

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: March 28, 2014

To: The City Council

From: Miguel A. Santana, City Administrative Officer

Subject: **2013-2016 MEMORANDA OF UNDERSTANDING FOR THE ENGINEERS & ARCHITECTS ASSOCIATION (EAA)**

In accordance with Executive Employee Relations Committee instructions, agreement on Memoranda of Understanding (MOUs) has been reached with the Engineers and Architects Associations (EAA) for the following MOUs:

MOU 1	Administrative Unit
MOU 19	Supervisory Technical Unit
MOU 20	Supervisory Administrative Unit
MOU 21	Technical Rank & File Unit

The attached MOUs are for a three-year period from July 2, 2013 through June 30, 2016, and include the following major provisions:

- **No Cost of Living Adjustments (COLA) During Term of Contract**
- **Active Employee Healthcare Contribution**

Bargaining unit members currently contribute 5% of health care premiums. Effective January 1, 2015, the 5% contribution will increase to 10% of the health care premium.

- **Salary Step Restructure**

Extend salary step ranges by three premium levels (approximately 8.25%) at the bottom and top of each range. The previous five-step schedule, where each step is separated by approximately 5.5%, will become a fifteen-step range where each step is separated by approximately 2.75%. Current costs related to Supervisory Differential, Acting Pay, and Promotional Increases would also be reduced to contain salary costs.

- **Salary Anniversary Step Movement**

Between April 6, 2014, and June 30, 2015, individual salary step anniversary movement will be frozen and negotiated date-specific step movement will be implemented.

- **EAA Lawsuits**

EAA agrees it will not request arbitration and will withdraw its request for attorney fees associated with its legal challenge to the imposition of furloughs in FY 2010-11 and 2012-13. In addition, EAA agreed to dismiss its claim for attorney's fees and all terms of settlement in the retiree medical lawsuit brought by MOUs 29 and 31.

### **Recommendations**

That the City Council:

1. Approve the 2013-16 Memoranda of Understanding for the Engineers & Architects Association bargaining units 1, 19, 20 & 21; and,
2. Authorize the City Administrative Officer and the Controller to correct any clerical errors in the Memoranda of Understanding, or if approved by the City Attorney, any technical errors.

### **Fiscal Impact Statement**

Implementation of the provisions of these MOUs would result in an on-going financial obligation of \$16.2 million to the General Fund. Active employee health care contributions of 10% of premium will result in an annual savings of \$5.3 million with further savings from lowering entry level salaries, narrowing step movement, and implementing other adjustments in the revised salary step structure.

*MAS:MHA:EAG:0714066*

Attachments – MOUs 1, 19, 20 & 21