

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
City Budget Office	Katherine Tassery (5-0703)	Ben Noble (4-8160)

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE amending Ordinance 125724, which adopted the 2019 Budget; changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

**Summary and background of the Legislation:** This Council Bill proposes adjustments to the 2019 Adopted Budget for several different labor-related cost increases. Specifically, this bill increases appropriations for:

- 1) The 2019 Annual Wage Increase retro payments;

The City and the Coalition of City Unions have come to tentative three-year agreements for calendar years 2019-2021, which were undergoing union ratification processes as of the drafting of this Summary and Fiscal Note. The agreements provide for annual wage increases (AWIs) equal to 4%, 3.6%, and CPI+1%, respectively. These adjustments are also provided to non-represented step progression employees. The budget amendment represents appropriation authority to fully fund the 2019 obligation for all departments. In addition, this legislation also includes AWI for Local 27 for retro payments in 2019 and projected payments in 2020. The timing of settlement for this bargaining unit occurred after the 2020 Proposed Budget was developed.

- 2) The 2019 department obligation for premiums paid by the City for Washington State Paid Family Medical Leave;

Starting in January 2020, Washington State will offer paid family and medical leave benefits to all workers in the State of Washington, including City of Seattle employees. The law permits employers and employees to share the premium costs. In the absence of a 2019 bargained agreement with City unions on premium sharing, the City is paying the full premium costs for 2019. The budget amendment represents appropriation authority to fully fund the 2019 obligation for all departments. In conformance with state law, tentative Coalition agreements that have been ratified by unions move approximately 2/3 of the responsibility to the employee in 2020, with the City paying the remaining 1/3 of the obligation. This same division would need to be negotiated with non-Coalition unions.

State Leave Premium (% of payroll)	2019	2020
<b>City to pay</b>	0.4%	0.147%
<b>Employee to pay*</b>	0.0%	0.253%

\*For settled contracts

3) Missed deferred compensation payments.

Between 2012 and 2018 a small group of 126 employees, who had taken Industrial Insurance (Workers Compensation) leave, were not upon their return to work, automatically reactivated in the payroll system for withholding and contributions to the Seattle Voluntary Deferred Compensation Plan. The Internal Revenue Service offers guidance on how employers should respond to these situations. The IRS' Voluntary Fiduciary Correction Program (VFCP) guidance is for employers to contribute 50% of the missed contributions plus interest into the accounts of each affected employee. For police officers who are eligible to receive the City match of their contribution according to their collective bargaining agreements, the City would also contribute 100% of the match plus interest. The VFCP provides a calculator and a fixed table of interest earnings to calculate the individual contribution amounts. The VFCP guidance is based in the recognition that employees received the missed contributions as wages, but missed out on the interest earnings in their deferred compensation accounts. This legislation provides the additional appropriation authority in Finance General to make these missed contributions.

Amounts for each component are listed below:

<b>Labor-Related Cost Increase</b>	<b>GF \$</b>	<b>OTH \$</b>	<b>Total \$</b>
2019 Annual Wage Increase Retro	\$35,856,070	\$26,273,094	\$62,129,164
2019 Washington State Paid Family Medical Leave	\$2,289,111	\$2,717,524	\$5,006,635
Missed Deferred Compensation	\$415,000	\$0	\$415,000
<b>Total</b>	<b>\$38,560,181</b>	<b>\$28,990,618</b>	<b>\$67,550,800</b>

Planning reserves for the above items were held centrally for General Fund or by Departments in other funds, in the development of the 2019 Adopted Budget and 2020 Proposed Budget to ensure sufficient resources to cover these appropriation increases. The on-going costs associated with settlement of the 2019, 2020 and 2021 contracts are already included in the 2020 Proposed Budget which was transmitted to Council on September 23, 2019, with the exception of Local 27 wage increases.

Appropriations are to carryforward to cover 2019 retro payments which may be incurred in 2020.

Concurrent with this legislation, there are several tentative and ratified collective bargaining agreements for Council consideration. Several others have already been adopted by Council.

**2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?**         Yes   X   No

### 3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget?

Yes  No

Appropriation change (\$):	General Fund \$		Other \$	
	Operating 2019	Capital 2019	Operating 2019	Capital 2019
	\$38,560,181	\$0	\$28,990,619	\$0
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	Operating 2019	Capital 2019	Operating 2019	Capital 2019
	\$0	\$0	\$0	\$0
Positions affected:	No. of Positions		Total FTE Change	
	2019	2020	2019	2020
	0.0	0.0	0.0	0.0

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

No. The on-going costs associated with settlement of the 2019, 2020 and 2021 contracts are already included in the 2020 Proposed Budget which was transmitted to Council on September 23, 2019, with the exception of Local 27 wage increases.

Is there financial cost or other impacts of *not* implementing the legislation?

Departments may have insufficient budget to fully pay entitled employees their 2019 Annual Wage Increase retroactive pay without additional appropriations.

#### 3.d. Appropriations

This legislation adds, changes, or deletes appropriations.

Fund Name and number	Dept	Budget Control Level Name/#*	2019 Appropriation Change
2008 Parks Levy Fund (33860)	Seattle Parks and Recreation	Leadership and Administration (33860-BO-PR-20000)	7,000
2012 Library Levy Fund (18100)	Seattle Public Library	The Seattle Public Library (18100-BO-SPL)	274,000
Arts and Culture Fund (12400)	Office of Arts and Culture	Leadership and Administration (12400-BO-AR-VA150)	120,000
Central Waterfront Improvement Fund (35900)	Department of Finance and Administrative Services	Central Waterfront Improvement Program Financial Support (35900-BO-FA-WATERFRNT)	4,292

Construction and Inspections (48100)	Seattle Department of Construction and Inspections	Compliance (48100-BO-CI-U2400)	90,642
Construction and Inspections (48100)	Seattle Department of Construction and Inspections	Government Policy, Safety & Support (48100-BO-CI-U2600)	29,304
Construction and Inspections (48100)	Seattle Department of Construction and Inspections	Inspections (48100-BO-CI-U23A0)	557,036
Construction and Inspections (48100)	Seattle Department of Construction and Inspections	Land Use Services (48100-BO-CI-U2200)	484,267
Construction and Inspections (48100)	Seattle Department of Construction and Inspections	Permit Services (48100-BO-CI-U2300)	582,708
Construction and Inspections (48100)	Seattle Department of Construction and Inspections	Process Improvements & Technology (48100-BO-CI-U2800)	17,044
Drainage and Wastewater Fund (44010)	Seattle Public Utilities	Leadership and Administration (44010-BO-SU-N100B)	1,127,880
Drainage and Wastewater Fund (44010)	Seattle Public Utilities	Utility Service and Operations (44010-BO-SU-N200B)	1,770,120
Election Vouchers Fund (12300)	Ethics and Elections Commission	Election Vouchers (12300-BO-ET-VT123)	18,000
Employees' Retirement Fund (61030)	Employees' Retirement System	Employee Benefit Management (61030-BO-RE-R1E00)	167,000
Facility Asset Preservation Fund (50322)	Department of Finance and Administrative Services	Asset Preservation - Schedule 1 Facilities (50322-BC-FA-APSCH1FAC)	12,507
Facility Asset Preservation Fund (50322)	Department of Finance and Administrative Services	Asset Preservation - Schedule 2 Facilities (50322-BC-FA-APSCH2FAC)	5,695
FileLocal Agency Fund (67600)	Department of Finance and Administrative Services	FileLocal Agency (67600-BO-FA-FILELOC)	11,235
Finance and Administrative Services Fund (50300)	Department of Finance and Administrative Services	City Finance (50300-BO-FA-CITYFINAN)	333,972
Finance and Administrative Services Fund (50300)	Department of Finance and Administrative Services	City Purchasing and Contracting Services (50300-BO-FA-CPCS)	177,187
Finance and Administrative Services Fund (50300)	Department of Finance and Administrative Services	City Services (50300-BO-FA-CITYSVCS)	21,072

Finance and Administrative Services Fund (50300)	Department of Finance and Administrative Services	Facilities Services (50300-BO-FA-FACILITY)	282,919
Finance and Administrative Services Fund (50300)	Department of Finance and Administrative Services	FAS Project Delivery Services (50300-BC-FA-FASPDS)	29,548
Finance and Administrative Services Fund (50300)	Department of Finance and Administrative Services	Fleet Services (50300-BO-FA-FLEETS)	432,530
Finance and Administrative Services Fund (50300)	Department of Finance and Administrative Services	General Government Facilities - General (50300-BC-FA-GOVTFAC)	5,082
Finance and Administrative Services Fund (50300)	Department of Finance and Administrative Services	Leadership and Administration (50300-BO-FA-BUDCENTR)	747,608
Finance and Administrative Services Fund (50300)	Department of Finance and Administrative Services	Office of Constituent Services (50300-BO-FA-OCS)	112,449
Finance and Administrative Services Fund (50300)	Department of Finance and Administrative Services	Regulatory Compliance and Consumer Protection (50300-BO-FA-RCCP)	434
Fireman's Pension Fund (61040)	Firefighter's Pension	Firefighters Pension (61040-BO-FP-R2F01)	24,000
General Fund (00100)	City Budget Office	City Budget Office (00100-BO-CB-CZ000)	231,000
General Fund (00100)	Civil Service Commissions	Civil Service Commissions (00100-BO-VC-V1CIV)	12,000
General Fund (00100)	Community Police Commission	Office of the Community Police Commission (00100-BO-CP-X1P00)	39,000
General Fund (00100)	Department of Education and Early Learning	Leadership and Administration (00100-BO-EE-IL700)	103,000
General Fund (00100)	Department of Finance and Administrative Services	City Finance (00100-BO-FA-CITYFINAN)	98,395
General Fund (00100)	Department of Finance and Administrative Services	Regulatory Compliance and Consumer Protection (00100-BO-FA-RCCP)	140,524
General Fund (00100)	Department of Finance and Administrative Services	Seattle Animal Shelter (00100-BO-FA-SAS)	99,333
General Fund (00100)	Department of Neighborhoods	Community Building (00100-BO-DN-I3300)	159,845

General Fund (00100)	Department of Neighborhoods	Leadership and Administration (00100-BO-DN-I3100)	63,302
General Fund (00100)	Department of Neighborhoods	Neighborhood Matching Fund (00100-BO-DN-I3400)	39,853
General Fund (00100)	Ethics and Elections Commission	Ethics and Elections (00100-BO-ET-V1T00)	29,000
General Fund (00100)	Finance General	Appropriation to Special Funds (00100-BO-FG-2QA00)	1,977,000
General Fund (00100)	Finance General	Reserves (00100-BO-FG-2QD00)	415,000
General Fund (00100)	Human Services Department	Addressing Homelessness (00100-BO-HS-H3000)	169,935
General Fund (00100)	Human Services Department	Leadership and Administration (00100-BO-HS-H5000)	424,707
General Fund (00100)	Human Services Department	Preparing Youth for Success (00100-BO-HS-H2000)	105,745
General Fund (00100)	Human Services Department	Promoting Healthy Aging (00100-BO-HS-H6000)	165,831
General Fund (00100)	Human Services Department	Supporting Affordability and Livability (00100-BO-HS-H1000)	36,802
General Fund (00100)	Human Services Department	Supporting Safe Communities (00100-BO-HS-H4000)	22,424
General Fund (00100)	Law Department	Leadership and Administration (00100-BO-LW-J1100)	970,000
General Fund (00100)	Legislative Department	Leadership and Administration (00100-BO-LG-G2000)	500,000
General Fund (00100)	Office for Civil Rights	Civil Rights (00100-BO-CR-X1R00)	127,000
General Fund (00100)	Office of Economic Development	Leadership and Administration (00100-BO-ED-ADMIN)	181,000
General Fund (00100)	Office of Hearing Examiner	Office of the Hearing Examiner (00100-BO-HX-V1X00)	25,000
General Fund (00100)	Office of Housing	Leadership and Administration (00100-BO-HU-1000)	3,000

General Fund (00100)	Office of Immigrant and Refugee Affairs	Office of Immigrant and Refugee Affairs (00100-BO-IA-X1N00)	43,000
General Fund (00100)	Office of Inspector General for Public Safety	Office of Inspector General for Public Safety (00100-BO-IG-1000)	46,000
General Fund (00100)	Office of Intergovernmental Relations	Office of Intergovernmental Relations (00100-BO-IR-X1G00)	64,000
General Fund (00100)	Office of Planning and Community Development	Planning and Community Development (00100-BO-PC-X2P00)	233,000
General Fund (00100)	Office of Sustainability and Environment	Office of Sustainability and Environment (00100-BO-SE-X1000)	152,000
General Fund (00100)	Office of the City Auditor	Office of the City Auditor (00100-BO-AD-VG000)	65,000
General Fund (00100)	Office of the Employee Ombud	Office of Employee Ombud (00100-BO-EM-V10MB)	8,000
General Fund (00100)	Office of the Mayor	Office of the Mayor (00100-BO-MA-X1A00)	207,000
General Fund (00100)	Seattle Center	Leadership and Administration (00100-BO-SC-69000)	320,000
General Fund (00100)	Seattle Department of Construction and Inspections	Compliance (00100-BO-CI-U2400)	107,143
General Fund (00100)	Seattle Department of Construction and Inspections	Government Policy, Safety & Support (00100-BO-CI-U2600)	24,857
General Fund (00100)	Seattle Department of Construction and Inspections	Inspections (00100-BO-CI-U23A0)	2,956
General Fund (00100)	Seattle Department of Construction and Inspections	Land Use Services (00100-BO-CI-U2200)	8,044
General Fund (00100)	Seattle Department of Human Resources	Leadership and Administration (00100-BO-HR-N5000)	600,000
General Fund (00100)	Seattle Department of Transportation	Bridges & Structures (00100-BO-TR-17001)	99,907
General Fund (00100)	Seattle Department of Transportation	Maintenance Operations (00100-BO-TR-17005)	207,977

General Fund (00100)	Seattle Department of Transportation	Mobility Operations (00100-BO-TR-17003)	271,116
General Fund (00100)	Seattle Fire Department	Leadership and Administration (00100-BO-FD-F1000)	916,485
General Fund (00100)	Seattle Fire Department	Operations (00100-BO-FD-F3000)	22,986,000
General Fund (00100)	Seattle Municipal Court	Administration (00100-BO-MC-3000)	835,000
General Fund (00100)	Seattle Parks and Recreation	Leadership and Administration (00100-BO-PR-20000)	1,927,000
General Fund (00100)	Seattle Police Department	Leadership and Administration (00100-BO-SP-P1600)	3,210,000
General Fund (00100)	Seattle Public Utilities	Utility Service and Operations (00100-BO-SU-N200B)	87,000
Human Services Fund (16200)	Human Services Department	Addressing Homelessness (16200-BO-HS-H3000)	14,139
Human Services Fund (16200)	Human Services Department	Leadership and Administration (16200-BO-HS-H5000)	72,000
Human Services Fund (16200)	Human Services Department	Preparing Youth for Success (16200-BO-HS-H2000)	16,113
Human Services Fund (16200)	Human Services Department	Promoting Healthy Aging (16200-BO-HS-H6000)	503,017
Human Services Fund (16200)	Human Services Department	Supporting Affordability and Livability (16200-BO-HS-H1000)	72,287
Information Technology Fund (50410)	Seattle Information Technology Department	Leadership and Administration (50410-BO-IT-D1000)	1,043,726
Library Fund (10410)	Seattle Public Library	The Seattle Public Library (10410-BO-SPL)	1,646,000
Light Fund (41000)	Seattle City Light	Leadership and Administration - General Expense (41000-BO-CL-N)	6,796,341
McCaw Hall Capital Reserve (34070)	Seattle Center	Leadership and Administration (34070-BO-SC-69000)	3,000
Move Seattle Levy Fund (10398)	Seattle Department of Transportation	Bridges & Structures (10398-BO-TR-17001)	111,646

Move Seattle Levy Fund (10398)	Seattle Department of Transportation	Maintenance Operations (10398-BO-TR-17005)	70,540
Move Seattle Levy Fund (10398)	Seattle Department of Transportation	Mobility Operations (10398-BO-TR-17003)	287,887
Municipal Arts Fund (12010)	Office of Arts and Culture	Leadership and Administration (12010-BO-AR-VA150)	46,000
Office of Housing Fund (16600)	Office of Housing	Leadership and Administration (16600-BO-HU-1000)	198,000
Office of Labor Standards Fund (00190)	Office of Labor Standards	Office of Labor Standards (00190-BO-LS-1000)	107,000
Park And Recreation Fund (10200)	Seattle Parks and Recreation	Leadership and Administration (10200-BO-PR-20000)	1,789,000
Park Mitigation & Remediation (33130)	Seattle Parks and Recreation	Leadership and Administration (33130-BO-PR-20000)	2,000
Police Relief & Pension Fund (61060)	Police Relief and Pension	Police Relief and Pension (61060-BO-PP-RP604)	20,000
REET I Capital Fund (30010)	Office of Planning and Community Development	Design Commission (30010-BO-PC-X2P10)	16,000
School Safety Traffic and Pedestrian Improvement Fund (18500)	Seattle Department of Transportation	Mobility Operations (18500-BO-TR-17003)	32,387
Seattle Center Capital Reserve (34060)	Seattle Center	Leadership and Administration (34060-BO-SC-69000)	2,000
Seattle Center Fund (11410)	Seattle Center	Leadership and Administration (11410-BO-SC-69000)	576,000
Seattle Center KeyArena Fund (11420)	Seattle Center	Leadership and Administration (11420-BO-SC-69000)	1,000
Seattle Center McCaw Hall Fund (11430)	Seattle Center	Leadership and Administration (11430-BO-SC-69000)	130,000
Seattle Park District Fund (19710)	Seattle Parks and Recreation	Leadership and Administration (19710-BO-PR-20000)	564,000
Seattle Streetcar Operations (10800)	Seattle Department of Transportation	First Hill Streetcar Operations (10800-BO-TR-12002)	15,203
Seattle Streetcar Operations (10800)	Seattle Department of Transportation	South Lake Union Streetcar Operations (10800-BO-TR-12001)	8,614

Solid Waste Fund (45010)	Seattle Public Utilities	Leadership and Administration (45010-BO-SU-N100B)	431,800
Solid Waste Fund (45010)	Seattle Public Utilities	Utility Service and Operations (45010-BO-SU-N200B)	564,200
Transportation Benefit District Fund (19900)	Seattle Department of Transportation	Maintenance Operations (19900-BO-TR-17005)	142,651
Transportation Benefit District Fund (19900)	Seattle Department of Transportation	Mobility Operations (19900-BO-TR-17003)	77,734
Transportation Fund (13000)	Seattle Department of Transportation	Bridges & Structures (13000-BO-TR-17001)	171,139
Transportation Fund (13000)	Seattle Department of Transportation	Maintenance Operations (13000-BO-TR-17005)	798,731
Transportation Fund (13000)	Seattle Department of Transportation	Mobility Operations (13000-BO-TR-17003)	1,037,107
Transportation Fund (13000)	Seattle Department of Transportation	ROW Management (13000-BO-TR-17004)	1,336,361
Water Fund (43000)	Seattle Public Utilities	Leadership and Administration (43000-BO-SU-N100B)	1,185,510
Water Fund (43000)	Seattle Public Utilities	Utility Service and Operations (43000-BO-SU-N200B)	1,652,490
Wheelchair Accessible Fund (12100)	Department of Finance and Administrative Services	Wheelchair Accessible Services (12100-BO-FA-WHLCHR)	3,465
<b>TOTAL</b>			<b>\$67,550,800</b>

**Is this change one-time or ongoing?**

The appropriations in this bill represent the 2019 retroactive obligations for employees in the Coalition of City Unions, non-represented employees and other unions who have agreed to similar wages and working conditions. The on-going costs associated with settlement of the 2019, 2020 and 2021 contracts are already included in the 2020 Proposed Budget which was transmitted to the City Council on September 23, 2019, with the exception of Local 27 wage increases.

**4. OTHER IMPLICATIONS**

- a. Does this legislation affect any departments besides the originating department?**  
 Yes, this legislation impacts all City departments by modifying appropriation levels for the 2019 Amended Budget in order to fully fund the Annual Wage Increase 2019 retro payment, as negotiated with the Coalition and Local 27.
  
- b. Is a public hearing required for this legislation?**  
 No

**c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**

No

**d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No

**e. Does this legislation affect a piece of property?**

No

**f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

N/A

**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

N/A

**List attachments/exhibits below:**

None.