

CRA/LA, A DESIGNATED LOCAL AUTHORITY  
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

MEMORANDUM

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**DATE:** AUGUST 2, 2012  
**TO:** GOVERNING BOARD  
**FROM:** CHRISTINE ESSEL, CHIEF EXECUTIVE OFFICER  
**STAFF:** PATRICIA FRANCISCO, DIRECTOR OF HUMAN RESOURCES  
**SUBJECT:** **LABOR ARBITRATION FEES AND SERVICES.** Request for Payment Authorization for Arbitrator Jill Klein in the amount of \$1,406.25 and other arbitrators in the amount not to exceed \$30,000 for future arbitration hearings to be scheduled through December 31, 2012

AD1000  
ROPS #1575

**RECOMMENDATION(S)**

That the Governing Board, subject to Oversight Board approval, take the following actions

1. Authorize the payment for Arbitrator Jill Klein in the amount of \$1,406.25 for services and fees previously rendered in a grievance-related matter from the Administration/Litigation encumbered reserve (ROPS #1575), and
2. Authorize the use of up to \$30,000 for future arbitrator services for arbitration hearings to be scheduled through December 31, 2012, from the Administration/Litigation encumbered reserve (ROPS #1575).

**SUMMARY**

The recommended actions will enable the CRA/LA-DLA to fulfill enforceable obligations flowing from the MOU with AFSCME bargaining units and authorize payment to Jill Klein in the amount of \$1,406.25 for arbitrator services and fees previously rendered in a grievance-related matter. Additionally, authorization is requested to fund future arbitrator services in the amount not to exceed \$30,000 for hearings to be scheduled through December 31, 2012. Payments for arbitration services will be funded from the administrative/litigation reserve fund. The funds will be used to cover arbitration fees and expenses for employee related matters on six (6) pending employee grievances and one (1) employee disciplinary matter.

**DISCUSSION & BACKGROUND**

In accordance with the Memorandum of Understanding (MOU) between CRA/LA, a Designated Local Authority, and the four employee bargaining units represented by the American Federation of State, County, and Municipal Employees (AFSCME) Locals 164/Basic, 585/Professional, 2204/Supervisory and 1890/Management, employee grievances and disciplinary actions may be appealed and reviewed by an Arbitrator/Hearing Officer selected from the State Mediation and Conciliation Services (SMCS) and/or The American Arbitration Association (AAA). The MOU requires that the cost of the arbitrator and other mutually incurred costs (e.g. transcript services) shall be shared equally by each party (i.e. CRA/LA-DLA Management and designated AFSCME Local). Arbitrator or Hearing Officer fees and expenses are normally incurred for employee grievances and/or appeals of employee disciplinary actions.

Payment is being requested in the amount of \$1406.25 for Ms. Jill Klein. In June 2012, Ms. Jill Klein, the designated arbitrator on a pending employee grievance matter submitted an invoice in the amount of \$1,406.25. The invoice reflected cancellation fees (\$1,200) for a hearing scheduled for June 7, 2012 and for other miscellaneous expenses in the amount of \$206.25. The hearing scheduled for June 7, 2012 was cancelled as requested by CRA/LA-DLA Management because outside legal counsel representation on employee/labor relations matters had not been established for CRA/LA-DLA as of the scheduled date of the hearing. Outside legal counsel representation on employee/labor relations matters was needed due to the termination of legal services provided by the Office of the City Attorney of the City of Los Angeles. In June 2012, outside legal counsel services for employee/labor relations matters were included as part of the Recognized Obligation Payment Schedule (ROPS 2). Because the cancellation of the hearing on June 7, 2012 was requested by CRA/LA Management less than the required two-week cancellation period, CRA/LA-DLA is required to pay for the entire amount due.

Currently, there are six (6) pending employee grievances and one (1) employee disciplinary action that are scheduled to proceed to arbitration. Consequently, the CRA/LA-DLA is requesting to establish a fund to pay for arbitrator/hearing officer services in anticipation of the fees and expenses to be incurred during the arbitration hearings through December 31, 2012. An amount not to exceed \$30,000 is being requested at this time. Additional funds, if needed, will be requested as part of ROPS 3.

**SOURCE OF FUNDS**

Reserve Balances

**PROGRAM AND BUDGET IMPACT**

This action is consistent with the current adopted Recognized Obligations Payment Schedule.

**ENVIRONMENTAL REVIEW**

The proposed project does not constitute a project according to the California Environmental Quality Act (CEQA) under section 15378(b)(5).

Christine Essel  
Chief Executive Officer

By:



David Riccitiello  
Chief Operating Officer

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.