

## SETTLEMENT AGREEMENT

### BETWEEN THE COALITION OF LOS ANGELES CITY UNIONS AND THE CITY OF LOS ANGELES

The Coalition of Los Angeles City Unions ("Coalition"), through constituent unions American Federation of State, County and Municipal Employees, District Council 36, Locals 741, 906, 2006, 2626, 3090, and 3672; Service Employees International Union, Local 721; International Union of Operating Engineers, Local 501; Laborers International Union of North America, Local 777; Los Angeles and Orange Counties Building and Construction Trades Council; and International Brotherhood of Teamsters, Local 911, and the City of Los Angeles ("City") hereby agree as follows:

WHEREAS, the Coalition and City engaged in confidential mediation discussions with Mediator Barry Winograd to resolve numerous disputes between them, including the following: Reciprocity UERP charges 1923 to 1928; Salary Compaction Grievance Arbitrations ARB 3427 – 3431; Tier 2 Litigation, including Court of Appeal Case No. B259528, LA Superior Court Case No. BS151001, Court of Appeal Case No. B259447, LA Superior Court Case No. BS143284, LA Superior Court Case No. BS152178, Court of Appeal Case No. B259969, and LA Superior Court Case No. BS143284; City UERP charges regarding Bargaining (UERP 1969, 1971 – 1976; and bargaining regarding successor Memoranda of Understanding (MOUs) between the parties; and

WHEREAS, the Coalition and City reached a separate Letter of Agreement to resolve the Salary Compaction Grievance Arbitrations, and the Letter of Agreement is attached hereto as Exhibit 1 to this Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and sufficient consideration, receipt of which is hereby acknowledged, the parties agree to the following terms, all of which must be performed for this Agreement to be effective:

1. The Coalition and the City agree to settle the Tier 2 Litigation (Court of Appeal Case No. B259528, Los Angeles Superior Court Case Nos. BS143284, BS152178, BS, Court of Appeal Case No. B259969) on the following terms and conditions:
  - A. The terms of items 2 through 8, hereinafter in this Agreement, must be fully performed as a condition of settlement of the Tier 2 Litigation.
  - B. Within five business days of the full implementation of the successor MOUs as set forth below and implementation of LACERS Tier 3, the City and the labor organizations which are petitioner and respondent parties and which have agreed to LACERS Tier 3 will dismiss with prejudice the following legal actions: *City of Los Angeles v. Employee Relations Board*, Los Angeles Superior Court Case No. BS151001; *City of Los Angeles v. Employee Relations Board*, Los Angeles Superior Court Case No.

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Coalition of Los Angeles City Unions  
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BS152178; *City of Los Angeles v. Employee Relations Board*, Court of Appeal Case No. B259528; *City of Los Angeles v. Employee Relations Board*, Court of Appeal Case No. B259969; and *American Federation of State, County and Municipal Employee, etc., et al. v. Employee Relations Board*, Court of Appeal Case No. B259447.

- C. Each party shall bear its own costs and attorney's fees.
  - D. The Coalition and City agree that this Agreement resolves all legal issues raised in these actions between the dismissing parties.
  - E. The Coalition and City agree that this Agreement and the mutually agreed terms herein do not represent an agreement by either party as to the issues regarding the City's meet and confer obligations raised in the listed legal actions, and each party reserves its legal position with regard to such issues.
  - F. The Coalition and City agree that this Agreement does not settle the Reciprocity UERPs (UERP Nos. 1923 through 1928), nor limit the remedies the Coalition may seek in such proceedings.
2. The Coalition and the City agree that they shall enter into MOUs between the individual bargaining units of the Coalition and the City, effective July 1, 2015, to June 30, 2018. New terms of the MOUs are set forth: a) as designated herein; b) in a Letter of Agreement titled *Memorandum of Understanding Language - Coalition MOUs* which is attached as Exhibit 2 to this Agreement, and in Letters of Agreement addressing specific subjects which are attached as Exhibits 3 – 10 to this Agreement; and c) in agreements negotiated for individual bargaining units known as Unit table agreements. All new MOU terms are subject to ratification by the Coalition Unions' bargaining units and are subject to approval by the City Council and shall be effective upon such ratification and approval.
3. Following approvals and/or adoption by ordinance ("Implementing Ordinance") and adherence to applicable law(s), the City will create a new Retirement Benefit Tier which shall replace LACERS Tier 2 and which shall be called LACERS Tier 3 consistent with the terms of item 3 herein, such that:
- A. **Discontinuance of LACERS Tier 2**
    - 1. LACERS Tier 2, in which employees hired on or after July 1, 2013, were enrolled, shall be discontinued effective upon the date on which the Implementing Ordinance is adopted. All employees who were members of LACERS Tier 2 shall become members of LACERS Tier 1 and be treated as if they had been LACERS Tier 1

members from the date of their initial membership in LACERS. Such members will obtain the same conditions of entitlement and benefits as all other Tier 1 members.

2. LACERS Tier 2 members with contributions on deposit and Tier 2 disability retirees who return to employment will be returned to Tier 1.
3. The City will contribute to LACERS the funds necessary to make the system whole, as determined by the actuary for LACERS.

**B. MOU Amendments**

The MOUs will be amended to add the following language to the existing Retirement Benefits provisions of the MOUs: "For employees hired on or after the date of adoption of the Ordinance implementing LACERS Tier 3, the retirement formula for LACERS Tier 3 and a flat-rated employee retirement contribution of seven percent (7%) shall be continued during the term of the MOU."

**C. LACERS Tier 1**

The following employees shall be LACERS Tier 1 members:

1. Any employee hired or employed by the City in a position eligible for LACERS membership at any time prior to the effective date of the Implementing Ordinance;
2. Any employee who returns to employment with the City in a position eligible for LACERS membership who was previously a contributing member of LACERS Tier 1 or LACERS Tier 2 and whose prior contributions remain on deposit in the LACERS retirement fund;
3. Any employee first hired by the City prior to the effective date of the Implementing Ordinance in a position eligible for certification as a part-time employee member of LACERS, who became or becomes a member of LACERS on or after the effective date of the Implementing Ordinance; and
4. LACERS Tier 1 disability retirees and LACERS Tier 2 disability retirees who return to employment on or after the effective date of the Implementing Ordinance.

5. An elected official who was a member of the Limited Term Retirement Plan (LTRP) on the date immediately prior to the effective date of the Implementing Ordinance, provided that his or her service as an elected official was continuous from that date until the date he or she becomes a member of LACERS and that all of the funds in his or her individual retirement account with the LTRP are transferred to his or her member account with LACERS.

The above-described employees shall be eligible to be enrolled in LACERS Tier 1 and shall be treated as LACERS Tier 1 members for all purposes.

**D. LACERS Tier 3**

All employees who become members of LACERS on or after the effective date of the Implementing Ordinance, and who do not fall within the LACERS Tier 1 categories set forth above at Paragraph C, shall be members of LACERS Tier 3. Such employees include:

1. Any employee hired or employed by the City in a position eligible for LACERS membership on or after the effective date of the Implementing Ordinance;
2. Any employee who returns to employment with the City in a position eligible for LACERS membership who was previously a contributing member of Tier 3 and whose prior Tier 3 contributions remain on deposit in the LACERS retirement fund;
3. Any employee hired by the City in a position eligible for LACERS membership on a part-time (including intermittent) or full-time basis on or after the effective date of the Implementing Ordinance, who thereafter became or becomes eligible for LACERS membership; and
4. Tier 3 disability retirees who return to employment with the City in a position eligible for LACERS membership.

The above-described employees shall be enrolled in Tier 3 and shall be treated as Tier 3 members for all purposes.

**E. Former Members of LACERS Tier 1 and LACERS Tier 3**

1. An employee who was previously a member of LACERS Tier 1, who became ineligible to participate in LACERS by reason of a

transfer (including promotion, displacement, reclassification, or any other employment status change) to the Los Angeles Department of Water and Power (LADWP) and whose prior LACERS Tier 1 contributions remain on deposit in the LACERS retirement fund, and who subsequently becomes eligible for LACERS membership by reason of employment status change, shall return to membership in LACERS Tier 1 on the first day of the payroll period following such transfer or other change in employment status.

2. An employee who was previously a member of LACERS Tier 3, who became ineligible to participate in LACERS by reason of a transfer (including promotion, displacement, reclassification, or any other employment status change) to the LADWP and whose prior Tier 3 contributions remain on deposit in the LACERS retirement fund, and who subsequently becomes eligible for LACERS membership by reason of employment status change, shall become eligible for, and shall return to membership in Tier 3 on the first day of the payroll period following such transfer or other change in employment status.
3. A member or former member of LACERS who, after January 1, 2014, became ineligible to participate in LACERS by reason of transfer (including promotion, displacement, reclassification, or any other employment status change) to the LADWP, whose accumulated LACERS contributions remained on deposit in the LACERS retirement fund, and who is also a current, former, or retired member of WPERP, shall be considered for retirement eligibility purposes only to be a member or former member of LACERS at the time he or she applies for retirement or deferred service retirement, as applicable, from LACERS, and shall be entitled to have his or her service and/or service credit with WPERP combined with his or her service and/or service credit with LACERS as provided in LACERS plan provisions governing Tier 1 or Tier 3, as applicable. As used herein, "service credit" shall have the meaning ascribed to it under Section VII.F. of the plan provisions governing WPERP Tier 2.

**F. Summary of Tier 3**

1. **Employee Normal Contribution Rate**
  - a. A flat-rated seven percent (7%) of compensation earnable by salary deduction, which includes a mandatory survivor contribution portion. No portion of a Tier 3 member's

contributions shall be credited to the Early Retirement Incentive Plan (ERIP) Cost Obligation and, conversely, the recoupment by the Retirement System of the ERIP Cost Obligation shall have no impact on the contribution rate for the LACERS Tier 3 members. When LACERS Tier 1 members' contribution rate drops (when the ERIP Cost Obligation is paid off or no later than June 30, 2026, whichever comes first), LACERS Tier 3 members will still be contributing at the same 7% rate.

- b. Optional additional contributions under the larger annuity program as provided by Board Rule.

2. **Final Compensation**

Highest 36-month average compensation earnable, excluding differentials and special pay paid to employees enrolled in LACERS Tier 3, except that Final Compensation shall include differentials and special pay which are specifically designated as pension-based in the individual MOUs.

3. **Maximum Benefit**

Eighty percent (80%) of Final Compensation.

4. **Service Retirement Allowance Formula for Employees**

a. **Early Retirement:**

- 1) Any age with 30 years of service, including 5 years continuous City service =  $2.0\% \text{ Retirement} * \text{Final Compensation} * \text{Years of Service Credit} * \text{Early Retirement Reduction Factor}$ .
- 2) Unreduced at age 55 with 30 years of service, including 5 years continuous City service =  $2.0\% \text{ Retirement Factor} * \text{Final Compensation} * \text{Years of Service Credit}$ .

b. **Normal Retirement at Age 60:**

- 1) Age 60 with 30 years of service, including 5 years continuous City service =  $2.0\% \text{ Retirement Factor} * \text{Final Compensation} * \text{Years of Service Credit}$ .

- 2) Age 60 with 10 years of service, including 5 years continuous City service = 1.5% Retirement Factor \* Final Compensation \* Years of Service Credit.
  - c. Enhanced Normal Retirement at Age 63:
    - 1) Age 63 with 10 years of service, including 5 years continuous City service = 2.0% Retirement Factor \* Final Compensation \* Years of Service Credit.
    - 2) Age 63 with 30 years of service, including 5 years continuous City service = 2.1% Retirement Factor \* Final Compensation \* Years of Service Credit.
5. **Service Retirement for Former Members who Left City Service with Contributions on Deposit with LACERS (Deferred Retirement) Formula**

Eligibility for deferred retirement benefits shall be on the same terms as LACERS Tier 1.

- a. Full Retirement with Unreduced 1.5% Retirement Factor at:
  - 1) Age 60 with 5 years of continuous City service provided that 10 years have elapsed since the first date of membership; or
  - 2) Age 70, with 5 years of continuous City service.
- b. Full Retirement with Unreduced 2.0% Retirement Factor at:
  - 1) Age 60 with 30 years of continuous City service provided that 10 years have elapsed since the first date of membership; or
  - 2) Age 63 with 10 years of service, including 5 years of continuous City service.
- c. Full Retirement with Unreduced 2.1% Retirement Factors at Age 63 with 30 years of service, including 10 years of continuous City service.

- d. Early Retirement with 1.5% Retirement Factor and Age Reduction Factor at Age 55, with 5 years of continuous City service, provided that 10 years have elapsed since the first date of membership.

6. **Disability Retirement**

Employees enrolled in LACERS Tier 3 shall receive the same disability retirement benefits as employees in LACERS Tier 1. Allowance:  $1/70 * \text{Service Credit}$  or a minimum of  $1/3$  Final Compensation.

7. **COLAs**

- a. Annual COLA by the Board of Administration based on C.P.I., maximum of 2%; No COLA bank; discretionary COLAs, in excess of the annual COLA allowable to be granted by the Board of Administration based upon C.P.I., when necessary, based upon periodic review by the City Council, to restore retirees' purchasing power (Purchasing Power Adjustment).

- b. Applies to all retirement allowances except limited pension (payable under certain circumstances to eligible survivor of member who dies before retirement), including service retirement, disability retirement, continuance retirement, and deferred retirement.

8. **Service Credit Purchases**

All purchases of service credit will be based on full actuarial cost, with the exception that up to five (5) years of military leave, and up to one (1) year per pregnancy of uncompensated maternity leave, may be purchased at the cost that would have applied had such service been purchased as back contributions .

9. **Spousal and Survivor Continuance Benefit Options**

All continuance benefit options modeled on LACERS Tier 1.

10. **Death Benefits (death of member before retirement)**

- a. Lump sum death benefit of \$2,500

- b. Accumulated employee contributions
- c. All continuance benefit options modeled on LACERS Tier 1.

**11. Unrepresented Benefits and Most Favored Nations**

Should the City implement any LACERS benefit tier with benefits exceeding LACERS Tier 3, including any benefit tier for unrepresented individuals, such as unrepresented employees and elected officials, such benefits shall be made available to participants in Tier 3 and their beneficiaries. Should the LADWP implement retirement benefits in the future for employees enrolled in WPERP Tier 2 exceeding LACERS Tier 3, employees enrolled in LACERS Tier 3 shall be entitled to receive such improved retirement benefits.

**12. Felony Forfeiture**

The City and Coalition will meet and confer over the subject of felony forfeiture for LACERS Tier 3.

- G. The amendments to LACERS associated with LACERS Tier 3, the implementation of LACERS Tier 3, and any future modification to LACERS Tier 3 will be formulated and implemented under the Procedures for Benefits Modifications in the Retirement Benefits article of the MOUs.

**4. Retiree Health Benefits**

The City and Coalition agree that they shall include the following language in the MOUs:

- A. There is currently in effect a retiree health benefit program for retired members of LACERS under Division 4, Chapter 11 of the Los Angeles Administrative Code ("LAAC"). All covered employees who are members of LACERS, regardless of retirement tier, shall contribute to LACERS four percent (4%) of their pre-tax compensation earnable toward vested retiree health benefits as provided by this program. The retiree health benefit available under this program is a vested benefit for all covered employees who make this contribution, including employees enrolled in LACERS Tier 3. With regard to LACERS Tier 1, as provided by LAAC Section 4.1111, the monthly Maximum Medical Plan Premium Subsidy, which represents the Kaiser two-party non-Medicare Part A and Part B premium, is vested for all members who made the additional contributions authorized by LAAC Section 4.1003(c). Additionally, with regard to Tier 1 members who

made the additional contribution authorized by LAAC Section 4.1003(c), the maximum amount of the annual increase authorized in LAAC Section 4.1111(b) is a vested benefit that shall be granted by the Board. With regard to LACERS Tier 3, the Implementing Ordinance shall provide that all Tier 3 members shall contribute to LACERS four percent (4%) of their pre-tax compensation earnable toward vested retiree health benefits, and shall amend Division 4, Chapter 11 of the LAAC to provide the same vested benefits to all Tier 3 members as currently are provided to Tier 1 members who make the same four percent (4%) contribution to LACERS under the retiree health benefit program. The entitlement to retiree health benefits under this provision shall be subject to the rules under Division 4, Chapter 11 of the LAAC in effect as of the effective date of this provision, and the rules that shall be placed into Division 4, Chapters 10 and 11, with regard to Tier 3, by the Implementing Ordinance. As further provided herein, the amount of employee contributions is subject to bargaining in future MOU negotiations.

- B. The vesting schedule for the Maximum Medical Plan Premium Subsidy for employees enrolled in LACERS Tier 1 and LACERS Tier 3 shall be the same.
- C. Employees whose Health Service Credit, as defined in Division 4, Chapter 11 of the LAAC, is based on periods of part-time and less than full-time employment, shall receive full, rather than prorated, Health Service Credit for periods of service, and the monthly retiree medical subsidy amount to which they are entitled shall be prorated based on the extent to which their service credit is prorated due to their being less than full time.

**5. Disability Benefits Study**

Pursuant to the *Procedures for Benefits Modifications* in the Retirement Benefits article of the MOUs, the City and Coalition agree to study medical benefits for employees on disability retirement and conversion of disability benefits to service retirement benefits. No later than March 30, 2016, the City will negotiate implementation of these benefits with all affected unions.

**6. Letters of Agreement**

The City and Coalition agree that they shall enter into the following Letters of Agreement:

- A. Letter of Agreement regarding Part Time Employment. The Letter of Agreement is attached hereto as Exhibit 3 to this Agreement.

- B. Letter of Agreement regarding Outsourcing of Unit Work. The Letter of Agreement is attached hereto as Exhibit 4 to this Agreement.
- C. Letter of Agreement regarding Acting Pay. The Letter of Agreement is attached hereto as Exhibit 5 to this Agreement.
- D. Letter of Agreement regarding Special Pays, Differential Pays and Inequities. The Letter of Agreement is attached hereto as Exhibit 6 to this Agreement.
- E. Letter of Agreement regarding Revenue. The Letter of Agreement is attached hereto as Exhibit 7 to this Agreement.
- F. Letter of Agreement regarding Service and Workforce Restoration. The Letter of Agreement is attached hereto as Exhibit 8 to this Agreement.
- G. Letter of Agreement regarding Health & Wellness Bonus and Contribution Clarification. The Letter of Agreement is attached hereto as Exhibit 9 to this Agreement.
- H. Letter of Agreement regarding Health Service Credit for Part-Time Employment. The Letter of Agreement is attached hereto as Exhibit 10 to this Agreement.

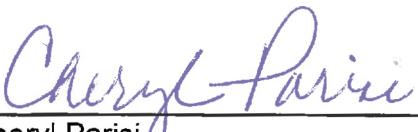
7. **Reciprocity**

Full reciprocity with CalPERS and other reciprocal systems.

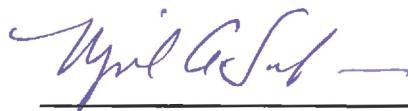
8. **City UERPs**

Within five business days of the full implementation of the successor MOUs as set forth above, the City shall dismiss, with prejudice, UERPs 1969, 1971-1976.

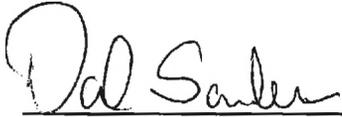
**For the Coalition:**

  
Cheryl Parisi  
AFSCME District Council 36

**For the City:**

  
Miguel A. Santana  
City Administrative Officer

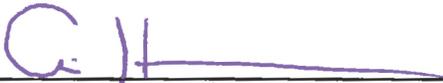
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Coalition of Los Angeles City Unions  
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David Sanders  
SEIU Local 721

  
Hugo Rossitter  
Deputy City Attorney

Victor Gordo  
LIUNA Local 777



Chris Hannan  
LA/OC Building Trades Council



Gavin Koon  
IUOE Local 501



Carlos Rubio  
Teamsters Local 911

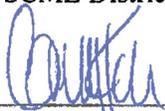
**LETTER OF AGREEMENT  
SALARY COMPACTION**

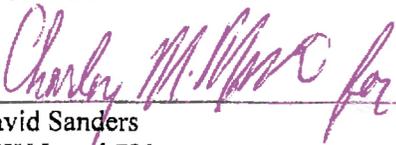
The City and Coalition agree to the following:

- A. The City agrees that the three 2.75% additional salary adjustments shall be recognized as premium levels on the appropriate salary range for each job classification that is compensated on a salary range. These rates will correspond to Levels 9, 10 and 11 as specified on the City's salary range tables and will be treated as steps for purposes of step placement.
- B. The City shall ensure that the three 2.75% additional salary adjustments are incorporated into the flat rate salary for each job classification that is compensated on a flat rate. The rates shall be calculated on a compounded basis.
- C. The effective date of the above adjustments will be at the beginning of the first pay period following implementation by the Controller, but no later than the start of Pay Period 18 (February 21, 2015). There shall be no retroactive payments to employees affected by the salary range adjustments.
- D. Any employee who promoted after June 1, 2013, will be moved to the appropriate salary step to effectuate the appropriate salary rate differential retroactive to the date of promotion in accordance with Sections 4.62.2 and 4.91 of the Los Angeles Administrative Code.
- E. A working group of CAO staff and Coalition representatives shall remain intact to ensure that all salary rates are adjusted in accordance with the above paragraphs.
- F. Upon payment as provided above, all pending grievances on the issue of salary compaction, including supervisory and promotional differentials, shall thereafter be withdrawn with prejudice.

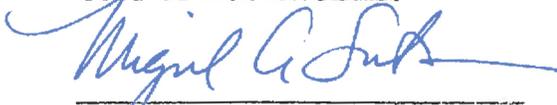
**COALITION OF LOS ANGELES CITY UNIONS**

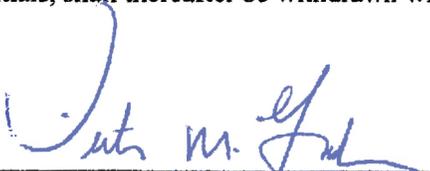
  
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Cheryl Parisi  
AFSCME District Council 36

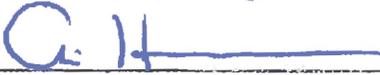
  
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Gavin Koon  
IUOE Local 501

  
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David Sanders  
SEIU Local 721

**CITY OF LOS ANGELES**

  
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Miguel A. Santana  
City Administrative Officer

  
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Victor Gordo  
LIUNA Local 777

  
\_\_\_\_\_  
Chris Hannan  
LA/OC Building Trades Council

\_\_\_\_\_  
Julie Butcher  
Teamsters Local 911

12-17-14  
\_\_\_\_\_  
Date

**LETTER OF AGREEMENT**  
**MEMORANDUM OF UNDERSTANDING LANGUAGE**

**BETWEEN THE COALITION OF LOS ANGELES CITY UNIONS AND  
THE CITY OF LOS ANGELES**

**TERM**

The term of this MOU shall commence on the date when the terms and conditions for its effectiveness, as set forth in Article \_\_\_, Implementation of Memorandum of Understanding, are fully met, except to the extent that the parties have agreed in Letters of Agreement to continue to meet and confer after implementation, but in no event shall said Memorandum of Understanding become effective prior to 12:01 a.m. on July 1, 2015. This Memorandum of Understanding shall expire and otherwise be fully terminated at 11:59 p.m. on June 30, 2018. The MOU in effect on June 29, 2014 shall have remained in effect through June 30, 2015.

Notwithstanding the above, the provisions of this MOU shall remain in effect until a successor MOU is implemented or impasse proceedings are completed, as long as the parties have met their obligations under the provisions of Article \_\_\_, Calendar for Successor Memorandum of Understanding, to their mutual satisfaction and are continuing to meet and confer in good faith.

**CALENDAR FOR SUCCESSOR MEMORANDUM OF UNDERSTANDING**

In the event Union or Management desires a successor Memorandum of Understanding, said party shall serve upon the other between April 1, 2018, and April 30, 2018, its written proposals for such successor Memorandum of Understanding. Meet and confer sessions shall begin no later than thirty (30) calendar days following submittal of the proposals.

**SALARIES**

The parties to this MOU jointly recommend to the City Council approval of the salaries set forth in the salary appendices. These appendices shall incorporate the agreement of the parties that effective December 13, 2015, employees will be subject to a new salary step structure and that effective June 25, 2017, employees covered by this MOU shall receive a two percent (2%) salary increase.

**SALARY STEPS**

1. Effective December 13, 2015, a new 12-step salary structure will be established as follows:
  - A. Three additional salary steps will be added to the lower end of each salary range (Steps 1, 2 and 3). These new steps shall be separated by one premium level\*.

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1. Employees hired into trainee-level positions shall be hired at Step 1 and shall remain on Step 1 for the duration of a twelve (12) month probationary period. Trainee-level position hourly wages will begin one premium level below the entry level of the targeted Civil Service classification which will not be below \$15.00 per hour.
  2. Employees hired into non-trainee positions shall be hired at Step 2 (or appropriate higher step in accordance with applicable MOU provisions or Los Angeles Administrative Code Section 4.90).
  3. Employees shall remain on Steps 2 and 3 for nine (9) months each.
- B. Current Steps 1 through 5 will be renumbered Steps 4 through 8. These steps will be separated by two premium levels (Step 4 will be one premium level above Step 3). Employees shall advance to the next step after twelve (12) months.
- C. Current Steps 6 through 8 will be renumbered Steps 9 through 11. These steps will be separated by one premium level (Step 9 will be one premium level above Step 8). Employees shall advance to the next step after twelve (12) months.
- D. A new Step 12 will be created which will be one premium level above Step 11. No employee shall be eligible to move to Step 12 sooner than January 7, 2018.
2. Effective January 7, 2018, each employee who is compensated on a salary range will advance one step on the salary range regardless of their step or step anniversary date. Subsequent step advancements will take place on the employee's anniversary date.
  3. Effective January 7, 2018, each employee who is in a flat-rated classification shall receive a salary adjustment of 2.75%.

\*On the City's salary range tables, each premium level is equal to approximately 2.75%.

**PROMOTIONAL DIFFERENTIAL**

Notwithstanding the rate provided for in LAAC Section 4.91, effective December 13, 2015, employees who receive a promotion shall be moved to the salary step that provides a minimum 5.5% increase over the rate received in the former position. As provided in LAAC Section 4.91, any regularly assigned bonus or premium compensation amounts shall be included in calculating the step rate for the former

position and added to the new salary, if applicable, after determining the appropriate salary step rate for the new position.

**CIVILIAN MODIFIED FLEXIBLE BENEFITS PLAN**

**Health and Wellness Bonus**

Effective December 25, 2016, employees who are eligible for and participate in the Civilian Modified Flexible Benefits Plan shall receive a non-pensionable bi-weekly health and wellness bonus of 1.5% of base salary.

**Health and Wellness Contribution**

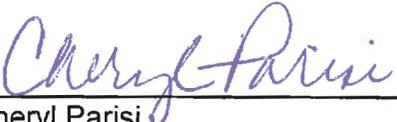
Effective December 25, 2016, employees who are eligible for and participate in the Civilian Modified Flexible Benefits Plan without regard to whether an employee opts out of medical coverage shall make a pre-tax contribution equal to 1.5% of base salary to cover the cost of health care.

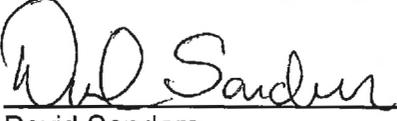
During the term of this MOU, the City agrees that it will not unilaterally impose a reduction in plan design or benefits for any benefit plan applicable to employees covered by this MOU. Nothing in this MOU, however, shall prevent the parties from jointly reaching agreement on plan design or benefits applicable to employees covered by this MOU. Additionally, nothing in this MOU constitutes a waiver by the Union or the City with respect to making changes to plan design or benefits.

**MOUs 8 & 17**

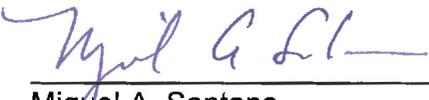
Language regarding salaries for MOUs 8 & 17 will be addressed at the unit table.

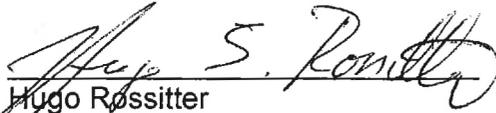
**For the Coalition:**

  
\_\_\_\_\_  
Cheryl Parisi  
AFSCME District Council 36

  
\_\_\_\_\_  
David Sanders  
SEIU Local 721

**For the City:**

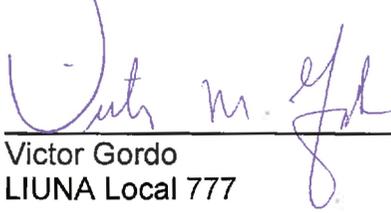
  
\_\_\_\_\_  
Miguel A. Santana  
City Administrative Officer

  
\_\_\_\_\_  
Hugo Rossitter  
Deputy City Attorney

MOU LANGUAGE

Coalition of Los Angeles City Unions

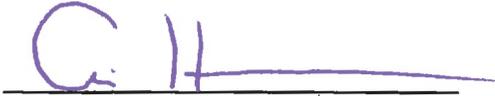
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Victor Gordo

LIUNA Local 777



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Chris Hannan

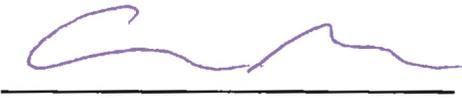
LA/OC Building Trades Council



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Gavin Kohn

IUOE Local 501



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Carlos Rubio

Teamsters Local 911

**LETTER OF AGREEMENT**  
**PART-TIME EMPLOYMENT**

**BETWEEN THE COALITION OF LOS ANGELES CITY UNIONS AND  
THE CITY OF LOS ANGELES**

WHEREAS, the Coalition of Los Angeles City Unions ("Coalition") and the City of Los Angeles ("City") have engaged in extensive discussions regarding the City's hiring and use of part-time (intermittent and half-time) employees; and

WHEREAS, the Parties agree that the use of intermittent employees should be limited to operational necessity where permanent full-time or half-time employment status is not feasible or regularly available, such as in emergencies, disasters or seasonal work.

WHEREAS, the City encourages and supports maximizing full-time hiring and scheduling.

THEREFORE, THE COALITION AND THE CITY HEREBY AGREE AS FOLLOWS:

1. The Parties shall amend the applicable Memoranda of Understanding ("MOU") effective on July 26, 2015, to provide that after 1,000 hours of service in one service year, intermittent part-time employees shall qualify for half-time status benefits, shall be certified to LACERS, and shall be eligible to receive pro-rated benefits as of the date they reach 1,000 hours of service.
2. The Parties reaffirm the MOU provision that part-time employees who are hired to work 1,040 hours per year shall qualify for half-time status benefits, shall be certified to LACERS, and shall be eligible to receive pro-rated benefits as of their date of hire.
3. The Mayor shall issue, and maintain in effect, an Executive Directive as follows:
  - A. Directing General Managers to not terminate or schedule an intermittent employee solely to avoid the employee qualifying for benefits.
  - B. Encouraging General Managers to move part-time employees to full-time positions where possible.
  - C. Directing General Managers that "as needed" employees may not be used to circumvent the hiring of permanent employees or to circumvent the denial of a department's request to fill vacancies.

Exhibit 3

4. The City Administrative Officer (“CAO”) and the Personnel Department shall conduct a joint audit to maximize support of full-time and appropriate part-time positions in Departments that use part-time employees. The Mayor shall determine the priority order of departments to be studied. These Audit Report findings will be presented to the Mayor, appropriate Council committee(s), and appropriate union(s) by March 1, 2016.
  
5. The Parties shall amend the applicable MOUs effective on July 26, 2015 to provide for an appeal procedure for discipline of intermittent part-time and Civil Service-exempt half-time employees who have worked a total of at least 2,000 cumulative hours from his/her initial hire date as follows:
  - A. An intermittent part-time or Civil Service-exempt half-time employee who has worked a total of at least 2,000 cumulative hours from his/her initial hire date who is subject to discipline shall be provided with the following:
    1. A written description of the action(s) to be taken and the expected effective date(s).
    2. A written statement of the specific grounds upon which the disciplinary action is based.
    3. A copy of the materials upon which the action is based.
    4. A written statement informing the employee of his/her right to appeal the disciplinary decision within five business days to an advisory Hearing Officer.
  
  - B. The City and the Coalition will jointly develop a list of hourly Hearing Officers knowledgeable in employee relations. Discipline cases for intermittent part-time and Civil-Service exempt half-time employees who have worked a total of at least 2,000 cumulative hours from his/her initial hire date will be heard by a Hearing Officer from this list.
  
  - C. The hearings shall take no more than four (4) hours, which the Hearing Officer will divide as equally as possible between the Parties. The hearing shall be scheduled within five business days of the notice of appeal filed by the employee, unless another date is mutually agreed upon by the Department and the employee. The costs of the Hearing Officer shall be shared equally by the Union and the City.

LETTER OF AGREEMENT – PART TIME EMPLOYMENT  
Coalition of Los Angeles City Unions  
Page 3

- D. The Hearing Officer shall determine if the discipline or level of discipline is based on a reasonable good faith conclusion that the employee engaged in misconduct.
- E. The Hearing Officer shall issue a written decision the same day, which shall be advisory to the Department head, whose decision shall be final.

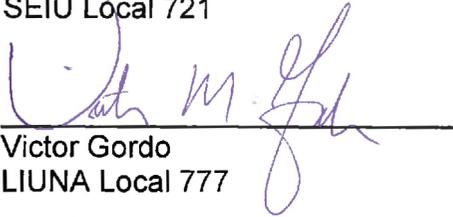
**For the Coalition:**



Cheryl Parisi  
AFSCME District Council 36



David Sanders  
SEIU Local 721



Victor Gordo  
LIUNA Local 777



Chris Hannan  
LA/OC Building Trades Council



Gavin Koon  
IUOE Local 501



Carlos Rubio  
Teamsters Local 911

**For the City:**



Miguel A. Santana  
City Administrative Officer



Hugo Rossitter  
Deputy City Attorney

**LETTER OF AGREEMENT**  
**OUTSOURCING OF UNIT WORK**

**BETWEEN THE COALITION OF LOS ANGELES CITY UNIONS AND  
THE CITY OF LOS ANGELES**

WHEREAS, the Coalition of Los Angeles City Unions ("Coalition") and the City of Los Angeles ("City") agree that the issue of outsourcing of bargaining unit work should be the subject of a Letter of Agreement.

THEREFORE, THE COALITION AND THE CITY HEREBY AGREE AS FOLLOWS:

1. The Memoranda of Understanding ("MOU") for the Coalition bargaining units shall be modified as follows:
  - A. Each MOU shall contain standardized language from MOU 4, Contracting of Unit Work.
  - B. Paragraph E.2. of the Contracting of Unit Work provision will be amended to state that the Union may request to meet and discuss within 15 calendar days of the Charter 1022 notification.
2. The Mayor and Council shall direct the Bureau of Contract Administration with the assistance of the Department of General Services, Bureau of Engineering, and the City Administrative Officer to study and provide recommendations on best practices for municipal government contracting of services.
  - A. The Study shall be issued within 90 days of the adoption of the relevant MOUs. If additional time is needed to complete the report, the deadline may be extended by mutual agreement of the Parties.
  - B. The Study should include information on best practices and recommendations related to:
    1. Review of decisions to contract out
    2. Prescreening contractors for responsibility
    3. High standards for wages and benefits
    4. Incentives to raise wages and benefits above the legal floor
    5. Performance standards and measurement
    6. Strong post-award enforcement
    7. Increased data collection and transparency
    8. Consistency of procedures applicable to departments outsourcing bargaining unit work (e.g. new contracts; extensions; amendments to existing contracts and the use of pre-qualified on-call/bench lists; and required information, including the nature of the work, duration,

Exhibit 4

LETTER OF AGREEMENT – OUTSOURCING

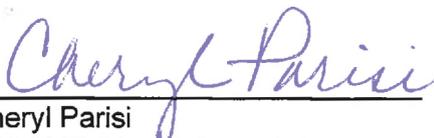
Coalition of Los Angeles City Unions

Page 2

amount of work, estimated cost of contract, wage rates and benefits paid by contractor, expected overtime, local hiring, prior performance by contractor, record of compliance with applicable laws, performance standards, and reporting requirements).

- C. The Study shall be submitted to the Coalition for meet-and-consult with the City Administrative Officer prior to submission to the Mayor and relevant Council Committees for consideration and implementation.
3. The Mayor and Council will request that the Controller establish, maintain and make available to the public a central online database on City contracts covering bargaining unit work, beginning with the Bureaus of the Department of Public Works and the Departments of General Services, Transportation, Recreation and Parks, and all other departments, excluding the Department of Water and Power and the Housing Authority of the City of Los Angeles.
4. The parties agree that the Union may file a grievance regarding the Charter 1022 notification.
  - A. A grievance challenging the 1022 notification shall be filed within 15 calendar days of the Union's knowledge of the alleged deficient notification.
  - B. The grievance will be submitted to an expedited informal arbitration process. The arbitration shall be conducted within 30 days of the filing of the Union's grievance. The arbitration fees shall be shared equally between the Union and the City.
  - C. The arbitrator shall determine if the City has violated the 1022 notification procedures. The arbitrator's remedy shall be limited to ordering the City to reissue the 1022 notification. In no event will the arbitrator have the authority to void a Council-approved contract. The arbitrator's decision is binding on the parties.
5. The City shall propose amendments to the Public Infrastructure Stabilization Ordinance to expand the Department of Public Works Project Labor Agreement to all Council-controlled departments. Prior to proposing amendments, the City will negotiate in good faith the proposed amendments with the Los Angeles/Orange Counties Building and Construction Trades Council.

**For the Coalition:**



Cheryl Parisi  
AFSCME District Council 36

**For the City:**

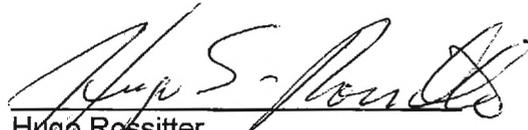


Miguel A. Santana  
City Administrative Officer

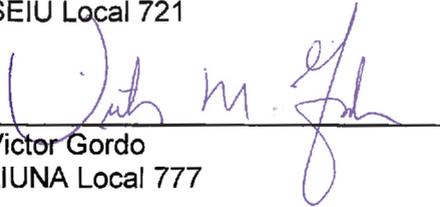
LETTER OF AGREEMENT – OUTSOURCING  
Coalition of Los Angeles City Unions  
Page 3



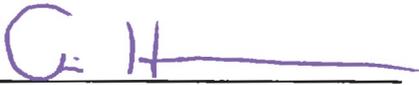
David Sanders  
SEIU Local 721



Hugo Rossitter  
Deputy City Attorney



Victor Gordo  
LIUNA Local 777



Chris Hannan  
LA/OC Building Trades Council



Gavin Koon  
IUOE Local 501



Carlos Rubio  
Teamsters Local 911

**LETTER OF AGREEMENT**  
**ACTING PAY**

**BETWEEN THE COALITION OF LOS ANGELES CITY UNIONS AND  
THE CITY OF LOS ANGELES**

WHEREAS, the Coalition of Los Angeles City Unions ("Coalition") and the City of Los Angeles ("City") have attempted to reach agreement regarding the issue of Acting Pay; and

WHEREAS, the Parties agree that this is an important issue to be addressed in the collective bargaining process; and

WHEREAS, the Parties do not want to delay the implementation of Memoranda of Understanding ("MOU") between the Parties;

THEREFORE, THE COALITION AND THE CITY HEREBY AGREE AS FOLLOWS:

1. The current language regarding Acting Pay/Higher Level Assignments in the MOUs shall remain, with the exception that the MOU language will be amended to include the provisions that higher level assignments shall not extend past one year and time served in higher level assignments shall be credited as qualifying experience for promotional purposes.
2. The parties will evaluate potential exceptions to the Acting Pay provisions. If the Parties are unable to reach agreement on the exceptions, then the Coalition, at its option, may submit the exceptions to Mediator Barry Winograd, unless the Parties mutually agree upon another mediator. The parties agree that this process will be completed within one year.
3. The mediator shall conduct the mediation in the manner he/she deems appropriate. The mediation will include presentations from each party on each unresolved matter. The parties shall equally share the costs of mediation.
4. If, at mediation, the Parties are unable to reach agreement, the mediator shall issue a mediation report to the Parties by September 30, 2016, with his/her recommendation(s) to resolve the issues in dispute. The City Administrative Officer will present the mediator's recommendation(s) to the Executive Employee Relations Committee for its consideration within thirty (30) days after receipt of the mediator's report, but no later than October 15, 2016.

**For the Coalition:**

  
Cheryl Parisi  
AFSCME District Council 36

**For the City:**

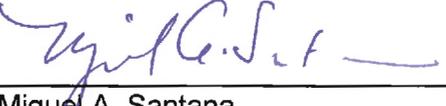
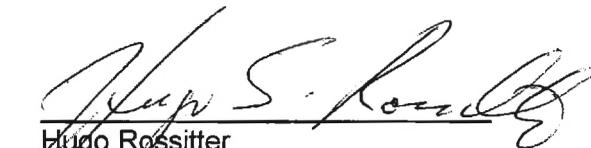
  
Miguel A. Santana  
City Administrative Officer

Exhibit 5

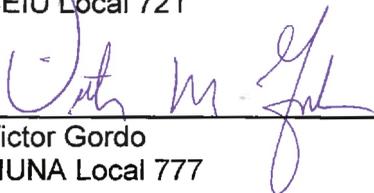
LETTER OF AGREEMENT – ACTING PAY  
Coalition of Los Angeles City Unions  
Page 2



David Sanders  
SEIU Local 721



Hugo Rossitter  
Deputy City Attorney



Victor Gordo  
LIUNA Local 777



Chris Hannan  
LA/OC Building Trades Council



Gavin Koon  
IUOE Local 501



Carlos Rubio  
Teamsters Local 911

**LETTER OF AGREEMENT**  
**SPECIAL PAYS, DIFFERENTIAL PAYS AND INEQUITIES**

**BETWEEN THE COALITION OF LOS ANGELES CITY UNIONS AND  
THE CITY OF LOS ANGELES**

WHEREAS, the Coalition of Los Angeles City Unions ("Coalition") and the City of Los Angeles ("City") have reached agreement regarding the issue of Special Pays, Differential Pays and Inequities in pay; and

WHEREAS, the Parties agree that these are important topics to be addressed in the collective bargaining process; and

WHEREAS, the Parties agree that the depth of review needed to fairly and directly address the concerns of the Parties regarding these topics require additional bargaining; and

WHEREAS, the Parties do not want to delay the implementation of Memoranda of Understanding ("MOU") between the Parties;

THEREFORE, THE COALITION AND THE CITY HEREBY AGREE AS FOLLOWS:

1. The Parties shall continue to meet and confer regarding the issue of Special Pays, Differential Pays and Inequities in Pay at the individual bargaining unit tables. The criteria to be considered will include recruitment, retention, working conditions, workload, expansion of duties, and internal equity.
2. If the Parties are unable to reach resolution on individual adjustments by the time tentative agreements are reached on the MOUs, then the Coalition, at its option, may submit these matters to Mediator Barry Winograd, unless the Parties mutually agree upon another mediator.
3. The mediator shall conduct the mediation in the manner he/she deems appropriate utilizing the above criteria. The mediation will include presentations from each party on each unresolved matter. The Parties shall equally share the costs of mediation.
4. If, at mediation, the Parties are unable to reach agreement, the mediator shall issue a mediation report to the Parties by February 15, 2016, with his/her recommendation(s) to resolve the issues in dispute. The City Administrative Officer will present the mediator's recommendation(s) to the Executive Employee Relations Committee for its consideration within thirty (30) days after receipt of the mediator's report, but no later than March 15, 2016.

**For the Coalition:**

  
Cheryl Parisi  
AFSCME District Council 36

**For the City:**

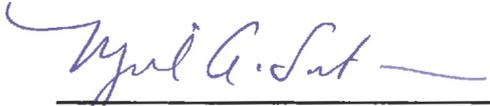
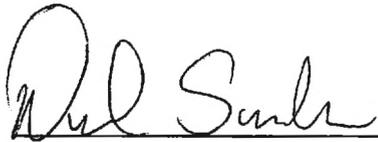
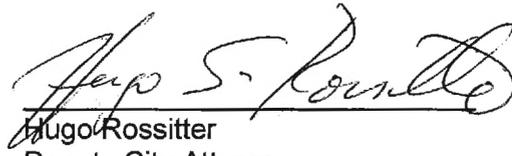
  
Miguel A. Santana  
City Administrative Officer

Exhibit 6

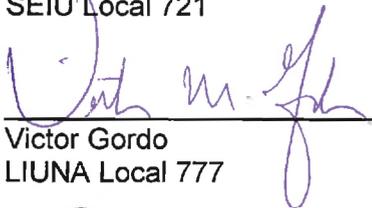
LETTER OF AGREEMENT – Special Pay  
Coalition of Los Angeles City Unions  
Page 2



David Sanders  
SEIU Local 721



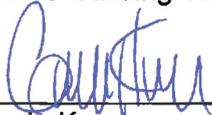
Hugo Rossitter  
Deputy City Attorney



Victor Gordo  
LIUNA Local 777



Chris Hannan  
LA/OC Building Trades Council



Gavin Koon  
IUOE Local 501



Carlos Rubio  
Teamsters Local 911

**LETTER OF AGREEMENT**  
**REVENUE**

**BETWEEN THE COALITION OF LOS ANGELES CITY UNIONS AND  
THE CITY OF LOS ANGELES**

WHEREAS, the Coalition of Los Angeles City Unions ("Coalition") and the City of Los Angeles ("City") have a mutual interest to maximize revenue to the City's General Fund.

THEREFORE, THE COALITION AND THE CITY HEREBY AGREE AS FOLLOWS:

1. Within thirty (30) days of the adoption of Memoranda of Understanding ("MOU") between the Parties, the City Council will create a Commission on Revenue Generation ("Commission"). The Commission shall carry out its duties for at least twenty-four (24) months from its initial meeting. Thereafter, the City Council may release the Commission upon thirty (30) days' written notice to the members of the Commission.
2. The Commission shall develop recommendations to the City Council and Mayor to provide a level of revenue sufficient to provide high quality City services that are consistent across the City. Recommendations will include, but are not limited to, the following:
  - A. Commercial Property reassessments and tax loopholes
  - B. Recreation and Parks funding enhancements
  - C. Business Tax simplification and evaluation
  - D. Financial Services transparency and evaluation
  - E. Residential Real Estate speculation revenue enhancements
  - F. Blight inspection and enforcement
  - G. Shared Economy tax collection
  - H. Billboard revenue generation
3. The Commission shall provide quarterly reports to the City Council's Budget and Finance Committee and the Mayor's Budget Team.
4. The Commission shall be composed of 15 members appointed by the Mayor. Seven members of the Commission will be appointed by the Mayor from a list of 20 individuals provided by the Coalition within 15 days of the creation of the Commission. The Mayor will be encouraged to appoint individuals in one or more of the following areas: public finance experts, academics, business leaders, community-based organizations, and representatives of City bargaining units.

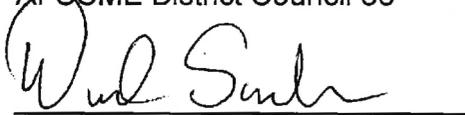
LETTER OF AGREEMENT – REVENUE  
Coalition of Los Angeles City Unions  
Page 2

5. The Commission shall be staffed by and serve under the direction of the Inspector General for Revenue. The City will provide \$500,000 to cover all administrative matters regarding the Commission, including but not limited to: additional staff, requested studies, development of reports, off-site meetings, etc.

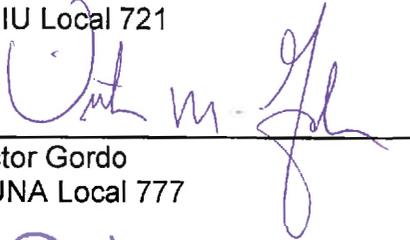
**For the Coalition:**



Cheryl Parisi  
AFSCME District Council 36



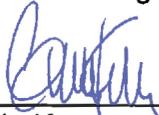
David Sanders  
SEIU Local 721



Victor Gordo  
LIUNA Local 777



Chris Hannan  
LA/OC Building Trades Council

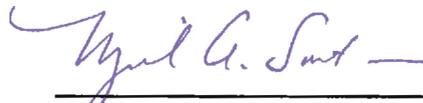


Gavin Koon  
IUOE Local 501

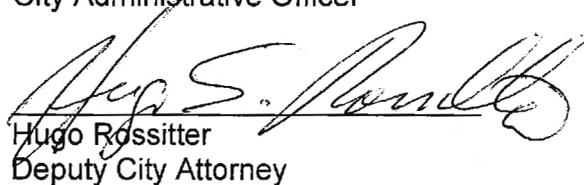


Carlos Rubio  
Teamsters Local 911

**For the City:**



Miguel A. Santana  
City Administrative Officer



Hugo Rossitter  
Deputy City Attorney

**LETTER OF AGREEMENT**  
**SERVICE AND WORKFORCE RESTORATION**

**BETWEEN THE COALITION OF LOS ANGELES CITY UNIONS AND  
THE CITY OF LOS ANGELES**

WHEREAS, the Coalition of Los Angeles City Unions ("Coalition") and the City of Los Angeles ("City") share a commitment to delivering high quality public services to the residents of the City of Los Angeles.

WHEREAS, in order to meet growing service demands and explore opportunities for future service enhancements, the City and the Coalition commit to work together to research and develop innovative workforce development strategies to meet the needs of City residents and stakeholders.

WHEREAS, the Parties are mutually committed to strengthen the delivery of City services, and to provide career opportunities to local residents and leverage federal, state and private resources to meet the City's future workforce requirements.

THEREFORE, THE CITY AND THE COALITION MUTUALLY AGREE AS FOLLOWS:

1. The City commits to a goal of hiring 5,000 civilian employees by the end of fiscal year 2017-2018.
2. The City agrees to establish a Strategic Workforce Development Task Force ("Task Force") within sixty (60) days of the adoption of Memoranda of Understanding ("MOU") with bargaining units included in the Coalition.
  - A. The City will provide resources to support a process of research, analysis and policy development to pursue the mutual goal of strengthening the delivery of City services.
  - B. The Task Force members will consist of union representatives, the City Administrative Officer ("CAO") or designee, the Chief Legislative Analyst ("CLA") or designee, the General Manager of the Personnel Department or designee, the General Manager of the Economic and Workforce Development Department or designee, representatives of the relevant Council Committees, representatives of the Mayor's office, and other General Managers or designees as determined by the Task Force.
  - C. The first order of business shall be to develop recommendations to the Mayor and Council regarding the hiring of the civilian positions added in the fiscal year 2015-16 budget with a focus on the

following departments/bureaus: City Clerk, City Planning, General Services, Information Technology, Police, Contract Administration, Sanitation, Street Services and Recreation and Parks.

- D. The Task Force will also develop a City-wide Plan (“Plan”) to strengthen all City services.
    - i. The Plan will prioritize the needs of each department, emphasizing front-line services and service restoration e.g. Recreation and Parks, civilian positions in the Police Department, Public Works, General Services, Crossing Guards.
    - ii. The Plan will recommend appropriate staffing levels and hiring plans for each department.
    - iii. The Plan will examine the extent to which civilian employees are not working in the appropriate classification and/or sworn personnel are performing work that can be done more cost effectively by civilians.
  - E. The Task Force will analyze the impact of anticipated retirements in City departments and assist the Personnel Department to develop succession plans that may include the use of bridge classifications and supervisory training and development.
  - F. The Task Force will report at least semi-annually to the Council, appropriate Council Committees, and the Mayor’s Budget Team.
3. The City will establish a Targeted Local Hire Working Group (“Working Group”) within sixty (60) days of the adoption of the MOUs with the bargaining units in the Coalition.
- A. The goal of this Working Group shall be to develop a plan to provide job opportunities to the residents of the City of Los Angeles, specifically in under-served communities.
  - B. The Working Group will develop recommendations to the City Council and Mayor on the formulation and implementation of a Targeted Local Hire Program (“Program”) to recruit, train and hire local residents and recent graduates of secondary, post-secondary,

and career technical education programs within the City of Los Angeles.

- C. The Working Group will consist of union representatives, the CAO or designee, the CLA or designee, the General Manager of the Personnel Department or designee, the General Manager of the Economic and Workforce Development Department or designee, representatives of relevant Council Committees, representatives of the Mayor's office, and General Managers or designees of operational departments as determined by the Working Group.
  - D. The Working Group shall invite representatives of the Los Angeles Community College District, the Los Angeles Unified School District, and representatives of community-based organizations.
  - E. The Working Group will report at least semi-annually to the Council and appropriate Council Committees and the Mayor's Budget Team.
- 4. The Coalition and the City agree that in order to achieve the hiring goal of 5,000 new civilian employees by the end of FY 17-18, the City will need to utilize trainee-level positions and programs to create alternate pathways into Civil Service careers offering promotional opportunities for City of Los Angeles residents.
  - 5. The City will leverage outside training resources including federal and state Workforce Innovation Act dollars and partnerships with the Community Colleges, other education institutions and certified apprenticeship programs.
  - 6. Specific promotional pathways will be developed by mutual agreement between the Parties for each department and occupational series.
  - 7. Trainee-level positions will be part of the appropriate existing Coalition bargaining unit. Nothing in this agreement is intended to undermine Civil Service standards and procedure.
  - 8. Certified Apprenticeship programs will be maintained and not modified by this Agreement.

LETTER OF AGREEMENT – SERVICE RESTORATION

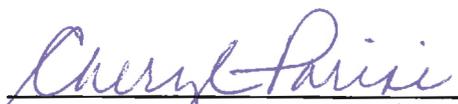
Coalition of Los Angeles City Unions

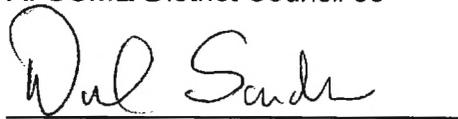
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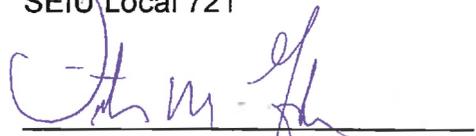
9. The City and Coalition of Unions will negotiate any elements of the Strategic Workforce Development Plan and Targeted Local Hire Working Group Program requiring meet and confer in order to implement.
10. The MOUs shall be amended as follows:
  - A. The City and Coalition will mutually designate trainee-level positions in applicable bargaining units and design training programs for targeted entry-level Civil Service classifications including but not limited to:

Maintenance Laborer, Clerk Typist, Tree Surgeon Assistant, Gardener Caretaker, Communications Information Representative, Engineering Aide, Animal Care Technician, Garage Attendant, Truck Operator, Equipment Operator, Maintenance and Construction Helper, Animal License Canvasser, Street Services Worker, Water Utility Worker.
  - B. Trainee-level positions will only be used by mutual agreement of the parties, contingent and specifically conditioned on the City funding Civil Service positions in department budgets.

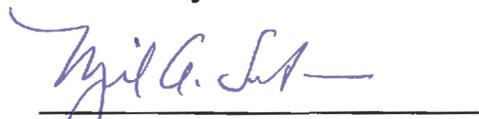
**For the Coalition:**

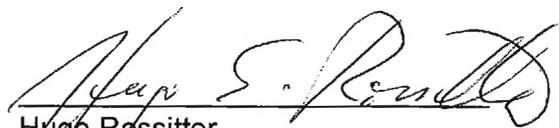
  
Cheryl Parisi  
AFSCME District Council 36

  
David Sanders  
SEIU Local 721

  
Victor Gordo  
LIUNA Local 777

**For the City:**

  
Miguel A. Santana  
City Administrative Officer

  
Hugo Rossitter  
Deputy City Attorney

LETTER OF AGREEMENT – SERVICE RESTORATION  
Coalition of Los Angeles City Unions  
Page 5



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Chris Hannan  
LA/OC Building Trades Council



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Gavin Koon  
IUOE Local 501



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Carlos Rubio  
Teamsters Local 911

**LETTER OF AGREEMENT**  
**HEALTH & WELLNESS BONUS AND CONTRIBUTION CLARIFICATION**

**BETWEEN THE COALITION OF LOS ANGELES CITY UNIONS AND  
THE CITY OF LOS ANGELES**

WHEREAS, the Coalition of Los Angeles City Unions ("Coalition") and the City of Los Angeles ("City") had agreed to the following regarding the Civilian Modified Flexible Benefits Plan:

Health and Wellness Bonus

Effective December 25, 2016, employees who are eligible for and participate in the Civilian Modified Flexible Benefits Plan shall receive a non-pensionable bi-weekly health and wellness bonus of 1.5% of base salary.

Health and Wellness Contribution

Effective December 25, 2016, employees who are eligible for and participate in the Civilian Modified Flexible Benefits Plan without regard to whether an employee opts out of medical coverage shall make a pre-tax contribution equal to 1.5% of base salary to cover the cost of health care.

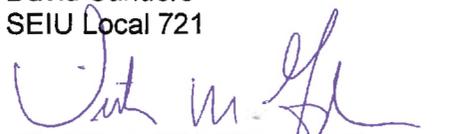
THE COALITION AND THE CITY HEREBY CLARIFY AND AGREE AS FOLLOWS:

1. The parties agree that the above bonus and contribution shall not result in any employee covered by this Agreement having their net salary impacted negatively.
2. The parties agree that both the bonus and the contribution apply to all employees regardless of whether an employee opts out of medical coverage.

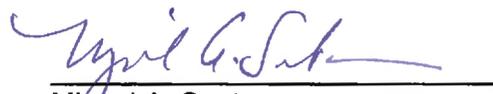
**For the Coalition:**

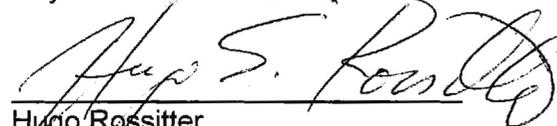
  
Cheryl Parisi  
AFSCME District Council 36

  
David Sanders  
SEIU Local 721

  
Victor Gordo  
LIUNA Local 777

**For the City:**

  
Miguel A. Santana  
City Administrative Officer

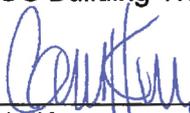
  
Hugo Rossitter  
Deputy City Attorney

Health & Wellness Bonus  
Coalition of Los Angeles City Unions  
Page 2



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Chris Hannan  
LA/OC Building Trades Council



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Gavin Koon  
IUOE Local 501



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Carlos Rubio  
Teamsters Local 911

**LETTER OF AGREEMENT**  
**HEALTH SERVICE CREDIT FOR PART-TIME EMPLOYMENT**

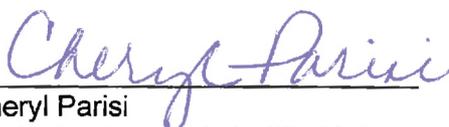
**BETWEEN THE COALITION OF LOS ANGELES CITY UNIONS AND  
THE CITY OF LOS ANGELES**

WHEREAS, the Coalition of Los Angeles City Unions ("Coalition") and the City of Los Angeles ("City"), have expressed their mutual agreement that employees whose Health Service Credit, as defined in Division 4, Chapter 11 of the Los Angeles Administrative Code ("LAAC"), is based on periods of part-time and less than full-time employment, shall receive full, rather than prorated, Health Service Credit for periods of service, and the monthly retiree medical subsidy amount to which they are entitled shall be prorated based on the extent to which their service credit is prorated due to their being less than full time;

THEREFORE, THE COALITION AND THE CITY HEREBY AGREE AS FOLLOWS:

1. The City Administrative Officer will present an ordinance to the City Council as soon as possible, but in any case no later than the schedule for presentation of ordinances to implement the Settlement Agreement between the parties, to amend the LAAC in a manner applicable to all LACERS members such that part-time employee members of the Los Angeles City Employees' Retirement System ("LACERS") shall be eligible for the retiree health benefit program under Division 4, Chapter 11 of the LAAC based upon full, rather than prorated, service, and if so eligible, shall receive the monthly retiree medical subsidy amount to which they are entitled based upon service credit, which shall be prorated to the extent to which their service credit is prorated based upon the number of hours worked per pay period.
2. The ordinance shall apply to any LACERS member who retires after the effective date of the ordinance. Additionally, LACERS will adopt rules and procedures to attempt to identify retirees who retired on or before the effective date of the ordinance who would have been eligible for the retiree health benefit program under Division 4, Chapter 11 of the LAAC had they retired after the effective date of the ordinance. Such members shall receive, upon enrollment in a health plan administered by LACERS or the first date of participation in LACERS' Medical Premium Reimbursement Program, the monthly retiree medical subsidy amount to which they are entitled based upon their prorated Health Service Credit, effective as of the first date of such enrollment or participation. Any issues as to vested rights will be resolved by LACERS on a case-by-case basis.
3. The ordinance shall provide that, for purposes of determining eligibility for a benefit, and calculating the amount of a benefit, service and service credit under the retiree health benefit program set forth in Division 4, Chapter 11 of the LAAC shall be equivalent to service and service credit under the retirement benefit program set forth in Division 4, Chapter 10 of the LAAC.

**For the Coalition:**

  
Cheryl Parisi  
Chair, Coalition of L.A. City Unions

**For the City:**

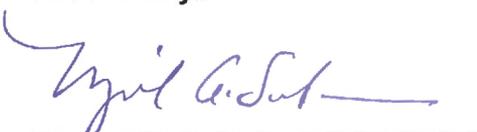
  
Miguel A. Santana  
City Administrative Officer

Exhibit 10