

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle Department of Human Resources	Amanda Grumbach	Kailani DeVille

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to City employment, commonly referred to as the First Quarter 2024 Employment Ordinance; exempting positions from the civil service system; and returning positions to the civil service system; all by a 2/3 vote of the City Council.

Summary and Background of the Legislation: If passed, this legislation would:

- a. Exempt one position from the civil service system. As a result of a classification review and determination, the position meets a blanket exemption defined by Seattle Municipal Code 4.13.010 subsection 13.
- b. Return two positions to the civil service system. As a result of a classification review and determination, the positions no longer meet the exemption criteria.

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

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.

This section was prepared by Council Central Staff in collaboration with the City Budget Office:
There are no direct costs associated with the recommended changes to civil service status. Any changes to compensation for incumbents or new hires in the reclassified positions covered by this legislation would be subject to the appointing authority (i.e., head of department) and do not relate directly to the Council's decision to approve the recommended civil service status. In this sense, the legislation does not have an immediate fiscal impact.

However, in the interest of fiscal transparency and focusing on long-term budget sustainability, Central Staff is highlighting the associated costs of the reclassified positions in this legislation. As mentioned above, the reclassified positions included in quarterly employment ordinances

only include those that involve a change to civil service status, a small subset of position changes resulting from SDHR’s administrative classification reviews.

The “actual costs” associated with the reclassifications in this legislation are \$3,403 based on (1) the difference between the mid-point salary¹ and the new hire salary for a formerly vacant position in OIG that is now filled; and (2) the difference in the actual salaries for incumbents in the filled positions at OED and OIG. In this instance, the departments will absorb the costs (or cost savings) associated with the reclassifications within their existing budget authority. Based on discussions with the City Budget Office (CBO), we do not anticipate requests to increase the departments’ personnel budgets this year or in 2025 as a result of the administratively approved reclassifications that are associated with this legislation. Council Central Staff worked with the Seattle Human Resources Department (SDHR) and CBO to quantify these potential costs and CBO and SDHR have begun ongoing work to better detail these in future quarterly employment ordinances.

The projected potential fiscal impact associated with these reclassifications is \$24,715 based on the difference between the mid-point salaries of the initial and final classifications. At some point in the past, each department’s personnel budget was calculated by summing the midpoint salary for each position in that department. Since that calculation is not automatically adjusted when a reclassification occurs the department’s personnel budget will not reflect the difference between midpoint for the previous classification compared to the new classification unless the department requests and receives additional appropriation authority during the budget process. In practice, most departments absorb the costs of reclassifications, and this method typically allows flexibility for departments to use savings achieved from positions that are currently paid below the midpoint for the costs associated with reclassifications and for positions paid above the midpoint. However, the personnel costs for departments that experience high staff retention rates or multiple reclassifications will, over time, exceed the personnel budget calculated using the midpoint formula. With that in mind, Central Staff calculated the mid-point difference for each position in this legislation. From a long-term budget sustainability perspective, the projected costs of the mid-point difference illustrate how a new classification might increase (or decrease) costs in the future, even if the reclassification does not currently impact a department’s budget. The table below shows the differences in the labor costs between the initial and final classifications.

Table 3. Associated labor costs of reclassifications.

	Department	Initial classification	Final classification	Actual cost difference	Mid-point cost difference
1	OED	Strategic Advisor 2, Exempt	Manager 2, General Government	\$10,440	n/a

¹ The mid-point salary includes wages, benefits, employer tax contributions and is the amount used for budget purposes (i.e., the amount that Council appropriates to departments for new positions).

	Department	Initial classification	Final classification	Actual cost difference	Mid-point cost difference
2	OIG	Strategic Advisor 1, Exempt	Public Relations Specialist, Senior	(\$24,054)	(\$29,862)
3	CAO	Administrative Support Supervisor	Manager 1, Exempt	\$17,017	\$54,577
	Total			\$3,403	\$24,715

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.

Please describe any financial costs or other impacts of *not* implementing the legislation.
This legislation is needed to appropriately designate civil service status which can have personnel implications.

4. OTHER IMPLICATIONS

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

This legislation would affect the City Attorney's Office, the Office of Economic Development, and the Office of Inspector General.

- 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.**

N/A

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

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

Please click the appropriate box if any of these questions apply to this legislation.

- ☐ **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?**
If yes, please review requirements in Resolution 31203 for applicability and complete and attach "Additional risk analysis and fiscal analysis for non-utility partner projects" form.

6. ATTACHMENTS

Summary Attachments: None