

## SUMMARY and FISCAL NOTE

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
City Budget Office	Caleb Wagenaar	Caleb Wagenaar

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE amending Ordinance 126955, which adopted the 2024 Budget, including the 2024-2029 Capital Improvement Program (CIP); 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 legislation increases 2024 appropriations to City departments to allow for increased costs of labor resulting from executed agreements with City unions and related legislation for non-represented employees. The ordinances authorizing the increased costs contained in this bill are:

- Ordinance 126974, which authorized the execution of a collective bargaining agreement between The City and the International Association of Fire Fighters, Local 27.
- Ordinance 126975, which authorized the execution of a Memorandum of Agreement between The City and the International Brotherhood of Electrical Workers, Local 77 Power Dispatchers for 2022.
- Ordinance 127004, which authorized the execution of a collective bargaining agreement between The City and the Washington State Council of County and City Employees, American Federation of State, County and Municipal Employees, Local 21SP.
- Ordinance 127005, which authorized the execution of collective bargaining agreements between the City and certain City unions in the Coalition of City Unions.
- Ordinance 127006, which extended annual wage increases to non-represented City employees.
- Ordinance 127019, which authorized the execution of a collective bargaining agreement with the Seattle Police Officers' Guild from January 1, 2021 through December 31, 2023.
- Ordinance 127023, which authorized the execution of a collective bargaining agreement between The City and the Washington State Council of County and City Employees, American Federation of State, County and Municipal Employees, Local 21SP beginning January 1, 2023.

When the 2024 Budget was considered and adopted in 2023, these labor actions were outstanding and not included in the 2024 base budget. Additional appropriations to City departments are now needed to allow them to pay for the increased labor cost in 2024.

This legislation includes appropriations to account for all 2022 and 2023 retroactive wage increases and approximately 50% of the forecasted wage increases for 2024 for all agreements listed above. City departments in the Executive branch have been asked to deploy a number of

strategies to limit current year (2024) spending to relieve pressure on the budget. As a result of these cost saving strategies, some departments have savings in their current base budgets and are forecasted to not need the entire incremental additional cost borne by these labor increases. Remaining appropriation increases necessary because of the labor agreements will be sent in subsequent legislation in the fall of 2024.

Estimated costs by agreement and fund type can be found in Attachment A.

**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

<b>Expenditure Change (\$);</b>	<b>2024</b>	<b>2025 est.</b>	<b>2026 est.*</b>	<b>2027 est.</b>	<b>2028 est.</b>
<b>General Fund</b>	<b>\$161,552,576</b>	<b>194,427,000</b>	<b>225,364,000</b>	<b>225,364,000</b>	<b>225,364,000</b>
<b>Expenditure Change (\$);</b>	<b>2024</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>	<b>2028 est.</b>
<b>Other Funds</b>	<b>\$93,496,938</b>	<b>136,063,000</b>	<b>177,099,000</b>	<b>177,099,000</b>	<b>177,099,000</b>

<b>Revenue Change (\$);</b>	<b>2024</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>	<b>2028 est.</b>
<b>General Fund</b>					
<b>Revenue Change (\$);</b>	<b>2024</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>	<b>2028 est.</b>
<b>Other Funds</b>					

<b>Number of Positions</b>	<b>2024</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>	<b>2028 est.</b>
<b>Total FTE Change</b>	<b>2024</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>	<b>2028 est.</b>

\*Agreements appropriated via this legislation conclude on or prior to December 31, 2026. Out years beyond 2026 are assumed flat.

**3.a. Appropriations**

This legislation adds, changes, or deletes appropriations.

**Appropriations Notes:** See ordinance for details on the BCL level appropriations.

### 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.**

The ongoing (2025-2028) financial impacts related to this legislation are held in planning reserves and will be appropriated through the annual budget process, or included in future financial plan reserves.

**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.**

The costs associated with this legislation cannot be absorbed with existing appropriations. The City has held planning reserves for each fund to provide the resources for the appropriations in this legislation.

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

City departments will not have the appropriations necessary to implement the requirements of the labor agreements described in Section 1.

### 4. OTHER IMPLICATIONS

**a. Please describe how this legislation may affect any departments besides the originating department.**

Yes, this legislation impacts most departments' 2024 budgets. The budget appropriation contained in this legislation provides appropriation authority to implement the labor agreements described in Section 1.

**b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.**

No

**c. 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 legislation provides the appropriations necessary to implement previously approved labor agreements. Please see implications for the principles of the Race and Social Justice Initiative section in the Summary and Fiscal Note for Ordinance

126974, Ordinance 126975, Ordinance 127004, Ordinance 127005, Ordinance 12006, Ordinance 127019, and Ordinance 127023.

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

**d. 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.**

N/A

e. **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

**5. CHECKLIST**

**Is a public hearing required?**

**Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**

**If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**

**Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

**6. ATTACHMENTS**

**Summary Attachments:**

Summary Attachment A – Expenditure Changes to 2024 Adopted Budget