

Letter of Agreement

This Letter of Agreement is made and entered into by and between the Yakima Police Management Unit represented by Teamsters Local Union No. 760 hereinafter referred to as the "Union" and the City of Yakima, a Washington Municipal Corporation, hereinafter known as the "City".

The Current Collective Bargaining Agreement (CBA), January 1, 2015 through December 31, 2018 Appendix "A" Sick Leave Exchange contains post-retirement separation from employment HRA VEBA contributions. Subsequent to the ratification and execution of the current Agreement, the third party administrator (TPA) for the HRA VEBA plan informed the City of non-compliant language pertaining to Sick Leave exchange. In order to bring the Collective Bargaining Agreement into compliance with Internal Revenue Service rules governing health reimbursement arrangements (HRAs) the CBA shall be modified as follows:

ANNUAL VOTE. Employees shall vote annually to determine the apportionment of hours exchange into HRA VEBA. The vote shall occur no later than December 15th of the current year to determine the apportionment for the succeeding calendar year. The vote results shall be communicated in writing to the employer no later than December 23rd. All changes resulting from the vote shall be binding upon the employer and employees for the duration of the calendar year.

SICK LEAVE EXCHANGE. Eligible employees may exchange accrued sick leave for pay or for additional leave time as appropriate, in accordance with the options provided the employee, subject to the following provisions:

- (1) Upon retirement the employee's accrued sick leave up to seven hundred and twenty (720) hours or less will be exchanged for pay at the rate of one hundred percent (100%) of the employee's current base pay and will be contributed as determined by the yearly vote.
- (2) If death occurs during the period of employment with the City, the employee's accrued sick leave up to seven hundred and twenty (720) hours, will be exchanged for pay at the rate of 100% of the employee's current base pay.
- (3) Upon termination under honorable conditions, as distinct from retirement or death, the employee's accrued sick leave up to seven hundred and twenty (720) hours or less will be exchanged for pay at the rate of fifty percent (50%) of the employee's current base pay. Honorable termination includes layoff for budget reasons, as well as resignation with proper notice.
- (4) Exchange of accrued sick leave for additional leave days or for cash will be granted to employees who have accrued seven hundred and twenty (720) hours or more subject to the following provisions:

(a) Employees who have accrued more than seven hundred and twenty (720) hours of sick leave may exchange such sick leave for bonus (additional) leave days at the rate of three (3) days of sick leave for each additional leave day, not to exceed a total of one hundred (100) sick leave hours annually. Employees may receive compensation in lieu of taking leave days. Utilization of leave days would be subject to the scheduling and approval by the Department head.

(5) Sick Leave Exchange Procedure. Eligible employees may exchange accrued sick leave as provided above at the option of the employee, subject to the following conditions and provisions:

- (a) A request for such an exchange shall be made to the Director of Finance and Budget via the Department Timekeeper. All requests shall be in writing and shall be signed by the employee making the request.
- (b) Requests will be accepted only during the first five (5) working days of each month with exchanged leave to be available within fifteen (15) calendar days of the date the request is received by the office of the Director of Finance and Budget. Exceptions to the above will be made for termination, layoff or disability retirement.

If the parties mutually agree in negotiations for a successor CBA, the terms of this LOA shall be incorporated in the successor CBA. Except as modified herein, all other provisions of the current CBA shall be administered and remain unchanged for the term of the Agreement except where otherwise indicated within the CBA.

The parties confirm their agreement to the above amendments through the signatures of the applicable officials below:

CITY OF YAKIMA

Tony O'Rourke
City Manager

Date

TEAMSTERS LOCAL UNION No.760

Leonard J. Crouch 7-22-15

Leonard Crouch
Secretary/Treasurer

Date