



**TACOMA PUBLIC UTILITIES**  
 3628 South 35th Street  
 Tacoma, Washington 98409-3192

To: Katie Johnston, Budget Officer  
 From: Alex Yoon, Utilities Deputy Director, Management Services *ay*  
 Date: July 10, 2024  
 Subject: Fiscal Impact of SMART-TD Conductors Unit Wage Increases for 2021-2027

**Background:**

A tentative agreement has been reached between the City of Tacoma and the SMART–TD Conductor bargaining unit for a successor Collective Bargaining Agreement (CBA) effective July 1, 2021 to June 30, 2027. There are thirty-seven (37) employees covered by this agreement.

**Wage Increases:**

Effective July 1, 2021 (or upon City Council ratification, whichever is later) the journey level Conductor hourly base wage will increase by the amounts referenced in the table below:

Year	Current	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026
%Increase		103%	103%	103%	105%	103%	102%
Hourly Rate	\$ 38.14	\$ 39.28	\$ 40.46	\$ 41.68	\$ 43.76	\$ 45.07	\$ 45.97

\*Step 1 Student Conductor rate of pay is equal to 75% of the journey rate of pay (Step 2, shown above).

These wage increases **do** include retroactivity.

**Wellness Program / One-Time Lump Sum Payment (Article 4, Section 2)**

Elimination of the historic “Wellness” program which rewarded employees for non-use of sick leave. The Carrier will pay each Conductor a one-time lump sum payment equal to a basic day’s wages for each Wellness Day earned by that individual employee in the 12 months preceding the date of union’s ratification of this agreement (June 20,2024).

In recognition of concessions made during the negotiation of this Agreement, each Conductor employed on the date of City Council ratification of this agreement will receive a one-time lump sum payment of \$1,000.

**Medical Insurance Premiums (Article 3, Section 3.3)**

Effective the first full month following Council ratification, employee medical insurance Premium share will mirror that of other City employees - currently \$50/month for individuals; \$100/month for full family. (Under the status quo, Conductors are grandfathered at \$40/month for individuals; \$80/month for full family.)





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**PTO Cash Out – Rules Change (Article 3, Section 3.4.B.5)**

Effective January 1, 2025, (or as soon as administratively practicable thereafter) annual voluntary PTO cash out rules will change: An employee may, in January of each year, submit a commitment to cash out up to 100 hours of available accrued PTO in February of the following year. PTO will be cashed out at 100% of the hourly rate for the employee’s classification at the time the cash out payment occurs. (Previously, cash outs were only paid at 90%.)

**VEBA (Article 3, Section 3.4.D.3)**

Beginning January 1, 2025, (or as soon as administratively practicable thereafter) upon separation from the City service due to retirement or death, PTO cash out will be divided 50/50 between taxable wages and tax-free individual Voluntary Employee Benefit Association (“VEBA”) Health Reimbursement Arrangement plan. The union may vote to opt in/out of this program no more than once per year.

**Longevity Pay (Eligibility Change)**

New employees hired after City Council approval of this Agreement shall not be eligible or participate in the longevity program.

Current conductors will continue to participate in and progress through the longevity pay program (Article 4.5) in accordance with the current percentage factors for continuous years of employment.

**Fiscal Impact:**

Incremental Impact of Wage Increases							
Department/Fund	Budgeted FTE	Jul 2021 to Jun 2022	Jul 2022 to Jun 2023	Jul 2023 to Jun 2024	Jul 2024 to Jun 2025	Jul 2025 to Jun 2026	Jul 2026 to Jun 2027
4500 Tacoma Rail	37.00	108,388	110,797	114,549	237,722	85,321	85,394

The total estimated retroactive pay of wage increases is \$484k, to be paid in 2024.

Concur:

*Jackie Flowers*  
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Jackie Flowers, Director of Utilities, CEO

