



Joint Labor-Management Committee Commute Options & Parking **COMMITTEE REPORT 22-26**

Date: December 20, 2022
To: JLMC-COP
From: Staff
Subject: Parking Fee Holiday Recommendation

JLMC-COP Members

Management
Valerie Melloff, GSD, Chair
Paula Dayes, Personnel, First Prov. Chair
Patricia Huber, CAO
Jay Kim, LADOT
Employee Organization Primary Members
Charles Leone, SEIU, Vice-Chair
Leticia Gonzalez, AFSCME, Second Prov. Chair
Esteban Lizardo, LIUNA
Billy Brockway, LAPCOA
Employee Organization Secondary Members
Charley M. Mims, LAPMA

RECOMMENDATION:

That the JLMC-COP approve a proposed Letter of Agreement (LOA) (**Attachment A**), subject to ratification by the City Council, providing terms and conditions for temporarily suspending employee parking fees for eight pay periods.

DISCUSSION:

A. Background

Beginning in 2020, the Department of General Services (GSD) issued a memo notifying the City workforce that employees may park at certain City-managed parking garages without holding a parking permit and free of charge. Said parking was issued on a first-come, first-served basis to the extent capacity is available. This policy continues to be in effect for two locations: City Hall East and Figueroa Plaza. At its meeting on July 14, 2022, JLMC-COP Committee Chair Valerie Melloff noted that some labor organizations had contacted GSD expressing concerns that some employees continued to pay for parking permits while other employees were able to park for free without a permit. Ms. Melloff requested the JLMC-COP consider whether an additional fee holiday would be feasible, and the Committee subsequently referred consideration of this item to the Ad Hoc Special MOU Review Subcommittee.

B. Discussion

In 2021, the JLMC-COP approved a parking fee holiday for six consecutive pay periods (from the pay period ending June 19, 2021 to the pay period ending September 11, 2021). The fee holiday was intended to provide temporary relief to employees who continued to pay for their City-issued parking permits despite working remotely while non-permitted employees could

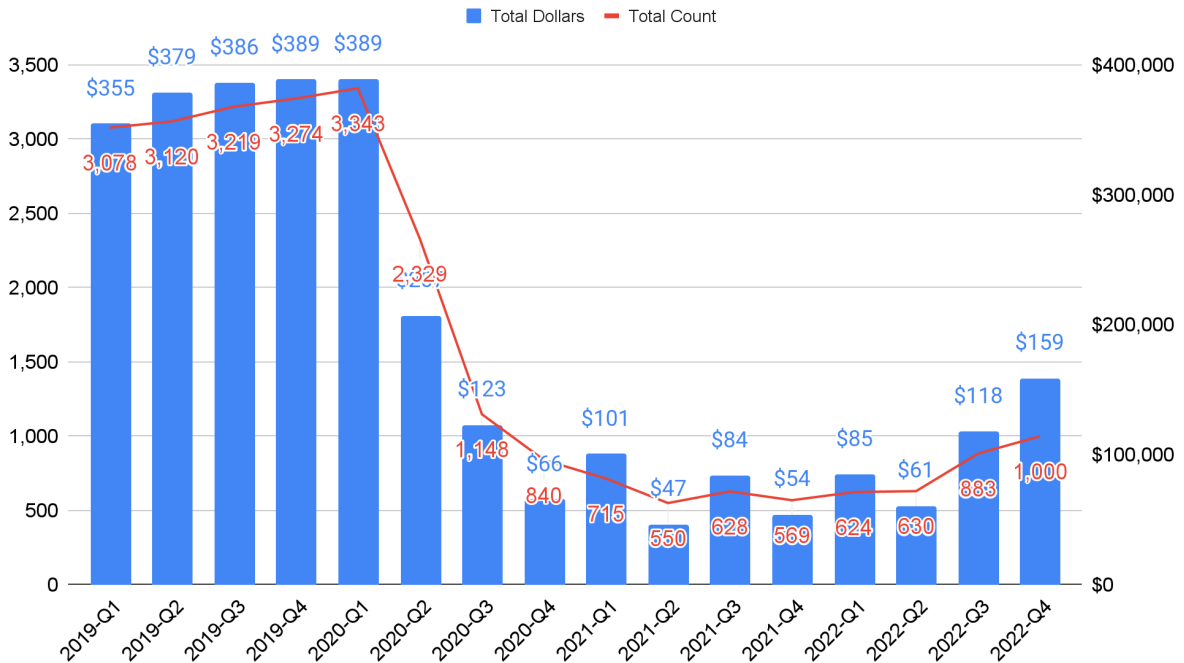
avail themselves of the opportunity to utilize the temporary first-come, first-served free parking policy. The fee holiday cost the Ridesharing Trust Fund (Fund) approximately \$564,000 (approximately \$94,000 per pay period). The Fund was able to absorb the full cost of the fee holiday because there was a simultaneous decrease in expenditures from the Fund. Revenues collected through payroll for parking permits are deposited into the Fund for the exclusive use of paying transit subsidies and reimbursements. A steep drop-off in utilization of the COMMUTEwell Program's transit subsidy reimbursement program was experienced due to many employees working remotely and therefore not receiving transit incentives.

Since the fee holiday ended, transit subsidy utilization resumed and slowly began to increase as employees began returning to onsite work. As an additional incentive to use public transit for employees returning to the office, the JLMC-COP also approved a one-year increase in the subsidy amount from \$50 to \$100. The increased subsidy went into effect on July 1, 2022 and the subsidy requests for the first quarter of the fiscal year were due on October 17, 2022.

The Special Parking MOU Subcommittee discussed the possibility of offering an eight pay period fee holiday, which would cost approximately \$700,000 based on current parking fee deductions. As of December 15, 2022, the Fund balance was \$5,358,900. The Fund's primary revenue source is the parking permit fee deductions. Because many employees began telecommuting in 2020, some of those employees voluntarily canceled their permits, steadily decreasing parking revenue. The chart below shows that steady decline. At the start of 2019, each pay period generated approximately \$115,000 of Fund revenue. By August 2022, that number decreased to approximately \$87,000 per pay period, a drop of approximately 24%. During that same period, the number of paid permits dropped from an average of approximately 5,500 to approximately 4,300. Because parking fee revenue had continually fallen during the pandemic and transit incentives were made more generous, the Subcommittee thought it would be prudent to wait until third quarter transit incentives were processed to understand the impact on the Fund.

While transit incentive utilization has steadily increased since the second quarter of 2021, aided by the increase to \$100 per month, transit expenditures are still only a fraction of the pre-COVID total. The chart below shows overall transit incentive utilization by quarter since the start of 2019. The chart in **Attachment B** shows the same data, but broken out by incentive type (transit reimbursement, transit match, and bike/walk to work).

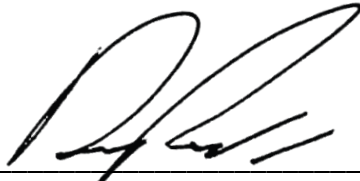
Transit Incentives 2019 - 2022



Based on the balance of the Fund and the moderate growth of transit incentive utilization, the Special MOU Subcommittee agreed that it would be advisable to facilitate an additional suspension of parking fees. Implementing an additional fee holiday will offer relief to employees who have continued paying for parking permits throughout the pandemic, regardless of how much those permits were used and when some employees were able to avail themselves of the temporary free parking program.

The commuter environment for City employees continues to develop. Employees are returning to City worksites in larger numbers, and parking is beginning to be strained as it was prior to the pandemic. The Special MOU Subcommittee's work will result in a revised Special Parking MOU for consideration by the full JLMC-COP. Changes to this document will attempt to establish groundwork for improving the employee commuter experience, and the benefits described in that document should be expected to have an impact on the utilization of the Fund.

Submitted by:



Daniel Powell, Senior Personnel Analyst II

Approved by:



Paul Makowski, Chief Management Analyst

**JOINT LABOR-MANAGEMENT COMMITTEE ON COMMUTE OPTIONS AND PARKING
LETTER OF AGREEMENT**

Employee Parking

This Letter of Agreement (LOA) is entered into between the City of Los Angeles (City) management and employee organization representatives of the City's Joint Labor-Management Committee on Commute Options and Parking (JLMC-COP).

WHEREAS, in accordance with the Special Memorandum of Understanding Regarding City Employee Parking and Commute Options ("Special Parking MOU"), Article 5, City employees with parking permits pay a parking fee that is deducted from their paycheck on a biweekly basis;

WHEREAS, to support COVID-19 safety measures, many City employees are currently teleworking and not utilizing their parking permits but continue to have parking fees deducted from their paychecks; WHEREAS, to maintain continuity of City department operations, and in recognition of increased parking capacity created by increased City employee teleworking, on March 18, 2020, the Department of General Services (GSD) implemented a temporary parking policy allowing City employees to park at many City parking facilities at no cost;

WHEREAS, the emergency response to COVID-19 and unusual conditions creating increased prevalence of telecommuting continue to be in effect; and

WHEREAS, a temporary suspension of parking fees will support greater equity for employee parking for a portion of the time under which the unusual conditions related to COVID-19 continue to be in effect;

NOW THEREFORE, the undersign parties agree to the following provisions:

1. The JLMC-COP agrees to suspend employee parking fee deductions, as outlined in Special MOU Article 5, for eight consecutive pay periods (excluding no-deduction pay periods), beginning as soon as administratively practical upon ratification of the LOA, resulting in an effective zero cost of parking being applied to the employee's paycheck for those six pay periods. The suspension of parking fee deductions will not otherwise affect an employee's parking permit privileges during the period of the suspension.
2. The JLMC-COP agrees that, after approximately 60 days from the effective starting date of the parking fee suspension, the status of employee parking (including a review of whether more employees are returning to City offices and increasing demand on available spaces), and the further impact of suspending parking fees on the City's Ridesharing Trust Fund, will be assessed by the JLMC-COP.
3. The JLMC-COP agrees it may extend, modify, or terminate the parking fee suspension by revising this LOA.

Transit Incentives by Type 2019 - 2022

