Seatle City Council Select Budget Committee

Councilmember Budget Proposals| Tuesday, October 29, 2026

Legislative Department (LEG)

Short Title	Sponsor	Packet Page
LEG Financial Sustainability ORD	Foster	2
LEG Financial Sustainability ORD	Kettle	10
LEG Council Budget Sustainability ORD	Foster	18
LEG Police Overpayment Recapture Fund Creation ORD	Foster	25

LEG Financial Sustainability ORD
Tom Mikesell
Sponsor – CM Foster | Co-Sponsors – CM Lin, CM Rinck
D1b
Screen Reader Users: Make sure settings include reading strikethrough and underline font attributes.

The City of Seattle

Ordinance _____

Council Bill _____

..title
An ordinance relating to the Fiscal Transparency Program; adding the JumpStart Payroll Expense Tax Fund to the Fiscal Transparency Program; requiring that executive budget proposals include balanced six-year financial plans for the General Fund and JumpStart Payroll Expense Tax Fund; and amending Section 3.140.060 of the Seattle Municipal Code.

..body
Recitals:

Since the Covid-19 pandemic, financial plans submitted with the Mayor's proposed budgets have shown large deficits in future years.

Ordinance 127259 included changes to the Business & Occupation tax that generated additional tax revenue and required that if the Mayor's 2027 Proposed Budget included revenue from these changes, the financial plans for the General Fund and JumpStart Payroll Expense Tax Fund submitted with the budget must show positive or zero unreserved fund balance in all years of the plans.

The Mayor's 2027-2028 Proposed budget included financial plans for the General Fund and JumpStart Payroll Expense Tax Fund that met the standard proscribed in Ordinance 127259.

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LEG Financial Sustainability ORD
Tom Mikesell
Sponsor – CM Foster | Co-Sponsors – CM Lin, CM Rinck
D1b

The balanced financial plan requirements in Ordinance 127259 only pertained to the 2027 Proposed Budget.

A permanent change to the reporting requirements would maintain this standard in future years' budgets. Therefore,

Be it ordained by The City of Seattle as follows:

Section 1. Section 3.140.060 of the Seattle Municipal Code, enacted by Ordinance 126962, is amended as follows:

3.140.060 Reports on future fiscal projections

A. Economic and revenue forecasts. As required by Section 3.44.040, the Director of the Office of Economic and Revenue Forecasts shall provide unofficial economic forecasts both of City revenues and for the Seattle region for the current fiscal year and the next five fiscal years. Each forecast will include three scenarios and assign probabilities to their occurrence: baseline; optimistic; and pessimistic. Forecasts shall be presented to the Economic and Revenue Forecast Council.

B. General Fund and JumpStart Payroll Expense Tax financial plans. Following the presentation of each economic and revenue forecast, and concurrent with the submittal of the Mayor's proposed budget for the next year, ((~~a~~)) financial plans for the City's General Fund and JumpStart Payroll Expense Tax Fund shall be provided to the City Council. Each plan shall:

1. Provide estimates of actual revenue and expenditures for the prior year and, revised, and projected revenue and expenditures estimates and expenditures for the prior year, for the current year (including adopted budget and revised estimates), and three future years.

2. Be informed by best available data about revenues and spending and include a publicly available table that defines discussion of the assumptions used to make projections.

3. Reflect current law or proposed changes in law transmitted with the budget.

4. Clearly demonstrate how resources are managed to generate zero or positive projections of unreserved fund balance in all years covered by the plan. To the extent that future spending reductions are needed to achieve zero or positive fund balance, the financial plans shall show which of the following spending categories is to be reduced and by how much. Anticipated spending increases shall be documented in the financial plan in the same manner.

a. General Fund spending categories: Administration; Arts, Culture, and Recreation; Education and Human Services; Livable and Inclusive Communities; Public Safety; Utilities, Transportation, and Environment.

b. JumpStart Payroll Expense Tax Fund categories: Affordable Housing; the Green New Deal; Economic Development; Equitable Development Initiative; and Youth Mental Health.

DRAFT

This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by the City Council and signed in open session in authentication of its passage on _____.

_____

President _____ of the City Council

_____ on _____.

_____

Katie B. Wilson, Mayor

Attested on _____.

_____

Lenné Dedman, City Clerk

Seal

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LEG Financial Sustainability SUM
Tom Mikesell
Sponsor – CM Foster | Co-Sponsors – CM Lin, CM Rinck
D1
Screen Reader Users: Make sure settings include reading strikethrough and underline font attributes.

Summary and Fiscal Note

1. Legislation Summary

Department: Legislative

Title: An ordinance relating to the Fiscal Transparency Program; adding the JumpStart Payroll Expense Tax Fund to the Fiscal Transparency Program; requiring that executive budget proposals include balanced six-year financial plans for the General Fund and JumpStart Payroll Expense Tax Fund; and amending Section 3.140.060 of the Seattle Municipal Code.

Background: Since the Covid-19 pandemic, General Fund financial plans submitted with proposed budgets have projected large future-year deficits. Ordinance 127259, which restructured the City's Business & Occupations (B&O) Tax, required that if the Mayor's 2027 Proposed Budget included new revenue generated from the B&O restructure provisions, the financial plans for the General Fund and the JumpStart Payroll Expense tax included with the budget must show projection of zero or positive unreserved fund balance in future years. The Mayor's 2027-2028 Proposed Budget included revenue from the B&O restructure and met the balanced financial plan requirements of Ordinance 127259. However, this was a single-year standard for the 2027 Proposed Budget.

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LEG Financial Sustainability SUM
Tom Mikesell
Sponsor – CM Foster | Co-Sponsors – CM Lin, CM Rinck
D1

This legislation would amend the City's Financial Transparency Program, which includes parameters for the format and timing of General Fund financial planning, to include the JumpStart Payroll Expense Tax Fund. It also would make permanent the balanced future year requirements introduced in Ordinance 127259, and require that the balanced plans clearly identify what areas of spending would be reduced if future year reductions were needed to generate a balanced financial plan.

Summary Attachments:

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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

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.

N/A

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

DRAFT

these costs? Or does the department need to shift resources away from other work to handle these costs?

N/A

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

N/A

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

This legislation requires the Mayor to submit balanced financial plans for the General Fund and the JumpStart Payroll Expense Tax Fund, which might lead to more difficult executive resourcing decisions than under the current model, which allows for unsustainable future year projections.

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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.

This relates to general City financial planning, and there is no explicit nor implicit indication that sustainable financial plans adversely impact vulnerable or

DRAFT

disadvantaged communities. In contrast, sustainable financial planning could help support more resilient public finances, leading to less risk of future service disruptions.

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

N/A

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

N/A

e. Climate change impacts:

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

None.

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.

No resiliency impacts.

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?

Only impacts existing programs.

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

No.

DRAFT

LEG Financial Sustainability ORD
Tom Mikesell
Sponsor – CM Kettle | Co-Sponsors – CM Strauss, CM Rivera
D1b
Screen Reader Users: Make sure settings include reading strikethrough and underline font attributes.

The City of Seattle

Ordinance _____

Council Bill _____

..title
An ordinance relating to the Fiscal Transparency Program; adding the JumpStart Payroll Expense Tax Fund to the Fiscal Transparency Program; requiring that executive budget proposals include balanced six-year financial plans for the General Fund and JumpStart Payroll Expense Tax Fund; and amending Section 3.140.060 of the Seattle Municipal Code.

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Recitals:

Since the Covid-19 pandemic, financial plans submitted with the Mayor's proposed budgets have shown large deficits in future years.

Ordinance 127259 included changes to the Business & Occupation tax that generated additional tax revenue and required that if the Mayor's 2027 Proposed Budget included revenue from these changes, the financial plans for the General Fund and JumpStart Payroll Expense Tax Fund submitted with the budget must show positive or zero unreserved fund balance in all years of the plans.

The Mayor's 2027-2028 Proposed budget included financial plans for the General Fund and JumpStart Payroll Expense Tax Fund that met the standard proscribed in Ordinance 127259.

The balanced financial plan requirements in Ordinance 127259 only pertained to the 2027 Proposed Budget.

A permanent change to the reporting requirements would maintain this standard in future years' budgets. Therefore,

Be it ordained by The City of Seattle as follows:

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2. Be informed by best available data about revenues and spending and include a publicly available table that defines discussion of the assumptions used to make projections.

3. Reflect current law or proposed changes in law transmitted with the budget.

4. Clearly demonstrate how resources are managed to generate zero or positive projections of unreserved fund balance in all years covered by the plan. To the extent that future spending reductions are needed to achieve zero or positive fund balance, the financial plans shall show which of the following spending categories is to be reduced and by how much. Anticipated spending increases shall be documented in the financial plan in the same manner.

a. General Fund spending categories: Administration; Arts, Culture, and Recreation; Education and Human Services; Livable and Inclusive Communities; Public Safety; Utilities, Transportation, and Environment.

b. JumpStart Payroll Expense Tax Fund categories: Affordable Housing; the Green New Deal; Economic Development; Equitable Development Initiative; and Youth Mental Health.

DRAFT

This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by the City Council and signed in open session in authentication of its passage on _____.

_____

President _____ of the City Council

_____ on _____.

_____

Katie B. Wilson, Mayor

Attested on _____.

_____

Lenné Dedman, City Clerk

Seal

DRAFT

LEG Financial Sustainability SUM
Tom Mikesell
Sponsor – CM Kettle | Co-Sponsors – CM Strauss, CM Rivera
D1
Screen Reader Users: Make sure settings include reading strikethrough and underline font attributes.

Summary and Fiscal Note

1. Legislation Summary

Department: Legislative

Title: An ordinance relating to the Fiscal Transparency Program; adding the JumpStart Payroll Expense Tax Fund to the Fiscal Transparency Program; requiring that executive budget proposals include balanced six-year financial plans for the General Fund and JumpStart Payroll Expense Tax Fund; and amending Section 3.140.060 of the Seattle Municipal Code.

Background: Since the Covid-19 pandemic, General Fund financial plans submitted with proposed budgets have projected large future-year deficits. Ordinance 127259, which restructured the City's Business & Occupations (B&O) Tax, required that if the Mayor's 2027 Proposed Budget included new revenue generated from the B&O restructure provisions, the financial plans for the General Fund and the JumpStart Payroll Expense tax included with the budget must show projection of zero or positive unreserved fund balance in future years. The Mayor's 2027-2028 Proposed Budget included revenue from the B&O restructure and met the balanced financial plan requirements of Ordinance 127259. However, this was a single-year standard for the 2027 Proposed Budget.

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LEG Financial Sustainability SUM
Tom Mikesell
Sponsor – CM Kettle | Co-Sponsors – CM Strauss, CM Rivera
D1

This legislation would amend the City's Financial Transparency Program, which includes parameters for the format and timing of General Fund financial planning, to include the JumpStart Payroll Expense Tax Fund. It also would make permanent the balanced future year requirements introduced in Ordinance 127259, and require that the balanced plans clearly identify what areas of spending would be reduced if future year reductions were needed to generate a balanced financial plan.

Summary Attachments:

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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

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.

N/A

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

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these costs? Or does the department need to shift resources away from other work to handle these costs?

N/A

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

N/A

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

This legislation requires the Mayor to submit balanced financial plans for the General Fund and the JumpStart Payroll Expense Tax Fund, which might lead to more difficult executive resourcing decisions than under the current model, which allows for unsustainable future year projections.

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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.

This relates to general City financial planning, and there is no explicit nor implicit indication that sustainable financial plans adversely impact vulnerable or

DRAFT

disadvantaged communities. In contrast, sustainable financial planning could help support more resilient public finances, leading to less risk of future service disruptions.

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

N/A

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

N/A

e. Climate change impacts:

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

None.

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.

No resiliency impacts.

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?

Only impacts existing programs.

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

No.

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LEG Council Budget Sustainability ORD
Tom Mikesell
Sponsor – CM Foster | Co-Sponsors – CM Lin, CM Rinck
D1c
Screen Reader Users: Make sure settings include reading strikethrough and underline font attributes.

The City of Seattle

Ordinance _____

Council Bill _____

..title
An ordinance relating to sustainable budgeting practices; requiring final budget parameters that maintain future sustainability in the General Fund and the JumpStart Payroll Expense Tax Fund.

..body
Recitals:

Ordinance 127259 included a requirement that the Mayor submit balanced financial plans for the City's General Fund and JumpStart Payroll Expense Tax Fund, but did not require that the City Council's final budget meet the same planning requirement.

The City Council recognizes that long-term financial stability is essential to maintaining reliable public services, meeting future obligations, and safeguarding the City's ability to respond to economic, environmental, and demographic changes.

The City Council finds that sustainable budgeting requires that ongoing expenditures be supported by ongoing revenues, ensuring that short-term fiscal choices do not create long-term structural deficits.

Adopting a standard for the annual budget—specifically requiring that ongoing additions to programs and services be funded with ongoing revenue sources—

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promotes long-term financial stability and preserves the City's ability to maintain essential public services during economic uncertainty. Therefore,

Be it ordained by The City of Seattle as follows:

Section 1. For the purposes of this ordinance:

"Ongoing expenditure" means spending on programs and services that are anticipated to be recurring annually in the future, until eliminated or reduced by a future Council action.

"Ongoing revenues" means revenues that are projected to be recurring on an annual basis at a generally consistent or increasing level and are available to support City operations.

Section 2. Unless stated otherwise, the aggregate Council Budget Actions adopted pursuant to RCW 35.32A.040 shall not increase the unsustainability of future General Fund and JumpStart Payroll Expense Tax Fund financial plan projections.

Section 3. Unless stated otherwise, in the aggregate Council Budget Actions adopted pursuant to RCW 35.32A.040, as reflected in the Adopted Budget's appropriations from the General Fund and the JumpStart Payroll Expense Tax Fund, the sum of ongoing expenditure increases, net of ongoing expenditure decreases, added by the City Council shall not exceed ongoing revenues added by the City Council.

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This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by the City Council and signed in open session in authentication of its passage on _____.

_____

President _____ of the City Council

_____ on _____.

_____

Katie B. Wilson, Mayor

Attested on _____.

_____

Lenné Dedman, City Clerk

Seal

DRAFT

LEG Council Budget Sustainability SUM
Tom Mikesell
Sponsor – CM Foster | Co-Sponsors – CM Lin, CM Rinck
D1
Screen Reader Users: Make sure settings include reading strikethrough and underline font attributes.

Summary and Fiscal Note

1. Legislation Summary

Department: Legislative

Title: An ordinance relating to sustainable budgeting practices; requiring final budget parameters that maintain future sustainability in the General Fund and the JumpStart Payroll Expense Tax Fund.

Background: Since the Covid-19 pandemic, General Fund financial plans submitted with proposed budgets have projected substantial future-year deficits. Ordinance 127259, which restructured the City's Business & Occupations (B&O) Tax, required that if the Mayor's 2027 Proposed Budget included new revenue generated from the B&O restructure provisions, the financial plans for the General Fund and the JumpStart Payroll Expense tax included with the budget must show projection of zero or positive unreserved fund balance in future years. The Mayor's 2027-2028 Proposed Budget included revenue from the B&O restructure and also met the balanced financial plan requirements of Ordinance 127259. However, this standard only applied to the Mayor's Proposed Budget and the City Council's final budget does not need to provide for development of similarly balanced future year projections.

While the responsibility to develop GF and JSF financial plan remains with the executive branch, this legislation would revise the parameters for City Council's adopted budget such that the decisions made therein would generally not

increase the unsustainability of either the GF or the JSF compared with the plans originally submitted with the proposed budget. By requiring ongoing spending increases to be balanced with ongoing revenue increases, each plans' future year sustainability, as submitted to the City Council by the Mayor, would remain intact.

Summary Attachments:

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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

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

DRAFT

these costs? Or does the department need to shift resources away from other work to handle these costs?

N/A

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

N/A

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

N/A

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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.

This relates to general City financial planning, and there is no explicit nor implicit indication that sustainable budget adversely impact vulnerable or disadvantaged communities. In contrast, sustainable financial planning could

DRAFT

help form more resilient public finances, leading to less risk of future service disruptions.

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

N/A

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

N/A

e. Climate change impacts:

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

None.

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.

No resiliency impacts.

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?

Only impacts existing programs.

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

No.

DRAFT

LEG Police Overpayment Recapture Fund Creation ORD
Tom Mikesell
Sponsor – CM Foster | Co-Sponsors – CM Lin, CM Rinck
D1a
Screen Reader Users: Make sure settings include reading strikethrough and underline font attributes.

The City of Seattle

Ordinance _____

Council Bill _____

..title
An ordinance relating to City finances; creating a fund for depositing proceeds relating to recovery of police salaries paid in error.

..body
Recitals:

In June 2026, the City of Seattle inadvertently overpaid approximately 900 Seattle Police Department employees a total of about $13 million when retroactive raises were calculated using 2020's base salary instead of 2024's rate.

This payroll error resulted in single paychecks inflated by an average of over $14,000 per officer, with some officers receiving $10,000 to $20,000 in excess funds.

Establishing a dedicated fund for the receipt, management, and tracking of recovered overpayments will enhance fiscal transparency, support compliance with RCW 49.48.200 and related overpayment recovery procedures, and ensure that all recovered amounts are administered in a manner consistent with state law and collective bargaining obligations.

Directing any recovered funds as a result of overpayments into programs supporting multifamily housing development and affordable homeownership in Seattle will strengthen the city's long-term housing stability, expand access to attainable

housing options for working families, and ensure that public dollars are reinvested in critical community needs. Therefore,

Be it ordained by The City of Seattle as follows:

Section 1. A new Police Overpayment Recapture Fund is created in the City Treasury effective immediately, to which receipts may be deposited, and from which associated expenditures may be paid, including, but not limited to, City administration costs for the purposes described in Section 2 of this ordinance.

Section 2. The purpose of the Police Overpayment Recapture Fund is to provide resources for multifamily housing and affordable home ownership in Seattle.

Section 3. The new Police Overpayment Recapture Fund shall receive sums in the form of recovered funds as a result of overpayments to Seattle Police Department employees related to retroactive salary disbursements paid to Seattle police officers in 2025 that were in excess of the amounts required under the current contracted salary requirements. These recovered funds include either monies directly received by the City Treasury, or monies transferred from the Seattle Police Department Budget based on reported salary deductions or reductions against the overpayments. All City receipts related to recovery of these overpayments shall be deposited into the Fund. The Fund shall receive earnings on its positive balances and pay interest on its negative balances.

Section 4. The City Finance Director shall have responsibility for administering the Police Overpayment Recapture Fund. The Director of Finance is authorized to create other accounts and subaccounts as may be needed to implement the Fund's purpose and intent as established by this ordinance.

Section 5. Beginning April 15, 2027, and on a quarterly basis thereafter, the Seattle Police Department shall report to the Housing, Arts, & Civil Rights Committee the recovered amounts received due to, and salary deductions and salary reductions intended to offset, the overpayments during the prior three-month period. By October 1 of each year, legislation shall be submitted that transfers, from the Seattle Police Department budget to the Police Overpayment Recapture Fund, the total amounts reported according to Section 5 of this ordinance that have not already been deposited or transferred into the Police Overpayment Recapture Fund.

Section 6. In the annual City budget or by separate ordinance, the City's legislative authority shall from year to year determine the services and funding allocations from the Police Overpayment Recapture Fund that will most effectively achieve the goals and outcomes set forth in this ordinance as provided in chapter 35.32A RCW.

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This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by the City Council and signed in open session in authentication of its passage on _____.

_____

President _____ of the City Council

_____ on _____.

_____

Katie B. Wilson, Mayor

Attested on _____.

_____

Lenné Dedman, City Clerk

Seal

DRAFT

LEG Police Overpayment Recapture Fund Creation SUM
Tom Mikesell
Sponsor – CM Foster | Co-Sponsors – CM Lin, CM Rinck
D1
Screen Reader Users: Make sure settings include reading strikethrough and underline font attributes.

Summary and Fiscal Note

1. Legislation Summary

Department: Legislative

Title: An ordinance relating to City finances; creating a fund for depositing proceeds relating to recovery of police salaries paid in error.

Background: In June 2026, the City of Seattle inadvertently overpaid approximately 900 Seattle Police Department employees a total of about $13.1 million when retroactive raises were calculated using 2020's base salary instead of 2024's rate. This payroll error resulted in single paychecks inflated by an average of over $14,000 per officer, with some officers receiving $10,000 to $20,000 in excess funds.

This legislation establishes a new Fund in the City Treasury specifically for the purpose of receiving, tracking, and appropriating funds received from repayments of police salary overpayments. The legislation also restricts the uses of received funds to funding for multifamily housing and affordable home ownership.

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LEG Police Overpayment Recapture Fund Creation SUM
Tom Mikesell
Sponsor – CM Foster | Co-Sponsors – CM Lin, CM Rinck
D1
Summary Attachments:

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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

3b. Revenues/Reimbursements

Revenue/Reimbursement Notes: While there is no specific revenue increase corresponding with this legislation, this legislation directs potential future reimbursements of salary overpayments, which would go into the General Fund under current law, into the fund established by this legislation.

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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

DRAFT

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.

N/A

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

N/A

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

N/A

e. Climate change impacts:

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

No.

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.

No.

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?

N/A

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

No.

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