



RESOLUTION NO. _____

BOARD LETTER APPROVAL

Janisse Quinones
Janisse Quinones (May 23, 2024 21:19 PDT)

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: May 17, 2024

SUBJECT: Approval of the Memorandum of Understanding for the Security Unit Represented by the Service Employees International Union, Local 721, for the Contract Term of October 1, 2022, through September 30, 2026.

SUMMARY

The accompanying Resolution is in accordance with bargaining instructions authorized by the Executive Employee Relations Committee on May 17, 2024. The Los Angeles Department of Water and Power (LADWP) and the Service Employees International Union (SEIU), Local 721, have reached an agreement on the terms and conditions of the attached Memorandum of Understanding (MOU) for the period October 1, 2022, through September 30, 2026.

Los Angeles City Council (City Council) approval is required in accordance with City Charter Sections 219 and 373.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution approving the benefits and recommending City Council approval of the salaries agreed to in the SEIU, Local 721, MOU for the period of October 1, 2022, through September 30, 2026.

The MOU will not take effect unless and until the City Council has approved it.

FINANCIAL INFORMATION

The estimated average year over year financial impact associated with the proposed contract ranges from approximately \$2.4 million to \$2.5 million. Assumptions are based on Cost-of-Living Adjustments (COLA) floor of two and one half percent (2.5%) and ceiling of five and one half percent (5.5%), which are based on Consumer Price Index (CPI), salary adjustments, and other identified miscellaneous new MOU provisions.

BACKGROUND

The following is a summary of the MOU Amendments recommended for approval:

- 1) Four-year term from October 1, 2022, through September 30, 2026.
- 2) Effective October 1, 2022, five and one-half percent (5.5%) COLA.
- 3) Effective October 1, 2023, three and four tenths percent (3.4%) COLA.
- 4) Effective October 1, 2024, COLA based on CPI*.
- 5) Effective October 1, 2025, COLA based on CPI*.

*Salary ranges shall be increased by a percentage equal to the percentage increase in the CPI for Urban Wage Earners and Clerical Workers as measured from August of the prior year to August of the current year for United States City Average (1982-84=100); provided, however, that if the CPI increases less than or equal to two and one-half percent (2.5%), the salary ranges shall be increased by two and one-half percent (2.5%), and if the CPI increases by five and one-half percent (5.5%) or more, the salary ranges shall be increased by five and one-half percent (5.5%).

- 6) Effective the first full pay period after October 1, 2022, a salary adjustment of three percent (3%) will be added to the base wage for the class of Security Officer, Class Code 3181.
- 7) Union Optical Program - Increases the LADWP' contribution from three dollars and twenty-five cents (\$3.25).
 - i. Effective October 1, 2022, increase to \$3.31.
 - ii. Effective October 1, 2023, increase to \$3.46.
 - iii. Effective October 1, 2024, increase to \$3.58.
- 8) Accrual (Article 9.6) – Accumulated Overtime Accrual is increased from 80 hours to 120 hours.
- 9) Cash-Out (Article 9.7) – Accumulated overtime cash out limited to 40 hours maximum and only after accruing beyond 80 hours.

- 10) Salaries/Appendices (Article 22.1) – Effective the pay period following the adoption of this MOU, Security Officer “C”, DDR No. 95-31811 shall be deleted and new hires will be hired at the “B” level.
- 11) Vehicle Per Diem (Article 15.1(b)) – Effective the pay period following adoption of this MOU, the Department will waive the 1,000 mile requirement to provide a vehicle per diem, on a case-by-case basis, to the employee, only if the Department is unable to provide the employee with a Department vehicle and if approved by the Director of Security Services or their designee.
- 12) Overtime Meal Allowance (Article 15.2(a)) - Overtime meals are increased from \$10.00 to \$25.00.
- 13) Health Plan (Article 14) – During the term of this MOU, in accordance with established practice, the LADWP shall seek approval of the Board of Water and Power Commissioners to approve two-party coverage and provide each unit employee in the Water and Power Employees’ Retirement Plan Tier 2 two-party subsidy with LADWP Qualifying Service and provide for Kaiser Permanente coverage outside Southern California.
- 14) Family Death Benefits (Article 26.4) – Incorporates recent Retirement Plan design changes, including the following monthly amounts:
 - Half-time Civil Service Employee: Individual \$468.50; Family \$1,093.50
 - Full-time employee: Individual \$937.00; Family \$2,187.00
- 15) Retirement “Me Too” Regarding Department Contribution for Tier 2 members (Article 28.6) - If another LADWP bargaining unit receives a Department contribution towards Tier 2 members, then the same Department contribution shall apply to Tier 2 members for SEIU, Local 721, represented employees.
- 16) Shift Differential (Article 22.2) – Codify the existing compensation for shift differential back into the MOU, which was inadvertently removed:
 - AM shift (11:00 p.m. to 7:00 a.m.) shall receive three (3) premium levels (approximately 8.25percent) above their base salary for each shift so worked.
 - PM shift (3:00 p.m. to 11:00 p.m.) shall receive two (2) premium levels (approximately 5.5percent) above their base salary for each shift so worked.
- 17) Declared Holidays (Article 12.1) – Codify Juneteenth (June 19th) into the MOU as an LADWP holiday to be observed annually. Unless June 19th falls on a Saturday or Sunday, in which case, it shall be observed in accordance with the Los Angeles Administrative Code Sections 4.119(b) or 4.119(c) respectively.

- 18) Grievance Procedure (Article 5) – Eliminates the Joint Labor Management Investigatory process for the first formal step of grievance procedure.
- 19) Dues Deduction, Committee on Political Education (COPE), and Indemnification – Updates dues deduction language and includes COPE.
- 20) New Employee Orientation (Article 32) – Codifies the existing practice of notifying SEIU for new employee orientations of new hires.
- 21) Paid Parental Leave – Incorporates the Letter of Intent on Paid Parental leave into the MOU. Paid Parental Leave was approved by the LADWP Board on September 26, 2023.
- 22) Bereavement Leave – Incorporates the Letter of Intent on Bereavement leave into the MOU. Bereavement Leave was approved by the LADWP Board on January 9, 2024.
- 23) Other Clean Up Provisions – Correct misspellings, typographical errors, and grammar throughout the MOU. Move certain articles to other areas of the MOU.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guideline 15060(c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378(b)(5) states that organizational or administrative activities that will not result in direct or indirect physical changes in the environment do not meet that definition. Therefore, approval of the Contract with the SEIU, Local 721 is not an action subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution as to form and legality.

ATTACHMENT

- Resolution
- Agreement