

Subject Line: An Update on our 2020 Budget and Beyond

Dear City Employees,

Our City and country are experiencing one of the most consequential events in recent history. In only seven weeks, our City, state, and country have changed immensely.

We have taken extraordinary and unprecedented measures to slow the spread of COVID-19, and preliminary data shows that our efforts are flattening the curve, saving lives, and protecting our hospital systems and health care workers. And, thanks to your hard work, we have also taken a number of measures to bring relief to those who need it most during this time.

I am so inspired by the heroic work of our City family. At a time where our City employees and their families have been impacted – whether its friends or family members who have been sick or lost their jobs – they have been on the frontlines of our community in need. Our first responders are transporting those with COVID-19 to our hospitals and led a first in the nation effort to test certain essential City employees. Our utilities are processing an unprecedented amount of payment plans and applications for the utility discount program. Seattle Center, FAS, SPR, SPL, SPU, and HSD employees are on the frontlines of protecting our most vulnerable including staffing our new 24/7 shelters and providing hygiene services and PPE. OED, OSE, HSD, OH, DEEL, SDCl, and many redeployed City employees are addressing the urgent needs of our small businesses and individuals who need food assistance or childcare. ARTS and Office of the Waterfront have been helping with recovery efforts for our City, especially our artists and nonprofits.

These are just some examples of what the City has been able to do in a small amount of time, and it has only been possible in thanks to you. Many of our frontline employees are coming to work every day to serve and protect our residents and businesses, and many of you are working with your managers to be redeployed from your current jobs.

As you know, our public health emergency has required each department to rethink its essential operations and how it can best respond to COVID-19. Seattle, King County, and the State of Washington are each experiencing significant impacts to the workforce and budget. I want to be honest with our City employees and the public about the significant economic impacts in the months and years to come.

At the City, we rely on a number of current taxes, especially sales tax and business taxes, to finance our operations and programs that depend heavily on how our economy is doing. While there is a lot of uncertainty, the City Budget Office is initially estimating that the City could lose between \$210 million-\$300 million in our general government resources in 2020.

Honestly, we don't have all the answers on how we can solve the size and scale of challenge facing our 2020 budget and beyond. There is still so much uncertainty, and we don't know yet that total impact of this pandemic will be on the economy or what state or federal resources may be available to help address both the crisis and the long-term impacts. However, we have implemented a series of measures already that will make a significant impact. Last month, we began an immediate freeze on non-COVID response related contracts and expenses as well as a hiring freeze. We will also utilize every dollar of 2019 year-end surpluses. We also asked departments to curtail discretionary spending not related to essential services and COVID-19 response or mitigation.

My goal will be to minimize the impacts to both community programs and City employees, and to look to maximize the new resources from the state and federal government. Understanding many other cities and states have significant financial challenges, we will also continue to advocate for state and federal resources.

I know that we're living in an uncertain time, and that we're all fearful and anxious for our loved ones, our neighbors, and the most vulnerable. I also know that our City family is compassionate and is also working tirelessly to help all those in need right now. This is a marathon, not a sprint, and I know that we will get through this by taking care of each other. I encourage you to check our [COVID-19 SharePoint](#) page for an updated list of resources.

Thanks for everything you continue to do. None of us expected this challenge. I believe our City will continue to rise to the occasion to be a model for the country. Each one of you has been providing hope and comfort for our residents during this unknown time.

Please stay safe and healthy.

Sincerely,

Jenny