

December 2, 2025

MEMORANDUM

To: Governance, Accountability and Economic Development Committee
From: Amanda Allen, Legislative Analyst
Subject: CB 121131 – 2026 Pay Zone Ordinance

On December 4, 2025, the Governance, Accountability and Economic Development Committee of the City Council will discuss and possibly vote on Council Bill (CB) 121131 which would adjust pay bands for City of Seattle (City) discretionary pay programs. This memo provides a summary of the bill and identifies next steps.

Overview

This legislation would increase the pay bands for discretionary pay programs with an annual wage increase (AWI) of 3.6 percent in 2026 to support the City to maintain competitiveness in the labor market. This adjustment was legislated by the City Council via [Ordinance \(ORD\) 127161](#) on December 13, 2024, where the amount of the 2025 AWI and the calculation for the 2026 AWI were identified. The increment is benchmarked with the AWI previously bargained with the Coalition Collective Bargaining Agreements.

Summary

The City's discretionary pay programs include:

1. Broad categories of job titles that are filled by many employees, such as the Accountability Pay Executives Program (APEX) for department executives, the Strategic Advisor and Manager Compensation (SAM) Programs for various titles of strategic advisors and managers, the Information Technology Professionals (ITP) and others; and
2. Individual compensation programs for the City Light General Manager & CEO, Police Chief, Chief Technology Officer, Fire Chief, and others.

Discretionary pay programs differ from the step progression pay programs in that the appointing authority (i.e., head of department) can set a staff member's salary within a defined broad salary range or zone. Pay decisions can be based on skills, experience, performance, or market conditions and changes in pay are decided by the appointing authority. Alternatively, step progression pay programs are structured and predictable. Employees receive automatic raises at set intervals in fixed amounts. Salary increments are awarded based on tenure and appointing authorities have very little discretion available to increase or decrease wages.¹

¹ For more information on the discretionary pay program and step progression pay program, see the [City of Seattle 2023 Salary Schedule and Compensation Plan](#) (page 3).

The Seattle Department of Human Resources (SDHR) Director periodically recommends adjustments to the pay bands to ensure compliance with discretionary pay program requirements in the Seattle Municipal Code and to establish competitive salary structures. The last adjustment to these pay bands was made via the 2025 Pay Zone Ordinance ([ORD 127162](#)).

The SDHR Director recommends increasing the pay bands by 3.6 percent to align with the 2026 AWI for employees represented by the Coalition. Historically, the City has provided the same benefits and other conditions of employment, including opportunities for wage increases, for employees represented by Coalition unions as for non-represented employees.

Currently, there are 2,600 employees in discretionary pay programs, including 1,000 represented employees and 1,600 non-represented employees. Represented employees in these pay programs will receive a salary increase subject to the terms of their collective bargaining agreement (e.g., Coalition members will also receive a 3.6 percent increase). Non-represented employees in these pay programs will be eligible for a salary increase subject to the discretion of their appointing authority.

Financial Impacts

Pay band adjustments do not automatically create additional costs. Compensation changes for employees in discretionary pay programs are subject to the terms of collective bargaining agreements or an appointing authority's discretion. The City's 2026 Adopted Budget grants all City departments the appropriate authority to increase compensation rates consistent with the percentage increases associated with the legislated changes in the discretionary pay programs. The Six-year Financial Plans in the 2026 Adopted Budget assume ongoing impacts of wage increases in planning reserves.

Next Steps

If the Committee votes to approve CB 121131, this bill will be sent to the full Council for final approval. With the final vote, appointing authorities would be authorized to provide discretionary wage adjustments for employees within the increased pay bands. For the discretionary pay programs identified, the pay zone adjustment would be effective January 1, 2026, due to the ratify and confirm clause included in the legislation.

Please contact Amanda Allen if you have questions about the proposed legislation.

cc: Ben Noble, Director
Lish Whitson, Lead Analyst