

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: January 4, 2024

To: The City Council

From: 
Matthew W. Szabo, City Administrative Officer

Subject: **LETTER OF AGREEMENT FOR BARGAINING UNITS 03, 04, 06, 10, 11, 14, 15, 16, 36, AND 37 TO REINSTATE SALARY ADJUSTMENTS FOR PART-TIME EMPLOYEES**

RECOMMENDATIONS

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

1. Approve the attached Letter of Agreement (LOA), approved as to form and legality by the City Attorney; and
2. Authorize the City Controller and the CAO to correct any clerical or technical errors in the LOA.

SUMMARY

On August 25, 2023, the Executive Employee Relations Committee (EERC) formally instructed this Office to enter into a Letter of Agreement (LOA) with the American Federation of State, County, and Municipal Employees (AFSCME) and the Service Employees International Union Local 721 (SEIU) for bargaining units 03, 04, 06, 10, 11, 14, 15, 16, 36, and 37 that would reinstate a pensionable "Adds to Rate" salary adjustment of 2.75% to part-time employees that was inadvertently omitted from the Memoranda of Understanding (MOUs) covering 2018-2022 and 2023. The attached LOA will expire once the 2.75% "Adds to Rate" salary adjustment for part-time employees is incorporated into the successor MOUs for the affected bargaining units.

The MOUs for the bargaining units identified in the subject of this memo for the 2015-2018 term contained a salary provision that provided a pensionable "Adds to Rate" salary adjustment of 2.75% to part-time employees who are assigned to a salary range but permanently assigned to the starting salary step for the classification in which they are employed. The intent of this salary adjustment was to compensate the employees similarly to employees who were provided a permanent salary increase by way of step advancement or, in the case of flat-rated employees, a 2.75% base wage increase. This salary adjustment was also intended to remain as a compensable factor until otherwise negotiated.

For successor MOUs with terms from 2018-2022 and 2023, the aforementioned salary adjustment was inadvertently omitted from MOUs 03, 04, 06, 10, 11, 14, 15, 16, 36, and 37. Consequently, following an audit to prepare payroll data for conversion to Workday, the 2.75% "Adds to Rate" salary adjustment was deleted from employees' payroll records who had been receiving the additional compensation under the 2015-2018 MOUs.

Considering the original intent of the salary provision, technical corrections were drafted to reinstate the 2.75% "Adds to Rate" salary adjustments that were effective on January 7, 2018, for impacted part-time employees on a fixed salary step. However, the City Attorney's Office advised that this item did not legally qualify as a technical correction.

The attached LOA, contains the following provision as found in the salary articles under "Salary Adjustments" for MOUs 03, 04, 06, 10, 11, 14, 15, 16, 36, and 37, with term dates 2015-2018:

- Effective January 7, 2018, each employee in a classification on a salary range, who is on a fixed step, i.e., does not automatically advance to the next step of the salary range assigned, shall receive a pensionable "Adds to Rate" salary adjustment of 2.75% while in that classification.

The omission of the "Adds to Rate" salary adjustment of 2.75% affects approximately 655 active intermittent part-time employees. Reinstatement of the salary adjustment impacts 169 part-time employees that had the salary adjustment removed from their payroll records. Since MOUs after the 2015-2018 term did not include the salary adjustment language, 486 active employees hired after July 1, 2018, were never paid the salary increase. Other employees who may have had the salary adjustment removed by departments prior to June 2023 may be impacted. This Office will work with the Controller's Office to identify former and current employees who have transitioned to full-time status to determine if additional compensation is due.

FISCAL IMPACT

Reinstatement of the salary adjustment for 169 part-time employees as of pay period ending on August 3, 2023, will result in a cost to the City of approximately \$40,000; the estimated cost to pay 486 employees that were not provided the salary adjustment is estimated to cost approximately \$400,000.

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Attachment