Letter of Understanding
By and Between
The City of Tacoma and IFPTE, Local 17

Subject: Paid Time Off (PTO) option

This letter of Understanding is entered into by the parties for employees represented by the International Federation of Professional and Technical Engineers, Local 17 and covered by the 2004- 2006 collective bargaining agreement to have the option to remain on the Paid Time Off (PTO) leave plan if they previously converted to or were hired under the provisions of the PTO plan and become represented by this Union at a later date.

Employee's who were provided with the option and have elected to covert from the traditional sick/vacation leave plans to the PTO plan or who were hired subject to the provisions of the PTO plan, who later become represented by this Union shall be able to elect to remain on the pro plan or convert to the sick/vacation leave plans in the following manner:

> Returned forms indicating a desire to convert to the traditional sick/vacation leave plans will prompt the necessary changes to the employee's record at the beginning of the following payperiod. Sick leave will begin to accrue at the rate of 3.69 hours per payperiod. Vacation leave will accrue per the vacation accrual schedule.

This letter of Understanding is not intended to be used as a precedent with respect to any other employee contracts for any other division or departments of the City nor by other employees employed by the City of Tacoma and represented by any other Union. This letter of understanding will expire with the adoption of a successor collective bargaining agreement.

For the Union:

Carrie Blackwood — Date
Union Representative

Joe McGee — Date
Executive Director

For the City:

Woodrow E. Jones — Date
Human Resources Director

Mark Crisson — Date
Director of Utilities

James L. Walton — Date
City Manager