Headline:	L.A. County bracing for possible pay raises
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Los Angeles County employees, who are demanding pay raises after five years of going without, could see as much as $285 million in additional salaries and benefits in the coming fiscal year.

The county is still negotiating with its various labor unions, but it provided that estimate to Moody's Investors Service during an evaluation of its creditworthiness.

County's spokesman David Sommers emphasized that pay raises are a possibility -- not a given.

"There are a number of proposals floating around about different scenarios of what salary and cost-of-living increases could look like," Sommers said. "That's just one possible computation."

Sommers said the county provided that estimate because "the potential of salary increases -- whether they happen or not -- are things which rating agencies take into account when thinking about what's next for us financially."

Moody's, Fitch Ratings and Standard and Poor's over the weekend gave the county their highest possible credit rating for $1 billion in short-term borrowing needed to maintain cash flow until tax revenues come in.

Fitch credited the county with "sound financial reserves and prudent management efforts to achieve fiscal balance amid ongoing and sizable financial pressures," while Standard & Poor's noted the county expects $51 million in additional property tax revenue.

Moody's said the county had "superior

credit quality" but may see certain costs go up.

"Salaries and benefits are expected to increase by $285 million, or 3.9 percent," it said in a report.

It is not clear whether the amount focused solely on possible pay raises and added benefits, or factored in the rising costs of existing benefits.

Moody's said the county's strengths included conservative revenue projections, a proposed budget based on "reasonable assumptions," and the Board of Supervisors' "demonstrated willingness to make significant program cuts when necessary to maintain balanced operations."

Over the past five years, the county's board and budget managers persuaded workers to forgo pay raises so that layoffs and furloughs -- and the service cuts that accompany them -- could be avoided.

In recent weeks, however, members of Service Employees International Union Local 721 have been holding rallies to demand pay raises, pointing out the county is projecting a windfall in property tax revenue in the coming fiscal year.

SEIU, which represents about half of the county's 100,000 employees, is poised to take part in labor negotiations June 15.

Victor Trammel, SEIU member and a social worker with county Child Support Services Department, said he hopes the board will use the extra cash to pay workers to provide more services.

"With a budget back at pre-recession levels and an unexpected increase in funds from property taxes, the county is positioned to make a significant change in Los Angeles County services, like keeping libraries open longer, hiring more social workers, and improving services to those need it most."

Supervisor Don Knabe credited the unions with helping the county remain on solid footing economically. He did not address questions about whether they should receive raises, saying only that the county should continue to practice budgetary discipline.

"We would not be in this position without our focus on being prudent and responsible, and without the good relationships we have with our unions," he said. "Everyone has realized that we are all on the same team, serving as the ultimate safety net for those who need us most."

"Back in the good old days (before the recession), we did not go on a spending spree," Knabe added. "Nor should we today."

Sommers said county Chief Executive Officer William Fujioka already has plans for the projected $50 million increase in property tax revenue for the fiscal year that begins July 1.

"CEO is recommending to the board that the additional property revenue must first be used to address extraordinary issues that have come up, like shoring-up the sheriff's budget as well as (other) things that weren't yet addressed in the recommended budget for 2013-2014, but we knew were on the horizon," Sommers said.

"We view the revenue as critically needed and essentially already accounted for."

Association for Los Angeles Deputy Sheriffs president Floyd Hayhurst said the board should hire more deputies and do away with a program that eliminates overtime pay.

The program saves money but requires deputies to devote a day each week covering for absent colleagues, and those who have retired, resigned, or been fired but have not been replaced.

"Deputy sheriffs are dangerously understaffed in countywide patrol, custody and special assignments," Hayhurst said. "These positions should never have been lost, and now that the county has expanding resources, the ranks of deputy sheriffs should be restored to our pre-recessionary levels as soon as possible."

ALADS is also slated for labor negotiations.

The unions could gain leverage from the county's improving financial outlook.

Aside from the boost in property tax revenues, the county also expects to save money with its excellent credit ratings.

Sommers explained the $1 billion in short-term borrowing planned for upcoming fiscal year is an improvement over the $1.5 billion it used to loan during the recession.

"That shows you that revenue is coming in quicker and higher," he said.

The county's credit rating for long-term borrowing, usually used for capital projects, was upgraded in October. Sommers said this would allow the county to refinance bonds and save about $100 million over the next 20 years.

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