



Seattle City Council

Robert Kettle, District 7

July 20, 2026

From: Councilmember Robert E. Kettle

To: Mayor Katie B. Wilson

Re: Proposed Budget Reforms and Addressing the Structural Budget Deficit

Thank you for engaging with me and my team on our City's budget. I acknowledge we are faced with a massive structural deficit that will require many difficult choices to best serve the public.

Seattle's projected budget deficit has ballooned to \$175 million for next year, even though our general fund revenue (primarily property, sales, utility, and business/payroll taxes) has grown dramatically to over \$2 billion, up 17% from \$1.72 billion in 2024 and up 40% from \$1.44 billion in 2019. Meanwhile, we have asked voters to shoulder additional property tax levies for separate programs every year for the past six years.

The ever-increasing tax burden funding new and expanded programs, layered on top of the ongoing affordability crisis, is hampering everyday Seattleites' abilities to make ends meet. The latest year-over-year reading for the Seattle-area consumer price index is 4.5 percent — higher than the national rate. Seattle's appetite for spending far exceeds our willingness for introspection — for every item in the budget, we should be asking: is this cost to the taxpayer justified?

Our current budget and its future trajectory are unsustainable. There are no silver bullets or accounting tricks left. The only reasonable path forward is a realignment of our budget based on the essential needs of our community and the priorities that we are elected to uphold.

To be clear, I am not opposed to new taxes, especially considering how constrained we are in our ability to raise revenue. However, I cannot, in good conscience, put additional affordability burdens on taxpayers until we've sufficiently curbed subpar spending. I'm calling for three things that realign our city's expenditures with what taxpayers deserve:

1. **A priority-based budgeting system** — currently, we simply carry over last year's budget, add inflation and pet projects, and consider this to be sufficient. This is completely inadequate for delivering effective government services efficiently. We cannot assume that programs from the last decade, or even the last century, are still serving the people of Seattle well.

2. **Withdrawing from unnecessary lines of business.** The City of Seattle’s Charter articulates the basic services that the City should provide; that’s in addition to other services approved by voters that are important to maintain. However, there are bodies of work that are only slightly helpful to some interest groups at best, and performative at worst. For example, in the Office of Economic Development, we hire consultants at a cost of hundreds of thousands of dollars to launch the “Green Economy Strategy” and lead one public-private partnership project that attracts more climate tech companies to Seattle. In another example, the Department of Neighborhoods pays to staff more than 200 boards and commissions. In the Police Department, there is an outsized \$2.5 million contract with an ad company to hire more police officers, when the City Council has already undertaken many actions to dramatically boost officer hiring, including raising officer pay.
3. **Updating the Payroll Expense Tax.** The data speaks for itself — businesses and jobs are being pushed out of Seattle by our hyper-targeted tax. This has aided tremendous job growth in Bellevue and has been a volatile revenue stream for the City. By lowering the rate of our Payroll Expense Tax and broadening the taxbase, we can stabilize its impact on both businesses and on the City’s revenue.

We cannot continue down the same road expecting different results. We need a new approach to create a truly sustainable, long-term budget from the inside out. Moving forward, I’m committed to working with you, community stakeholders, and my City Council colleagues in exploring these options. This is critical for the long-term health and safety of our Seattle communities.

Respectfully,

Robert E. Kettle
Chair, Public Safety Committee

CC: Joy Hollingsworth, Council President
Dan Strauss, Chair of Select Budget Committee
Maritza Rivera, Vice Chair of Select Budget Committee
Deputy Mayor Brian Surratt
Aly Pennucci, Director of Central Budget Office
Dwight Dively, Director of the Office of City Finance