

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: April 16, 2015

To: The City Council

From: Miguel A. Santana, City Administrative Officer



Subject: **2014 – 2018 MEMORANDUM OF UNDERSTANDING FOR THE POLICE OFFICERS, LIEUTENANT AND BELOW BARGAINING UNIT (MOU 24)**

In accordance with Executive Employee Relations Committee instructions, agreement on a Memorandum of Understanding (MOU) has been reached with the Los Angeles Police Protective League (LAPPL) for the Police Officers, Lieutenant and Below bargaining unit. The attached MOU is for a four-year period from July 1, 2014, through June 30, 2018, and includes the following major provisions.

General Salary Increase

In 2014, the annual starting salary for a newly-hired Police Officer was \$49,924 and the maximum salary for a tenured Police Officer II was \$88,427. In response to recruitment issues and a lawsuit, the starting salary for the class of Police Officer was increased to \$57,420 effective January 1, 2015. According to the Personnel Department, with the resurgence of the local economy over the last several years, other local law enforcement agencies – particularly the Los Angeles County Sheriff's Office and the California Highway Patrol – have been competing with the Los Angeles Police Department to recruit and retain the most qualified Police Officer candidates. The increases proposed below will bring the top salary for a tenured Police Officer to \$95,672 at the end of the contract, which will assist the City in remaining competitive in the areas of recruitment and retention. A comparison of salaries for other local law enforcement agencies is attached for informational purposes.

- 0% effective July 1, 2014;
- 0% effective July 1, 2015;
- 4% effective July 3, 2016;
- 2% effective July 9, 2017; and
- 2% effective January 7, 2018.

Overtime

In accordance with the terms of the agreement, the City will commit to funding \$80 million in cash overtime in FY 2015/16, \$90 million in FY 2016/17, and \$100 million in FY 2017/18. These commitments will allow the Police Department to return to a policy of compensating necessary overtime in cash rather than having officers accumulate

large banks of time which create a large unfunded liability for the City that grows over time. In addition, \$5 million will be set aside to pay down existing overtime hours in August 2015.

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 for health care coverage. In the previous MOU, the maximum monthly City contribution toward health care premiums was \$1,169.24 per employee effective July 1, 2013. This amount will stay in effect through June of 2015. This compares to the 2015 maximum health subsidy of \$1,414.30 for the majority of civilian City employees. The proposed MOU will increase the maximum City subsidy to \$1,230 per employee effective July 1, 2015; 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 align the two levels of dental subsidies at a maximum of \$76 per month effective July 1, 2015, and increase this amount to \$78 per month effective July 1, 2016, and to \$80 per month effective July 1, 2017.

Uniform Allowance

Under the provisions of the previous MOU, each employee received a non-pensionable payment of \$1,025 each July during the term of the contract to offset the cost of maintaining and purchasing uniforms. The proposed MOU increases this amount to \$1,525 per employee effective in July 2015.

Employee Benefits

The proposed MOU provides increases to the following benefits:

- Increase in the City contribution to the Employee Assistance Program (EAP) from \$717,000 to \$840,000 per year.
- Increase the Educational Fund from \$100,000 to \$300,000 to allow officers to take advantage of training opportunities and pursue college degrees.
- Increase in the on-duty death benefit from \$15,000 to \$30,000.

Recommendations

It is recommended that the City Council:

1. Approve the attached 2014-18 Memorandum of Understanding for the Police Officers, Lieutenant and Below 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 beginning in Fiscal Year 2014/15. The incremental increases for each year are as follows: \$320,000 in Fiscal Year 2014/15; \$10.38 million in Fiscal Year 2015/16; \$61.04 million in Fiscal Year 2016/17; and \$49.16 million in Fiscal Year 2017/18. The annual ongoing cost will be approximately \$120.9 million. The commitment to once again compensate the majority of police overtime in cash will add \$80 to \$100 million during each year of the contract.

MAS:MHA:0715082

Attachments

POLICE OFFICER SALARY COMPARISON

Department	No. of Officers	Population	Square Miles	Starting Salary	Top Step	Rank
Newport Beach	134	87,000	24	\$57,756	\$113,152	1
San Francisco	2,100	837,000	47	\$80,574	\$112,164	2
San Jose	1,259	999,000	180	\$66,955	\$104,458	3
Oakland	674	406,000	78	\$60,701	\$100,056	4
Santa Monica	216	92,000	9	\$75,588	\$93,312	5
Anaheim	389	345,000	50	\$66,186	\$93,100	6
Huntington Beach	237	198,000	27	\$50,968	\$91,788	7
Beverly Hills	127	35,000	6	\$77,532	\$91,248	8
LAPD	9,968	3.9 million	469	\$57,420	\$88,427	9
Santa Ana	250	334,000	28	\$59,736	\$88,260	10
Long Beach	880	469,000	50	\$63,768	\$87,720	11
CHP	7,500			\$50,292	\$87,396	12
LA County	18,000			\$58,704	\$86,652	13
Oceanside	211	173,000	42	\$48,732	\$86,544	14
Simi Valley	130	126,000	42	\$53,830	\$84,760	15
Escondido	170	149,000	37	\$56,688	\$83,748	16
Fountain Valley	62	57,000	57	\$68,016	\$82,680	17
Chula Vista	225	257,000	52	\$50,556	\$81,742	18
National City	92	60,000	9	\$51,803	\$81,738	19
Chino	130	81,000	30	\$50,808	\$81,264	20
Fontana	176	200,000	42	\$60,560	\$80,912	21
Carlsbad	136	111,000	39	\$56,351	\$80,706	22
Riverside	361	317,000	81	\$54,696	\$80,280	23
San Diego	2,100	1.4 million	325	\$47,362	\$80,016	24
Los Angeles proposed				\$57,420	\$95,672	