

TACOMA PUBLIC UTILITIES

3628 South 35th Street
Tacoma, Washington 98409-3192

April 12, 2019

To the Chairman and Members of the Public Utility Board And To the Mayor and Members of the City Council

The Management Team recommends adoption of the Click! Retention Incentive Agreement and Severance Agreement for Non-Represented Employees ("Agreements"). The terms of these Agreements are identical to the agreements negotiated by the City with International Brotherhood of Electrical Workers, Local 483, Click! Unit and Washington State Council of County and City Employees, Local 120. The Agreements are anticipated to be considered by the City Council as a resolution on May 7, 2019.

The Retention Incentive Agreement provides a retention incentive for non-represented, eligible, Click! employees whose employment is considered essential for the continued operations of Click!. There are 10 employees subject to the Retention Agreement. The Agreement provides for the specific definition and designation of essential employees, and upon completion of their time deemed as "essential" by the Director of Utilities, or, until Click! ceases operations as a City-owned entity, the employee's would be eligible for a one-time lump sum payment of \$15,000 in compensation for their successful contribution to the transition of Click! operations. In addition, throughout the time period an employee is deemed "essential" under the terms of the Retention Incentive Agreement, the employees shall receive one (1) floating holiday (8 hours) every two months during the time they are employed with Click! The first holiday will be awarded April 1, 2019, with subsequent days awarded each two months thereafter. The holidays are subject to customary usage and cash out restrictions, consistent with TMC 1.12.200(2).

The Severance Agreement provides severance payments for non-represented Click! employees who lose their employment with the City of Tacoma through the layoff process. Eligible employees who are subject to layoff will be entitled to a lump sum severance payment equal to 80 hours at the employee's base salary rate for each full year of employment up to a maximum of 480 hours. In addition, the employee would be eligible for the equivalent of 4 months of medical insurance premiums for COBRA coverage, including dental and vision, in a lump sum payment.

It is recommended that the Public Utility Board and the City Council take the necessary approving action.

Very truly yours,

TACOMA

TACOMA WATER

Jackie Flowers

Director of Utilities/CEO