

December 10, 2021

## MEMORANDUM

**To:** Seattle City Council  
**From:** Karina Bull, Analyst  
**Subject:** Council Bill 120244: Pay Zone Ordinance for 2022

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On December 13, 2021, the Seattle City Council (Council) will discuss and possibly vote on [Council Bill 120244](#), legislation that would adjust the pay bands for City of Seattle (City) discretionary pay programs. This memo provides a high-level summary of the bill and identifies next steps. Central Staff has not identified issues or concerns for Council's consideration.

### Summary

This legislation would adjust the pay bands for City discretionary pay programs by slightly more than seven percent. Employees in these discretionary pay programs would be eligible for a salary increase within this pay band, subject to the discretion of the appointing authority (*i.e.*, head of department).<sup>1</sup>

Discretionary pay programs include:

1. Broad categories of job titles that are filled by many employees, such as the Accountability Pay Executives Program (APEX), the Strategic Advisor and Manager Compensation (SAM) Programs, and Information Technology Professionals; and
2. Individual compensation programs such as those for the City Light General Manager & CEO, Police Chief, and Fire Chief ([CB 120248](#)).

The Seattle Department of Human Resources Director (SDHR) recommends adjustments to the these pay bands every one or two years, depending upon the particular program. The SDHR Director's recommendation to adjust the pay bands by 7.016 percent reflects a compounded increase of 2.9 percent plus an additional four percent. The 2.9 percent increase aligns with the 2021 annual wage adjustment (AWI) for most represented employees in the Coalition of City Unions (Coalition) and Coalition-like unions and the four percent increase aligns with the 2022 AWI in the Memorandum of Understanding with the Coalition ([CB 120242](#)). Historically, the City has provided the same wage increases, benefits, and other conditions of employment for employees represented by Coalition unions and Coalition-like unions as for non-represented employees.

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<sup>1</sup> For more information on discretionary pay programs, see the [City of Seattle 2021 Salary Schedule](#), "Compensation Plan Administration" (page 3).

## **Financial Impacts**

The legislation would not result in direct costs for departments. However, if the Council votes to approve CB 120244, the City Budget Office (CBO) expects to transmit separate legislation in 2022 to appropriate funds to pay for associated wage increases.

CBO estimates that the aggregate cost of wages (including other wage-related items authorized by separate legislation, and base wages identified in this legislation) would be about \$37 million in 2022.<sup>2</sup> This estimate would cover wage adjustments for about 10,500 employees,<sup>3</sup> including represented employees in the Coalition and Coalition-like unions, and most non-represented employees.

Notably, the 2022 Adopted Budget appropriated funds for a 2.9 percent wage increase for non-represented APEX/SAM job titles in Executive departments. These job titles were excluded from the 2.9 percent wage increase in the 2021 Adopted Budget due to financial constraints. In the 2022 Adopted Budget, the appropriations for the 2.9 percent wage increase were itemized under the line item, "baseline adjustments to personnel costs."

## **Next Steps**

If the Council votes to approve CB 120244, appointing authorities would be authorized to provide wage adjustments within the increased pay bands. CBO expects to transmit legislation to increase department appropriations in the first half of 2022.

Please contact Karina Bull if you have questions about the proposed legislation.

cc: Esther Handy, Director  
Dan Eder, Deputy Director

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<sup>2</sup> The estimate does not include overtime costs.

<sup>3</sup> The estimate includes regularly appointed and temporary employees in step pay programs and discretionary pay programs.