

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 28, 2020

To: The City Council

From: Richard H. Llewellyn, Jr., City Administrative Officer

Subject: **2017-2027 AMENDED MEMORANDUM OF UNDERSTANDING NO. 26 FOR THE LOS ANGELES PORT PILOTS ASSOCIATION, ILWU, LOCAL 68 (CF# 17-0945)**

**RECOMMENDATION**

The City Administrative Officer (CAO) recommends that the City Council:

1. Approve the attached 2017-2027 Memorandum of Understanding (MOU) for Bargaining Unit 26; and
2. Authorize the City Controller and the CAO to correct any clerical errors or make necessary technical corrections subsequent to City Council approval.

**SUMMARY**

In accordance with the instructions of the Executive Employee Relations Committee (EERC), a tentative agreement has been reached with the Los Angeles Port Pilots Association bargaining unit to amend and extend the current MOU. The tentative agreement has been ratified by bargaining unit members. The key provisions of the agreement are as follows:

- Term & Salary
  - Extend the original term (ending June 18, 2022) through July 24, 2027.
    - o No base wage adjustment through July 2027.
    - o Reduce base wages for Port Pilot IIs by 2.2% effective July 2021 and restore wages to the July 5, 2020, rate effective July 2024.
- Overtime
  - Clarify current provisions and practices by declaring an FLSA overtime exemption and strengthening language relative to the Administrative Code.
- Call Backs
  - Strengthen current rules regarding the payment of cancelled Call Backs.

- Holiday Premium Pay
  - Reduce compensation for working on a holiday from 14 to 12 hours and eliminate additional compensation for not working on a holiday.
  - Provide time off in lieu of holiday time to each Pilot. Time remaining in the time bank at the end of each calendar year to be paid off, up to a maximum of 80 hours.
  
- Efficiency Incentive
  - Increase the negotiated percentage in the formula over the term of the agreement and create a proxy for a minimum tariff amount in July 2023 and July 2027.
  
- Other
  - Update provisions to achieve consistency with other civilian MOUs and the Administrative Code, including: payroll deductions; grievance procedures; vacation accruals; Family Medical Leave provisions; and, healthcare contributions.

## **FISCAL IMPACT**

The base wage reduction between July 2021 and July 2024 will generate an estimated savings for the Harbor Department of \$50,000 in FY2021-22 and FY2022-23 and \$66,000 in FY2023-24 (because the number of Port Pilots in the latter year will increase by three). The base wage reduction also saves an indeterminable amount of money from FY 2021 - 22 through FY 2023 - 24 on overtime, Call Back, and holiday premium pay.

The effect of modifying the Efficiency Incentive is unknown because it is chiefly dependent on ship traffic.

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Attachment