SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle Department of Human Resources	Jeff Clark	Candice Foote

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to City employment; authorizing the execution of a Memorandum of Understanding between The City of Seattle and the International Brotherhood of Electrical Workers, Local No. 77, Information Technology Professionals' Unit for the period effective from January 1, 2026, through December 31, 2026; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation: This legislation authorizes the Mayor to implement a Memorandum of Understanding ("MOU") between the City of Seattle ("City") and International Brotherhood of Electrical Workers, Local No. 77, Information Technology Professionals' ("ITP") Unit (collectively, the "Parties"). The MOU extends the collective bargaining agreement that expired on December 31, 2025, with some new provisions. This legislation affects about 445 regularly appointed City employees.

The MOU is an agreement on wages, benefits, hours, and other working conditions for the period from January 1, 2026 through December 31, 2026. Effective January 10, 2026, employees' base wages will be increased by 100 percent of the annual average growth rate of the bi-monthly Seattle-Tacoma Bellevue area Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the period June 2023 over June 2024 to the period June 2024 over June 2025, with a minimum percentage increase of 2 percent and maximum of 4 percent. After calculating new base wages using this formula, base wages will have an additional 1 percent added, the total not to exceed 5 percent.

The Parties have also agreed to engage in bargaining over the Talent Modernization Project, which would bring ITP classifications into alignment and create new IT classifications better aligned with the work being performed. Legislation for the new classification structure will be prepared and transmitted to Council in the first quarter of 2026, and subject to Council approval.

The Parties will continue with health care cost sharing as follows: the City will pay up to 107 percent of the average City costs of medical, dental, and vision premiums over the prior calendar year. Costs above 107 percent will be covered by the Rate Stabilization Fund (Fund). Once the Fund is exhausted, the City will pay 85 percent and employees will pay 15 percent of the excess costs in health care. All other terms and conditions in the current collective bargaining agreement, set to expire on December 31, 2025, will remain in effect during the one-year term of the MOU.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ☐ Yes ☒ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? ☒ Yes ☐ No

Labor Relations developed the below estimates to approximate the costs of ratifying the agreement:

L77 IT-P - 1 year			
	2025 (Baseline)	**2026** 1 year	**1 Year Total**
Wages[1]			
2025 - Baseline	$67,793,087		
2026 - 5.0% AWI		$71,182,742	
1 year subtotal			**$71,182,742**
Total	**$67,793,087**	**$71,182,742**	**$71,182,742**
Cost over baseline		**$3,389,655**	**$3,389,655**
Cost over baseline as percentage		**5.00%**	**5.00%**

NOTES:

Assumptions do not include vacancies/unfilled positions.

[1] Wages are based on demographics as of 12/31/2024 *(445 employees)* and compounded by 2025 AWI of 4%. Baseline 2024 figure from CBO.

Separate, future legislation, as required, will be forwarded by the City Budget Office to authorize additional appropriations for City departments.

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

No.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

N/A

Please describe any financial costs or other impacts of *not* implementing the legislation.

Legislation is required to implement bargained changes to union members' wages and other working conditions. If the MOU is not legislated, employees will continue to receive the same wages that became effective in January 2025. There may be other implications and legal risks for not authorizing this legislation.

Please describe how this legislation may affect any City departments other than the originating department.

There are financial and operational impacts to the City Attorney's Office, Finance and Administrative Services, Seattle City Light, Seattle Department of Transportation, Seattle Information Technology, Seattle Municipal Court, Seattle Parks & Recreation, and Seattle Public Utilities.

4. OTHER IMPLICATIONS

a. Is a public hearing required for this legislation?
No.

b. Is publication of notice with The Daily Journal of Commerce and/or The Seattle Times required for this legislation?
No.

c. Does this legislation affect a piece of property?
No.

d. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.

i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.

This MOU includes enhancements to pay and working conditions for union members, which include BIPOC and women employees.

ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.
N/A

iii. What is the Language Access Plan for any communications to the public?
N/A

e. Climate Change Implications

i. **Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**
N/A

ii. **Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**
No.

f. **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)? What mechanisms will be used to measure progress towards meeting those goals?**
N/A

g. **Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**
No.

5. ATTACHMENTS

Summary Attachments: None