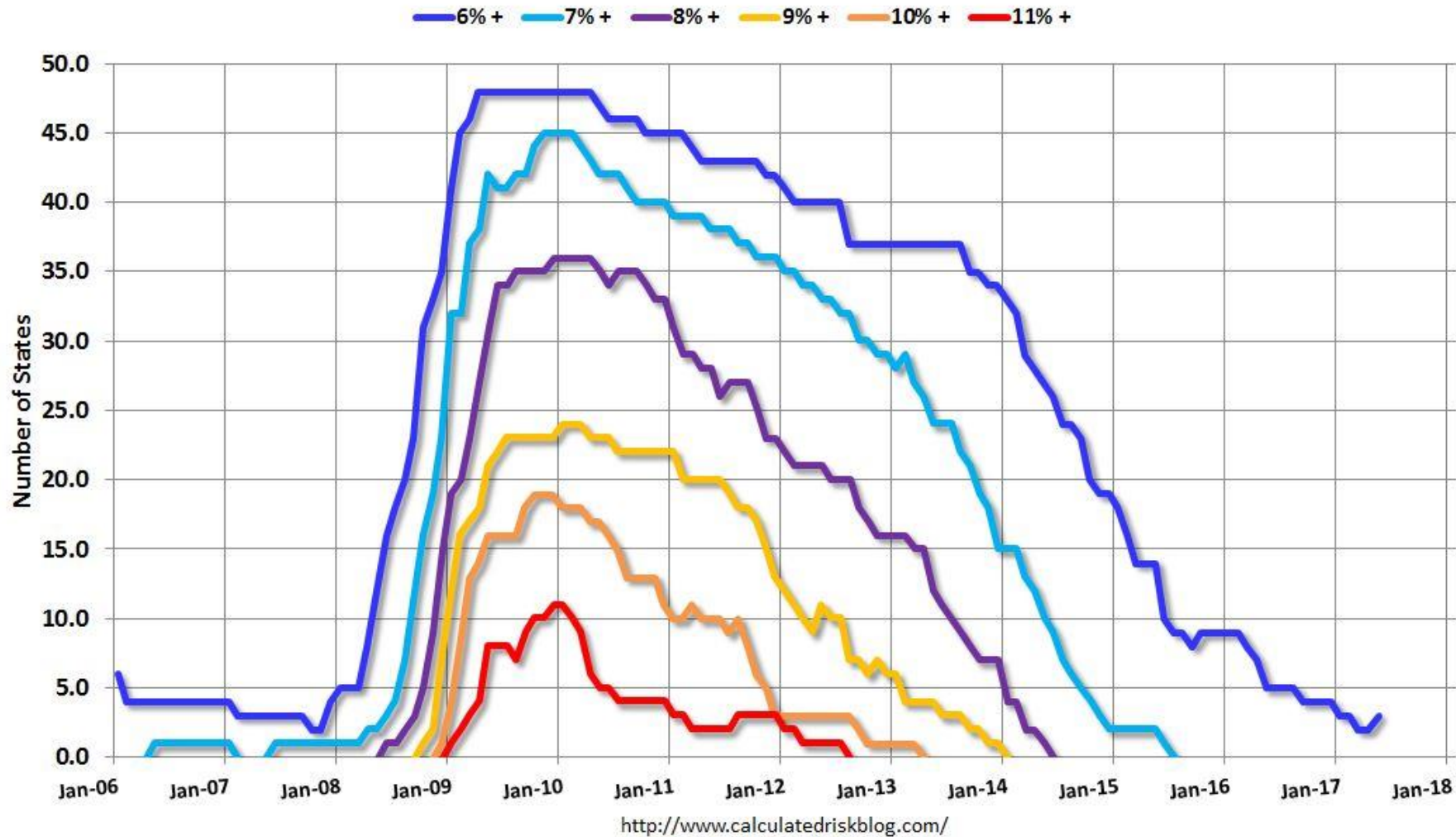
**The MOU wage escalation rates and other terms are in a reasonable range given the overall economy and the results of the Joint Total Compensation Study.**



# ***APPENDIX***



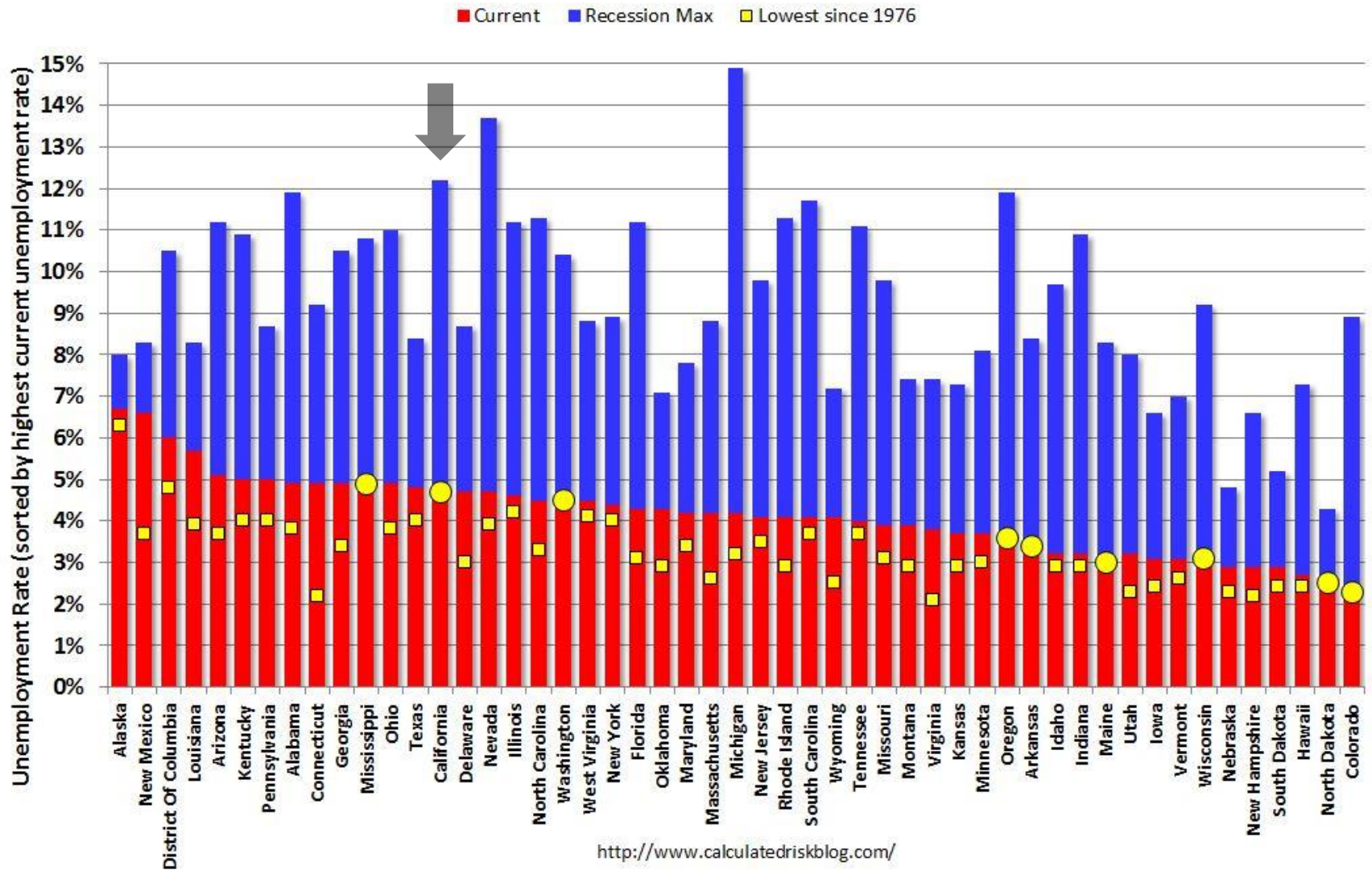
## States with Unemployment Rate above Certain Levels



Source: <http://www.calculatedriskblog.com/2017/06/bls-unemployment-rates-lower-in-9.html> from BLS June report



## State Unemployment Rate: Current Rate and Max for 2007 Recession



Source: <http://www.calculatedriskblog.com/2017/06/bls-unemployment-rates-lower-in-9.html> from BLS June report

