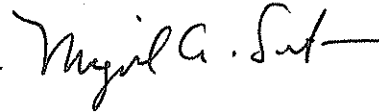


**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: February 26, 2014

To: The City Council

From: Miguel A. Santana, City Administrative Officer



Subject: **MEMORANDA OF UNDERSTANDING AND SETTLEMENT AGREEMENT FOR THE CITY ATTORNEYS AND CONFIDENTIAL ATTORNEYS BARGAINING UNITS (MOUS 29 AND 31)**

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 (LACAA) and the Confidential Attorneys Unit (MOU 31) represented by the International Union of Operating Engineers, Local No. 501, AFL-CIO (I.U.O.E, Local 501). This agreement results in successor Memoranda of Understanding (MOUs) for the period of July 1, 2013 through June 30, 2016 and the resolution of two lawsuits, as described below.

Successor MOUs – Key Provisions:

- 3-year term (7/1/13 – 6/30/16)
- 0% COLA for three years
- Letter of Agreement to consider COLA increases in April of 2014 and 2015
- Additional 4% employee retirement contribution toward retiree healthcare and vesting of the retiree two-party Kaiser medical subsidy (1% effective 2/9/14 and additional 3% effective 6/29/16), for a total 11%
- Additional employee contribution toward active healthcare premiums (5% effective 1/1/15 and 10% effective 1/1/16)
- Salary restructure for new hires – 3% lower entry-level step, elimination of top steps, and increased time for advancement between classes
- 2.75% additional salary adjustments eliminated for new hires; current members ineligible to receive more than two additional adjustments with no new adjustments occurring after 6/30/16
- Bar dues – eliminate the additional \$80/year reimbursement for new hires
- Life insurance – eliminate additional City paid benefit for new hires
- Professional Development Stipend - \$6,275 per year for three years for continuing education requirements (MCLE units) and/or other professional development
- Family and Medical Leave – increase qualifying threshold from 1,040 to 1,250 hours worked to be consistent with State and federal statutes
- Letters of Agreement with City Attorney management to discuss reassignment opportunities and the Office's layoff policy

Settlement Agreement - Key Provisions:

- Furlough Case – federal lawsuit to be dismissed by the LACAA with prejudice
- Retiree Health Subsidy Case – City to dismiss appeal and pay \$325,000 in attorney fees
- MOU 29/31 members who retired after 6/30/11 to be made whole for any lost retiree health subsidy resulting from the freezing of the subsidy on 7/1/11
- Office promotions – commitment by City Attorney management to make seniority and merit based promotions over three years

**Recommendations**

That the City Council:

1. Adopt the attached 2013-2016 MOU Nos. 29 and 31, approved as to form by the City Attorney,
2. Authorize the City Administrative Officer and the City Controller to make any necessary technical or clerical corrections to the 2013-16 MOU Nos. 29 and 31,
3. Approve the attached Settlement Agreement and General Release in accordance with Subsection (c) of Charter Section 273 "Settlement of Litigation," and
4. Subject to approval of the Mayor, adopt the attached Ordinance pursuant to Subsection (a) of Charter Section 1168, approved as to form and legality by the City Attorney, to amend Los Angeles Administrative Code Section 4.1003, Subsection (c), to add a new Subdivision (4) to reflect the additional employee retirement contributions by MOU 29 and 31 members of 1% effective February 9, 2014 and 3% effective June 29, 2016 (total 4% ongoing additional contribution) in exchange for the vesting of the retiree two-party Kaiser medical subsidy.

**Fiscal Impact Statement**

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% funded by the General Fund.

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Attachments