

BUDGET AND FINANCE COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to successor 2013-16 Memorandum of Understanding (MOU) and settlement agreement for the City Attorney and Confidential Attorneys Bargaining Units (MOUs 29 and 31, respectively).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the successor 2013-16 MOU Nos. 29 and 31, attached to the Council file, approved as to form by the City Attorney.
2. AUTHORIZE the City Administrative Officer (CAO) and the City Controller to make any necessary technical or clerical corrections to the 2013-16 MOU No. 29 and 31.
3. APPROVE the Settlement Agreement and General Release, attached to the Council file, in accordance with Charter Section 273, Subsection (c) "Settlement of Litigation."
4. PRESENT and ADOPT the accompanying ORDINANCE amending Chapter 10 of the Los Angeles Municipal Code to provide for the payment of additional contributions by certain members of the Los Angeles City Employees' Retirement System in exchange for the vesting of certain subsidy benefits.

Fiscal Impact Statement: The CAO reports that the terms of the Settlement Agreement and the 2013-16 MOU Nos. 29 and 31 result in a one-time net cost of \$2.6 million in Fiscal Year 2013-14. Upon full implementation over three years, the total cost is estimated at \$8.9 million (\$8.3 million in one-time costs) with savings of \$3.0 million, for a total net cost of \$5.9 million. Further savings of \$3.2 million per year beyond the term of the MOU are projected due to ongoing increased employee contributions toward active healthcare premiums and the retiree medical subsidy. These are primarily General Fund costs and savings as the City Attorney's Office is 95.6 percent funded by the General Fund.

Community Impact Statement: None submitted.

10 Votes Required

[Pursuant to Charter Section 1168 (a), the Ordinance may not be adopted until the expiration of at least 30 days after its first presentation, nor until a public meeting has been held thereon.]

The City Council shall recess to Closed Session, pursuant to Government Code Section 54956(d)(1) and 54956.9(d)(2)/(e)(4), to confer with its legal counsel in relation to proposed settlements in the cases entitled The Association of Los Angeles City Attorneys v. City of Los Angeles, United States District Court Case No. CV 12-4235 MMM(JCx) and The Los Angeles City Attorneys Association v. City of Los Angeles, Los Angeles Superior Court Case No. BS135294 regarding challenges by MOU Nos. 29 and 31 to the imposition of furloughs and the retiree health subsidy freeze; and regarding statements made in a public meeting threatening litigation.

Summary:

On March 3, 2014, the Budget and Finance Committee considered February 26, 2014 CAO and February 23, 2014 City Attorney reports and Ordinance relative to successor 2013-16 MOU and settlement agreement for the City Attorney and Confidential Attorneys Bargaining Units (MOUs 29 and 31, respectively). According to the CAO, in accordance with instructions from the Executive Employee Relations Committee, a global mediation settlement agreement has been reached with two City Attorney bargaining units covering approximately 425 full-time attorneys: the City Attorneys Unit (MOU 29) represented by the Los Angeles City Attorneys Association and the Confidential Attorneys Unit (MOU 31) represented by the International Union of Operating Engineers, Local No. 501, AFL-CIO (IUOE Local 501). This agreement results in successor MOUs for the period of July 1, 2013 through June 30, 2016 and the resolution of two lawsuits. The specific details are detailed in the February 25, 2014 CAO report and is attached to the council file.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the successor MOU for MOUs 29 and 31, Settlement Agreement, and accompanying Ordinance. Additionally, the Committee moved to recommend that this matter also be scheduled for closed session at the Council level pursuant to Government Code Sections 54956.9(d)(1) and 54956.9(d)(2)/(e)(4). This matter is now submitted to Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	YES
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

ARL
3/3/14

-NOT OFFICIAL UNTIL COUNCIL ACTS-