

LOS ANGELES POLICE DEPARTMENT



MICHEL R. MOORE
Chief of Police

ERIC GARCETTI
Mayor

P.O. Box 30158
Los Angeles, CA 90030
Telephone: (213) 486-8590
TTY: (877) 275-5273
Ref #: 1.3

September 8, 2022

The Honorable City Council
c/o Patrice Lattimore
Office of the City Clerk
Room 395, City Hall
Los Angeles, California 90012

Honorable Members:

Background

During the City Council's review and adoption of the City's Fiscal Year 2022-23 Budget, Councilmember Paul Koretz introduced the following motion:

"INSTRUCT the City Administrative Officer and Los Angeles Police Department (LAPD or Department) to report on the accumulation of LAPD's officers' overtime bank, the financial implications associated with that bank, a plan to reduce the obligations of the LAPD accumulative officer overtime bank and measures to ensure the overtime bank does not increase year over year."

Discussion

The following table shows the Department's Accumulated (Banked) Overtime Liability on July 1, 2022 and July 1, 2021:

Overtime Bank	Hours	Value
<i>July 2021</i>		
Old Bank	2,480,401	\$153,555,275
New Bank	3,372	\$265,044
TOTAL	2,483,773	\$153,820,319
<i>July 2022</i>		
Old Bank	2,238,672	\$139,978,891
New Bank	1,348	\$134,516
TOTAL	2,240,020	\$140,113,407

Overtime for sworn personnel at the rank of Lieutenant and below is governed by the provisions in the Memoranda of Understanding between the City of Los Angeles and the Los Angeles Police Protective League (MOU 24). Accumulated overtime is specifically governed by Article 6.1, Overtime Provisions, Item D. This provision entitles sworn employees to elect either paid overtime or compensated time off (CTO), with a limit of 150 hours of CTO being accumulated in a fiscal year. This limit may be extended if the Department expends all available cash overtime. These hours are credited to the employee's "New Bank" overtime. On July 1 of the new fiscal year, all New Bank hours are moved to the employee's "Old Bank" and the limit of 150 hours is re-established.

Officers are also limited to the amount of overtime that can be worked for CTO in each four-week deployment period. In compliance with the Federal Fair Labor Standard Act, all hours worked in excess of 171 hours (regular and overtime) must be compensated in cash.

Historically, during a fiscal year sworn employees bank approximately 10 percent to 15 percent of overtime worked. The Department's ability to mitigate the banking of overtime is governed by the provisions in MOU 24 and the availability of funding for cash overtime. In Fiscal Year 2019/2020, officers banked 372,034 hours with a value of \$28.4 million. In Fiscal Year 2020/2021, the Department's cash overtime was reduced by \$90 million and officers banked 681,017 hours with a value of \$47.3 million. The overtime usage in Fiscal Year 2020/2021 was mitigated by COVID-19 restrictions which substantially reduced the amount of public activities with quarantine restrictions in place.

When Accumulated Overtime is paid out, it is done at the salary rate of the employee at the time the overtime is paid out, not at the rate at which it was earned. The value of the Accumulated Overtime bank increases with each Cost-of-Living Adjustment (COLA) that is negotiated for MOU 24, and with each salary step increase or promotion an officer receives. For example, overtime earned at the level of police officer would be paid out at whatever salary range the officer holds when the officer separates from the Department.

The accumulated overtime balance is reduced through the following methods:

- Officers may use CTO for time off;
- Buy down of accumulated overtime by the City;
- Officers who promote to the level of Captain have accumulated overtime in excess of 200 hours cashed-out upon their promotion; and/or,
- Officers are compensated for all hours of CTO when they separate from the Department.

The City has allocated \$5 million in the budget for the reduction of accumulated overtime in Fiscal Year 2022/2023. The City has also agreed to establish a "buy-back" program in mid-to late Fiscal Year 2022/2023, to be administered in Fiscal Year 2023/2024 at a minimum of \$35 million, subject to budget conditions.

In Fiscal Year 2021/2022, in addition to the \$5 million buy-down of accumulated overtime, the Department paid out \$8.9 million to sworn employees who separated from the Department.

From Fiscal Year 2020/2021 to Fiscal Year 2021/2022, the Department's Accumulated Banked Overtime liability has been reduced by 243,713 hours, a decrease of 9.8 percent.

Conclusion

The Department's ability to mitigate the amount of Accumulated Overtime is governed by the provisions of MOU 24, which entitles officers to bank up to 150 hours each fiscal year, and the funding of cash overtime in the adopted budget. The City currently has negotiated a proposal to reduce the current Accumulated Overtime bank by \$5 million in Fiscal Year 2022/2023 and a minimum of \$35 million in Fiscal Year 2023-24.

The Department is committed to the efficient use of overtime for essential activities and to provide cash overtime as much as possible to prevent the increase of accumulated overtime.

If you have any questions or concerns, please contact the Office of Support Services at (213) 486-8410.

Respectfully,



MICHEL R. MOORE
Chief of Police