

Summary and Fiscal Note

1. Legislation Summary

Department: City Budget Office

Title: An ordinance amending Ordinance 127156, which adopted the 2025 Budget, including the 2025-2030 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Background: This legislation will implement various adjustments to the 2025 Adopted Budget that are needed to complete the City's accounting process for the year.

The proposed legislation includes discrete actions that amend the 2025 Adopted Budget by adding budget authority to various departments to address unanticipated expenses which resulted in spending exceeding a budget control level's budget authority:

Item 1.1 provides a retroactive appropriation increase of \$32,709 for the Ethics and Elections Commission to pay unanticipated costs in the General Fund Ethics and Elections Budget Control Level (00100-BO-ET-V1T00) due higher than planned to labor costs. The City Budget Office will work with the Commission to align budget and expenses and avoid future budget exceptions.

Item 1.2 provides a retroactive appropriation increase of \$5,860,256 in the Seattle Human Resources Department to pay unanticipated costs in Health Care Fund Health Care Service Budget Control Level (10112-BO-HR-HEALTH). Medical and dental claims were higher than expected in the last quarter of 2025, particularly in October and November when they were \$31.3 million and \$28.8 million, respectively, which represented an increase of 20% and 11% respectively over the monthly average for the prior months of 2025. There is fund balance available in the health care fund to cover this additional appropriation. The increased appropriation requested represents a 1.6% increase above 2025 Adopted levels and will not meaningfully impact the financial outlook for this fund in 2026 or beyond.

Item 1.3 provides a retroactive appropriation increase of \$1,795 in the Seattle Department of Transportation in the General Fund Maintenance Operations Budget Level (00100-BO-TR-17005) to pay for unanticipated costs. Financial cost reconciliation changes posted to this Budget Control Level after final corrective journal entries were processed. This is a technical error.

Item 1.4 provides a retroactive appropriation increase of \$63,112 in the Seattle Public Utilities General Fund Leadership and Administration Budget Control Level (00100-BO-SU-N100B) in order to resolve a budget exception. This is the result of charges being inappropriately applied to this General Fund Budget Control Level due to an automatic system process applying an internal indirect cost model. This charge was not caught before the year closed.

Item 1.5 provides a retroactive appropriation increase of \$65,987 amount for Seattle Center in the Seattle Center Fund Campus Budget Control Level (114110-BO-SC-60000) to pay unanticipated costs due to last minute expenditures charges that hit the Campus BSL after year end balancing.

Item 1.6 provides a retroactive appropriation increase of \$2,042,168 for Seattle City Light to pay unanticipated costs in the Light Fund Taxes Budget Control Level (41000-BO-CL-TAXES). City Light pays City and State taxes based on earned revenue. Higher than anticipated revenue in the second half of 2025 caused City Light's tax liability to exceed the revised budget.

Summary Attachments: None.

2. Capital Improvement Program (CIP)

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

a. Expenditure Change to General Fund

2025	2026 est.	2027 est.	2028 est.	2029 est.
\$97,616	\$0	\$0	\$0	\$0

b. Expenditure Change to Other Funds

2025	2026 est.	2027 est.	2028 est.	2029 est.
\$7,968,411	\$0	\$0	\$0	\$0

c. Revenue Change to General Fund

2025	2026 est.	2027 est.	2028 est.	2029 est.
\$0	\$0	\$0	\$0	\$0

d. Revenue Change to Other Funds

2025	2026 est.	2027 est.	2028 est.	2029 est.
\$0	\$0	\$0	\$0	\$0

e. Number of Positions

2025	2026 est.	2027 est.	2028 est.	2029 est.
0	0	0	0	0

CBO 2025 Budget Exceptions SUM
Caleb Wagenaar
D1a

f. Total Full-Time Employee (FTE) Change

2025	2026 est.	2027 est.	2028 est.	2029 est.
0	0	0	0	0

3a. Appropriations

This legislation adds, changes, or deletes appropriations.

Fund Name and Number	Dept.	Budget Control Level (BCL) Name/Number	2025 Appropriation Change	2026 Estimated Appropriation Change
General Fund (00100)	Ethics and Elections Commission	Ethics and Elections (00100-BO-ET-V1T00)	\$32,709	\$0
Health Care Fund (10112)	Seattle Department of Human Resources	Health Care Services (10112-BO-HR-HEALTH)	\$5,860,256	\$0
General Fund (00100)	Seattle Department of Transportation	Maintenance Operations (00100-BO-TR-17005)	\$1,795	\$0
General Fund (00100)	Seattle Public Utilities	Leadership and Administration (00100-BO-SU-N100B)	\$63,112	\$0
Seattle Center Fund (11410)	Seattle Center	Campus (11410-BO-SC-60000)	\$65,987	\$0
Light Fund (41000)	Seattle City Light	Taxes (41000-BO-CL-TAXES)	\$2,042,168	\$0

TOTAL 2025 Appropriation Changes	TOTAL 2026 Estimated
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	Appropriation Changes
\$8,066,027	\$0

3d. Other Financial Impacts

a. Does this legislation create any other financial impacts for The City of Seattle, such as direct or indirect costs, one-time or ongoing, that aren't mentioned above? If yes, please explain these impacts.

No.

b. If the legislation has costs that can be covered within the current budget, explain how. Does the department have extra resources in its budget to handle these costs? Or does the department need to shift resources away from other work to handle these costs?

c. What financial costs or other impacts might happen if this legislation is not implemented?

d. How might this legislation affect other City departments besides the one that proposed it?

This legislation provides retroactive budget appropriations for the Ethics and Elections Commission, Seattle Department of Human Resources, Seattle Department of Transportation, Seattle Public Utilities, Seattle Center, and Seattle City Light to cover unanticipated spending above previously authorized 2025 appropriations.

4. Other Impacts

a. Does this legislation require a public hearing?

Yes

No

b. Does this legislation require a notice to be published in The Daily Journal of Commerce and/or The Seattle Times?

Yes

No

c. Does this legislation affect a piece of property?

No.

d. Race and Social Justice Initiative impacts:

1. How does this legislation affect vulnerable or historically disadvantaged communities? How did you come to this conclusion? Please consider both impacts within City government (like employees and internal programs) and in the broader community.

2. Please attach any Racial Equity Toolkits or other racial equity analyses used to develop or assess this legislation.

3. What is the Language Access Plan for communicating with the public about this legislation?

See Background section for any associated implications for question d.

e. Climate change impacts:

1. Emissions: Will this legislation significantly increase or decrease carbon emissions? Attach any studies or materials that inform your answer.

2. Resiliency: Will this legislation make Seattle more or less able to adapt to climate change? If it reduces resiliency, explain what can be done to lessen the impact.

See Background section for any associated implications for question e.

f. If this legislation creates a new program or expands an existing one, what are the long-term, measurable goals? How will this legislation help achieve those goals? What methods will be used to track progress?

See Background section for any associated implications for question f.

g. Does this legislation create a non-utility CIP that involves shared funding with a non-City partner or organization?

No.