

LA council members unsure if DWP rate hike is permanent

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By Rick Orlov Staff Writer

A week after the Los Angeles City Council approved a controversial rate increase for the Department of Water and Power, council members acknowledged Wednesday they weren't sure if the hike was permanent or temporary.

Several members said they believed the increase of about 4.5 percent on the average bill was only supposed to stand for about three months, at which time it would be reviewed again. But other members said they thought it was intended to be permanent.

As the confusion swirled, Councilwoman Jan Perry asked DWP officials to return to her committee next week to explain the council's own vote increasing the utility's Energy Cost Adjustment Factor by 0.6 cent per kilowatt hour.

"It was my understanding that this was to remain in effect for three months," said Perry, chair of the council committee that oversees DWP issues. "If the DWP is looking at it as a permanent increase, then we have a problem."

But Councilman Tony Cardenas said he always thought the increase would be permanent.

"I never thought it would return to current rates," Cardenas said. "This 0.6, however, would be the limit unless they returned to us to increase it further."

"Unfortunately, once an increase takes effect, it never goes down. I would say there is 0.0001 percent chance it will be reduced."

Councilman Bill Rosendahl, who had voted for the increase, said it was his belief it would be a one-time increase for the three months. "My understanding was they would return to us one month before this expires and explain to us why it would need to be extended," said Rosendahl, who serves the Westside. "My constituents are hurting and they need to know what is going on around here."

DWP officials would only say Wednesday that they will review the council vote carefully and implement what was requested.

"We worked very diligently to review the motion approved by the City Council and adopt the ECAF adjustment exactly as requested in their April 14 motion," spokesman Joe Ramallo said in a written statement.

Also Wednesday, Mayor Antonio Villaraigosa said he is looking at ways to control city expenses in the future with changes in the city's pension system - possibly including a ballot measure.

Villaraigosa defended his budget plans and conflicting projections on layoffs, now estimated at 750 workers - and not the 4,000 that had been discussed.

"We base this on the information we have at the time," Villaraigosa said. "This is not a science."

Villaraigosa said his office is preparing proposals to reduce pension costs, both among civilians and sworn personnel.

Changes to the civilian system can be accomplished through an ordinance adopted by the City Council, but changes affecting sworn personnel requires a vote by the public.

"We are working on specifics that we will present soon," Villaraigosa said. "We are looking at the numbers to figure out what will work."

Any changes put in place would only affect future workers.

Chief Legislative Analyst Gerry Miller said pension benefits are guaranteed in state law as property rights and cannot be retroactive.

Villaraigosa acknowledged that.

"There will be no savings immediately, but it could help the city in the future," Villaraigosa said.

Miller said the city is expected to have to pay \$730 million into the two pension funds this year, an amount expected to exceed \$1 billion by 2014.

The Los Angeles Police Protective League said it will oppose any arbitrary effort to change the pension system.

"We had put the city on notice earlier that there was a clear legal requirement for the city to meet and confer with the concerned bargaining unit representatives," the league said in a statement.

"That the city would not only abandon the mutual gains process of negotiations that we adopted last year, but also take several steps back in our relationship by deciding to remove us from a process in which we've been included for many years is very disappointing and troubling."

The league said it will contact all council members to voice its concerns as well as explore legal options.

Pat McOsker, head of United Firefighters of Los Angeles City, said his union would oppose any effort to change the pension system.

"We think it would be unfair to have a two-tiered system with lesser benefits offered to new firefighters," McOsker said. "In that case, you'd have two firefighters working together inside a burning building - taking the same risks - and should they be killed or disabled, they or their families entitled to different retirement security."

"The recent spike in the city's pension obligation isn't due to new benefits for cops or firefighters, it's due to the Wall Street crisis. Bankers and loan sharks caused the problem, not cops or firefighters."

However, Marshall McClain of the Los Angeles Airport Police Officers Association, said he would welcome talks to include his 425 members in the police retirement system.

"Right now, our officers do not have the same protections," McClain said. "If we are at a checkpoint and a car runs through it and injures an airport police officer and one from LAPD, our people would not have the same benefits."