



TO: Elizabeth Pauli, City Manager
FROM: Karen Short, Senior Human Resources Analyst, Human Resources
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COPY: City Council and City Clerk
SUBJECT: Pay and Compensation Ordinance – February 8, 2022
DATE: January 24, 2022

SUMMARY AND PURPOSE:

An ordinance amending the Tacoma Municipal Code (TMC) Compensation Plan, Chapter 1.12, to implement changes to Tacoma Municipal Code (TMC) Section 1.12.210, to provide for the addition of June 19th “Juneteenth” as a paid holiday for Tacoma Rail employees beginning in calendar year 2022; and changes to TMC Section 1.12.248 Personal Time Off (PTO), regarding criteria for a permissible cash-out of accrued PTO for represented employees.

BACKGROUND:

The ordinance will provide for language changes to Tacoma Municipal Code (TMC) Section 1.12.210 Holidays – Belt Line Railway related to the addition of June 19th “Juneteenth” as a paid holiday for Tacoma Rail employees beginning in calendar year 2022; and to TMC Section 1.12.248 Personal Time Off (PTO) related to the permissible cash-out of Personal Time Off (PTO) for represented employees.

1.12.210 Holidays – Belt Line Railway.

The ordinance will amend the Tacoma Municipal Code (TMC), Compensation Plan Section 1.12.210 to implement the addition of June 19th “Juneteenth” as a paid holiday for Belt Line Railway employees beginning in calendar year 2022. Letters of Agreement regarding the holiday have been negotiated with the Brotherhood of Locomotive Engineers and Trainmen; and the International Association of Sheet Metal, Air, Rail, and Transportation Workers – Transportation Division (SMART-TD), Local 1977 – Yardmasters Unit, and Conductors Unit, and have been scheduled for presentation to the Public Utility Board as resolutions on January 26, 2022; and are scheduled for consideration by the City Council as resolutions on February 8, 2022.

Recognition of “Juneteenth” has become a central topic of discussion at the national, state and local levels as many communities have begun to recognize the significance of this historical event within the greater context of American history. President Abraham Lincoln signed the Emancipation Proclamation in 1863, which was designed to liberate more than three million enslaved African people in the Confederate states. It was not, however, until northern soldiers arrived in Galveston, Texas, on June 19, 1865, more than two years after the proclamation, that the state’s residents finally learned that slavery had been abolished. That day has been celebrated to commemorate the abolishment of slavery and the contributions of African Americans to society and is now known as “Juneteenth” and celebrated all across the nation.

In April of 2021, the Washington State legislature passed legislation marking Juneteenth as paid legal holidays for State employees. On May 13, 2021, Governor Inslee signed House Bill 1016 into law with the first state holiday to be observed in June of 2022. The Federal Government acted a month later passing a bill in both houses to designate Juneteenth as a national holiday for federal employees.

1.12.248 Personal Time Off (PTO) plan

The ordinance will also amend TMC Section 1.12.248 related to Permissible Cash-out of accrued PTO for represented employees, as negotiated in a Letter of Agreement with the Tacoma Joint Labor Committee. The language will provide criteria for represented employees to request an annual cash-out of accrued PTO, based on future accruals. The Letter of Agreement has been scheduled for presentation to the City Council as a resolution on February 8, 2022.

Currently, the TMC provides that an 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 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 2022, the cash-out would be paid to the employee in February 2023. 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.

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.

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.

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

EVALUATION AND FOLLOW UP:

STAFF/SPONSOR RECOMMENDATION:

Authorization from the City Council by ordinance is required to implement changes to the Tacoma Municipal Code related to the Personal Time Off (PTO) plan.

FISCAL IMPACT: Fiscal impact for the proposed change in holiday pay for Belt Line Railway employees is provided by the Management Services Office at Tacoma Public Utilities. There is no fiscal impact for the changes to the Personal Time Off plan requested.