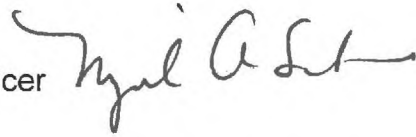


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 15, 2015

To: The City Council

From: Miguel A. Santana, City Administrative Officer

Subject: **2015 – 2018 MEMORANDUM OF UNDERSTANDING FOR THE POLICE OFFICERS, CAPTAIN AND ABOVE BARGAINING UNIT (MOU 25)**

In accordance with Executive Employee Relations Committee instructions, agreement on a Memorandum of Understanding (MOU) has been reached with the Los Angeles Police Command Officers Association (LAPCOA) for the Police Officers, Captain and Above bargaining unit. The attached MOU, which covers 107 employees in the classifications of Police Captain, Police Commander and Police Deputy Chief, is for a three-year period from October 1, 2015, through June 30, 2018, and includes the following major provisions.

General Salary Increase

Salary increases commensurate with those previously approved for Police Officers, Lieutenant and Below (MOU 24) are being proposed as follows:

- 4% effective June 26, 2016;
- 2% effective July 9, 2017; and
- 2% effective January 7, 2018.

Salary Structure

All represented classifications will be moved to a six-step salary range to coincide with the ranges used for the majority of civilian employees. This will ensure uniform differentials between salary steps. Other adjustments to the salary structure will ensure that sufficient promotional differentials are maintained.

Health Care Subsidy

The majority of employees represented by LAPPL participate in health care plans sponsored by the Los Angeles Police Relief Association rather than by the City. Therefore, the most effective way to control costs is to cap the amount paid by the City to the Relief Association. In the previous MOU, the maximum monthly City contribution toward health care premiums was \$1,227.70 per employee effective July 1, 2015. This amount will increase slightly to \$1,230 per employee to coincide with the subsidy negotiated for MOU 24. The proposed MOU will increase the maximum City subsidy to

\$1,290 per employee effective July 1, 2016, and to \$1,350 per employee effective July 1, 2017.

Dental Care Subsidy

The proposed MOU will maintain the current monthly subsidy of \$78 per employee through Fiscal Years 2015/16 and 2016/17. The subsidy will increase to \$80 per month effective July 1, 2017.

Uniform and Community Outreach/Command Expenditure Allowance

Under the provisions of the previous MOU, each employee received a non-pensionable payment of \$1,500 in July 2015 to offset the cost of maintaining and purchasing uniforms. The proposed MOU increases this amount to \$1,525 per employee in July 2016, July 2017 and July 2018.

The previous MOU provided each employee with a \$600 allowance for expenses related to community outreach and other expenditures related to command operations. The proposed MOU increases this amount to \$3,900 payable in December 2015, December 2016 and December 2017.

Employee Benefits

The proposed MOU provides increases to the following benefits:

- Increase in the City contribution to the Employee Assistance Program (EAP) from \$8,100 to \$12,000 per year.
- Increase in the City contribution to the Executive Development Fund from \$250,000 to \$300,000 per year.
- Increase in the on-duty death benefit from \$15,000 to \$30,000.
- Upon promotion to Captain, an employee may choose to retain a maximum of 200 hours of banked overtime. All other overtime hours will be cashed out at the rate in effect prior to the promotion.
- The qualifying period for acting pay assignments will be decreased from 56 days to 28 days commensurate with a similar change for MOU 24.

Recommendations

It is recommended that the City Council:

1. Approve the attached 2015-18 Memorandum of Understanding for the Police Officers, Captain and Above Representation Unit;
2. Authorize the City Administrative Officer and the Controller to correct any clerical errors in the Memorandum of Understanding, or, if approved by the City Attorney, any technical errors.

Fiscal Impact Statement

Implementation of the provisions of the MOU will result in increased costs to the General Fund of approximately \$1.38 million in Fiscal Year 2015/16; \$1.2 million in Fiscal Year 2016/17; and \$0.96 million in Fiscal Year 2017/18. The annual ongoing cost will be approximately \$3.14 million which consists of \$2.574 million in additional salary and pension costs; \$160,000 in additional health and dental benefit costs; \$356,000 in additional uniform and community outreach allowance costs; and \$54,000 in additional City contributions to the Employee Assistance Program and the Education Fund. The Los Angeles Police Department will absorb the additional costs for Fiscal Year 2015/16 within its current budget.

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Attachment