

2009 Progress Report



A Message from Mayor Mary B. Verner

Snow. Flooding. Fires. Economic Fires. Back to Snow. And on We Go ...

2008 was an eventful year that kept all of us at the City of Spokane on our toes. In between our responses to events, we

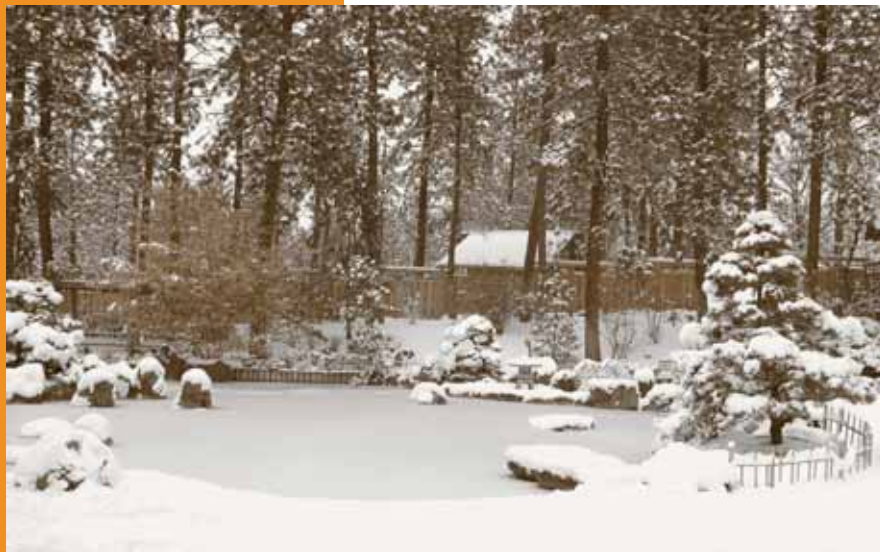
Our pace will not slow in 2009. Our current turbulent times require us to exert even greater leadership. We cannot afford to continue with business as usual.

In early February, 16 of our employees began intense training in Lean Six Sigma techniques. These employees will lead projects within our organization, helping us to identify waste, eliminate duplicative work, and focus on value-added activities that meet the needs of our customers.

We're also seeking cooperation among local governmental jurisdictions. At the City, we are collaborating with Airway Heights on an annexation proposal for the West Plains. We're joining with SCRAPS to create a regional animal control system. We worked with jurisdictions throughout the County to bring back Crime Check. And we have joined the City of Spokane Valley, Spokane County and our regional partners to determine means to increase our stock of affordable housing.

The time for a more unified framework for regional government of services has come. I'm calling 2009 the Year for Bold Action in Tough Times!

Mary B. Verner



stretched ourselves across the City to improve service and make better use of our resources.

When I took office about 14 months ago, I laid out the priorities for my term in office:

- Infrastructure.
- Public Safety.
- Sustainable Economic Growth.
- Community Quality of Life.
- Leadership and Administration.

I am proud to say that we have focused on these areas and made positive changes in each of them. You'll read about a number of our successes and highlights throughout this report, which gives you a sampling of our work.



Mayor's Priorities

Infrastructure

Public Safety

*Sustainable
Economic Growth*

*Community
Quality of Life*

*Leadership and
Administration*

The Cost of Snow

What does it cost for snow removal during three weeks of record-breaking snow?



New Digesters at the City's Water Reclamation Plant

We compiled the costs for overtime, fuel, contracted labor and equipment, and related expenses to submit to the Federal Emergency Management Agency (FEMA) and came up with a grand total of \$4.1 million. And that didn't include regular-time costs for our employees or the cost of damage to road surfaces and public or private buildings.

Of course, this was a snow beyond all other snows. We broke records for 24-hour, 48-hour, 72-hour, 7-day, and

monthly snow totals. We completed three full-City plows and plowed arterial streets almost too many times to count.

And we learned some things. We're looking at new approaches—everything from creating smaller snow plow routes to give people a better idea of when plows will be in their neighborhood to eliminating parking on all arterials during the winter months.

We're also engaged on how to improve snow removal on sidewalks around our City, particularly those that lead to schools or bus stops.

We're hopeful that we will receive some reimbursement from FEMA for our December and January series of storms. And, we are sure that we will continue to improve our snow removal operations for the benefit of citizens.

Digesters Open

The City completed construction on two new digesters at its Riverside Park Water Reclamation Facility in 2008. The \$35 million project began in the summer of 2006.

The digesters are part of the secondary processing at the plant. After the majority of liquids are removed from the wastewater, the solids are transferred to the digesters, which use heat and anaerobic bacteria to break down or "digest" the organic material. The City's Water Reclamation Plant processes about 40 million gallons of wastewater a day.

Construction Season Approaches

Another big year for City street and infrastructure construction is on the horizon. The City has planned 27 projects for the 2009 construction season, with work planned in all parts of the City. Here are a few highlights:

- Market Street from Garland to Francis avenues.
- Alberta and Cochran streets from Northwest Boulevard to Francis Avenue.
- Southeast Boulevard from 29th Avenue to Perry Street.
- Lincoln Street from 17th to 29th avenues.
- 37th Avenue from Perry to Ray streets.
- Five Mile Road from Austin Road to Lincoln Street.

We'll also continue work on two major water main extension projects in the West Plains—including one that serves Fairchild Air Force Base.

Watch for more information on construction by checking out the City's web site at www.spokanecity.org.



Better Justice Sooner

Working toward a stated goal of "better justice sooner," the City of Spokane created a separate Municipal Court on Jan. 2, 2009. The Court was restructured to address legal challenges to the validity of decisions by judges under the previous court system.

The Court started hearing cases on its very first day of operation, and received its first jury verdict in just 11 days. Municipal Court staff also have developed a new master calendaring system that's designed to speed case resolution, reduce jail costs, and create other efficiencies.

The City also is looking at process improvements, a greater range of sentencing alternatives, and other cost-saving measures.

Municipal Court adjudicates misdemeanor charges. By state law, the City is responsible to provide for the adjudication and sentencing of these crimes committed by adults within the City limits.

Coming to a Neighborhood Near You

The Spokane Police Department has launched the first phase of its neighborhood policing plan. Twelve new officers were added in 2008, allowing for implementation of this new approach on Spokane's North Side.

The plan divides the City into eight areas and deploys officers based on those geographic locations. The goals are to enhance citizens' access to officers and enable better partnerships, communications, and accountability.

For 2009, budget constraints prevented the City from adding the 12 additional officers needed to fully implement the plan. The Mayor is working to add the officers in the 2010 City budget.

Public Safety Notes

- Recruitment is under way for a new Police Ombudsman, who will provide external oversight of the Spokane Police Department. The selected candidate will fill a three-year term and can be reappointed.
- The Spokane Fire Department partnered with Eastern Washington University social work students to create the CARES program that works to reduce EMS calls for service by linking people with necessary social services.
- The City has purchased four new Fire engines, which will be arriving soon and improving Spokane's fleet of emergency vehicles.
- A group of City employees joined representatives from jurisdictions from throughout Eastern Washington in a week-long training in November to improve collaborative emergency response in our community and region. The 75-member group included law enforcement, fire, emergency medical, public information, public works, and other disciplines.
- The City added "photo-red" cameras at four intersections in 2008, to reduce rear-end collisions.



Budgeting in Tough Economic Times

Crafting a balanced budget for 2009 was a challenge. Our strong financial principles and conservative budgeting approach over the last several years enabled us to maintain current levels of service, while keeping our reserve funds whole to protect against further economic decline.

In 2009, we planned for lower sales tax collections than in 2008. We resisted adding new embedded costs. And we limited new positions in the City's General Fund to positions already in the 2008 budget or that were paid for through budget reductions in other areas.

At the same time, we knew the needs of our most vulnerable would be higher so we brought our Human Services grant fund to \$1 million, adding \$184,000.

And we laid out a strategic, two-year budget approach that requires us to find additional savings and efficiencies for 2010.

As the year proceeds, we will be ever-vigilant of the budget, watching the numbers closely and making changes as necessary throughout the year. We already had to make changes, eliminating nine positions in our Building Enterprise Fund as a result of the downturn in construction, particularly new housing starts.

What's on the Ballot?

The Spokane City Council has placed two items on the March 10, 2009, ballot for City voters to consider:

The 2009 Public Safety Bond

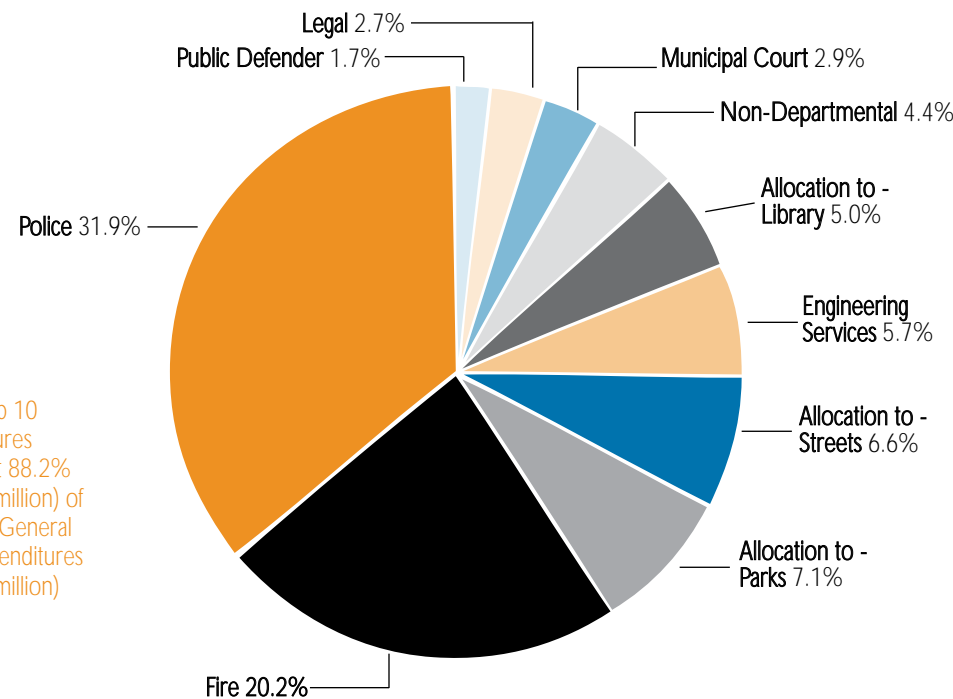
This \$18.52 million bond would pay for four priority public safety needs including a Property and Evidence Facility, a location for the City's new Municipal Court, expanded Animal Control facilities, and refurbishment of the Spokane Police Department's Outdoor Shooting Range.

Housekeeping Changes to the Spokane City Charter

The Charter Review Committee, led by Council Members Al French, Steve Corker, and Richard Rush, has developed a ballot measure to clean up a number of housekeeping issues in the City Charter, many of them created when the City changed to the Strong Mayor form of government. Additional, substantive Charter changes may be proposed on future ballots.

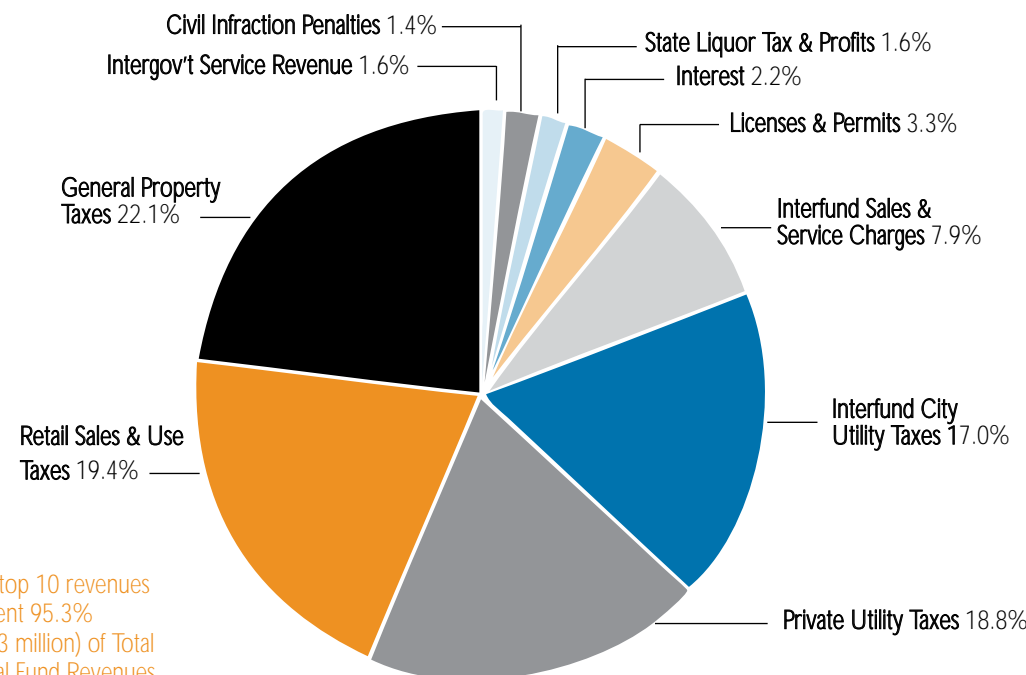
2009 Budget Story

Top 10 General Fund Expenditures



These top 10 expenditures represent 88.2% (\$127.2 million) of the Total General Fund Expenditures (\$155.5 million)

Top 10 General Fund Revenues



These top 10 revenues represent 95.3% (\$148.3 million) of Total General Fund Revenues (\$155.5 million)

Budget Basics

The City's Total Budget

For 2009, the City's budget totals \$618.2 million. The overall budget includes the General Fund; the Water, Wastewater, and Garbage utilities; a variety of special dedicated funds; capital projects; and debt service.

The General Fund

For 2009, the adopted General Fund budget totals \$155.5 million. When people talk about the City's budget, they usually mean the General Fund. The General Fund includes revenues from property, sales, and utility taxes, and pays for basic City services, including police, fire, libraries, parks, streets, and planning.

Reserves

The City has fully funded reserves totaling about 20 percent of the General Fund. Those funds include an expenditure reserve for unanticipated expenses, a revenue stabilization account to weather short-term drops in revenue, and operating cash reserves to manage cash flow needs. The City built these reserves primarily over the last 5 years.

Fiscal Year

Unlike the state of Washington, the City of Spokane operates on a calendar-year basis. Each year, the City spends months preparing the annual budget. The Mayor must present her proposed budget to the City Council by Nov. 1, and the City Council must adopt a balanced budget prior to Dec. 31.

Preparing for Capital Needs

Capital plans are critical for organizations the size of the City of Spokane. Over the years, we have done an excellent job planning for public infrastructure needs, preparing six-year plans of projects for street reconstruction, bridges, water distribution, stormwater management, and upgrades to the Wastewater Treatment Plant.

This hasn't been the case for City buildings and General Fund assets. We are now working to establish a comprehensive capital plan for those other areas of the City. Such a plan will enable us to plan for replacing antiquated facilities and maintaining other facilities to avoid greater expenses later on.

Going Green

Preparing for the next-generation economy clearly means working on

sustainability issues and encouraging the growth of green and clean tech businesses.

Early last year, Mayor Mary Verner established the Mayor's Sustainability Task Force, led by Avista's Roger Woodworth. The

group's job has been to create an action plan for the City to address climate change and energy security issues. The task force made an initial presentation of its work earlier this month.

While the task force toiled, the City began to take a series of green steps:

- Added motorcycle and scooter parking spaces in the downtown.
- Reduced idling of City vehicles and purchases of bottled water.
- Partnered with local grocers to encourage citizens to "Choose Reusable" bags instead of disposable ones.

- Added a sustainability collection of materials at the Spokane Public Library.
- Created a grant program to replace street trees in downtown. We're also updating our citywide urban forest inventory.
- Started work on the addition of a community garden in the East Central neighborhood on vacant Water Department land.
- Completed an upgrade to the City Hall HVAC system that will save 10,663 therms of natural gas and 729,000 kwh of electricity.

Our community and business partners also got on board, with Greater Spokane Incorporated creating a "Green Week" of activities in October, participating in a film that showcases Washington state's Clean Tech businesses, and working to sell Spokane's "green" stories to national publications.

The Downtown Spokane Partnership even got an electric car with solar panels for the Security Ambassadors and held an event featuring alternative-fuel vehicles.



DSP's Electric Car

A Look at Housing

In January, the City announced that we would eliminate nine positions in our Building Enterprise Fund because of a downturn in construction, particularly new housing starts.

The Building Enterprise Fund is a stand-alone fund that must pay for all its expenses out of the money generated through building permits and related fees.

Here's how the housing starts stacked up during the last 6 months of 2008, compared to a year earlier:

Residential permits	2007	2008
July	30	17
August	32	11
September	18	33
October	31	6
November	18	4
December	7	4
TOTAL	136	75

Serving the Needs of Business

The City created a new department in early 2008 to help serve the needs of business. The Business & Development Services Department has spent much of the last year asking business owners and developers what they need to be successful and making changes.

Among the department's highlights of the last year was the creation of Eastern Washington's first city program to recognize businesses for sustainable business practices and policies. The first participants in the program will be recognized in February 2009.

The department also arranged business forums with the Mayor, administered \$5.7 million in development incentives, created new ways to improve business interaction with City Hall, and worked to forward the development of the University District.

Reducing Homelessness

The City of Spokane—working with Spokane County, the City of Spokane Valley, and other partners—is engaged on reducing homelessness and improving access to affordable housing for our citizens.

Together, the community is developing an update to our 10-Year Plan to Reduce Homelessness. We're looking at all the factors that contribute to homelessness—substance abuse, domestic violence, mental illness, job loss, and more—and determining how we get these families and individuals on the path to permanent, affordable housing.



Shadle Branch Library

At the same time, we are part of a regional task force that's working to increase the stock of available affordable housing in the community. Recommendations from this group are expected in the next few weeks.

Library Use is Up

While the economy is down, library use is up. The Spokane Public Library reports that circulation in 2008 was up nearly 12.4 percent over 2007.

The City expanded hours at the Shadle and South Hill library branches in 2008 to provide greater access to materials at two of our most popular locations.

- Developed an updated **Sign Code** that regulates the type, size, and location of various signage. This work, too, will come up for a vote in 2009 at City Council.

Another major plan update was handled as a partnership between the City's Business & Development Services Department and the Downtown Spokane Partnership. The update to the **Downtown Plan** includes new project goals for the City's core and incorporates the University District and Kendall Yards locations.

The original Downtown Plan was hugely successful, bringing billions of dollars of new investment to our downtown.

Get to Know Your City

The City of Spokane wants you to get the information you need about your City and then get involved. Here are a few tools to assist you.

- You don't have to move to live in a better neighborhood. The City is divided into 27 neighborhoods. Go to spokaneneighborhoods.org to find out what neighborhood you live in, when your Neighborhood Council meets, and other information.
- The City is continually recruiting to fill vacancies on a variety of boards and commissions that make decisions and provide advice to elected officials. Find out about vacancies at www.spokanecity.org/government/bcc.
- Check out the CityCable 5 video archive on the City's web site featuring six months of archived City Council meetings and other informational programming at www.spokanecity.org/services/citycable5/streamingmedia.

Making Plans

The City's Planning Services Department has been busy updating the plans that define how our community will grow and develop.

In the last year, the department:

- Completed a significant update to the **Shoreline Master Program**, which regulates development next to the City's shorelines and was adopted by the City Council in December.
- Worked with the Bicycle Advisory Board to develop a **Master Bike Plan**, which describes where the City should work to add bike lanes among other things. In 2009, this plan will come before the City Council for approval.

Be a Mentor

Mayor Mary Verner is working with the Chase Youth Commission and other partners to encourage adults to become mentors for our youth.

About one in three ninth graders in Spokane drop out prior to graduation, and one of the proven ways to keep kids in school is to provide a mentor who cares about them.

Crime Check is Back

Thanks to the generosity of Spokane voters, Crime Check returned to our community on January 5, 2009!

Crime Check is a 24-hour, 7-day-a-week, 365-day-a-year service in Spokane County that will enable citizens to report crimes to specialized, trained call receivers.

- To report a crime that you witnessed previously.
- To report a crime after the fact that doesn't require an officer/deputy on scene.
- To provide information about a past crime.
- To add information to an existing crime report.

Citizens, should not hesitate to call 9-1-1 when the situation requires. Violent crimes, crimes in progress, emergency medical needs, and fires are all situations that demand a call to 9-1-1.

We are excited about returning this service to Spokane. Keeping our citizens safe is a top priority of local government—and this is one more way to do just that.

Citizens can help reduce crime in their neighborhood. Find information at www.spokanecops.org

Crime Check 456-2233

Need to report a CRIME?

The Crime Check number is a familiar one: **456-2233**.

Citizens should call Crime Check:

- To file a Police report over the phone on a crime that has already occurred.

We work for you!

City of Spokane Elected Officials

Mayor
Mary Verner

Council President
Joe Shogan

Council Members
Michael Allen
Bob Apple
Steve Corker
Al French
Nancy McLaughlin
Richard Rush

More information on the City of Spokane can be found at www.spokanecity.org. To ask a question or find a resource, you can also call 755-CITY.

February 2009

New Pools Coming your Way!

The City of Spokane Parks and Recreation Department is making solid progress on the construction of six new swimming pools approved by Spokane voters as part of the 2007 Parks and Play bond issue.

Pools are being constructed or replaced at the following parks: A.M. Cannon, Comstock, Hillyard, Liberty, Shadle, and Mission.

Construction began in late summer—at the end of the swimming season. Though we have seen some setbacks from dramatic winter weather, the last month has allowed construction to move forward. Concrete has been poured at a couple of pools, with more to come.

We look forward to splashing away this summer!



Concrete being poured for the new Shadle Pool.