

March 26, 2025

MEMORANDUM

To: Seattle City Council
From: Ben Noble, Director and Karina Bull, Analyst
Subject: CB 120757: Coalition Collective Bargaining Agreements 2023-2026

On April 2, 2024, the City Council (Council) will discuss and may vote on a legislative package that will impact the wages, benefits, and other working conditions of most City of Seattle (City) employees. The legislative package includes the following Council Bills (CBs):

- CB 120757** **Coalition Collective Bargaining Agreements 2023-2026**, authorizing the execution of collective bargaining agreements (agreements) with the City and the Coalition of City Unions (Coalition) for annual wage increases and other changes to terms and conditions of work.
- CB 120758** **Non-Represented Employee Economic Items**, establishing comparable changes for City employees who are not represented by a union, but who work in comparable positions with pay determined by “step progressions” (i.e., salary increments awarded in discrete steps as tenure with the City increases).
- CB 120759** **Pay Zone 2023-2024**, establishing comparable changes in the “pay bands” (i.e., minimum and maximum compensation levels) for discretionary pay programs where salary adjustments for non-represented employees are subject to management discretion. Examples of job titles in discretionary pay programs include Strategic Advisors, Managers, and Executives.

This memo provides a high-level summary and describes the financial impacts of the Coalition agreements in CB 120757. Separate memos address the components and financial impacts of CB 120758 and CB 120759.

Summary

CB 120757 will approve 18 agreements between the City and the Coalition for approximately 7,000 employees (5,000 regularly appointed and 2,000 temporary employees).¹ The agreements will cover wages, benefits, hours, and other working conditions for the four-year period from January 1, 2023, through December 31, 2026.

¹ Attachment A provides a list of Coalition agreements covered by CB 120757.

1. Annual wage increases (AWIs)

Employees will receive AWIs as follows:

- 2023 – 5 percent
- 2024 – 4.5 percent
- 2025 – Local inflation (as measured by the regional Consumer Price Index), minimum 2 percent & maximum 4 percent
- 2026 – Local inflation + 1 percent, minimum 2 percent & maximum 5 percent

2. Negotiated wage adjustments

About 500 individual job titles (290 compressed titles) will receive a “negotiated wage adjustment” based on the market rates for similarly situated, public sector positions.²

Department surveys show that most of these job titles have moderate to severe hiring and retention issues. For job titles paid less than \$48,000 per year, the entire wage adjustment will become effective as of January 1, 2023. For job titles paid more than \$48,000 per year, the wage will gradually increase by certain percentage over three years. Table 1 shows the percentage increase per year of the negotiated wage adjustments.

Table 1: Negotiated wage adjustments (percentage increase per year)

Annual salary	2023	2024	2025
Less than \$48,000	100 percent		
\$48,000 – \$75,000	25 percent	50 percent	25 percent
\$75,000 – \$100,000	25 percent	35 percent	40 percent
\$100,000+	25 percent	25 percent	50 percent

3. Shift differentials

Shift differentials (i.e., extra pay for working outside of the regular work schedule) will increase from \$1.00 to \$1.25 per hour for swing shifts (i.e., evening shifts) and from \$1.50 to \$1.75 per hour for graveyard shifts (i.e., night shifts).

4. Footwear reimbursement

Reimbursement for specified footwear or other required work gear (e.g., raingear, gloves) will increase from \$110 to \$300 in 2023 and an additional \$25 each year thereafter up to a maximum of \$375.

² Comparable employers include regional municipalities (e.g., King County, Port of Seattle, Snohomish) and for certain positions with no local comparison, other states (e.g., California, Idaho).

5. Vacation accrual

Vacation accrual will start accelerating in the fourth year of City service and cap at 30 days in the 25th year of service. Currently, [vacation accrual](#) starts accelerating in the fifth year of service and caps at 30 days in the 30th year of service. Table 2 provides a summary of the proposed vacation accrual.

Table 2: Vacation accrual.

Accrual years	Number of days
Years 0 through 3	12
Years 4 through 7	16
Years 8 through 13	20
Years 14 through 18	23
Years 19+	One additional day per year (up to 30 days)

6. State Paid Family Medical Leave (SPFML)

Employees will be allowed to supplement SPFML benefit payments with any accrued paid and/or granted leave, up to 100 percent of the employee's weekly salary. Currently, [SPFML payments](#) provide up to 90 percent of an employee's weekly salary, up to the maximum weekly benefit (\$1,456 per week in 2024).

7. Bereavement leave

Employees will have expanded access to 40 hours of bereavement leave. Employees will be able to use the leave in full day or one-hour increments for "any person related to the employee by blood, marriage, adoption, fostering, guardianship, in loco parentis, or domestic partnership." Currently, employees can use [bereavement leave](#) only for the death of a "close relative" (e.g., spouse or domestic partner, child, parent, sibling, grandparent, grandchild), and must use accrued leave (e.g., vacation, sick leave, merit leave) for the death of a "relative other than a close relative" (e.g., cousin, parent's sibling, parent's sibling's child, spouse or domestic partner of a sibling, child, or grandchild).

8. Union Leave

Employees will be allowed to take up to one year of unpaid release time to work for their union. The definition of "term-limited assignment" (i.e., assignment to perform work for a specified time) will be amended to include replacement of a regularly appointed employee using "union leave." Currently, term-limited assignments are only available for employee absences due to assignments to special, time-limited projects, disability time loss, military leave of absence, or authorized absence for medical reasons.

Financial Impacts

In cooperation with the City Budget Office (CBO), the Council's Central Staff has estimated the incremental cost of implementing (1) the Coalition agreements and (2) the full legislative package. As detailed below, the full financial implications of approving the Coalition agreements are best understood by assessing the joint impact of all three pieces of related legislation.

1. Coalition Agreements

The estimated costs for the Coalition agreements include all elements of employee compensation, including wages, retirement contributions, Social Security, and Medicare. Table 3 summarizes the costs of the Coalition agreements by themselves.

Table 3: Estimated costs of Coalition agreements.

	<i>Salary Base</i>	2023	2024	2025 est.	2026 est.	2027 est.	2028 est.
Expenditure Change (\$) General Fund	<i>\$214,202,000</i>	\$12,970,400	\$26,596,100	\$38,853,300	\$48,975,500	\$48,975,500	\$48,975,500
Expenditure Change (\$) Other Funds	<i>\$424,094,000</i>	\$28,343,800	\$56,311,600	\$82,431,000	\$102,692,000	\$102,692,000	\$102,692,000
Total – All Funds	<i>\$638,296,000</i>	\$41,314,200	\$82,907,700	\$121,284,300	\$151,667,500	\$151,667,500	\$151,667,500

Notes:

- Costs for employee compensation increase at roughly 6 percent per year for the first three years of the agreements. This is consistent with overall AWIs of 5 percent plus the cost of the negotiated wage adjustments which are phased in during a three-year period.
- Costs for 2023 will be paid in 2024 as retroactive payments for work performed in 2023. These costs will be in addition to the increased 2024 costs.
- Costs for 2025, 2026, and beyond are noted as estimates because the terms of the contract link the wage increases to the realized rate of annual inflation, and those results are not yet known.
- Costs for 2027 and 2028 exactly match those for 2026 because the terms of contract authorized by this legislation extend only through 2026. The City and the Coalition will need to negotiate terms for 2027, 2028, and beyond, at some future date.

2. Legislative Package

The summary of costs for the legislative package includes separate estimates for the General Fund and all other City funds, taken collectively.

This approach provides the best opportunity to summarize the specific budgetary impacts of the proposed package of legislation that will affect over 11,000 employees. There will be immediate budgetary impacts in 2024, as the City will need to make retroactive payments for all of 2023 and the first part of 2024. Additionally, the legislation will increase wage costs for 2025 and beyond. These increased wages will affect the budget forecasts and ongoing budget building work for the 2025-2026 biennium, and the longer-term financial planning for 2027 and 2028.

Note, the City anticipated significant aspects of the compensation terms reflected in the proposed bills and held financial reserves to address the immediate needs and developed long-term financial plans for additional labor costs that will be incurred in the future. However, the cost of the final terms of the Coalition agreement, and the comparable terms to be provided to other City employees, exceed the costs anticipated and planned for in the 2024 budget process. The amounts of these unplanned expenses are shown in bold in the tables below, with separate presentations for both the General Fund and (all) Other Funds. Table 4 summarizes estimated costs of the legislative package.

Table 4: Estimated costs of legislative package.

General Fund

	Salary Base	2023	2024	2025 est.	2026 est.	2027 est.	2028 est.
Expenditure Change - General Fund	\$403,281,000	\$22,835,000	\$45,423,000	\$66,112,000	\$84,888,000	\$84,888,000	\$84,888,000
Expenditure Change Assumed in '24 Budget - Gen. Fund		(\$20,371,000)	(\$37,483,000)	(\$55,434,000)	(\$69,436,000)	(\$69,436,000)	(\$69,436,000)
Cost Above Budget/Reserves - Gen. Fund		\$2,464,000	\$7,940,000	\$10,678,000	\$15,452,000	\$15,452,000	\$15,452,000

Other Funds

	Salary Base	2023	2024	2025 est.	2026 est.	2027 est.	2028 est.
Expenditure Change - Other Funds	\$692,912,000	\$42,675,000	\$83,359,000	\$121,444,000	\$154,018,000	\$154,018,000	\$154,018,000
Expenditure Change Assumed in '24 Budget - Other Funds		(\$31,549,000)	(\$58,050,000)	(\$85,611,000)	(\$107,109,000)	(\$107,109,000)	(\$107,109,000)
Cost Above Budget/Reserves - Other Funds		\$11,126,000	\$25,309,000	\$35,833,000	\$46,909,000	\$46,909,000	\$46,909,000

All Funds

Total Costs Above Budget/Financial Plans - ALL FUNDS	\$13,590,000	\$33,249,000	\$46,511,000	\$62,361,000	\$62,361,000	\$62,361,000
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Notes:

- To address the 2024 incremental costs, the Executive will request additional appropriations as part of the mid-year supplemental budget request that will likely be submitted in June or July of this year. This request will allocate the available reserves to the appropriate departments and may request appropriations beyond those reserves, likely relying on unanticipated unspent resources from 2023 and savings from actions taken in 2024 to generate additional resources to cover any additional need.

- As the table illustrates, the incremental cost of the agreements exceeds the existing reserves, which indicates that some amount of additional resources will be needed. For example, in 2024, total General Fund costs will exceed budgeted resources by \$10.4 million (the sum of the additional \$2.46 million needed for 2023 and the \$7.94 million needed for 2024). However, the Executive has taken steps to reduce overall 2024 expenditures, including a hiring freeze, and these actions may be sufficient to address the portion of the incremental costs that exceed the reserves. If not, unspent resources from 2023 will likely be sufficient to close the gap. The Council would have to approve the use of such unspent resources for this purpose, but it is almost certain that sufficient funding will exist.
- For 2025, 2026, and beyond, the financial impact of these agreements is to increase the projected deficit beyond the levels anticipated when the budget and its associated financial plans were adopted last November. At that time, the ongoing General Fund deficit was projected to be approximately \$230 million in 2025. Per the table above, the cost of the agreement with the Coalition of City Unions exceeds the amount held in reserve for the General Fund by \$10.68 million for 2025. This implies that the projected General Fund deficit has grown to \$240+ million (i.e., the original \$230 million plus this additional \$10.68 million). For 2026 and beyond, the annual impact is to increase the annual projected deficit by \$15.45 million (i.e., an increase to \$245+ million).
- The table provides comparable information about increased expenses and unanticipated costs for all Other Funds, and in the final row, for the City budget overall.

Next Steps

If the Council approves CB 120757, the Executive will implement the terms and conditions of the Coalition agreements and CBO will transmit legislation to authorize appropriations for City departments. The amounts included in those appropriations will likely be less than the above estimated costs because the City has taken steps in early 2024 to reduce spending. Future appropriations are anticipated to be net of those administratively derived savings.

Please contact Ben Noble or Karina Bull if you have questions about this legislation.

Attachment:

- A. List of Coalition agreements covered by CB 120757

cc: Aly Pennucci, Deputy Director
Lish Whitson, Supervising Analyst

Attachment A**List of Coalition agreements covered by CB 120757:**

- Joint Crafts Council
- PROTEC17 Professional, Technical, Senior Business, Senior Professional and Administrative Support
- PROTEC17 Legislative Bargaining Unit
- PROTEC17 Office of Emergency Management Strategic Advisors and Managers
- PROTEC17 Municipal Court Probation Counselors
- LiUNA, Local 242
- International Association of Machinists and Aerospace Workers, District Lodge 160, Local 289
- Western States Regional Council of Carpenters
- Washington State Council of County and City Employees, AFSCME, AFL-CIO, Local 21
- Washington State Council of County and City Employees, AFSCME, AFL-CIO, Local 21C
- Washington State Council of County and City Employees Local 21PA, AFSCME, AFL-CIO
- Washington State Council of County and City Employees, AFSCME, Local 21Z
- Teamsters Local Union No. 117 Evidence Control Specialist and Community Service Officer Unit
- Public, Professional & Office-Clerical Employees and Drivers, Local Union No. 763 (Municipal Court)
- Public, Professional & Office-Clerical Employees and Drivers, Local Union No. 763, Supervisory Unit (Municipal Court)
- Seattle Municipal Court Marshals' Guild
- Seattle Dispatchers' Guild