



## City of Tacoma

## City Council Action Memorandum

**TO:** Elizabeth Pauli, City Manager  
**FROM:** Karen Short, Senior Human Resources Analyst, Human Resources  
Dylan Carlson, Senior Labor Relations Manager  
Kari Louie, Assistant Human Resources Director  
Shelby Fritz, Human Resources Director  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution - Authorize execution of a Letter of Agreement with the Tacoma Joint Labor Committee – February 8, 2022  
**DATE:** January 24, 2022

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### **SUMMARY AND PURPOSE:**

A resolution authorizing the execution of a Letter of Agreement as negotiated with the Tacoma Joint Labor Committee, regarding criteria for a permissible cash-out of accrued PTO for represented employees.

### **BACKGROUND:**

The resolution will authorize the execution of a Letter of Agreement (LOA) as negotiated with the Tacoma Joint Labor Committee to amend criteria for a permissible cash-out of accrued Personal Time Off (PTO) for represented employees.

Currently, the Tacoma Municipal Code (TMC) provides that a represented employee must be enrolled in PTO for an entire calendar year and have used less than 2 days of unplanned PTO in any one calendar year to be eligible to request a cash-out payment. The new criteria will not include the requirement that the employee be enrolled in the PTO plan for an entire calendar year, or that the employee have used less than two days of unplanned PTO to be eligible for a cash-out. If the employee is enrolled in PTO at the time of the request, the employee would be eligible to request a cash-out up to 100 hours of available PTO based on future accruals, and would receive the cash-out in the next calendar year. For example, for a request made in January 2023, the cash-out would be paid to the employee in February 2024. The cash value of the PTO cash-out payment would be based on the rate for the classification in which the employee is working at the time the cash-out is made.

Changing the cash out program to allow cashing out of PTO leave to be accrued in the future addresses a potential constructive receipt issue in order protect the tax benefits of the PTO program, and allows the restrictions to the current program, including the 10 percent holdback and limitations dependent on unplanned PTO usage, to be eliminated, which provides greater value to employees.

The Unions which comprise the Tacoma Joint Labor Committee are: Professional & Technical Employees, Local 17; Tacoma Firefighters, Local 31; Teamsters Local Union No 117; Washington State Council of County and City Employees, Local 120; International Association of Machinists & Aerospace Workers, Local 160; Teamsters Local 313; and International Brotherhood of Electrical Workers, Local 483.

### **COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:**

#### **2025 STRATEGIC PRIORITIES:**

**Economy/Workforce:** Moderate Opportunity

#### **Explain how your legislation will affect the selected indicator(s).**

This legislation supports the responsible and sustainable management of City funds.



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**ALTERNATIVES:**

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

<b>Alternative(s)</b>	<b>Positive Impact(s)</b>	<b>Negative Impact(s)</b>
Do not approve the legislation	N/A	unknown

**EVALUATION AND FOLLOW UP:**

**STAFF/SPONSOR RECOMMENDATION:**

Authorization from the City Council is required to authorize execution of the Letter of Agreement negotiated with the Tacoma Joint Labor Committee.

**FISCAL IMPACT:** There is no fiscal impact for this request. Department Directors will be responsible for adhering to their overall levels of appropriation.