

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: September 21, 2026

To: The City Council

From: Matthew W. Szabo, City Administrative Officer



Subject: **AMENDMENT TO THE 2023-2028 MEMORANDA OF UNDERSTANDING (MOU) FOR THE EQUIPMENT OPERATION AND LABOR EMPLOYEES REPRESENTATION UNIT (MOU 04) REPRESENTED BY THE SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 721 (C.F. [24-0427](#))**

RECOMMENDATIONS

The City Administrative Officer (CAO) recommends the following actions by the City Council:

1. Approve the attached Amendment No. 3 for the 2023-2028 Memorandum of Understanding (MOU) for the Equipment Operation and Labor Employees Unit (MOU 04) which addresses compensation for the classification of Boat Captain, Class Code 5113-1/2/3/4, and Deck Hand, Class Code 5131-H, and scheduling issues affecting the Boat Captain, Class Code 5113-3/4, and Deck Hand, Class Code 5131-H, employed by the Los Angeles Harbor Department assigned to the Pilot Station; and
2. Authorize the City Controller and the CAO to correct any clerical errors in the MOU, or make necessary technical corrections subsequent to City Council approval.

SUMMARY

Consistent with Executive Employee Relations Committee (EERC) instructions from its January 27, 2026, meeting, an agreement has been reached to amend the 2023-2028 Memorandum of Understanding (MOU) for the Equipment Operation and Labor Employees Unit (MOU 04) between the Service Employees International Union, Local 721, and the City of Los Angeles. The amendment addresses compensation for the classifications of Boat Captain, Class Code 5113-1/2/3/4, and Deck Hand, Class Code 5131-H, and scheduling issues affecting Boat Captain, Class Code 5113-3/4, and Deck Hand, Class Code 5131-H, employed by the Los Angeles Harbor Department assigned to the Pilot Station.

Boat Captains, Class Code 5113-1/2, assigned to the Construction and Maintenance Division (C&M) operate different types of vessels, including diesel and gas-powered engine boats used to tow 42-foot and 110-foot barges to various locations within the Port of Los Angeles. In recent years, the Harbor Department has experienced difficulties retaining and recruiting C&M Boat Captains.

Boat Captains, Class Code 5113-3/4, assigned to the Pilot Station operate a single or twin-engine boat to transport Port Pilots to and from inbound and outbound vessels, supervise deckhands, provide qualified relief for other Boat Captains, and serve as maintenance staff to Pilot boat care. Pursuant to MOU 04 Salary note b-3, Boat Captains, Class Code 5113-3/4, and the Deck Hands, Class Code 5131-H, assigned to the Pilot Station, work an 84-hour biweekly schedule comprised of seven 12-hour shifts, which accounts for all time worked on holidays.

In accordance with Article 5.1 G. of MOU 04, an exemption under Section 7(b)(2) [29USC §207(b)(1) and (2)] of the Fair Labor Standards Act (FLSA) allows the City to schedule an employee for 2,240 hours of work in a calendar year before being required to pay the employee FLSA overtime. By contrast, the standard FLSA schedule permits an employer to schedule an employee for 40 hours of work in a designated seven-day workweek before being required to pay the employee FLSA overtime. The Boat Captains, Class Code 5113-3/4, and the Deck Hands, Class Code 5131-H, regular 84-hour schedule in salary note b-3 and subsequent FLSA 7(b)(2) exemption imposes complex daily, weekly, and yearly overtime tracking requirements that exceed the City's capacity, resulting in payroll errors and configuration challenges in the City's payroll system, Workday.

The proposed amendment to MOU 04 includes removing the FLSA exemption in salary note b-3 and changing the regular 84-hour biweekly schedule comprised of seven 12-hour shifts to a 72-hour biweekly schedule comprised of six 12-hour shifts. The change will impose a standard FLSA schedule that permits an employer to schedule an employee for 40 hours of work in a designated seven-day workweek before being required to pay the employee FLSA overtime and aligns with the needs of the Pilot Station. The amendment also addresses compensation issues to improve recruitment of Boat Captains at C&M and ensures salaries are commensurate with the duties and responsibilities of the Boat Captain classification.

FISCAL IMPACT

The Harbor Department employs six Boat Captains, Class Code 5113-1/2/3/4, and six Deck Hands, Class Code 5131-0/H. The Bureau of Sanitation employs two Boat Captains, Class Code 5113-1/2, and one Deck Hand, Class Code 5131-0. The fiscal impact associated with the increase in compensation for the positions at the Harbor Department will be mitigated by implementation of the 72-hour work schedule for the employees assigned to the Pilot Station. Any unanticipated additional costs associated with the schedule change will have no impact on the General Fund as the Harbor Department will pay for all related costs. The additional costs associated with the increase in compensation for the positions at the Bureau of Sanitation are approximately \$48,000 but the costs will have no impact on the General Fund as the positions are funded by Special Funds.

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Attachment