

Finance & Administration Committee Monthly Meet
Agenda for 1:15 p.m. October 17, 2022

The Spokane City Council's Finance and Administration Committee meeting will be held at **1:15 PM October 17, 2022**, in Council Chambers, located on the lower level of City hall at 808 W. Spokane Falls Blvd. The meeting can also be accessed live at <https://my.spokanecity.org/citycable5/live/> and <https://www.facebook.com/spokanecitycouncil> or by calling 1-408-418-9388 and entering the access code #2491 952 4023; meeting password 0320.

The meeting will be conducted in a standing committee format. Because a quorum of the City Council may be present, the standing committee meeting will be conducted as a committee of the whole council. The Finance & Administration Committee meeting is regularly held every 3rd Monday of each month at 1:15 p.m. unless otherwise posted.

The meeting will be open to the public both virtually and in person, with the possibility of moving or reconvening into executive session only with members of the City Council and appropriate staff. No legislative action will be taken. No public testimony will be taken, and discussion will be limited to appropriate officials and staff.

AGENDA

I. Call To Order

II. Approval of Minutes

1. September 19 Minutes

III. Discussion Items

- 1. 2020 Accountability Audit - Christine Croskey (20 minutes)**
- 2. Administration Q&A regarding the 2023 preliminary budget - Tonya Wallace (20 minutes)**
- 3. 2023 Budget Resolution - Breean Beggs (10 minutes)**
- 4. Quarterly Budget Report - Jessica Stratton (10 minutes)**
- 5. Quarterly Investment Report and Investment Strategy Review - Chris Johnson, Conner Thorne, Gavin Cooley (15 minutes)**
- 6. Ordinance Adopting a City Council Redistricting Plan - Hannahlee Allers (10 minutes)**
- 7. SBO - PMO Contractual Services - Dusty Fredrickson (10 minutes)**
- 8. SBO - Retainage Payment and Vehicle acquisition from salary savings - Dan Buller (10 minutes)**
- 9. SBO - Interpreter Costs - Lynden Smithson (5 minutes)**

10. SBO - Salary savings to Janitorial - Lynden Smithson (5 minutes)
11. Capital Improvement Plan Hearing and Ordinance - (5 minutes)
12. Revenue Hearing and Property Tax Ordinance - (5 minutes)
13. TRAC services SBO - (5 minutes)

IV. Consent Items

1. 2023 East Sprague Business Improvement District Special Assesment (Planning Services)
2. Amend contract with Solid Waste Systems to add more money (Fleet Services)
3. SCADA Hardware Purchase for Upriver Dam (Water Department)
4. Call for Budget Hearings (Budget)
5. AV Grant & SBO (Municipal Court)
6. 2023 Airport Budget Approval (Spokane Airport)

V. Executive Session

VI. Adjournment

Next Finance & Administration Committee meeting

The next meeting will be held at the regular date and time of 1:15 p.m. **November 21, 2022.**

AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION: The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. The Spokane City Council Chamber in the lower level of Spokane City Hall, 808 W. Spokane Falls Blvd., is wheelchair accessible and also is equipped with an infrared assistive listening system for persons with hearing loss. Headsets may be checked out (upon presentation of picture I.D.) at the City Cable 5 Production Booth located on the First Floor of the Municipal Building, directly above the Chase Gallery or through the meeting organizer. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6237, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or mpiccolo@spokanecity.org. Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

STANDING COMMITTEE MINUTES
City of Spokane
Finance & Administration Committee
19 September, 2022

Called to Order: 1:17 PM PST

Recording of the meeting may be viewed by at: <https://vimeo.com/751432011>

Attendance

Committee Members Present: Council President Breean Beggs, Council President, CM Betsy Wilkerson (Chair), CM Michael Cathcart (Vice Chair), CM Karen Stratton, CM Jonathan Bingle (virtual), CM Zack Zappone

Staff/Others Present: Matt Boston, Hannahlee Allers, Conner Thorne, John Hall, Heather Sweet, Jessica Stratton, Teri Stripes, Spencer Gardner, Mike Piccolo, Steve MacDonald (virtual), Tonya Wallace, Michelle Murray, Jeff Gunn, Shae Blackwell, Kelly Thomas, Mark Carlos, Lynden Smithson, Luis Garcia, Johnnie Perkins, Collin Tracy, Colin Tieran

Approval of Minutes:

Council Member Cathcart moved to approve, Council Member Zappone seconded. Agenda and minutes were approved unanimously.

Agenda Items

III. Discussion Items

1. Monthly Investment Report – Conner Thorne & Chris Johnson – (5 mins)
 - No Action Taken
 - Presentation Only
2. Annual Compliance Reporting for Weather Ordinance- John Hall - (10 mins)
 - Action Taken
 - Council Members Wilkerson and Bingle agreed to sponsor this item to move it forward for formal consideration
3. Safe Air Center Ordinance – Zack Zappone (5 mins)
 - Action Taken
 - Council Member Zappone and Council President Beggs agreed to sponsor this item to move it forward for formal consideration
4. SBO – My Spokane – Heather Sweet (5 minutes)
 - Action Taken
 - Council Members Wilkerson, Stratton and Bingle agreed to sponsor this item to move it forward for formal consideration

5. SBO – Director of Code Enforcement & Parking – Steve MacDonald (5 mins)
- Action Taken
 - Council President Beggs and Council Member Stratton agreed to sponsor this item to move it forward for formal consideration
6. SBO – Election Expenses – Jessica Stratton (5 mins)
- Action taken
 - i. Council President Beggs and CM Wilkerson agreed to sponsor this item to move forward for formal Council consideration.
7. Community Safety Act – Michael Cathcart (10 minutes)
- Action taken
 - i. Council Members Cathcart and Bingle agreed to sponsor this item to move forward for formal Council consideration.
8. Wildland Fire Risk Reduction Federal Grant – Chief Brian Schaeffer (10 mins)
- Action Taken (presented out of order during committee at 2:20pm)
 - i. Council Members Kinnear and Wilkerson agreed to sponsor this item to move forward for formal Council consideration.
9. Contract Amendment/Extension – Human Resources Consultant – Mike Piccolo (5 mins)
- Action taken
 - i. Council Member Kinnear agreed to sponsor this item to move forward for formal Council consideration.
10. Contract Amendment/Extension – Human Resources Consultant – Mike Piccolo (10 mins)
- Action taken
 - i. Council Member Kinnear agreed to sponsor this item to move forward for formal Council consideration.
11. Amendments to Outside Counsel Contracts (Summit) – Lynden Smithson (5 mins)
- Action taken
 - i. Council Member Kinnear agreed to sponsor this item to move forward for formal Council consideration.
12. Special Counsel Contract Amendment – Lynden Smithson (5 mins)
- Action taken
 - i. Council President Beggs agreed to sponsor this item to move forward for formal Council consideration.
13. 2022 Strategic Budget Discussion – Matt Boston (10 mins)
- Action taken
 - i. Council Members Stratton and Zappone agreed to sponsor this item to move forward for formal Council consideration.

Consent Items (no discussion was requested or had)

1. SBO - COPS Victim's Advocate Funding (Spokane Police Department) Contract – Rubicon Global, LLC Annual Software Maintenance (Innovation and Technology Services)
- ~~2. LTAC Contract Award to Spokane Sports (Accounting)~~
3. SBO for less-than lethal 40mm launchers w/ accessories (Police) SBO – ARPA Parks Transfer (Finance)
4. Value Blanket – Purchase of Light Bars, Sirens and Accessories (Fleet Services)
5. SBO - Budget Transfer to Pay Construction Management Bldg Retainage & Purchase of 4 Pickups (Public Works, Engineering)
6. SBO - PMO Contractual Services (Project Management Office)
7. Council Confirmation of Mayoral Appointee - Development Services Center (Community & Economic Development)
8. Council Confirmation of Mayoral Appointee - Director of Parking Services & Code Enforcement (Community & Economic Development)
9. Parking Management Systems Contract Amendment (Parking Services)
10. Robert Half Contract Amendment (Accounting)
11. Purchase Pre-Approval Request (Fleet Services)
12. Short-term Contract Extension – Luke Esser (City Council)
13. Short-term Contract Extension – Nick Federici (City Council)

Executive session None.

Adjournment The meeting adjourned at 3:02 PM PST , next meeting will be on the 17th of October at 1:15 PM PST

Prepared by: Mark Carlos, Assistant to CM Betsy Wilkerson (Committee Chair)

Approved by:

CM Betsy Wilkerson, District 2, Position 2
Finance & Administration Committee Chair

Committee Agenda Sheet

[COMMITTEE]

Submitting Department	Finance
Contact Name & Phone	Christine Croskey
Contact Email	ccroskey@spokanecity.org
Council Sponsor(s)	NA
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: <u>20 minutes</u>
Agenda Item Name	State Auditor's Office 2020 Accountability Audit Exit Conference
Summary (Background)	<p>The State Auditors have recently completed the 2020 Accountability Audit. To officially close the audit, the State Auditors will present their findings to the entire council.</p>
Proposed Council Action & Date:	No action by Council is necessary.
Fiscal Impact: Total Cost: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring	

Other budget impacts: (revenue generating, match requirements, etc.)

Operations Impacts

What impacts would the proposal have on historically excluded communities?

NA

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

NA

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

NA

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

NA

Committee Agenda Sheet

Finance and Administration

Submitting Department	City Council
Contact Name & Phone	Tonya Wallace
Contact Email	twallace@spokanecity.org
Council Sponsor(s)	CP Beggs & CM Wilkerson
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 20
Agenda Item Name	Budget Inquiries Answered by Administration
Summary (Background)	Council received the preliminary budget on 10/3/22. Based on the questions being asked, the CFO would like the opportunity to meet with the Council directly and answer any questions possible.
Proposed Council Action & Date:	None
Fiscal Impact: Total Cost: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities?	
<u>n/a</u>	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?	
n/a	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?	
n/a	
Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?	
n/a	

Committee Agenda Sheet

[Finance and Administration Committee]

Submitting Department	City Council
Contact Name & Phone	Breean Beggs x6254
Contact Email	bbeggs@spokanecity.org
Council Sponsor(s)	CMs Wilkerson & Cathcart
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 10
Agenda Item Name	2023 Budget Resolution
Summary (Background)	<p>The City Council is aware of the many financial challenges and opportunities that face the City in developing the 2023 budget. Allocating finite revenue to align with strategic operational costs remain more important than ever based on the challenges that the City has faced during 2022. It is the Council's goal to capture the full operational needs of the City, while remaining vigilant to maintain reserve balances.</p> <p>The Council is requesting, via resolution, a budget that aligns with the entirety of the operational needs so that the City can maintain financial health in the current operating year, as well as future years. The requests in this resolution state the foundational principles necessary to accomplish the goals.</p>
Proposed Council Action & Date:	Approve on 10/17
Fiscal Impact: Total Cost: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? City Council looks to budget based on the needs within the community by seeking feedback from historically marginalized communities such as, seeking feedback from the City's Equity Subcommittee.	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?	

Target data is consistently reported within accounting and reporting systems maintained within the City's databases

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Target data is consistently reported within accounting and reporting systems maintained within the City's databases.

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

The resolution in place is to draw parallels to the policies above so that these policies can be maintained in perpetuity.

RESOLUTION NO. 2022-_____

A Resolution laying out City Council's priorities as related to the City of Spokane's Annual Budget for 2023.

WHEREAS, City Council adopts the Annual Budget for the City of Spokane in December of each year; and

WHEREAS, the City Administration must deliver their draft 2023 Annual Budget to Council no later than November 1, 2022; and

WHEREAS, the City of Spokane is facing a potentially difficult 2023 financially; and

WHEREAS, City Council's budget working group has been meeting to recommend the below criteria to the full City Council for adoption to send to the Administration prior to receiving their draft budget in early November.

NOW, THEREFORE, BE IT RESOLVED that the Spokane City Council requests that the Mayor and City Administration deliver a 2023 Annual Budget that meets the following criteria:

1. Does not include American Rescue Plan Act (ARPA) allocations or specific spending that has not already been approved by Council via prior Resolution or Ordinance;
2. Contains at least a 10 percent reduction in general fund expenses;
3. Includes any requested public safety capital in the 2023 budget that is expected to be spent in 2023;
4. Provides a longer-term public safety capital financing plan;
5. Ties any additional ARPA revenue replacement allocations to permanent cuts in position expenses for 2023;
6. Establishes contra account hiring freeze status for 2023 for positions that are not eliminated from the budget;
7. Coincides with the objective for the City to reestablish a healthy unassigned reserve balance of 10-15% of general fund expenditures, similar to the 2017-2019 pre-pandemic average; and
8. Commits to not bringing forward new general fund operational Special Budget Ordinances prior to Quarter 3 of 2023.

BE IT ALSO RESOLVED that the City Council commits to completing the City's ARPA allocations via Special Ordinance no later than January 1, 2023. Council reserves the right to reallocate unused ARPA funds on an as-needed basis.

Passed by the City Council this ____ day of _____, 2022.

City Clerk

Approved as to form:

Assistant City Attorney

DRAFT

Committee Agenda Sheet

Finance and Administration Committee

Submitting Department	Finance
Contact Name & Phone	Jessica Stratton
Contact Email	jstratton@spokanecity.org
Council Sponsor(s)	
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: <u>10 minutes</u>
Agenda Item Name	Quarterly Financial Report
Summary (Background)	<p><u>Background</u> The Finance, Treasury and Administration department routinely presents City financial information to the Finance & Administration committee of the City Council.</p> <p>The quarterly financial report is intended to provide more detail and greater insight into the financial well being of the City. Topics include an overview of revenues and expenditures by fund, updates on the General Fund reserve accounts, rotating special reports such as capital project updates or ARPA accounting, and an economic briefing.</p> <p><u>Summary</u> The attached report covers July through September 2022.</p>
Proposed Council Action & Date:	n/a
Fiscal Impact: n/a Total Cost: n/a Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? n/a	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? n/a	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution? n/a	

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?
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n/a

City of Spokane

DRAFT - Quarterly Financial Report

Q3 2022 – July - September

July – September 2022 - Quarterly Financial Report

I. Financial Summary

City of Spokane

GENERAL FUND OVERVIEW

	2022 Amended Budget	Budget YTD	Actuals YTD	\$ Variance YTD (Unfavorable)/ Favorable	% Variance YTD -Unfavorable/ Favorable
Revenues	\$217,039,075	\$131,400,547	\$133,100,073	\$1,699,526	1.3%
Expenditures	\$225,334,226	\$162,543,504	\$159,713,271	(\$297,766)	(0.2%)

SUMMARY

Through the third quarter of 2022, General Fund revenues are 1.3 percent above City projections with approximately \$133.1 million collected year-to-date (YTD) and \$5.0 million more than through Q3 2021. On the expenditure side, actuals are 0.2 percent above budget, or \$0.3 million above YTD projections.

REVENUE OVERVIEW

Sales tax and local retail sales tax revenues (generally July 2022 activity) are both tracking above budget projections and prior year actuals by about 6.0 percent. Property tax revenue is tracking slightly below budget projections by about 1.2 percent. Utility taxes, both public and private, show increases over prior year actuals. Taxes on Private Utilities are 3.4 percent above projections or \$0.5 million more than budget while Interfund Taxes, City utilities, are 0.5 percent above YTD projections or \$0.1 million more than budget.

EXPENDITURE OVERVIEW

Approximately four General Fund departments are currently above their YTD projected budgets (projected budgets are calculated by the Department of Management & Budget based on prior year spending patterns). The Police department currently has an YTD unfavorable variance of \$3.1 million.

CHANGES TO 2022 ADOPTED GF BUDGET

Changes Adopted GF Revenues

Adopted GF Revenues	\$216,759,617
BTs and SBOs - YTD ¹	\$279,458
CURRENT REVENUES (Adopted + BTs and SBOs)	\$217,039,075

Changes Adopted GF Expenditures

Adopted GF Expenditures	\$216,736,834
Encumbrance Carry Forward	\$4,626,034
BTs and SBOs – YTD ¹	\$3,971,358
CURRENT EXPENDITURES (Adopted + Encumbrance + BTs and SBOs)	\$225,334,226

1-BTs and SBOs for Q3 included \$66,532 from the Public Safety Personnel and Crime Reduction Fund to Community Justice Services for three FTEs for the Pretrial Services Unit, \$26,676 from the WSCJTC for BLEA academy facility improvements, \$3,128,000 from General Fund unappropriated fund balance for Police vehicle order-ahead and \$250,000 from General Fund unappropriated fund balance for election services regarding revising the City Charter.

Note: Encumbrance Carry Forward budgets are for contracted goods or services, grants, or capital projects from the prior fiscal year which continue into the current fiscal year; funds to pay for these expenses are set aside in reserve. City Council passed ORD C36169 on February 7, 2022 to carry budget capacity forward from 2021 into 2022.

July – September 2022 - Quarterly Financial Report

I. Financial Summary

City of Spokane

GENERAL FUND REVENUE OVERVIEW

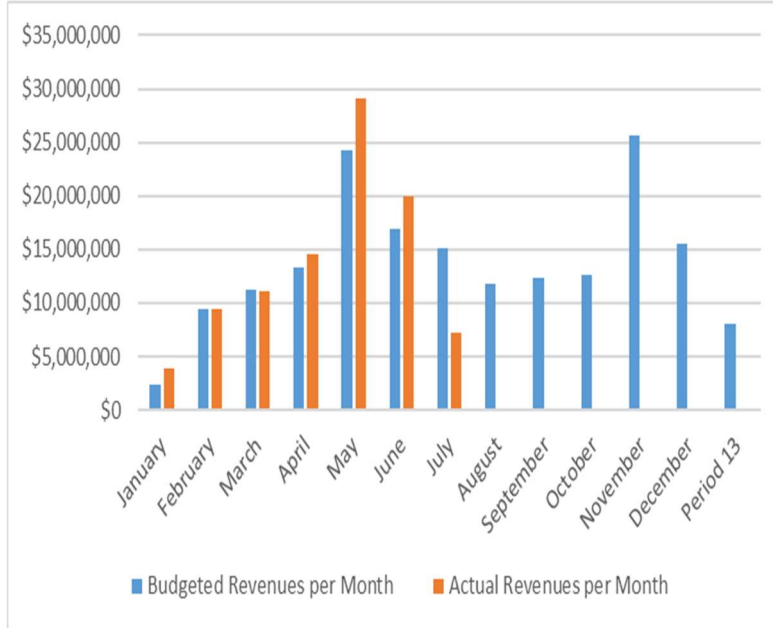
Revenue Category	2022 Current Budget	Budget YTD	Actuals YTD	% Variance Actual vs. Budget YTD Unfavorable/ Favorable	Actuals YTD vs. Prior Year Unfavorable/ Favorable
Sales Tax	\$59,968,041	\$33,237,970	\$35,177,849	5.8%	\$1,994,535
<i>Local Retail Sales Tax</i>	<i>54,868,041</i>	<i>30,390,252</i>	<i>32,204,585</i>	<i>6.0%</i>	<i>1,767,766</i>
Property Tax	48,735,000	28,240,394	27,909,633	-1.2%	277,640
Interfund Utility Taxes	45,810,000	28,384,178	28,512,783	0.5%	1,070,985
Business Taxes	24,006,000	16,247,105	16,657,371	2.5%	638,095
<i>Taxes on Private Utilities</i>	<i>23,708,000</i>	<i>15,946,085</i>	<i>16,484,957</i>	<i>3.4%</i>	<i>615,475</i>
Charges for Services	19,712,831	12,956,637	11,732,971	-9.4%	75,637
Licenses & Permits	6,791,000	4,426,067	4,737,052	7.0%	240,923
<i>Business Registrations</i>	<i>4,177,000</i>	<i>2,882,015</i>	<i>3,134,678</i>	<i>8.8%</i>	<i>228,669</i>
<i>Franchise Fees</i>	<i>2,315,000</i>	<i>1,324,077</i>	<i>1,394,871</i>	<i>5.3%</i>	<i>6,499</i>
Miscellaneous Revenue	3,711,683	2,750,723	2,825,228	2.7%	191,580
<i>Interest Earnings</i>	<i>2,423,500</i>	<i>1,717,879</i>	<i>2,095,673</i>	<i>22.0%</i>	<i>352,897</i>
Intergovernmental Revenues	4,235,632	2,718,198	2,908,552	7.0%	76,072
<i>Cannabis Use Tax</i>	<i>460,000</i>	<i>328,574</i>	<i>490,426</i>	<i>49.3%</i>	<i>111,569</i>
Fines & Forfeits	2,078,650	1,557,423	1,479,335	-5.0%	73,067
<i>Traffic & Parking Violations</i>	<i>1,830,500</i>	<i>1,358,620</i>	<i>1,317,576</i>	<i>-3.0%</i>	<i>95,004</i>
Other Taxes	1,345,800	721,356	1,101,296	52.7%	447,504
<i>Admission Tax</i>	<i>1,000,000</i>	<i>551,064</i>	<i>958,099</i>	<i>73.9%</i>	<i>419,227</i>
Operating Transfer-In	604,438	160,496	0		(72,000)
Disposition of Fixed Assets	40,000	0	58,004		
TOTAL	\$217,039,075	\$131,400,547	\$133,100,073	1.3%	\$5,014,038

July – September 2022 - Quarterly Financial Report

I. Financial Summary

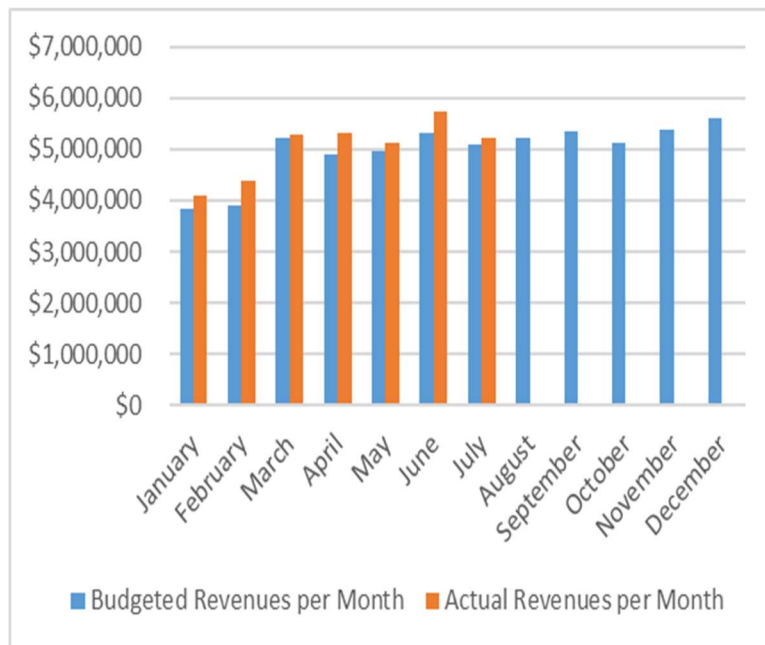
City of Spokane

SALES, PROPERTY, and BUSINESS – GF Only



	Budgeted Revenues per Month	Actual Revenues per Month	Variance
January	\$2,403,766	\$3,825,641	\$1,421,875
February	\$9,449,724	\$9,491,707	\$41,983
March	\$11,216,312	\$11,146,010	(\$70,302)
April	\$13,277,708	\$14,627,302	\$1,349,594
May	\$24,233,700	\$29,134,347	\$4,900,647
June	\$16,948,643	\$20,012,806	\$3,064,163
July	\$15,123,172	\$7,180,775	(\$7,942,398)
August	\$11,748,170		
September	\$12,308,668		
October	\$12,582,623		
November	\$25,687,950		
December	\$15,472,966		
Period 13	\$8,065,640		
2022 Total	\$178,519,041	\$95,418,588	\$2,765,562

SALES TAX – GF Only



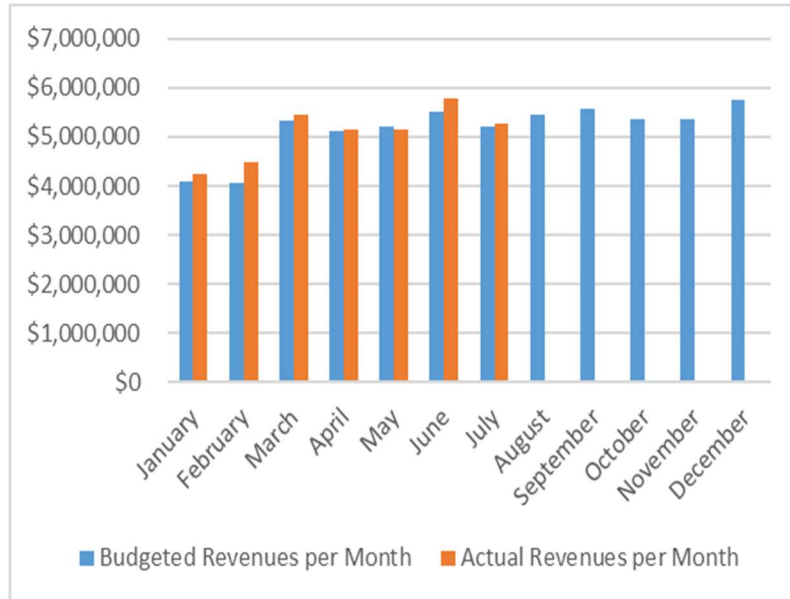
	Budgeted Revenues per Month	Actual Revenues per Month	Variance
January	\$3,827,536	\$4,106,631	\$279,095
February	\$3,906,622	\$4,386,473	\$479,851
March	\$5,235,687	\$5,291,744	\$56,057
April	\$4,909,189	\$5,313,691	\$404,502
May	\$4,965,885	\$5,125,678	\$159,793
June	\$5,306,030	\$5,741,156	\$435,126
July	\$5,087,022	\$5,212,476	\$125,455
August	\$5,231,902		
September	\$5,368,313		
October	\$5,138,709		
November	\$5,376,323		
December	\$5,614,824		
2022 Total	\$59,968,041	\$35,177,849	\$1,939,879

July – September 2022 - Quarterly Financial Report

I. Financial Summary

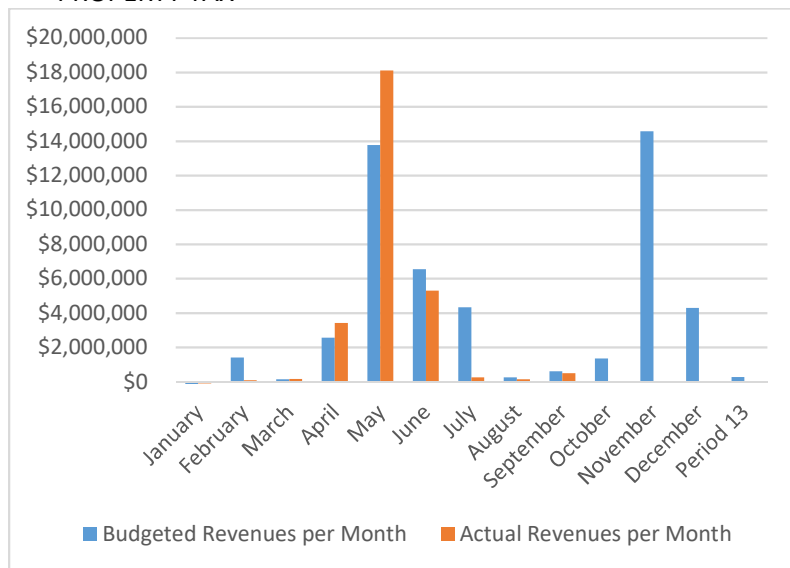
City of Spokane

LOCAL RETAIL SALES TAX – CITYWIDE



	Budgeted Revenues per Month	Actual Revenues per Month	Variance
January	\$4,075,954	\$4,245,799	\$169,845
February	\$4,073,605	\$4,484,552	\$410,948
March	\$5,334,885	\$5,454,963	\$120,078
April	\$5,120,090	\$5,148,187	\$28,096
May	\$5,216,564	\$5,148,967	(\$67,597)
June	\$5,505,742	\$5,773,073	\$267,331
July	\$5,200,206	\$5,278,608	\$78,402
August	\$5,449,393		
September	\$5,559,277		
October	\$5,351,315		
November	\$5,357,146		
December	\$5,738,831		
2022 Total	\$61,983,008	\$35,534,149	\$1,007,102

PROPERTY TAX



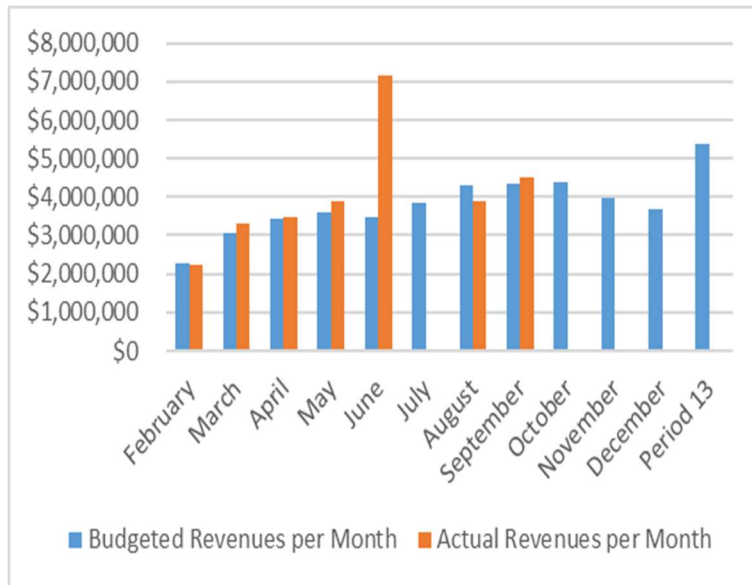
	Budgeted Revenues per Month	Actual Revenues per Month	Variance
January	(\$1,411,618)	(\$86,335)	\$1,325,283
February	\$1,411,618	\$86,335	(\$1,325,283)
March	\$146,121	\$167,105	\$20,984
April	\$2,563,155	\$3,430,553	\$867,398
May	\$13,770,874	\$18,107,997	\$4,337,124
June	\$6,553,479	\$5,300,181	(\$1,253,297)
July	\$4,341,846	\$257,331	(\$4,084,515)
August	\$260,267	\$142,882	(\$117,386)
September	\$604,653	\$503,583	(\$101,069)
October	\$1,360,033		
November	\$14,562,424		
December	\$4,294,721		
Period 13	\$277,429		
2022 Total	\$48,735,000	\$27,909,633	(\$330,761)

July – September 2022 - Quarterly Financial Report

I. Financial Summary

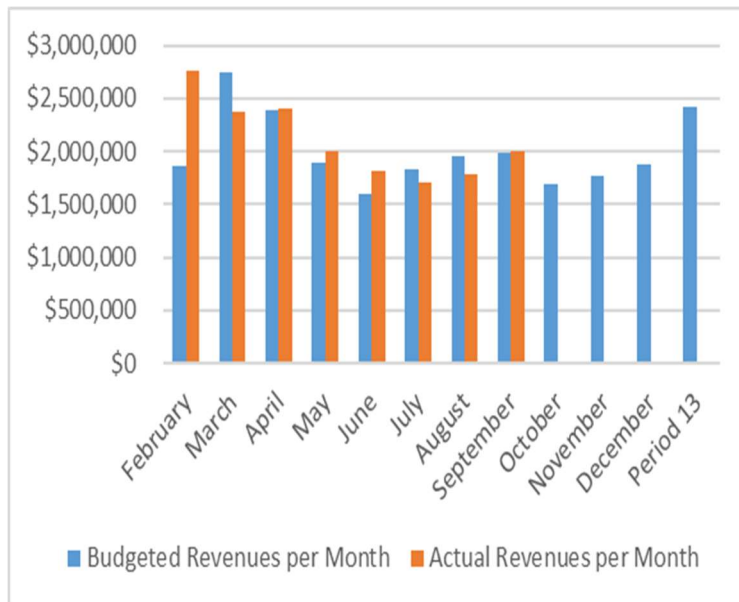
City of Spokane

INTERFUND TAXES



	Budgeted Revenues per Month	Actual Revenues per Month	Variance
January	\$0	\$0	\$0
February	\$2,269,398	\$2,253,771	(\$15,627)
March	\$3,082,042	\$3,309,345	\$227,302
April	\$3,423,418	\$3,470,823	\$47,405
May	\$3,600,551	\$3,902,988	\$302,437
June	\$3,490,327	\$3,479,892	(\$10,435)
July	\$3,863,387	\$0	(\$3,863,387)
August	\$4,297,819	\$3,886,824	(\$410,995)
September	\$4,357,236	\$4,528,711	\$171,475
October	\$4,391,091		
November	\$3,985,882		
December	\$3,678,216		
Period 13	\$5,370,632		
2022 Total	\$45,810,000	\$28,512,783	\$128,605

BUSINESS TAXES



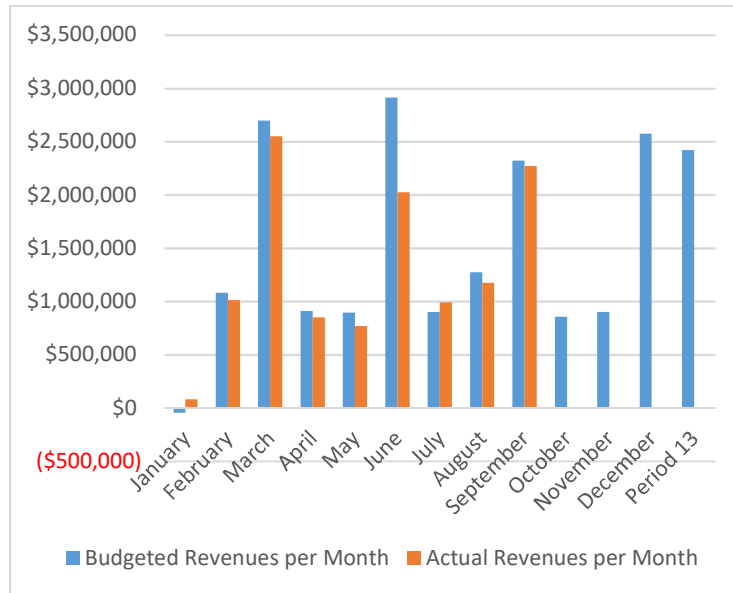
	Budgeted Revenues per Month	Actual Revenues per Month	Variance
January	(\$12,152)	(\$194,655)	(\$182,503)
February	\$1,862,085	\$2,765,128	\$903,042
March	\$2,752,462	\$2,377,816	(\$374,645)
April	\$2,381,946	\$2,412,235	\$30,289
May	\$1,896,390	\$1,997,684	\$101,294
June	\$1,598,808	\$1,811,147	\$212,339
July	\$1,830,918	\$1,710,968	(\$119,950)
August	\$1,958,181	\$1,778,085	(\$180,096)
September	\$1,978,466	\$1,998,963	\$20,497
October	\$1,692,790		
November	\$1,763,322		
December	\$1,885,205		
Period 13	\$2,417,578		
2022 Total	\$24,006,000	\$16,657,371	\$410,266

July – September 2022 - Quarterly Financial Report

I. Financial Summary

City of Spokane

CHARGES FOR SERVICES



	Budgeted Revenues per Month	Actual Revenues per Month	Variance
January	(\$44,715)	\$83,191	\$127,905
February	\$1,080,134	\$1,012,562	(\$67,572)
March	\$2,693,954	\$2,551,213	(\$142,741)
April	\$909,916	\$851,160	(\$58,756)
May	\$894,989	\$770,257	(\$124,733)
June	\$2,909,205	\$2,026,972	(\$882,233)
July	\$901,696	\$990,989	\$88,071
August	\$1,273,410	\$1,175,403	(\$99,732)
September	\$2,320,513	\$2,271,224	(\$52,433)
October	\$855,285		
November	\$900,753		
December	\$2,572,710		
Period 13	\$2,418,304		
2022 Total	\$19,686,155	\$11,732,971	(\$1,223,666)

July – September 2022 - Quarterly Financial Report

I. Financial Summary

City of Spokane

GENERAL FUND EXPENDITURE OVERVIEW

Department	2022 Current			\$ Variance YTD (Unfavorable)/ Favorable
	Budget	Budget YTD	Actuals YTD	
Allocations to Other Depts	\$91,763,260	\$68,822,445	\$70,530,588	(\$1,708,143)
City Clerk	756,394	532,888	526,616	6,272
Civil Service	1,566,634	1,116,852	1,001,591	115,261
NHHS Division	573,984	491,622	363,834	127,788
Community Centers	794,352	498,639	334,437	164,202
Council	2,650,225	1,821,493	1,606,740	214,752
Economic Development	1,710,085	702,475	863,631	(161,156)
Engineering Services	9,003,972	6,345,634	5,942,617	403,017
Finance	1,839,365	1,287,259	1,027,129	260,130
Grants Management	437,319	291,819	233,884	57,935
Historic Preservation	261,725	182,118	209,025	(26,907)
Human Resources	1,352,243	978,895	746,005	232,889
Human Services	4,909,511	3,267,369	2,232,138	1,035,231
Internal Service Charges	9,760,763	6,902,785	6,575,177	327,607
Legal	4,840,733	3,421,623	3,349,614	72,009
Mayor	1,207,446	862,925	854,059	8,867
Municipal Court	4,661,421	3,242,666	3,034,567	208,098
Neighborhood Services	648,688	412,692	403,986	8,706
Nondepartmental	4,992,677	3,684,868	3,191,819	493,049
Office of Civil Rights	344,372	258,279	68,080	190,199
Office of Hearing Examiner	256,838	185,278	182,490	2,788
Office of Youth	45,000	22,750	22,500	250
Planning Services	2,411,327	1,714,600	1,280,238	434,361
Police	68,998,517	47,708,508	50,798,490	(3,089,983)
Police Ombudsman	455,236	331,023	298,904	32,119
Community Justice Services	1,625,322	1,169,960	1,024,340	145,620
Public Affairs/Communications	1,180,541	855,795	818,662	37,133
Public Defender	3,158,276	2,302,246	2,192,054	110,192
Treasury Services	0	0	52	(52)
Unallocated Appropriation	3,128,000	3,128,000		
TOTAL	\$225,334,226	\$162,543,504	\$159,713,271	(\$297,766)

Through the third quarter, overall General Fund spending is slightly over budget because some departments are currently above their YTD projected expenditures. The Police Department is approximately \$3.1 million, or 6.5 percent, above YTD projections. This is due to Uniform OT, Terminated Sick/Vacation Leave Pay and Standby Pay. As for Historic Preservation, they spent their operating supplies budget early in the year, and are not truly projected to go over budget by year's end. Economic Development is projected to go over budget because of construction sales tax payments to WPPDA. Other overages appear to be caused simply by timing of payments.

July – September 2022 - Quarterly Financial Report

I. Financial Summary

City of Spokane

SELECTED OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

Fund	2022 Current Budget	Budget YTD	Actuals YTD	\$ YTD Variance	% YTD Variance
SPECIAL REVENUE FUNDS					
Street Fund Revenue	27,962,139	17,105,116	13,690,978	(3,414,138)	-20.0%
Street Fund Expenditures	33,489,025	22,917,400	16,471,093	6,446,307	28.1%
Parking Meter Fund Revenue	5,124,000	3,727,502	3,029,570	(697,933)	-18.7%
Parking Meter Fund Expenditures	5,276,200	2,143,095	2,041,936	101,160	4.7%
Traffic Calming Fund Revenue	6,614,451	4,046,872	3,750,427	(296,444)	-7.3%
Traffic Calming Fund Expenditures	9,232,810	4,601,054	2,208,272	2,392,782	52.0%
Library Fund Revenue	11,674,727	8,087,258	8,099,868	12,610	0.2%
Library Fund Expenditures	11,778,914	8,140,995	7,020,616	1,120,378	13.8%
Parks & Recreation Fund Revenue	24,100,249	16,996,378	16,812,167	(184,211)	-1.1%
Parks & Recreation Fund Expenditures	25,753,607	16,804,976	16,525,135	279,841	1.7%
Fire/EMS Fund Revenue	58,211,760	44,144,290	43,610,901	(533,389)	-1.2%
Fire/EMS Fund Expenditures	58,219,245	45,115,224	43,380,309	1,734,916	3.8%
ENTERPRISE FUNDS					
Water Fund Revenue	51,661,479	36,973,647	36,369,053	(604,594)	-1.6%
Water Fund Expenditures	59,561,351	43,165,030	34,055,083	9,109,947	21.1%
Solid Waste Disposal Revenue	21,987,266	15,715,284	15,941,454	226,170	1.4%
Solid Waste Disposal Expenditures	41,932,023	27,439,407	25,879,321	1,560,086	5.7%
Solid Waste Collections Revenue	60,681,774	42,538,801	45,617,178	3,078,377	7.2%
Solid Waste Collections Expenditures	52,625,405	35,616,112	29,733,807	5,882,304	16.5%
Integrated Capital Management Revenue	75,780,527	56,307,055	37,900,950	(18,406,105)	-32.7%
Integrated Capital Management Expenditures	122,128,074	77,961,160	44,582,922	33,378,238	42.8%

July – September 2022 - Quarterly Financial Report

I. Financial Summary

City of Spokane

ADDITIONAL ITEMS OF INTEREST

Uniform OT

Fund	2022 Current Budget	Budget YTD	Actuals YTD	\$ Variance YTD (Unfavorable)/ Favorable	Actuals YTD vs. Prior Year (Unfavorable)/ Favorable
Police (General Fund)	\$2,798,516	\$1,840,587	\$3,917,696	(\$2,077,109)	(\$1,450,821)
Public Safety & Judicial Grant	\$585,856	\$239,532	\$95,227	\$144,305	(\$48,946)
Public Safety Personnel Fund	\$14,000	\$0	\$89,625		
Police TOTAL	\$3,398,372	\$2,080,119	\$4,102,548	(\$1,932,804)	(\$1,499,767)
Fire/EMS	\$2,594,101	\$2,195,971	\$6,486,191	(\$4,290,220)	(\$681,440)
Combined Communications Center	\$9,000	\$6,348	\$140,321	(\$133,973)	(\$61,375)
Public Safety Personnel Fund	\$607,762	\$0	\$538,619		
Fire TOTAL	\$3,210,863	\$2,202,319	\$7,165,132	(\$4,424,193)	(\$742,815)



QUARTERLY FINANCIAL REPORT
II. GENERAL FUND FINANCIAL AND RESERVE SUMMARY - Q3 2022
 September 30, 2022

BEGINNING BALANCES (actual as of 12/31/2021, unaudited)		<u>Actual</u>	<u>%</u>
--Assigned Funds for Encumbrance Rollover	4,626,034		
--Revenue Stabilization Reserve Balance (target 3.5% of revenues)	7,362,901		3.4%
--Contingency Reserve Balance (target 10.0% of expenditures)	21,065,706		9.7%
--Unappropriated Fund Balance	15,868,161		
Total Available Reserves (Revenue Stabilization, Contingency Reserves, Unappropriated)	44,296,768		
<i>% of Adopted Revenues</i>		<i>20.4%</i>	

2022 Adopted General Fund Revenues	216,759,617
Add - 2022 Approved Budget Changes QR1	68,000
Add - 2022 Approved Budget Changes QR2	118,250
Add - 2022 Approved Budget Changes QR3	93,208
Adjusted General Fund Revenue	217,039,075

2022 Adopted General Fund Expenses	216,736,834
Add - 2022 Encumbrance Rollovers	4,626,034
Add - 2022 Approved Budget Changes QR1	338,000
Add - 2022 Approved Budget Changes QR2	162,150
Add - 2022 Approved Budget Changes QR3	3,471,208
Adjusted General Fund Expenses	225,334,226

PROJECTED ENDING BALANCES		<u>Actual</u>	<u>%</u>
--Assigned Funds for Encumbrance Rollover	-		
--Revenue Stabilization Reserve Balance (target 3.5% of revenues)	7,362,901		3.4%
--Contingency Reserve Balance (target 10.0% of expenditures)	21,065,706		9.7%
--Unappropriated Fund Balance	12,199,044		
Total Available Reserves	40,627,651		
<i>% of Adopted Expenditures</i>		<i>18.7%</i>	

DIFFERENCE FROM RESERVE ACCOUNT TARGETS		
--Revenue Stabilization Reserve Balance (target 3.5% of revenues)		223,686
--Contingency Reserve Balance (target 10.0% of expenditures)		607,977

QUARTERLY FINANCIAL REPORT
III. ARPA ALLOCATION - Q3 2022

ARPA Allocation	Allocation Amount
Fire Overtime	1,750,000.00
Playground Equipment	160,000.00
Swim Program	220,000.00
Vaccination Clinics	29,579.63
Affordable Housing	6,000,000.00
Child Care	3,500,000.00
Projects of Citywide Significance	2,000,000.00
Cultural Events	900,000.00
Mobile Medical	1,200,000.00
Don Kardon Pedestrian Bridge	2,950,000.00
Employment Support for Arts	1,000,000.00
Eviction Defence	300,000.00
Pre-Apprenticeship Training	400,000.00
Parks Amentities	1,120,000.00
Youth Behavioral Health	3,000,000.00
Down Payment Assistance	2,000,000.00
Attainable Housing Permit Reimbursement	1,500,000.00
Sub-Area Planning	1,000,000.00
Homeless Capital & Services	3,500,000.00
Equity Navigator	300,000.00
Community Engagement/Coordination	120,000.00
Administration	655,000.00
Legal Support/Moss Adams	120,000.00
Police Capital	2,374,000.00
Fire Capital	3,707,869.00
Police Vehicle Use Evalution	100,000.00
EV Stations	90,000.00
Community Centers Capital	1,500,000.00
Add to pay CBA	2,400,000.00
Higher Education for High School Students	5,000,000.00
Not -for-Profits	5,000,000.00
Small Businesses	5,000,000.00
Capital Municipal Justice	5,000,000.00
Neighborhood Business Districts	2,500,000.00
Multicultural Centers	1,000,000.00
Extreme Weather Sheltering	120,000.00
Total Allocated	67,516,448.63
Total Award	80,991,104.00
Less Allocated	-67,516,448.63
Total Unallocated	13,474,655.37

July – September 2022 - Quarterly Financial Report

IV. Economic Briefing

City of Spokane

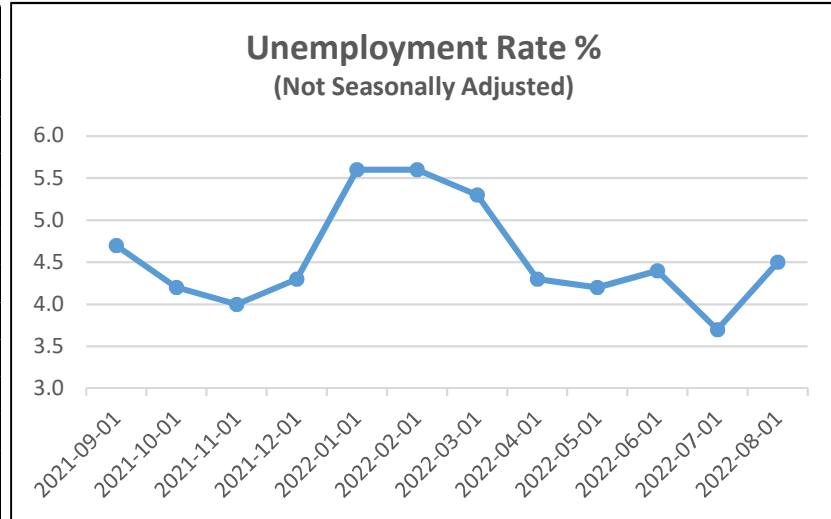
KEY ECONOMIC INDICATORS

Unemployment Rate - Spokane-Spokane Valley, WA (MSA)

MONTH	UNEMPLOYMENT RATE
September 2021	4.7%
October 2021	4.2%
November 2021	4.0%
December 2021	4.3%
January 2022	5.6%
February 2022	5.6%
March 2022	5.3%
April 2022	4.3%
May 2022	4.2%
June 2022	4.4%
July 2022	3.7%
August 2022*	4.5%

*Preliminary data

Source: U.S. Bureau of Labor Statistics



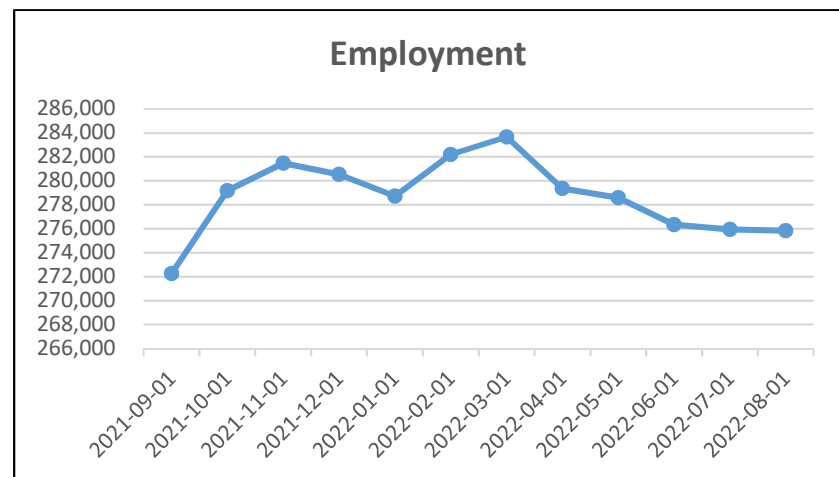
The unemployment rate in the Spokane-Spokane Valley metropolitan statistical area (MSA) was at 4.5 percent for August 2022. This is a slight increase from last quarter's May figure of 4.2 percent. The national unemployment rate for August 2022 was 3.7 percent.

Employment – Spokane-Spokane Valley, WA (MSA)

MONTH	EMPLOYMENT
September 2021	272,252
October 2021	279,177
November 2021	281,488
December 2021	280,530
January 2022	278,731
February 2022	282,209
March 2022	283,666
April 2022	279,366
May 2022	278,603
June 2022	276,355
July 2022	275,952
August 2022	275,846

*Preliminary data

Source: U.S. Bureau of Labor Statistics

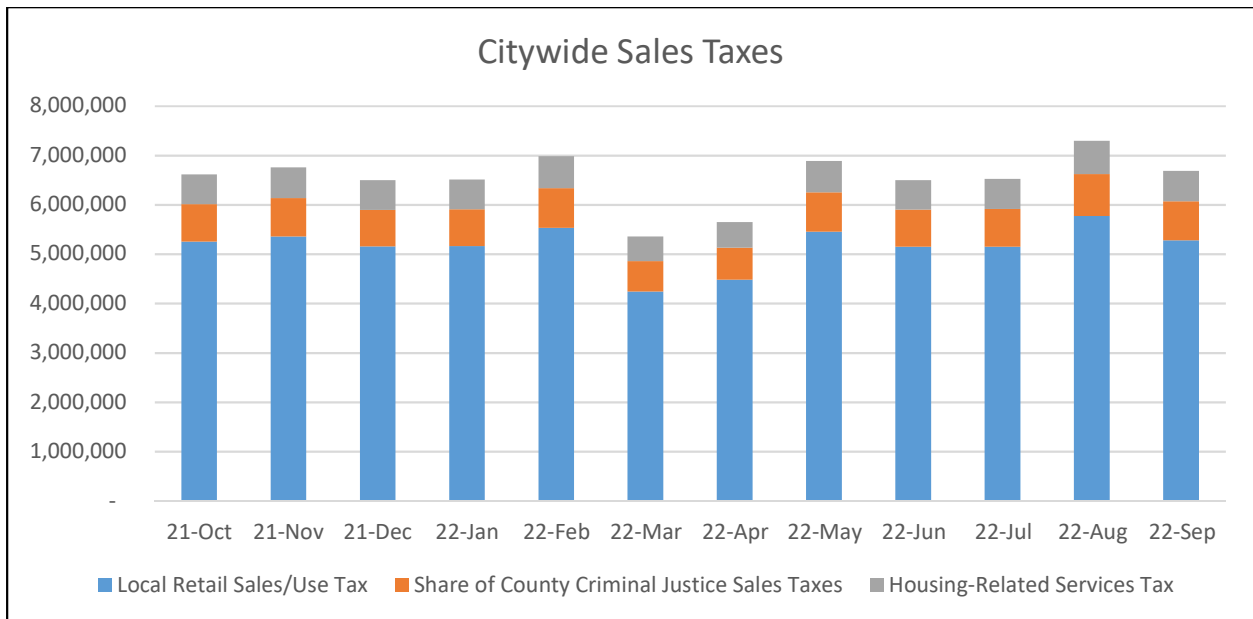


As the unemployment rate fluctuates, the number of employed persons continues to improve from a pandemic low of 245,717 in April 2020 to 275,846 in August 2022.

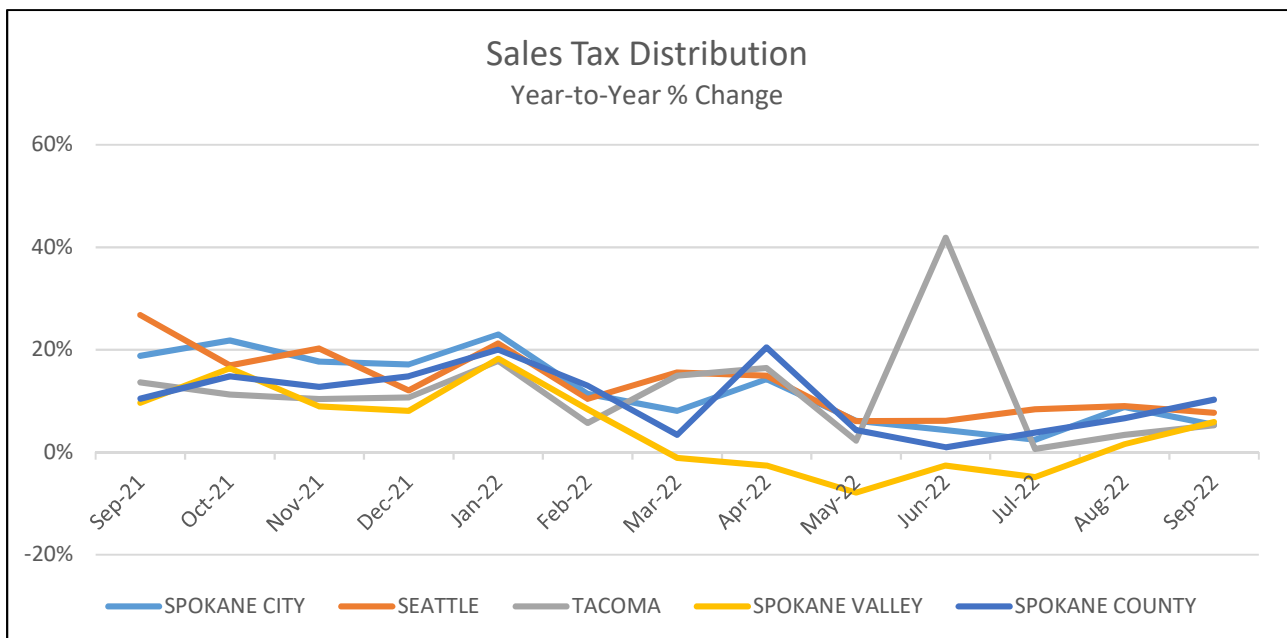
July – September 2022 - Quarterly Financial Report

IV. Economic Briefing

City of Spokane



The City receives revenue from three versions of sales tax: local option retail sales/use tax (1%), portions of Spokane County criminal justice sales taxes, and housing-related services tax (0.1%). In general, sales tax is received approximately two months following the taxable sale activity. For example, revenue received in September 2022 is generally from activity which occurred in July 2022. The chart above shows the sales tax revenue received by the City.



Eastern Washington's continued economic recovery from the pandemic can be seen in the year-to-year percent change in sales tax revenue distributions. So far this year, the City has started to see the year-over-year increases decline from 23 percent in January to 5 percent in September. This trend correlates

with Spokane County, Seattle and Tacoma while the City of Spokane Valley has already experienced year-over-year decreases.

Committee Agenda Sheet

Finance & Administration

Submitting Department	Finance, Treasury and Administration – Treasury Services
Contact Name & Phone	Chris Johnson (509) 625-6074
Contact Email	cejohnson@spokanecity.org
Council Sponsor(s)	CM Betsy Wilkerson
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: <u>15 Min</u>
Agenda Item Name	Quarterly Investment Report and Investment Strategy Review
Summary (Background)	<p>The Quarterly Investment and SIP Loan Capacity reports are standing topics presented by Finance. The objective of the presentation is to inform Council of the current position of the portfolio. Some of the items covered include:</p> <ul style="list-style-type: none"> Distinction of Cash Flow vs Cash Pools Portfolio Composition of holdings Investment Transactions (i.e. purchases made) Portfolio Liquidity Portfolio Performance Portfolio Strategic Focus
Proposed Council Action & Date:	N/A
Fiscal Impact: Total Cost: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? N/A	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? N/A	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution? N/A	
Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others? N/A	

Quarterly Investment Report

Q3 – AS OF SEPTEMBER 30, 2022

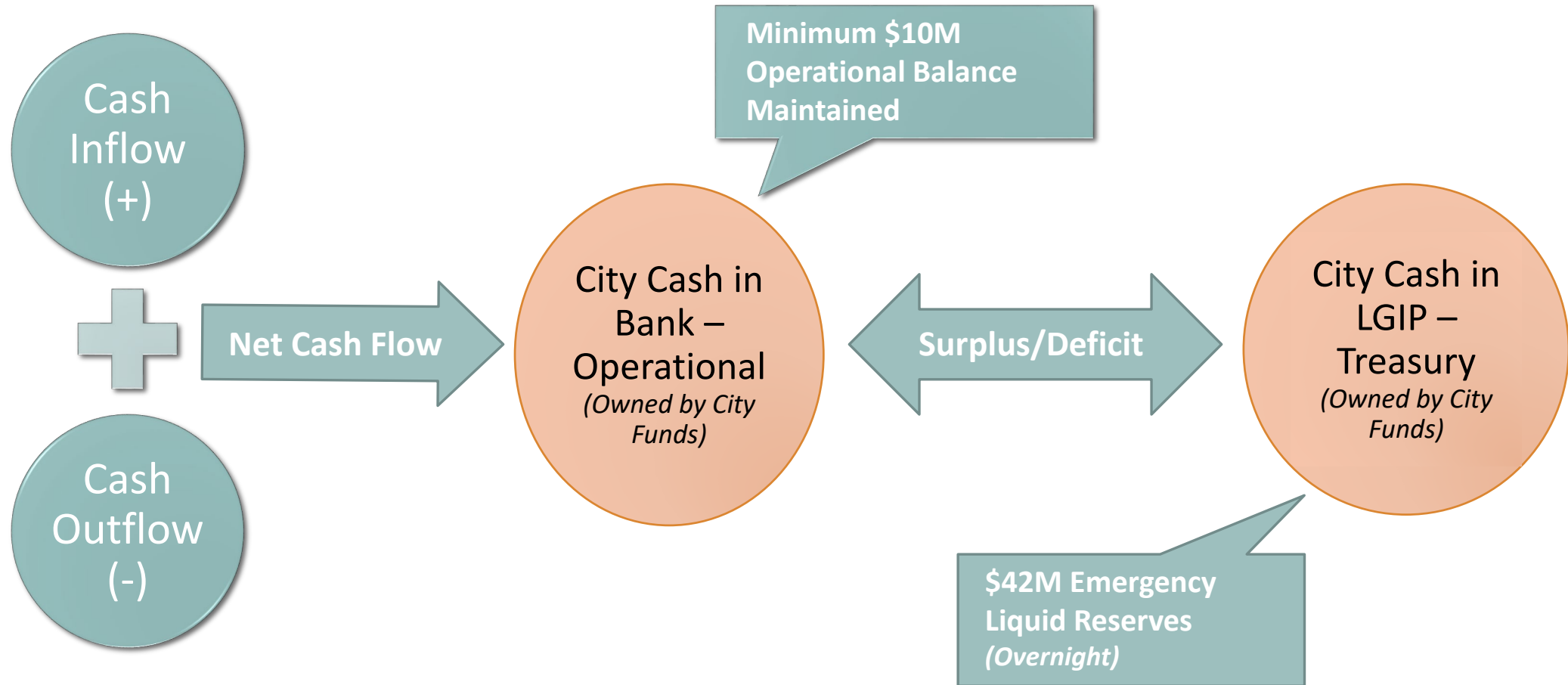
OCTOBER 17, 2022



Topics

- Cash Flows vs Cash Types
- Portfolio Balance & Positions
- Portfolio Performance
- Strategic Focus

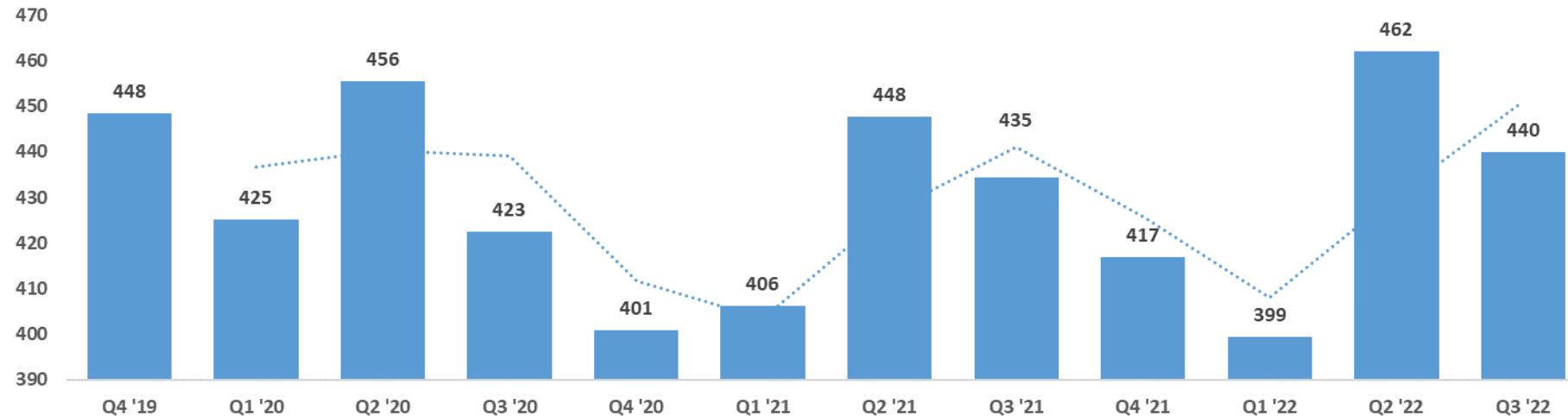
Operational vs Treasury Cash



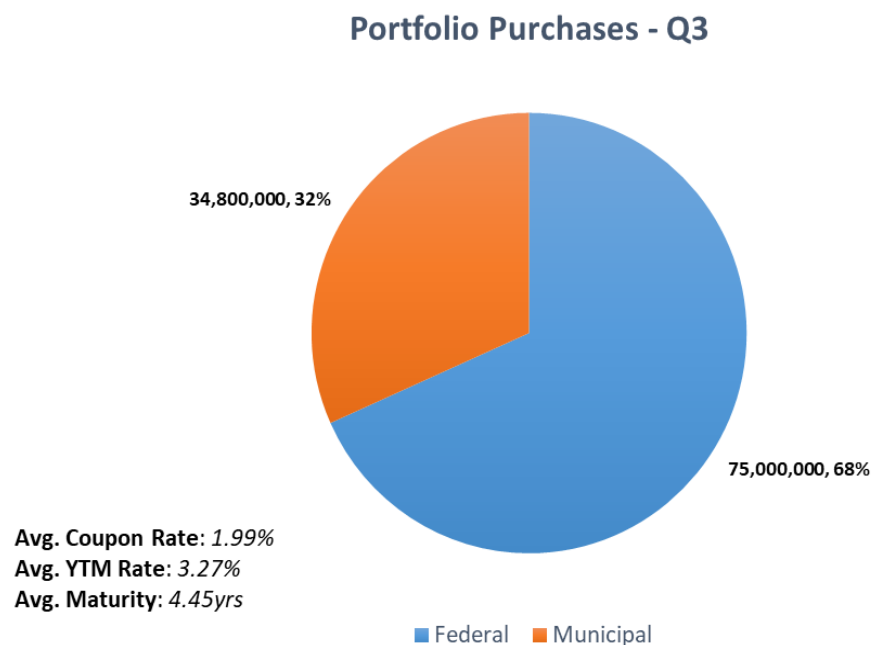
Current Cash And Investment Balances

	June 30, 2022	September 30, 2022	Percent of Total
Cash	180,633,241	55,716,939	12.67%
Fixed Income	246,347,065	348,756,474	79.33%
SIP Loans	35,159,437	35,128,995	8.00%
TOTAL	462,139,743	439,602,408	100.00%

Cash & Investments by Quarter (In Millions)



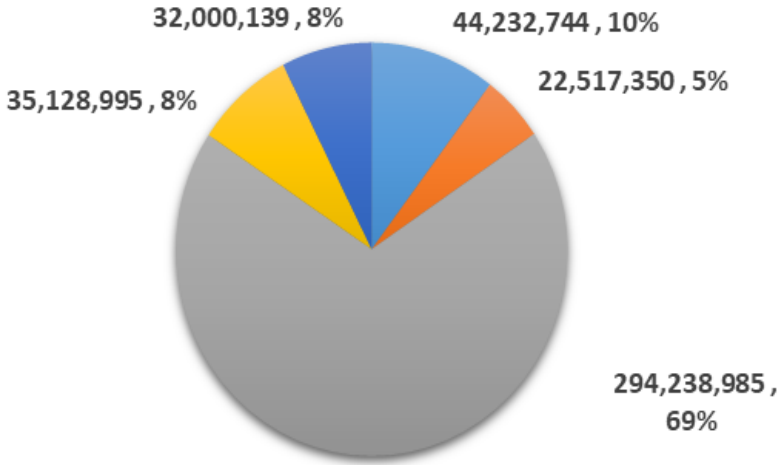
Portfolio Composition (3rd quarter purchases)



<u>Issuer</u>	<u>Amount</u>	<u>Coupon</u>	<u>YTM</u>	<u>Maturity</u> <u>Years</u>
Alameda County	3,800,000	3.57%	3.49%	6.5
California	13,700,000	1.75%	3.69%	8
FFCB	15,000,000	3.00%	3.06%	3.8
FHLB	40,000,000	1.75%	3.11%	3.4
FNMA	20,000,000	0.38%	3.21%	2.9
Washington	17,300,000	3.40%	3.51%	5.8

Portfolio Composition *(positions)*

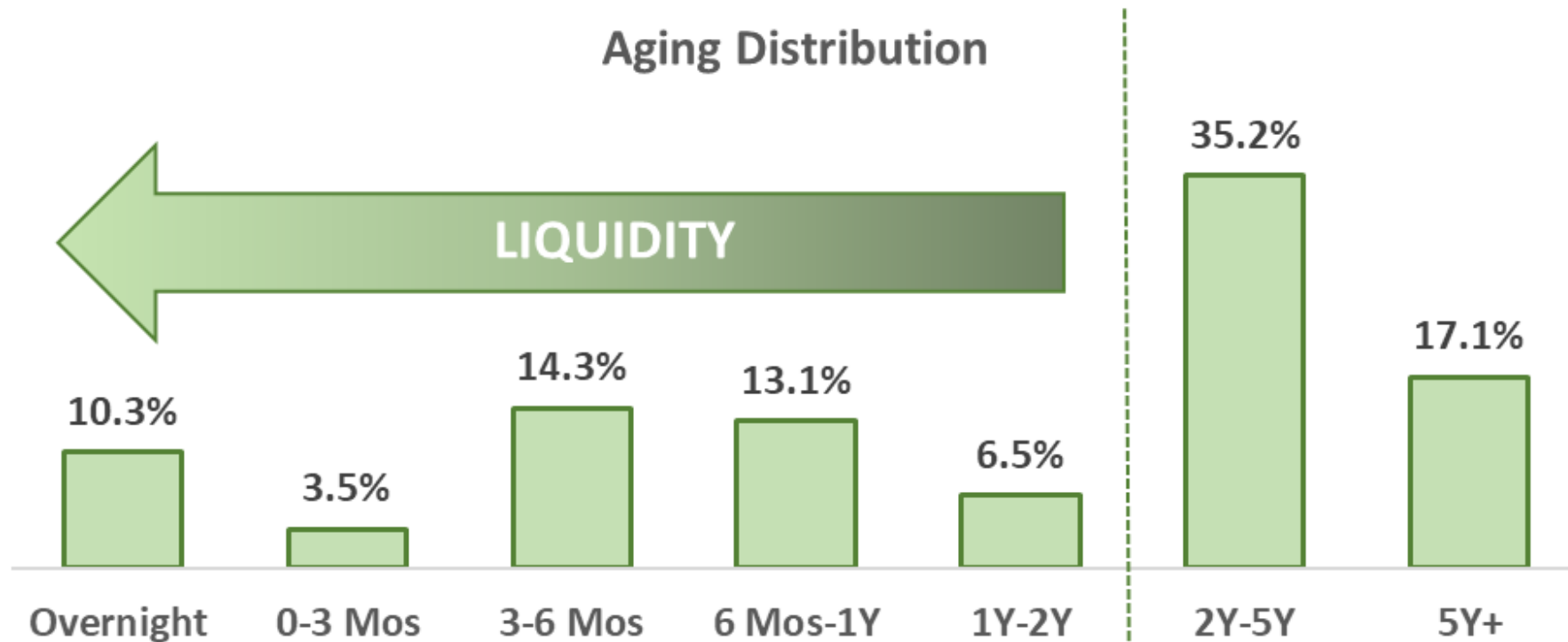
Portfolio Positions



■ LGIP ■ US Treasury Securities ■ Federal Agency Securities ■ SIP Loans ■ Municipal Bond

Issuer Type	Maximum	Actual	Policy Result
LGIP	100%	10%	Complies
US Treasury Securities	100%	5%	Complies
Federal Agency Securities	90%	69%	Complies
FFCB	40%	22%	Complies
FHLB	40%	20%	Complies
FNMA	40%	19%	Complies
PEFCO	40%	4%	Complies
FHLMC	40%	3%	Complies
FAMC	40%	1%	Complies
SIP Loans	15%	8%	Complies
Municipal Bond	10%	8%	Complies

Portfolio Composition (*liquidity*)



Portfolio Performance & Benchmark

Unrealized Gain/Loss

Impact of market-based interest rates on the value of the portfolio.

- **\$8.4 Million (loss)**

Maturity

Average maturity (in years) for investments in the portfolio

- **2.5 Years**

Yield to Maturity (YTM)

(Weighted Avg.) Total return anticipated on bonds if held to maturity.

- **2.08%**

Effective Rate of Return

Rate of return for Quarter Ending

- **2.11%**

Benchmark Maturity

Average maturity (in years) for investments in the portfolio (US Treasuries)

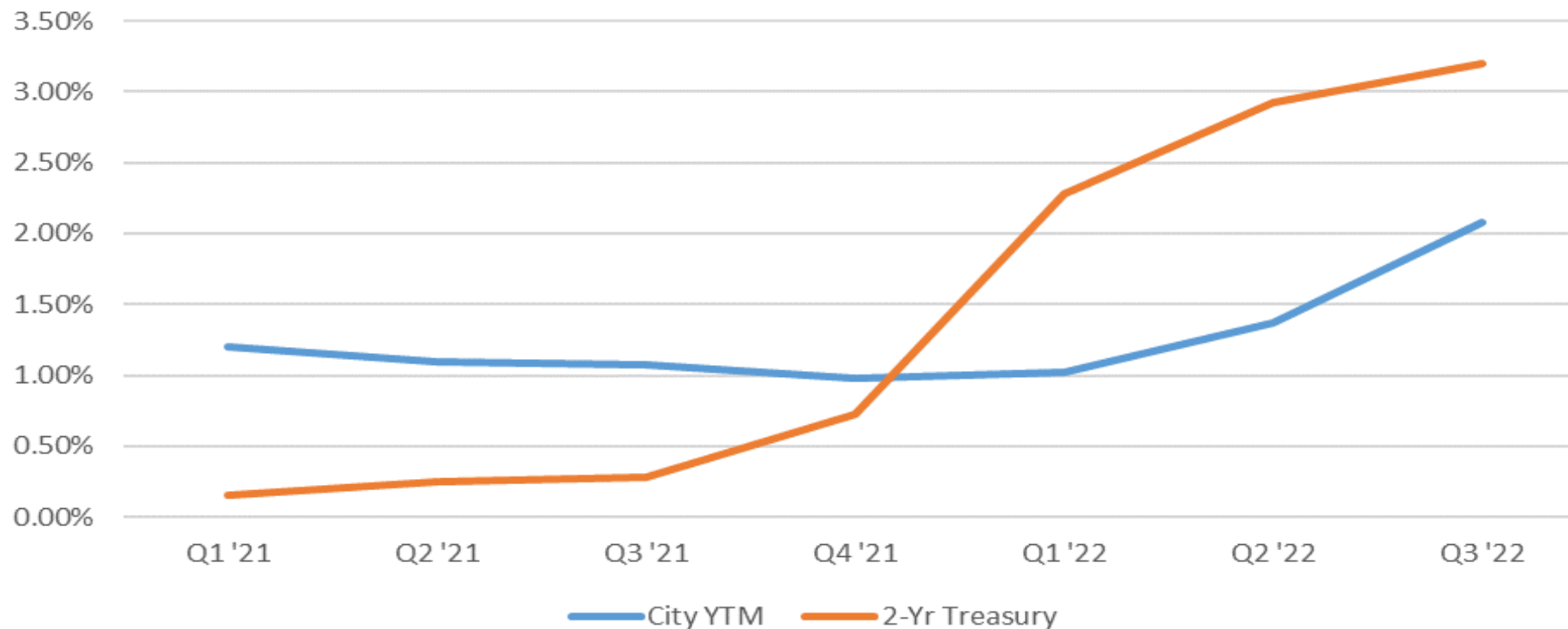
- **1-2 Years**

Benchmark Yield to Maturity (YTM)

(Weighted Avg.) Total return anticipated on investments if held to maturity (US Treasuries).

- **4.05%-4.22%**

Portfolio YTM vs. 2-Yr Treasury Yield



Source: US Treasury

Portfolio Strategic Focus (2022-2023)

Liquidity

Portfolio accommodation of ARPA Funding spend down.

- **\$76.5 Million** (*declining balance*)

Liquidity

Ladder out portfolio into years 2023-2025.

- **Steady stream of cash**

Maturity

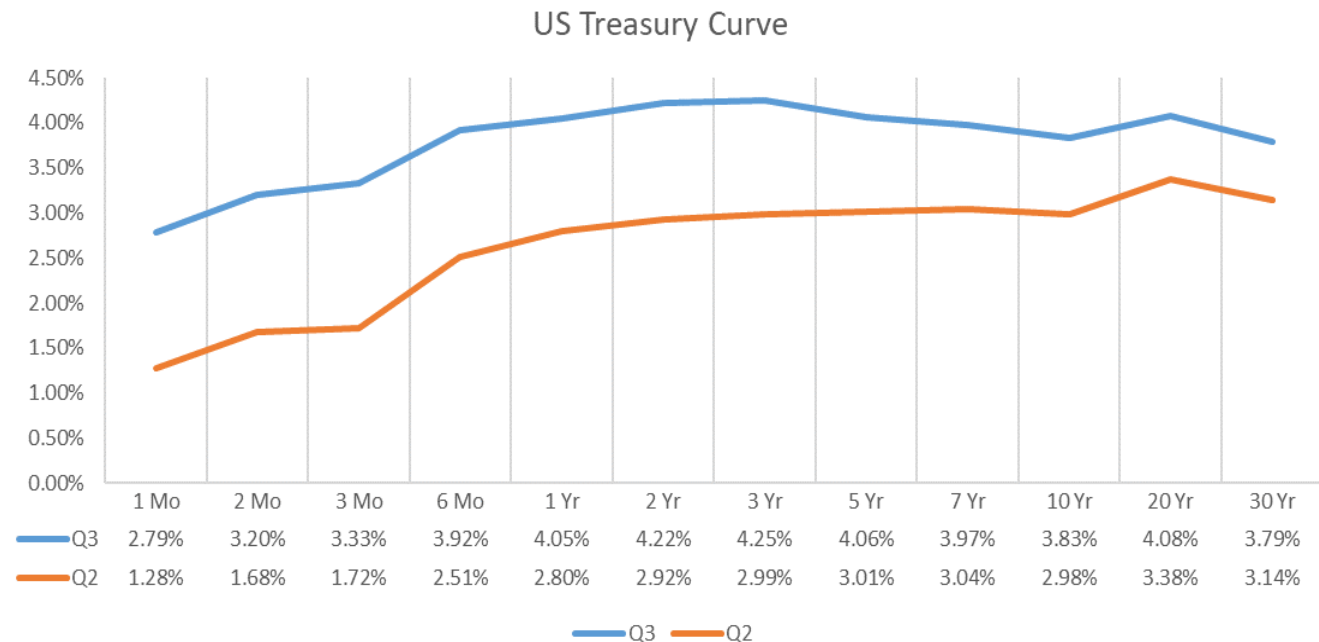
Align portfolio with benchmark of 1-2 year maturity.

- **Consistency of roll off**

YTM

Capture YTM returns consistent with benchmark 1-2 year US Treasuries.

- **Contextual Return**



Source: US Treasury

Questions?



CITY OF SPOKANE

Quarterly Investment Report

As of September 30, 2022

October 17, 2022

This report presents the City's investment portfolio for the quarter ending September 30, 2022. It has been prepared to comply with regulations contained in Washington State RCW 35.39 and Spokane Municipal Code Chapter 7.15. The report includes all investments managed by the City. As required, the report provides information on the investment type, issuer, maturity date, cost, and current market value for each security.

The investment objectives of the City of Spokane are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all operating and capital spending requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

The City follows the practice of pooling cash and investments for all funds under its direct control. Interest earned on pooled cash and investments is allocated monthly to the various funds based on the respective fund's average monthly investment balance. It is common for governments to pool the cash and investments of various funds to improve investment performance. By pooling funds, the city is able to benefit from economies of scale, diversification, liquidity, and ease of administration.

The City retains direct control of its investments. Primarily, investments are held by the City in a safekeeping account with Bank of New York Mellon. Exceptions to this rule would include investments held by trustees related to bond financings, which are held by US Bank, and Spokane Investment Pool Loans.

Investment Portfolio Benefits all Funds

The City's cash and investment portfolio represents money from all City funds with the exception of Employee Retirement, Police Pension, and Fire Pension funds. City funds include the General Fund, enterprise funds, internal service funds, capital projects funds, and other funds which are restricted to specific purposes.

In general, monies held by the City are either allocated by the City Council for spending or are purposefully retained in reserve. For example, the money in the Capital Outlay Funds has been identified to provide particular capital projects for the community and there is a plan for spending down the cash balance as the projects progress. In the General Fund, a determined amount is held in reserve to meet the City's contingency reserve policy of 10% of operating expenditures and City's Revenue Stabilization policy of 3.5% of operating revenues.

Current Cash and Investment Summary

The following is a summary of the City's cash and investments based on market value as of September 30, 2022, compared with the prior quarter:

Quarterly Investment Report

	June 30, 2022	September 30, 2022	Percent of Total
Cash	180,633,241	55,716,939	12.67%
Fixed Income	246,347,065	348,756,474	79.33%
SIP Loans	35,159,437	35,128,995	8.00%
TOTAL	\$462,139,743	\$439,602,408	100.00%

There are several factors resulting in changes in cash and investment balances from month to month and quarter to quarter. Often they are the result of the receipt of revenues or a large disbursement. Some major City revenues are received on a periodic rather than a monthly basis. For example, the majority of City Property Taxes are received in May and November of each year. On the disbursement side, payments for bonded indebtedness or large capital projects can reduce the portfolio substantially in the quarter that they occur. Significant fluctuations of this type will be discussed in the following section of this report.

Securities in the City's portfolio are priced according to market values provided by Bank of New York Mellon at the end of each month. In some cases, the City may have investments with a current market value that is greater or less than the recorded value. These changes in market value are due to fluctuations in the marketplace having no effect on yield, as the City does not intend to sell securities prior to maturity. Nevertheless, these market changes will impact the total value of the portfolio as reported. At September 30, 2022, the market value of the portfolio was \$8,404,269 less than the cost basis. The difference is an unrealized loss due to the inverse relationship between interest rates and market values as it relates to the fixed income portion of the City's investment portfolio.

The portfolio's average *yield to maturity* as of September 30, 2022 was 2.08%. The effective *rate of return* for the 3rd quarter was 2.11%.

As of September 30, 2022, the investment portfolio was in compliance with all State laws, the City's Statement of Investment Policy and the City's investment management plan.

Summary of Activity for the Quarter and Future Liquidity

With the exception of receipts which have been impacted by the COVID-19, cash receipts and disbursements are generally consistent with past trends for the quarter. The cash management program contains enough liquidity to meet at least the next three months of expected expenditures by the City.

Highlights:

- Purchases:
 - \$1.30M – ALA 3.519, due 8/1/2028 – 3.433% YTM
 - \$2.50M – ALA 3.599, due 8/1/2029 – 3.513% YTM
 - \$13.7M – CAL 1.75, due 11/1/2030 – 3.69% YTM
 - \$15.0M – FFCB 3.00, due 8/3/2026 – 3.055% YTM
 - \$10.0M – FHLB 0.125, due 6/2/2023 – 2.967% YTM
 - \$10.0M – FHLB 3.00, due 3/12/2027 – 3.177% YTM
 - \$10.0M – FHLB 3.25, due 9/8/2028 – 3.025% YTM
 - \$10.0M – FHLB 0.625, due 4/22/2025 – 3.252% YTM
 - \$20.0M – FNMA 0.375, due 8/25/2025 – 3.208% YTM
 - \$17.3M – WASH 3.40, due 8/1/2028 – 3.514% YTM
- Maturities:
 - \$6.8k – CLID 3.74, due 9/15/2022 – 3.74% YTM

Report Contents and Distribution. This report includes the following three schedules on the City's portfolio as of September 30, 2022; Summary of Investment Portfolio; Summary of Investment Portfolio Liquidity; and Investment Performance versus benchmark.

If you have any questions concerning this report, or require additional information, contact Tonya Wallace, Chief Financial Officer/City Treasurer at (509) 625-6585 or Chris Johnson, City Deputy Treasurer at (509) 625-6074.

DISTRIBUTION LIST

Administration

Nadine Woodward – Mayor

Johnnie Perkins – City Administrator

City Council

Breean Beggs – Council President

Betsy Wilkerson – Council Member

Jonathan Bingle – Council Member

Karen Stratton – Council Member

Lori Kinnear – Council Member

Michael Cathcart – Council Member

Zack Zappone – Council Member

Investment Oversight Committee

Tonya Wallace – Chief Financial Officer/City Treasurer

Betsy Wilkerson – Council Member

Phillip Tencick – Retirement Director

Steve Scranton – Community Member

Gavin Cooley – Interim Investment Officer

CITY OF SPOKANE

As of September 30, 2022

SUMMARY OF INVESTMENTS

CITY OF SPOKANE INVESTMENT PORTFOLIO			
	Percent of Portfolio	Current Yield	Market Value
Checking Account	NA	NA	\$11,484,195
Investments			
Local Government Investment Pool	10.3%	2.23%	\$44,232,744
US Bank- Treasurer's Cash	0.0%	0.00%	-
Federal Agency Coupon Securities	60.5%	1.86%	259,144,742
Municipal Bond	7.5%	3.58%	32,000,139
Federal Agency Strip Bonds	8.2%	2.72%	35,094,243
Treasury Coupon Securities	4.6%	2.45%	19,554,250
Treasury Discounts	0.7%	0.61%	2,963,100
SIP Loans	8.2%	0.91%	35,128,995
Total Investments	100.0%	2.04%	\$428,118,213
Total Checking Account + Investments			\$439,602,408

SUMMARY OF INVESTMENT PORTFOLIO LIQUIDITY

INVESTMENT AGING		
	Percent of Portfolio	Market Value
Overnight	10.3%	44,232,744
Within Three Months	3.5%	14,882,750
Three to Six Months	14.3%	61,396,726
Six Months to One Year	13.1%	56,260,017
One to Two Years	6.5%	27,150,967
Two to Five Years	35.2%	150,786,026
Over Five Years	17.1%	73,408,983
TOTAL	100.0%	\$428,118,213

CITY OF SPOKANE

As of September 30, 2022

INVESTMENT PERFORMANCE

BENCHMARK COMPARISON

The City of Spokane maintains certain performance objectives for its investments. The overall performance objective for the portfolio is to earn a total rate of return over the market cycle that equals or exceeds the market index. In order to achieve this objective, the portfolio invests in high-quality money market instruments, rolling repurchase agreements, US Treasury securities, Agency securities, to maintain an average maturity of no longer than 3 years. The City generally invests in securities maturing in 5 years or less, except in such circumstances where the maturity of such investments coincide with an identifiable cash flow. To monitor the achievement of this objective, the City uses a "Benchmark" to compare to. Currently, the benchmark used by the City is the Treasury Yield relevant to the Weighted Average Maturity of the Portfolio. Below is a summary of the quarterly results as compared to the benchmark. While the City strives to achieve this performance objective every month, the goal is assumed to be met on an annual basis. The City's performance fell below the benchmark during the quarter due to the significant market shifts caused largely by increasing interest rates and the Federal Reserve increasing their short-term rates, with expectations of further increases this year.

Benchmark Comparison for the Quarter Ended 9/30/2022

	<u>Benchmark</u>	<u>09/30/2022</u>	<u>6/30/2022</u>
Average Maturity (yrs)	1-2	2.50	1.50
Average Market Yield	4.05-4.22	2.08%	1.37%
Average Quality		AA/Aa1	AA/Aa1
Total Market Value		\$428,118,213	\$450,694,522

The following pages provide a summary of the portfolio, as well as a detailed holding report, for the previous month.

CITY OF SPOKANE
Quarterly SIP Loan Report
As of September 30, 2022

SIP LOAN CAPACITY		
As of September 30, 2022		
	Percentage	Amount
Investment Portfolio Balance		\$428,118,213
Less: Bond Proceeds*		1,908,824
Less: ARPA Funds		76,509,220
Investment Portfolio Balance (Net of Bond Proceeds)	100.00%	\$349,700,169
SIP Loan Capacity per Investment Policy (15%)	15.00%	\$52,455,025
Less: Current SIP loans Issued	10.05%	35,128,995
Net Capacity	4.95%	\$17,326,030

*Bond proceeds include unspent cash and investment balances restricted in use for Library and Parks Capital Improvements.



City of Spokane
Positions by Period
Outstanding Debt Service
7/1/2022 to 9/30/2022
Primary Sort Issue Group, Secondary Sort Issue Group

Issue	Issue Group	Dated Date	Maturity Dates	Range of Rates (%)	Beginning Balance	Bonds Issued	Principal Paid	Interest Paid	Ending Balance
<u>GOB</u>									
LTGO 2015	GOB	2/11/2015	Dec/2027 - 2034	3 to 4	48,305,000.00	0.00	0.00	0.00	48,305,000.00
LTGO 2016	GOB	1/20/2016	Dec/2025	3.24	8,708,655.00	0.00	0.00	0.00	8,708,655.00
LTGO 2020	GOB	11/30/2020	Dec/2021 - 2026	1.38	18,124,500.00	0.00	0.00	0.00	18,124,500.00
REV 2014	GOB	12/2/2014	Dec/2015 - 2034	3 to 5	135,325,000.00	0.00	0.00	0.00	135,325,000.00
UTGO 2015	GOB	1/27/2015	Dec/2021 - 2034	3 to 5	59,895,000.00	0.00	0.00	0.00	59,895,000.00
UTGO 2017	GOB	2/16/2017	Dec/2017 - 2027	4 to 5	16,290,000.00	0.00	0.00	0.00	16,290,000.00
UTGO 2018	GOB	12/20/2018	Dec/2019 - 2041	3.125 to 5	58,940,000.00	0.00	0.00	0.00	58,940,000.00
UTGO 2018	GOB	12/20/2018	Dec/2043	3.625	12,900,000.00	0.00	0.00	0.00	12,900,000.00
Subtotal					358,488,155.00	0.00	0.00	0.00	358,488,155.00
<u>Loans</u>									
CLID #221	Loans	9/15/2012	Aug/2023	2.29	7,083.71	0.00	0.00	0.00	7,083.71
CLID #223	Loans	11/1/2014	Nov/2026	3.15	277,406.36	0.00	0.00	0.00	277,406.36
CLID #224A	Loans	12/31/2015	Dec/2025	3	133,734.61	0.00	0.00	0.00	133,734.61
PAF ALKI REFUNDED	Loans	6/30/2020	Dec/2025	0.81	1,524,923.65	0.00	0.00	0.00	1,524,923.65
PAF CHAS DENTAL CLINIC	Loans	7/31/2020	Dec/2025	0.81	781,463.84	0.00	0.00	0.00	781,463.84
PAF DOWNRIVER GOLF SIP LOAN 20	Loans	5/26/2021	Dec/2026	1.34	2,441,090.80	0.00	0.00	0.00	2,441,090.80
PAF EAST SPRAGUE RECON PJCT	Loans	3/30/2021	Jun/2026	1.21	2,000,000.00	0.00	0.00	0.00	2,000,000.00
PAF ENGINEERING RELOCATION	Loans	10/30/2020	Dec/2025	0.77	1,056,759.25	0.00	0.00	0.00	1,056,759.25
PAF FLEET REFUNDED	Loans	6/30/2020	Dec/2025	0.81	1,928,383.58	0.00	0.00	0.00	1,928,383.58
PAF GARDNER REFUND	Loans	6/30/2020	Dec/2025	0.81	986,710.21	0.00	0.00	0.00	986,710.21
PAF GOLF SIP LOAN 2018 REFUNDE	Loans	6/30/2020	Dec/2025	0.81	2,327,363.75	0.00	0.00	0.00	2,327,363.75
PAF GOLF SIP LOAN 2019 REFUNDE	Loans	6/30/2020	Dec/2025	0.81	2,363,905.28	0.00	0.00	0.00	2,363,905.28
PAF LTGO 2016 REFUNDED	Loans	6/30/2020	Dec/2025	0.81	2,662,583.97	0.00	0.00	0.00	2,662,583.97
PAF MAPLE GATEWAY REFUNDED	Loans	6/30/2020	Dec/2024	0.81	263,068.48	0.00	0.00	0.00	263,068.48
PAF PARKING METERS	Loans	12/10/2021	Dec/2026	1.65	1,083,944.25	0.00	0.00	0.00	1,083,944.25
PAF PUBLIC SAFETY 2016 REFUNDE	Loans	10/30/2020	Dec/2023	0.76	1,162,573.59	0.00	0.00	0.00	1,162,573.59



City of Spokane
Positions by Period
Outstanding Debt Service
7/1/2022 to 9/30/2022
Primary Sort Issue Group, Secondary Sort Issue Group

Issue	Issue Group	Dated Date	Maturity Dates	Range of Rates (%)	Beginning Balance	Bonds Issued	Principal Paid	Interest Paid	Ending Balance
PAF PUBLIC SAFETY 2017 REFUNDE	Loans	10/30/2020	Dec/2024	0.76	1,874,916.20	0.00	0.00	0.00	1,874,916.20
PAF PUBLIC SAFETY 2018 REFUNDE	Loans	10/30/2020	Dec/2025	0.76	2,588,750.98	0.00	0.00	0.00	2,588,750.98
PAF PUBLIC SAFETY 2019 REFUNDE	Loans	10/30/2020	Dec/2024	0.76	2,468,725.96	0.00	0.00	0.00	2,468,725.96
PAF PUBLIC SAFETY 2020	Loans	10/30/2020	Dec/2025	0.77	2,733,605.10	0.00	0.00	0.00	2,733,605.10
PAF STRATEGIC INVESTMENT REFUN	Loans	6/30/2020	Dec/2025	0.81	1,038,852.01	0.00	0.00	0.00	1,038,852.01
PAF UNIVERSITY DISTRICT REFUND	Loans	6/30/2020	Dec/2025	0.81	2,895,691.82	0.00	0.00	0.00	2,895,691.82
PAF WEST PLAINS REFUNDED	Loans	6/30/2020	Dec/2025	0.81	527,457.13	0.00	0.00	0.00	527,457.13
Subtotal					35,128,994.53	0.00	0.00	0.00	35,128,994.53
Grand Total					393,617,149.53	0.00	0.00	0.00	393,617,149.53

[Selected Issues]

Issue Group	Issue	Issue Group	Issue
Loans	CLID #222	Loans	CLID #221
Loans	PAF ALKI REFUNDED	Loans	PAF GARDNER REFUND
Loans	PAF UNIVERSITY DISTRICT REFUND	Loans	PAF WEST PLAINS REFUNDED
Loans	PAF LIBRARY REFUNDED	Loans	PAF RIVERFRONT PARK REFUNDED
Loans	PAF FLEET REFUNDED	Loans	PAF ENGINEERING VEHICLES REFUN
Loans	PAF GOLF SIP LOAN 2018 REFUNDE	Loans	PAF GOLF SIP LOAN 2019 REFUNDE
Loans	PAF LTGO 2016 REFUNDED	Loans	PAF STRATEGIC INVESTMENT REFUN
Loans	PAF MAPLE GATEWAY REFUNDED	Loans	PAF CHAS DENTAL CLINIC
Loans	CLID #223	Loans	CLID #224A
Loans	CLID #219	Loans	PAF ENGINEERING RELOCATION
Loans	PAF PUBLIC SAFETY 2020	Loans	PAF PUBLIC SAFETY 2014 REFUNDE
Loans	PAF PUBLIC SAFETY 2015 REFUNDE	Loans	PAF PUBLIC SAFETY 2016 REFUNDE
Loans	PAF PUBLIC SAFETY 2017 REFUNDE	Loans	PAF PUBLIC SAFETY 2018 REFUNDE
Loans	PAF PUBLIC SAFETY 2019 REFUNDE	Loans	PAF DOWNRIVER GOLF SIP LOAN 20
Loans	PAF EAST SPRAGUE RECON PJCT	Loans	PAF PARKING METERS
GOB	LTGO 2015	GOB	UTGO 2015
GOB	UTGO 2017	GOB	REV 2014
GOB	UTGO 2018	GOB	LTGO 2020
GOB	LTGO 2016		

Committee Agenda Sheet

Finance & Administration

Submitting Department	City Council
Contact Name & Phone	Hannahlee Allers – x6714
Contact Email	hallers@spokanecity.org
Council Sponsor(s)	CP Beggs; CM Zappone
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 10
Agenda Item Name	Ordinance Adopting a City Council Redistricting Plan
Summary (Background)	<p>RCW requires that the City go through a redistricting process after the decennial census. 2020 census data was delayed, so the deadline for adopting a new Redistricting Plan is Nov. 15, 2022. Council appointed Jennifer Thomas (District 1), Heather Beebe-Stevens (District 2) and Rick Friedlander (District 3) as voting members of the board on March 21, 2022.</p> <p>To have as much public participation as possible, Board Members held two Town Hall meetings (July 20 and October 4), issued two separate surveys (ThoughtExchange and Survey Monkey), collected written public comment, attended multiple Community Assembly and Neighborhood Council meetings, and distributed press releases regarding their work.</p> <p>The attached ordinance reflects the Board’s recommendation to Council.</p>
Proposed Council Action & Date:	Filed for first reading and hearing on October 24, 2022, and final reading on November 7, 2022.
Fiscal Impact: Total Cost: <u>N/A</u> Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: <u>N/A</u> Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? <p>N/A - the Board was tasked with trying to make the council districts as even in population as possible while keeping aligned with the requirements of RCW 29A.76.010. Data related to racial group or political party was not to be a factor in the board’s work, but RCW does call for a specific goal of preserving “existing communities of related and mutual interest.”</p>	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?	

N/A – Redistricting occurs every 10 years after federal census data is received by the City.

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

N/A – Redistricting occurs every 10 years after federal census data is received by the City.

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

[RCW 29A.76](#), City of Spokane Charter [Section 60](#)

ORDINANCE NO. C - _____

An ordinance adopting a City Council Redistricting Plan.

WHEREAS, RCW 29A.76.010 provides in part that the City is responsible to periodically redistrict its election districts based on population data from the most recent federal decennial census; and

WHEREAS, pursuant to RCW 29A.76.010 (3) (b), the City has until November 15, 2022, to prepare a plan for redistricting its districts consistent with the criteria set forth in RCW 29A.76.010 (4); and

WHEREAS, pursuant to Section 60 of the City Charter, a decennial districting board shall be established during the year of state and federal redistricting to accomplish city council redistricting; and

WHEREAS, on March 21, 2022, the City Council confirmed the appointments of Jennifer Thomas (District 1), Rick Friedlander (District 2) and Heather Beebe-Stevens (District 3) to serve on the Decennial Districting Board consistent with the City Charter; and

WHEREAS, the Decennial Districting Board held public Town Halls on July 20 and October 4, 2022, to present census data to the public and to receive public testimony regarding potential council redistricting based on the census data and submitted a recommended plan to the City Council on October 4, 2022; and

WHEREAS, after public notice, a public meeting was held before the City Council on October 24, 2022, two weeks before the adoption of the districting plan, to take public comment regarding the draft plan.

NOW, THEREFORE, the City of Spokane does ordain:

Section 1. That the redistricting plan affixing boundaries between City Council Districts 1, 2 and 3, as submitted by the Decennial Districting Board, is hereby adopted as represented in the attached map.

PASSED BY THE CITY COUNCIL ON _____, 2022.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

Redistricting Board

Memo

To: Spokane City Council Members

From: Rick Friedlander, Redistricting Board Chair

cc: City Council Staff; City Clerks

Date: October 4, 2022

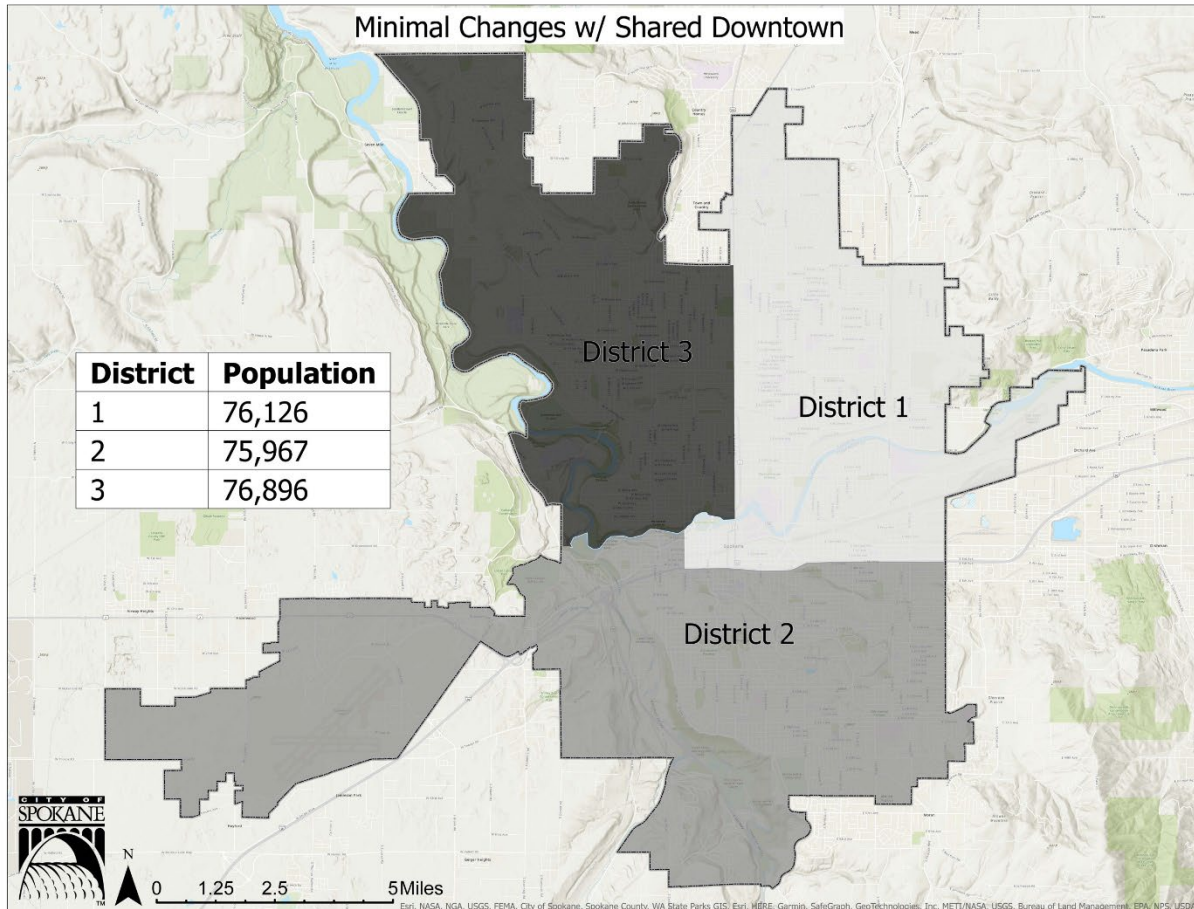
Re: Recommended Council District Map

The City of Spokane's Redistricting Board voted 3-0 during their October 4, 2022, meeting on a motion made by Jennifer Thomas and seconded by Heather Beebe-Stevens to recommend the attached map ("Map #1 – Minimal Changes with Shared Downtown") to the City Council for approval via ordinance no later than November 15, 2022. The Board understands that the City's Planning Department may make minor changes to this map in order to properly align District boundaries based on feedback from County Auditor's Office (e.g. moving the boundary to the center of a road or the Spokane River).



Rick Friedlander
Chair

*The final detailed map is being completed by City Planning and will be included when filing in OnBase. The map below shows the general lines, though they may move slightly to go down the center of a roadway or the Spokane River.





Agenda Sheet for City Council Meeting of: 10/03/2022

Date Rec'd	9/21/2022
Clerk's File #	ORD C36284
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	PMO
Contact Name/Phone	TONYA WALLACE 625-6845
Contact E-Mail	DFREDRICKSON@SPOKANECITY.ORG
Agenda Item Type	Special Budget Ordinance
Agenda Item Name	5750 - SBO OFFICE OF PERFORMANCE MANAGEMENT CONTRACTUAL SERVICES

Agenda Wording

PMO is requesting Council's approval of an SBO to transfer \$100,000 from Criminal Justice Assistance Fund reserves to PMO contractual services to pay for a Program Manager from Volt Workforce Solutions for the Community Safety Initiative program.

Summary (Background)

The Community Safety Initiative workgroup (formerly Criminal Justice Workgroup) of elected officials and department heads has been re-established following a pause during the pandemic. This group will begin working to develop solutions to positively impact the health/safety of Spokane's citizens. In order to be successful this initiative will require full-time Senior-Level Project Management experience. A Senior Project Manager candidate with the experience to fill this role has been identified.

Lease? NO	Grant related? NO	Public Works? NO
Fiscal Impact	Budget Account	
Expense \$ 100,000	# 1910-18100-97184-80101-99999	
Revenue \$ (100,000)	# 5750-73250-99999-39732-99999	
Expense \$ 100,000	# 5750-73250-18880-54201-99999	
Select \$	#	
Approvals		Council Notifications
Dept Head	FREDRICKSON, DUSTY	Study Session\Other F&A Committee 9/19/22
Division Director	WALLACE, TONYA	Council Sponsor CP Beggs & CM Cathcart
Finance	KECK, KATHLEEN	Distribution List
Legal	PICCOLO, MIKE	
For the Mayor	ORMSBY, MICHAEL	
Additional Approvals		
Purchasing		
MANAGEMENT & BUDGET	STRATTON, JESSICA	

Committee Agenda Sheet

Finance & Administration

Submitting Department	Project Management Office
Contact Name & Phone	Dusty Fredrickson (509) 435.2569
Contact Email	dfredrickson@spokanecity.org
Council Sponsor(s)	CP Beggs and CM Cathcart
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested:
Agenda Item Name	SBO - PMO Contractual Services
Summary (Background)	<p>As public safety continues to rise as the primary concern of Spokane citizens, the Criminal Justice Workgroup has been re-established following a pause during the COVID-19 pandemic and staffing changes across the organization.</p> <p>Now known more broadly as the Community Safety Initiative, a workgroup of cross-branch leadership, including elected officials and city department heads will begin developing solutions in the second half of 2022 aimed at addressing operational efficiencies that will directly impact the health and safety of all citizens of Spokane.</p> <p>To accomplish this goal, the team will leverage best practice Project Management and Continuous Improvement methodology to identify, prioritize and execute initiatives that enhance the City's tools for responding to Community Safety challenges and opportunities.</p> <p>This initiative requires full time Senior-Level Project Management experience to structure and administer the program, as well as manage the execution and implementation of the solutions developed by the workgroup.</p> <p>The Project Management Office (PMO) has identified a Senior Project Manager candidate from Volt Workforce Solutions with the experience to fill the role of Program Manager for the Community Safety Initiative. Due to staffing shortages and current assignments, the PMO has been utilizing contractual services for targeted assignments and recommends this approach to ensure adequate resources are assigned to address a need as urgent and critical to the community as safety.</p> <p>The department requests a transfer of \$100,000 from the Criminal Justice Assistance Fund reserves to PMO contractual services to secure this vendor resource through the end of the year.</p> <p>This contract capacity will be allocated to Volt Resource Solutions (SC 2017-0876). Without the support for this role, it is unlikely the Community Safety Initiative program will be successfully implemented due to the complexity of the subject matter and would likely be put on hold until Q1 or Q2 2023 when it is expected the PMO SR Project Manager position can be filled.</p>

Proposed Council Action & Date:	SBO Approval – October 3, 2022
Fiscal Impact: Total Cost: <u>\$100,000</u> Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Funding Source <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: Criminal Justice Assistance Fund Reserves Expense Occurrence <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? <i>The operational solutions expected from of this workgroup are intended to address community safety related challenges across all communities in the Spokane City population while emphasizing an improvement of recidivism for those involved in our Municipal Criminal Justices process.</i>	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? <i>This September, the remaining components of the new Municipal Court Legal Case Management system (e.g. eSeries) will be live. For the first time, the City will have access to data integrated (and standardized) across the four Municipal Criminal Justice agencies (e.g. Court, Supervision, Prosecution and Defender).</i> <i>The PMO Performance Measures team will work closely with Agency and Community Safety Initiative workgroup leadership to identify and collect appropriate ‘demographic-related’ data while observing the necessary data analysis and dissemination controls.</i>	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution? <i>Please reference the answer above. In the same spirit of the ‘demographic-related’ data, programmatic performance data can also be harvested from the eSeries solution to gauge the performance of implemented solutions. Again, agency and workgroup leadership will play a key role in ensuring data is responsibly and appropriately collected, reported and disseminated.</i>	
Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others? <i>This initiative is intended to deliver outcomes that support a wide-range of plans, policies, etc. that pertain to improving topics that the community and the City consider safety-oriented.</i>	

ORDINANCE NO C36284

An ordinance amending Ordinance No. C-36161, passed by the City Council December 13, 2021, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2022, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2022, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2022 budget Ordinance No. C-36161, as above entitled, and which passed the City Council December 13, 2021, it is necessary to make changes in the appropriations of the Criminal Justice Assistance Fund and the Office of Performance Management Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the Criminal Justice Assistance Fund, and the budget annexed thereto with reference to the Fund, the following changes be made:

- 1) Increase appropriation by \$100,000.
- (A) Of the increased appropriation, \$100,000 is provided solely as a transfer-out to the Office of Performance Management department.

Section 2. That in the budget of the Office of Performance Management Fund, and the budget annexed thereto with reference to the Fund, the following changes be made:

- 1) Increase revenue by \$100,000.
- (B) Of the increased revenue, \$100,000 is provided solely as a transfer-in from the Criminal Justice Assistance Fund.
- 2) Increase appropriation by \$100,000.
- (C) Of the increased appropriation, \$100,000 is provided solely for contractual services.

Section 3. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to provide full time senior-level project management expertise to the Community Safety Initiative, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council _____

Council President

Attest: _____
City Clerk

Approved as to form: _____
Assistant City Attorney

Mayor

Date

Effective Date



Agenda Sheet for City Council Meeting of:
10/03/2022

Date Rec'd	9/22/2022
Clerk's File #	ORD C36282
Renews #	

Submitting Dept	ENGINEERING SERVICES	Cross Ref #	
Contact Name/Phone	DAN BULLER 625-6391	Project #	
Contact E-Mail	DBULLER@SPOKANECITY.ORG	Bid #	
Agenda Item Type	Special Budget Ordinance	Requisition #	
Agenda Item Name	0370 - SBO FOR RETAINAGE PAYMENT AND VEHICLE ACQUISITION		

Agenda Wording

Salary savings SBO transferring \$330,000 from personnel to replace four pickup trucks and pay the final amounts for the Construction Management (CM) building.

Summary (Background)

The SBO would utilize funds from Eng. Services salary savings for retainage payment (\$102,000) for the CM building replacement, necessitated by the transfer of the underlying property to Spokane Public Schools, was constructed in 2020 and 2021. The four replacement pickup trucks that, at the end of their service life, will be replaced with electric Ford F-150 Lightning pickups used by construction inspectors (total cost \$228,000).

Lease? NO Grant related? NO Public Works? NO

Fiscal Impact

Expense	\$ (\$330,000)	<u>Budget Account</u>	# 0370-various personnel
Expense	\$ \$228,000		# 0370-30210-94000-56404-99999
Expense	\$ \$102,000		# 0370-tbd
Select	\$		#

Approvals

<u>Dept Head</u>	BULLER, DAN
<u>Division Director</u>	FEIST, MARLENE
<u>Finance</u>	ORLOB, KIMBERLY
<u>Legal</u>	PICCOLO, MIKE
<u>For the Mayor</u>	PERKINS, JOHNNIE

Council Notifications

<u>Study Session\Other</u>	Finance 9/19
<u>Council Sponsor</u>	Wilkerson/Kinnear

Distribution List

<u>Additional Approvals</u>	kgoodman@spokanecity.org
<u>Purchasing</u>	dbuller@spokanecity.org
<u>MANAGEMENT & BUDGET</u>	ddaniels@spokanecity.org
	jgraff@spokanecity.org

Committee Agenda Sheet

Finance & Administration

Submitting Department	Public Works, Engineering
Contact Name & Phone	Dan Buller 625-6391
Contact Email	dbuller@spokanecity.org
Council Sponsor(s)	CM Kinnear
Select Agenda Item Type	X Consent <input type="checkbox"/> Discussion Time Requested: _____
Agenda Item Name	SBO for Budget Transfer to Pay Construction Management Bldg Retainage & Purchase of 4 Pickups
Summary (Background)	<ul style="list-style-type: none"> The Construction Management building replacement, necessitated by transfer of the underlying property to Spokane Public Schools, was constructed in 2020 and 2021. The last bill is retainage which we withheld per state law in the amount of \$102,000. Engineering Services proposes to replace four pickup trucks at the end of their service life with electric Ford F-150 Lightning pickups for use by Engineering Services construction inspectors at a total cost of \$228,000. With Council approval, we propose to pay for the above proposed capital expenditures totaling \$330,000 with salary savings from Engineering Services. These savings were generated by vacancies over the past 8 months caused by an inability to fill positions due to ongoing labor shortages. All but two of the vacant positions have now been filled and recruitment is underway to fill those two.
Proposed Council Action & Date:	Approval of SBO on October 3, 2022
Fiscal Impact: Total Cost: <u>\$330,000</u> Approved in current year budget? <input type="checkbox"/> Yes X No <input type="checkbox"/> N/A Funding Source X One-time <input type="checkbox"/> Recurring Specify funding source: salary savings Expense Occurrence X One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? <p>Public Works services and projects are designed to serve all citizens and businesses. We strive to offer a consistent level of service to all, to distribute public investment throughout the community, and to respond to gaps in services identified in various City plans. We recognize the need to maintain affordability and predictability for utility customers. And we are committed to delivering work that is both financially and environmentally responsible. This item supports the operations of Public Works.</p>	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?	

N/A – This contract supports multiple public works projects and should not impact racial, gender identity, national origin, income level, disability, sexual orientation or other existing disparity factors.

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Public Works follows the City's established procurement and public works bidding regulations and policies to bring items forward, and then uses contract management best practices to ensure desired outcomes and regulatory compliance.

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

The projects which will use this on-call contract are consistent with our adopted six year programs as well as the annual budget and strategic initiative to advance street maintenance activities.

ORDINANCE NO C36282

An ordinance amending Ordinance No. C-36161, passed by the City Council December 13, 2021, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2022, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2022, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2022 budget Ordinance No. C-36161, as above entitled, and which passed the City Council December 13, 2021, it is necessary to make changes in the appropriations of the General Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the General Fund, and the budget annexed thereto with reference to the Fund, the following changes be made:

- 1) Decrease the appropriation for a Senior Engineer position, including benefits, by \$127,500.
- 2) Decrease the appropriation for a Public Works Lead Inspector position, including benefits, by \$120,000.
- 3) Decrease the appropriation for an Engineering Tech I position, including benefits, by \$21,250.
- 4) Decrease the appropriation for an Engineer in Training position, including benefits, by \$21,250.
- 5) Decrease the appropriation for a Director of Engineering Services position by \$35,000.
- 6) Decrease the appropriation for a Program Professional position by \$5,000.
- 7) Increase the appropriation for vehicles by \$228,000.
- 8) Increase the appropriation for a relocation retainage payment by \$102,000.
- (A) There is no change to the overall appropriation level in the General Fund.

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to replace four pickup trucks and pay the last retainage bill for the Construction Management building, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council _____

Council President

Attest: _____
City Clerk

Approved as to form: _____
Assistant City Attorney

Mayor

Date

Effective Date

Committee Agenda Sheet

FINANCE AND ADMINISTRATION COMMITTEE

Submitting Department	City Legal – City Prosecutor’s Office
Contact Name & Phone	Lynden Smithson – 625-6283
Contact Email	lsmithson@spokanecity.org
Council Sponsor(s)	CM Jonathan Bingle
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested:
Agenda Item Name	Legal SBO for Interpreter Costs
Summary (Background)	<p>Seeking approval for a \$6,620.50 transfer from 0500-15100-99999-33775-99999 (Admin Office of the Courts) to 0500-15100-15300-54210 (Interpreters)</p> <p>The State of Washington Administrative Office of the Courts (AOC) developed an interpreter reimbursement program in 2022. The program reimburses local courts for court-certified interpreters. Only a select few of the interpreters we use are court-certified, so the amount reimbursed is a small fraction of our overall interpreter budget. The funds were deposited from the AOC directly into 0500-15100-99999-33775-99999 with the intent to transfer those funds into our interpreter budget. This will ensure those funds are utilized for intended purposes and help our office remain within budget.</p>
Proposed Council Action & Date:	SBO approval on October 31, 2022
Fiscal Impact: Total Cost: \$6,620.50 Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Funding Source <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: AOC interpreter reimbursement program Expense Occurrence <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? n/a	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? n/a	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?	

n/a

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

n/a

ORDINANCE NO _____

An ordinance amending Ordinance No. C-36161, passed by the City Council December 13, 2021, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2022, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2022, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2022 budget Ordinance No. C-36161, as above entitled, and which passed the City Council December 13, 2021, it is necessary to make changes in the appropriations of the General Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the General Fund, and the budget annexed thereto with reference to the Fund, the following changes be made:

- 1) Increase appropriation by \$6,620.50.
- 2) Of the increase in appropriation, \$6,620.50 will be provided solely as an interpreter cost reimbursement in the Legal department via the AOC grant revenue already received.
- (A) This is an increase to the overall appropriation level in the General Fund.

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to apply reimbursement grant funds to the associated expense, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council _____

Council President

Attest: _____
City Clerk

Approved as to form: _____
Assistant City Attorney

Mayor

Date

Effective Date

Committee Agenda Sheet

FINANCE AND ADMINISTRATION COMMITTEE

Submitting Department	City Legal – City Prosecutor’s Office
Contact Name & Phone	Lynden Smithson – 625-6283
Contact Email	lsmithson@spokanecity.org
Council Sponsor(s)	CM Jonathan Bingle
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested:
Agenda Item Name	Legal SBO for Salary Savings to Janitorial
Summary (Background)	<p>Seeking approval for a \$16,000 transfer from 0500-15100-15300-07700 (Assistant Prosecutor) to 0500-15100-15300-54906 (Laundry/Janitorial Services)</p> <p>Funds were not encumbered to cover the contract for janitorial services at the City Prosecutor’s Office. The contract number associated with ABM Janitorial is OPR 2021-0806 in the amount of \$15,957.</p> <p>Two Assistant City Prosecutors left the office in 2022 resulting in salary savings which we would like to utilize to fulfill contractual obligations and remain within budget.</p> <p>A change request has been initiated in the 2023 budget to prevent this from occurring in the future.</p>
Proposed Council Action & Date:	SBO approval on October 31, 2022
Fiscal Impact: Total Cost: \$16,000 Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Funding Source <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: Salary savings Expense Occurrence <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? n/a	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? n/a	

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

n/a

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

n/a

ORDINANCE NO _____

An ordinance amending Ordinance No. C-36161, passed by the City Council December 13, 2021, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2022, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2022, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2022 budget Ordinance No. C-36161, as above entitled, and which passed the City Council December 13, 2021, it is necessary to make changes in the appropriations of the General Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the General Fund, and the budget annexed thereto with reference to the Fund, the following changes be made:

- 1) Decrease the appropriation for an Assistant Prosecutor position by \$16,000 in the Legal department.
- 2) Increase the appropriation for janitorial services by \$16,000.
- (A) There is no change to the overall appropriation level in the General Fund.

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to appropriately fund the ABM janitorial contract, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council _____

Council President

Attest: _____
City Clerk

Approved as to form: _____
Assistant City Attorney

Mayor

Date

Effective Date

Committee Agenda Sheet

Finance and Administration Committee

Submitting Department	Finance
Contact Name & Phone	Jessica Stratton
Contact Email	jstratton@spokanecity.org
Council Sponsor(s)	CP Beggs, CM Wilkerson
Select Agenda Item Type	Consent <input checked="" type="checkbox"/> Discussion Time Requested: <u>5</u>
Agenda Item Name	Set 2023 CIP Hearing & Ordinance
Summary (Background)	<p><u>Background</u></p> <p>In accordance with the State Growth Management Act and the City of Spokane's Spokane Municipal Code Chapter 07.17, the City must adopt and annually update a Citywide Six-Year Capital Improvement Program. The Program must be updated annually as part of the budget process. With the approval of the 2023 budget, the first year of the Capital Improvement Program reflects the 2023 capital budget.</p> <p>A CIP update was provided to City Council on September 22, 2022. A Plan Commission workshop was held on September 14, 2022 and the Plan Commission hearing will be held on October 12, 2022.</p> <p>The first reading of the CIP ordinance would be on November 7, 2022 with the final reading & hearing on November 14, 2022.</p>
Proposed Council Action & Date:	Set CIP Hearing & Ordinance on 10/17/22
<p>Fiscal Impact: n/a</p> <p>Total Cost: n/a</p> <p>Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p> <p>Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring</p> <p>Specify funding source:</p> <p>Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p>	
Operations Impacts	
<p>What impacts would the proposal have on historically excluded communities?</p> <p>n/a</p>	
<p>How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?</p> <p>n/a</p>	
<p>How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?</p> <p>n/a</p>	

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

n/a

ORDINANCE NO. C _____

AN ORDINANCE OF THE CITY OF SPOKANE, WASHINGTON, ADOPTING A SIX-YEAR CITYWIDE CAPITAL IMPROVEMENT PROGRAM FOR THE YEARS 2023 THROUGH 2028. AND AMENDING THE CITYWIDE CAPITAL IMPROVEMENT PROGRAM (CIP) AS REFERENCED IN APPENDIX C OF THE CITY OF SPOKANE COMPREHENSIVE PLAN.

WHEREAS, in accordance with the Growth Management Act ("GMA"), the City of Spokane previously adopted a Comprehensive Plan that includes a Capital Facilities Plan ("CFP") that includes an inventory, analysis, and a six-year financing plan for needed capital facilities otherwise referred to as the Six-Year Capital Improvement Program; and

WHEREAS, the City formed a Capital Facilities Technical Team which has assembled proposed amendments to the CIP, which amendments consist of an updated six-year plan (years 2023 through 2028) identifying the proposed locations and capacities of expanded or new capital facilities and a plan to finance such capital facilities within projected funding capacities (the "Six-Year Citywide Capital Improvement Program" or "CIP"); and

WHEREAS, the City previously adopted the Six-Year Street Program (RCW 35.77.010) on June 27, 2022 by Council Resolution 2022-0056, and that program is incorporated into the CIP; and

WHEREAS, GMA provides that proposed amendments to a comprehensive plan may be considered by the governing body of a city no more frequently than once per year, but further provides that amendments to the capital facilities element of a comprehensive plan may be considered outside of this annual process where the amendment is considered concurrently with the adoption or amendment of a city budget; and

WHEREAS, on September 14, 2022, the City's responsible official issued a Determination of Non-Significance for the CIP; and

WHEREAS, the Spokane City Plan Commission conducted a public workshop regarding the CIP on September 14, 2022; and

WHEREAS, after providing appropriate public notices, on October 12, 2022, the Spokane City Plan Commission, conducted a public hearing to take testimony on the CIP, and at the close of the hearing, and after considering public input, the SEPA determination, and required decision criteria, found that the CIP is consistent with the Comprehensive Plan and voted unanimously to recommend that the City Council approve the CIP; and

Now, Therefore,

The City of Spokane does ordain:

Section 1. Amendment. The City of Spokane Comprehensive Plan and its capital facilities element are hereby amended to reflect a six-year plan for capital improvement projects (2023-2028), as set forth in the attached Citywide Capital Improvement Program (2023-2028).

A. Any vehicle procurement must comply with Spokane Municipal Code 07.06.175A regarding the procurement of clean fuel vehicles.

Section 2. Authorization to Seek Funding. City staff are authorized to apply for state and federal grants and low-interest loans in support of the projects identified in the Citywide Capital Improvement Program (2023-2028).

Section 3. Effective Date. This ordinance shall take effect and be in force on _____.

PASSED BY THE CITY COUNCIL ON _____.

City Clerk

Approved as to Form:

Assistant City Attorney

Committee Agenda Sheet

Finance and Administration Committee

Submitting Department	Finance
Contact Name & Phone	Jessica Stratton
Contact Email	jstratton@spokanecity.org
Council Sponsor(s)	CP Beggs, CM Wilkerson
Select Agenda Item Type	Consent <input checked="" type="checkbox"/> Discussion Time Requested: <u>5</u>
Agenda Item Name	Set 2023 Revenue Hearing & Property Tax Ordinance
Summary (Background)	<p><u>Background</u></p> <p>A city such as Spokane that collects a regular property tax levy must hold a public hearing on possible revenue sources for the 2023 current expense budget, including considerations of possible increases in property tax revenues (RCW 84.55.120). This hearing must be held before the meeting at which the City Council considers levy adoption. The property tax ordinance will be on the Council's November 7, 2022 agenda.</p> <p>Each year, per RCW 84.52.070, the City Council must pass the annual property tax levy and transmit to the County Assessor and the Board of County Commissioners the amount of property taxes levied on property in the City.</p> <p>The revenue hearing would be on October 24, 2022 with the ordinance on November 7, 2022.</p>
Proposed Council Action & Date:	Set Revenue Hearing & Ordinance on 10/17/22
<p>Fiscal Impact: n/a</p> <p>Total Cost: n/a</p> <p>Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p> <p>Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring</p> <p>Specify funding source:</p> <p>Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p>	
Operations Impacts	
<p>What impacts would the proposal have on historically excluded communities?</p> <p>n/a</p>	
<p>How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?</p> <p>n/a</p>	
<p>How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?</p> <p>n/a</p>	

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?
n/a

ORDINANCE NO. _____

An ordinance updating the annual City of Spokane property tax levy for 2023.

WHEREAS, the Spokane City Council, the governing body of the City of Spokane, a taxing district ("District" or "City") of the State of Washington, has met and considered its budget for the calendar year 2023, holding public hearings thereon; and

WHEREAS, the District's actual regular levy amount from the previous year (2022) was \$64,852,478.47 exclusive of administrative refunds; and

WHEREAS, the City Council, after hearing and after duly considering all relevant evidence and testimony presented, has determined that the City of Spokane requires a regular levy as provided hereafter which does not include an increase in property tax revenue from the previous year, as well as an EMS levy as provided hereafter, which includes an increase in property tax revenue from the previous year, and amounts resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, and amounts authorized by law as a result of any annexations that have occurred and refunds made, and authorized refunds, in order to discharge the expected expenses and obligations of the City and in its best interest; and

WHEREAS, the District population is more than 10,000; Now, Therefore,

The City of Spokane does ordain:

Section 1. Regular Levy.

- A. No increase in the regular annual property tax levy is hereby authorized for the levy to be collected in the 2023 tax year, said increase to be in the amount of \$0, which is a percentage increase of 0% from the previous year's actual levy, prior to the inclusion of administrative refunds.
- B. This increase is exclusive of additional revenue in 2023 resulting from new construction, improvements to property, newly constructed wind turbines, increases in the value of state assessed property, and any annexations that have occurred and refunds made or amounts as required or permitted by law.
- C. Resolution No. 2014-0085 concerning a levy lid lift for improved and integrated streets, passed by the Spokane City Council on July 28, 2014, and approved by the voters in the election of November 4, 2014, replaces the existing \$0.57 property tax assessment for repayment of the 2004 street bond beginning in 2015. The voter approved Measure authorizes a levy lid lift of up to \$0.57 per \$1,000 of assessed valuation, in the first year, resulting in no net increase in the 2015 tax rate. This voter approved levy will remain in effect for 20 years.

- D. Resolution No. 2016-0093 concerning a levy for library services, passed by the Spokane City Council on November 14, 2016 and approved by the voters in the election of April 25, 2017, provides for an increase in the regular property tax levy in excess of state law beginning in 2018. The voter approved Measure authorizes an increase in the regular property tax levy of up to \$0.07 per \$1,000 of assessed valuation. This voter approved levy will remain in effect for a period of seven years.
- E. The total regular property tax levy for 2023, including amounts estimated for new construction, annexations, refunds, any other add-ons, and the voter approved levy for library services, is estimated at \$65,790,000 and is a percentage increase of 1.45% from the previous year's actual levy prior to the inclusion of 2022 administrative refunds. Inclusive of 2022 administrative refunds, the 2023 levy represents a 1.00% increase.

Section 2. Public Safety Levy Lid Lift (Regular Levy).

- A. Resolution No. 2018-0103 concerning a levy for police and fire personnel and funding crime reduction programs, passed by the Spokane City Council on December 10, 2018 and approved by the voters in the election of February 12, 2019, provides for an increase in the regular property tax levy in excess of state law beginning in 2020. The voter approved Measure authorizes an increase in the regular property tax levy of up to \$0.30 per \$1,000 of assessed valuation. This voter approved levy will remain in effect in perpetuity.
- B. As stated in Resolution No. 2018-0103, this levy lid lift is a Permanent Single Year Levy Lid Lift. Pursuant to RCW 85.55.050(1), the dollar amount collected in 2020 shall be used for the purpose of computing the limitations of the Public Safety levy lid lift for subsequent levies in 2021 and each subsequent year thereafter.
- C. An increase in the Public Safety Levy Lid Lift property tax levy is hereby authorized for the levy to be collected in the 2023 tax year, said increase to be in the amount of \$0, which is a percentage increase of 0% from the previous year's actual levy, prior to the inclusion of administrative refunds.
- D. This increase is exclusive of additional revenue in 2023 resulting from new construction, improvements to property, newly constructed wind turbines, increase in the value of state assessed property, and any annexations that have occurred and refunds made or amounts as required or permitted by law. The total Public Safety Levy Lid Lift levy for 2023, including amounts we have estimated for new construction, annexations, refunds, and other add-ons, is estimated at \$6,710,275 and is a percentage increase of 1.55% from the previous year levy of \$6,607,878.

Section 3. Existing GO Bonds.

In the case of the tax levied to raise \$10,000,064 for Principal and Interest on the City of Spokane's outstanding General Obligation Bonds, the County Assessor, in spreading the tax upon the rolls shall determine the dollar rate required.

Section 4. EMS Levy.

Ordinance C-36175 concerning a levy for emergency medical services (EMS), passed by the Spokane City Council on February 14, 2022 and approved by the voters in the election of April 26, 2022, provides for a levy for six consecutive years beginning in 2023, with the rate in the first year being 50 cents per \$1,000 of assessed valuation. This will provide for a levy amount estimated at \$16,836,000 in 2023.

Section 5. Certification; Filing.

The City Council certifies all information as stated herein. Appropriate City staff is directed to transmit all required information required to the Clerk of Spokane County Board of County Commissioners and County Assessor, including budget estimates of amounts to be raised by taxation on assessed value of property (RCW 84.55.020), estimated beginning and ending cash balances (RCW 84.52.025), and the amount of taxes levied on assessed value within the City (RCW 84.52.070). Pursuant to Section 19 of the City Charter, this measure takes effect immediately on first reading and passage.

Passed by the City Council on _____.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Committee Agenda Sheet

Finance and Administration

Submitting Department	City Council
Contact Name & Phone	Breean Beggs
Contact Email	Bbeggs@spokanecity.org
Council Sponsor(s)	CP Beggs and CM Stratton
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 5
Agenda Item Name	Revive Contract Funding
Summary (Background)	Based on the immediate need to fund the wrap around services that are urgently needed for the residents of TRAC, the City is committing the funding this need through 2023.
Proposed Council Action & Date:	Approve 10/17/22
Fiscal Impact: Total Cost: Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring Specify funding source: Expense Occurrence <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? The contract is the intention to provide assistance for the communities that have been historically excluded.	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? The expectation from the organization is to collect and report back data to the City.	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution? The expectation from the organization is to collect and report back data to the City.	

<p>Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?</p>

Providing these services are in direct response to City legislation.

ORDINANCE NO C-XXXXX

An ordinance amending Ordinance No. C-36161, passed by the City Council December 13, 2021, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2022, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2022, and providing it shall take effect immediately upon passage; and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2022 budget Ordinance No. C-36161, as above entitled, and which passed the City Council December 13, 2021, it is necessary to make changes in the appropriations of the Criminal Justice Assistance fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore, The City of Spokane does ordain:

Section 1. That in the budget of the Criminal Justice Assistance Fund, and the budget annexed thereto with reference to the Fund, the following changes be made:

- 1) Increase appropriation by \$1,570,211
 - A) Of the increased appropriations, \$1,570,211 is provided solely for contractual services for the Trent Resource and Administration Center.
 - B) This is an increase to the overall appropriation level in the Criminal Justice Assistance Fund.

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to fund the wrap-around services for the residents of the Trent Resource and Administration Center, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council _____

Council President

Attest: _____

City Clerk

Approved as to form: _____

Assistant City Attorney

Mayor

Date

Effective Date

Committee Agenda Sheet

Finance

Submitting Department	Planning Services, Community and Economic Development
Contact Name & Phone	Amanda Beck, 625-6414
Contact Email	abeck@spokanecity.org
Council Sponsor(s)	Council Member Bingle, Council Member Cathcart
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested:
Agenda Item Name	2023 East Sprague Business Improvement District Special Assessment
Summary (Background)	<p>The East Sprague business improvement district (ESBID) was established in 2016 to provide a variety of programs and services in the East Sprague/Sprague Union business district, including cleaning and greening, neighborhood beautification, district branding and marketing, and safety and security. The East Sprague Business Association (ESBA) administers and operates these programs through a contract with the City of Spokane. The BID collects an annual special assessment from property owners within the district to provide funding for programs and services, as outlined in Chapter 04.31C SMC.</p> <p>Chapter 04.31C SMC sets forth the annual process for assessing and collecting assessments from ratepayers within the district. The annual process includes the following steps:</p> <ul style="list-style-type: none"> • City Council sets an assessment roll hearing date by resolution; • City staff and the BID manager prepare the annual assessment roll based on tax assessment information from the Spokane County Assessor's Office and formulas established in Chapter 04.31C SMC; • City staff provide mailed notice to property owners and identified on the assessment roll at least fifteen days prior to the hearing; • The City Council approves an assessment roll at the hearing; • City staff carry out billing and collection of annual assessment payments.
Proposed Council Action & Date:	Approve proposed ordinance, approving assessment rolls for 2023
Fiscal Impact: Total Cost: N/A Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring <input type="checkbox"/> N/A Specify funding source: N/A Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A Other budget impacts: N/A	

Operations Impacts

What impacts would the proposal have on historically excluded communities?

In administering the BID contract, ESBA is tasked with assisting existing and potential businesses that want to be located with the East Sprague BID, and this can include women and minority owned businesses that benefit from an entity that can manage district-wide marketing and events to attract customers that support local Spokane businesses.

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

ESBA, the BID contract manager, completes an annual management plan as part of the annual special assessment process, which includes information on how the BID serves rate payers. No specific information is broken down by racial, gender identity, or other metrics at this time. Feedback from ratepayers to the ESBID Ratepayer Board is one avenue through which both the City and ESBA knows if ratepayers believe they are receiving services commensurate with the collected special assessment.

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Effectiveness of the proposed changes would be collected annually during the special assessment process, and as analyzed in the annual management plan ESBA completes as the BID contract manager. The ability to maintain, or expand, services as funded through the special assessments would be a positive indicator that the BID is self-sufficient.

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

The creation and continuation of the East Sprague BID achieves a large goal from the 2014 East Sprague Targeted Investment Pilot (TIP) Advisory Board's Implementation Plan, in alignment with the recommendations from the Smart Growth America technical assistance grant report on how to achieve an economically vibrant neighborhood through targeted public and private investments. This resolution sets the hearing for the ordinance that confirms and approves the special assessment for 2023, thereby ensuring the ESBID has the funds to provide ratepayer services established in their contract which supports economic development focused specifically on the East Sprague area, in alignment with the vision and values of Comprehensive Plan Chapter 7, [Economic Development](#), and policy ED 1.2.

ORDINANCE NO. C _____

AN ORDINANCE APPROVING AND CONFIRMING THE 2023 ASSESSMENTS AND ASSESSMENT ROLL FOR THE EAST SPRAGUE PARKING AND BUSINESS IMPROVEMENT AREA, PREPARED UNDER ORDINANCE C-35377 AS CODIFIED AND AMENDED IN CHAPTER 04.31C SMC.

WHEREAS, on September 26, 2022, the Spokane City Council passed Resolution 2022–0087, which provided notice and set a date for hearing on the assessments to be levied under the above identified ordinance; and

WHEREAS, pursuant to Resolution 2022–0087, a public hearing was held on December 5, 2022 to take public testimony regarding the assessments and assessment roll for the East Sprague Parking and Business Improvement Area; and

WHEREAS, the assessment roles have been on file in the Office of the City Clerk for public review and inspection; and

WHEREAS, the City Council, through this ordinance, intends to levy assessments in the East Sprague Business Improvement District to provide programs and services, which will specifically benefit the businesses and properties in the District; and

THE CITY OF SPOKANE DOES ORDAIN:

Section 1. The 2023 assessments and the assessment roll of the East Sprague Parking and Business Improvement Area, established under Ordinance C-35377, as codified and amended in Chapter 04.31C SMC, are hereby approved and confirmed. The assessments and assessment roll are attached hereto, available in the Office of the City Clerk and City Treasurer.

Section 2. Each of the businesses, as described in RCW 35.87A.020, lots, tracts, and parcels of land and other property, including improvements thereon, multi-family residential, mixed-use projects as described in RCW 35.87A.020(3), hotels, motels, government, and others, shown upon said rolls are hereby declared to be specially benefited by the programs authorized in Ordinance C-35377, as amended, in at least the amount levied against the same. The method of assessment is based upon the Special Assessment Formula in Appendix A.

Section 3. Pursuant to SMC 04.31C.100, the projects, programs, activities and budget for the 2023 East Sprague Parking and Business Improvement Area as presented to the City Council are hereby approved and may be revised by the City Council pursuant to a subsequent motion.

Section 4. The City Clerk is hereby directed to certify and transmit the assessment roll to the City Treasurer for collection, pursuant to City Ordinance and state law.

Section 5. That the assessments shown in the roll on file in the Office of the City Clerk may be paid in two installments with the first half of the assessment due and payable on the 31st day of January, 2023, and the second half of the assessment due and payable on the 31st day of July, 2023. Prior to the due date, ratepayers shall be sent a bill stating the amount of the assessment due and payable. If the assessment is not paid within thirty (30) days after its due date, a delinquency charge shall be added in the amount of ten percent (10%) of the assessment, not to exceed one hundred dollars (\$100) in addition to the processing fee. All assessments, or part thereof, shall also bear interest at the rate of twelve percent (12%) per annum, or part thereof, of delinquency. Within thirty (30) days of the due date(s), the City Treasurer or his/her designee shall send a late notice of the unpaid assessment including the assessment of appropriate interest, penalty and fees. Interest, penalties and other fees will be collected on any unpaid balance or portions thereof from the date the account became due.

Any ratepayer, aggrieved by the amount of an assessment or delinquency charge, shall request, within sixty (60) days of the assessment or charge, a meeting and/or hearing before the Ratepayer Board, and, if not satisfied with the decision of the Ratepayer Board, appeal within ten (10) days from the date of the decision, the matter de novo, to the City's Hearing Examiner, in the manner provided for in the City's Municipal Code. Failure to request a hearing shall result in a waiver of the right to challenge the assessment.

Section 6. This ordinance shall take effect and be in full force from and after the date of its passage.

PASSED by the City Council on _____.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

DRAFT

Committee Agenda Sheet

Finance

Submitting Department	Planning Services, Community and Economic Development
Contact Name & Phone	Amanda Beck, 625-6414
Contact Email	abeck@spokanecity.org
Council Sponsor(s)	Council Member Bingle, Council Member Cathcart
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested:
Agenda Item Name	2023 Downtown Business Improvement District Special Assessment
Summary (Background)	<p>The Downtown Spokane business improvement district (Downtown BID) was established in 1995 to provide a variety of programs and services in the downtown district, including security ambassadors, marketing and promotions, parking and transportation programs, maintenance services, special events, and economic development support. The Downtown Spokane Partnership (DSP) administers and operates these programs through a contract with the City of Spokane. The BID collects an annual assessment from business and property owners within the district to provide funding for programs and services.</p> <p>Chapter 04.31 SMC sets forth the annual process for assessing and collecting assessments from ratepayers within the district. The annual process includes the following steps:</p> <ul style="list-style-type: none"> City Council sets an assessment roll hearing date by resolution; City staff and the BID manager prepare the annual assessment roll based on tax assessment information from the Spokane County Assessor's Office and formulas established in Chapter 04.31C SMC; City staff provide mailed notice to property owners and identified on the assessment roll at least fifteen days prior to the hearing; The City Council approves an assessment roll at the hearing; City staff carry out billing and collection of annual assessment payments.
Proposed Council Action & Date:	Approve proposed ordinance, approving assessment rolls for 2023
Fiscal Impact: Total Cost: N/A Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring <input type="checkbox"/> N/A Specify funding source: N/A Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A Other budget impacts: N/A	

Operations Impacts

What impacts would the proposal have on historically excluded communities?

In administering the BID contract, the Downtown Spokane Partnership is tasked with assisting existing and potential businesses that want to be located with the Downtown BID, and this can include women and minority owned businesses that benefit from an entity that manages district-wide marketing and events to attract customers that support local Spokane businesses. Ratepayer Board positions are designated by geography, business, and property type to ensure that a variety of interests are well represented and guide decision making for the BID. This includes utilizing the Security Ambassadors to complete additional vehicle and e-bike patrols to monitor for possible mobility issues so that business owners, employees, and visitors are better able to access downtown.

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

DSP, the BID contract manager, completes an annual management plan as part of the annual special assessment process, which includes information on how the BID serves rate payers. No specific information is broken down by racial, gender identity, or other metrics at this time. As featured in the 2022 Management Plan, the DSP Board of Directors and Ratepayer Board have outlined several diversity, equity, and inclusion steps to be taken, including establishing a minority and women-owned business council and to offer grants to foster new diverse business owners within downtown. Feedback from ratepayers to the Downtown BID Ratepayer Board is one avenue through which both the City and DSP knows if ratepayers believe they are receiving services commensurate with the collected special assessment.

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Hosted events, grants to new businesses, and response calls from Clean & Green and the Security Ambassadors teams, which are detailed in the BID management plan, provide data for effectiveness of the Downtown BID. The ability to maintain, or expand, services as funded through the special assessments would be a positive indicator that the BID is self-sufficient and appropriately servicing ratepayers.

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

Programs administered by the DSP support several strategies in the recently updated [Spokane Downtown Plan](#), such as energize streets and alleys that are activated for pedestrians (Friday alley pop-ups, Live by Five) and supporting existing and emerging businesses downtown (Strategy LWP2.3). The Downtown BID aligns with the vision and values of Comprehensive Plan Chapter 7, [Economic Development](#), and policy ED 1.2. This resolution sets the hearing for the ordinance that confirms and approves the special assessment for 2023, thereby ensuring the Downtown BID has the funds to provide ratepayer services established in their contract which supports economic development focused specifically on downtown, a cultural and commercial regional hub.

ORDINANCE NO. C _____

AN ORDINANCE APPROVING AND CONFIRMING THE 2023 ASSESSMENTS AND ASSESSMENT ROLL FOR THE DOWNTOWN SPOKANE PARKING AND BUSINESS IMPROVEMENT AREA, PREPARED UNDER ORDINANCE C-32923 AS CODIFIED AND AMENDED IN CHAPTER 04.31 SMC.

WHEREAS, on September 26, 2022, the Spokane City Council passed Resolution 2022–0086 which provided notice and set a date for hearing on the assessments to be levied under the above identified ordinance; and

WHEREAS, pursuant to Resolution 2022–0086, a public hearing was held on December 5, 2022 to take public testimony regarding the assessments and assessment roll for the Downtown Spokane Parking and Business Improvement Area; and

WHEREAS, the assessment roles have been on file in the Office of the City Clerk for public review and inspection; and

WHEREAS, the City Council, through this ordinance, intends to levy assessments in the Downtown Spokane Business Improvement District to provide programs and services, which will specifically benefit the businesses and properties in the District; and

THE CITY OF SPOKANE DOES ORDAIN:

Section 1. The 2023 assessments and the assessment roll of the Downtown Spokane Parking and Business Improvement Area, established under Ordinance C-32923, as codified and amended in Chapter 04.31 SMC, are hereby approved and confirmed. The assessments and assessment roll are attached hereto, available in the Office of the City Clerk and City Treasurer.

Section 2. Each of the businesses, as described in RCW 35.87A.020, lots, tracts, and parcels of land and other property, including improvements thereon, multi-family residential, mixed-use projects as described in RCW 35.87A.020(3), hotels, motels, government, and others, shown upon said rolls are hereby declared to be specially benefited by the programs authorized in Ordinance C-32923, as amended, in at least the amount levied against the same. The method of assessment is based upon the Special Assessment Formula in Appendix A.

Section 3. Pursuant to SMC 04.31.100, the projects, programs, activities and budget for the 2023 Downtown Parking and Business Improvement Area as presented to the City Council are hereby approved and may be revised by the City Council pursuant to a subsequent motion.

Section 4. The City Clerk is hereby directed to certify and transmit the assessment roll to the City Treasurer for collection, pursuant to City Ordinance and state law.

Section 5. That the assessments shown in the roll on file in the Office of the City Clerk may be paid in two installments with the first half of the assessment due and payable on the 31st day of January, 2023, and the second half of the assessment due and payable on the 31st day of July, 2023. Prior to the due date, ratepayers shall be sent a bill stating the amount of the assessment due and payable. If the assessment is not paid within thirty (30) days after its due date, a delinquency charge shall be added in the amount of ten percent (10%) of the assessment, not to exceed one hundred dollars (\$100) in addition to the processing fee. All assessments, or part thereof, shall also bear interest at the rate of twelve percent (12%) per annum, or part thereof, of delinquency. Within thirty (30) days of the due date(s), the City Treasurer or his/her designee shall send a late notice of the unpaid assessment including the assessment of appropriate interest, penalty and fees. Interest, penalties and other fees will be collected on any unpaid balance or portions thereof from the date the account became due.

Any ratepayer, aggrieved by the amount of an assessment or delinquency charge, shall request, within sixty (60) days of the assessment or charge, a meeting and/or hearing before the Ratepayer Board, and, if not satisfied with the decision of the Ratepayer Board, appeal within ten (10) days from the date of the decision, the matter de novo, to the City's Hearing Examiner, in the manner provided for in the City's Municipal Code. Failure to request a hearing shall result in a waiver of the right to challenge the assessment.

Section 6. This ordinance shall take effect and be in full force from and after the date of its passage.

PASSED by the City Council on _____.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

DRAFT

Committee Agenda Sheet

FINANCE & ADMINISTRATION MEETING

Submitting Department	Fleet Services
Contact Name & Phone	Rick Giddings 625-7706
Contact Email	rgiddings@spokanecity.org
Council Sponsor(s)	CM Wilkerson
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested: _____
Agenda Item Name	Amend contract with Solid Waste Systems to add more money
Summary (Background)	Fleet Services is needing to amend the contract with Solid Waste Systems (Spokane, WA) for the remainder of 2022. This contract is necessary for the daily operations of the refuse trucks. Add \$80,000.00 to the service contract for 2022.
Proposed Council Action & Date:	Approve Contract Amendment 10/31/22
Fiscal Impact: Total Cost: Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring Specify funding source: Expense Occurrence <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? None Identified	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? Data will not be collected.	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution? Data will not be collected.	
Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others? Parts and services provided by SWS are critical to the operation and maintenance of our Solid Waste Collection Vehicles.	

Committee Agenda Sheet

FINANCE AND ADMINISTRATION COMMITTEE

Submitting Department	Water Department
Contact Name & Phone	Loren Searl, 625-7821
Contact Email	lsearl@spokanecity.org
Council Sponsor(s)	CM Kinnear
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested: 10/17/2022
Agenda Item Name	SCADA Hardware Purchase for Upriver Dam
Summary (Background)	The water Department is in the process of upgrading the SCADA system at Upriver Dam for improved reliability and emergency redundancy. Parts of this upgrade include replacement of some hardware that has reached end of useful life. This purchase is for the hardware upgrades. Cost of project is \$261,936.47 plus applicable sales tax. Purchase utilizing NCPA Contract #01-107.
Proposed Council Action & Date:	Approval from council
Fiscal Impact: Total Cost: \$261,936.47 plus taxes Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Funding Source <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: 4100-42490-94340-56501 Expense Occurrence <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts:	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? Public Works services and projects are designed to serve all citizens and businesses. We strive to offer a consistent level of service to all, to distribute public investment throughout the community, and to respond to gaps in services identified in various City plans. We recognize the need to maintain affordability and predictability for utility customers. And we are committed to delivering work that is both financially and environmentally responsible. This item supports the operations of Public Works	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? N/A – This is a public works project and should not impact racial, gender identity, national origin, income level, disability, sexual orientation, or other existing disparity factors.	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution? Public Works follows the City's established procurement and public works bidding regulations and policies to bring items forward, and then uses contract management best practices to ensure desired outcomes and regulatory compliance.	

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

This project is identified in the 6-Year Capital Improvement Program as well as the annual budget.

Committee Agenda Sheet

Finance and Administration Committee

Submitting Department	Finance
Contact Name & Phone	Jessica Stratton
Contact Email	jstratton@spokanecity.org
Council Sponsor(s)	CP Beggs, CM Wilkerson
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested: _____
Agenda Item Name	Set 2023 Budget Hearings
Summary (Background)	<u>Background</u> As part of the annual budget process, the City Council will hold public hearings on the 2023 Proposed Budget for the City of Spokane. Public testimony is welcome on all sections of the budget at each hearing. The first hearing will be held on November 7, 2022, and will be scheduled to continue each Monday through December 5, 2022. The City Council may continue the hearing day-to-day up to the 25 th day prior to the beginnings of the next fiscal year.
Proposed Council Action & Date:	Set Budget Hearings on 10/17/22
Fiscal Impact: n/a Total Cost: n/a Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? n/a	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? n/a	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution? n/a	
Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others? n/a	

ORDINANCE NO _____

An ordinance amending Ordinance No. C-36161, passed by the City Council December 13, 2021, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2022, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2022, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2022 budget Ordinance No. C-36161, as above entitled, and which passed the City Council December 13, 2021, it is necessary to make changes in the appropriations of the Miscellaneous Grants Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the Miscellaneous Grants Fund, and the budget annexed thereto with reference to the Fund, the following changes be made:

- 1) Increase revenue by \$18,700.
 - A) Of the increased revenue, \$18,700 is from the Administrative Office of the Courts (AOC) AV grant.
- 2) Increase appropriation by \$18,700.
 - A) Of the increased appropriation, \$18,700 will be used toward upgrading AV equipment for court participants.

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to accept newly awarded AOC grant funds, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council _____

Council President

Attest: _____

City Clerk

Approved as to form: _____

Assistant City Attorney

Mayor

Date

Effective Date

Committee Agenda Sheet

Finance & Administration Committee

Submitting Department	Municipal Court
Contact Name & Phone	Howard F. Delaney 625-4450
Contact Email	hdelaney@spokanecity.org
Council Sponsor(s)	CM Karen Stratton & CM Wilkerson
Select Agenda Item Type	X Consent <input type="checkbox"/> Discussion Time Requested: _____
Agenda Item Name	AV Grant & SBO
Summary (Background)	<p>The Spokane Municipal Court has four primary courtrooms, which are used on a daily basis. Based on enhancements done during the pandemic, each of the four courtrooms has been configured with a common set of AV hardware.</p> <p>Having used the system as installed for over a year, we have identified a number of deficiencies that require correction in order to ensure proper audio/visual participation and recording of the proceedings related to both in-court and remote participants.</p> <p>The current Polycom studio x30 video conferencing devices do not provide those participating in court proceedings by Zoom teleconference the level of audio quality that the court would like them to have. This leads to delays in proceedings caused by having to repeat things so that remote participants can understand what is happening in the court process and so they have a meaningful opportunity to attend the hearing in a matter equivalent to in-person participants. Upgrading these devices to the x50 model will provide additional input lines, which will significantly improve the experience of teleconference participants and reduce court delays associated with the current audio quality deficiencies.</p> <p>Similarly, our current Berringer mixers need to be upgraded to a model with more output lines to accommodate both an upgrade to our audio loops for the hearing impaired and improvement of the acoustic balance across the entire audio system.</p> <p>Our current AV cable management floor hardware has intermittent short-circuits in microphone lines, which periodically cause significant degradation in the quality of our required audio recordings as a court of record.</p> <p>We have also noticed that the lack of protective cases for our audio mixers creates a situation where various input and output lines can accidentally be wholly or partially disconnected due to movement of the court clerks and judicial officers in their courtroom workspaces. Solving this issue will ensure recording of court proceedings is not inadvertently degraded or terminated and AV equipment damaged.</p>

	<p>Finally, our therapeutic courts dockets are heard both in our regular courtrooms and in remote locations throughout the city. It has become obvious that we are in need of speaker-to-participant direct radio communicators for our foreign language interpreters during these hearings. Having this equipment will both reduce docket times by eliminating repeating verbal communications and allow better focus and participation by defendants who do not speak English as their primary language.</p> <p>The total cost for these AV upgrades is \$18,700, including parts, labor, and tax.</p> <p>The Court applied for a grant from the Administrative Office of the Courts and was awarded the requested funds on a reimbursement grant. This means the Court has to advance the funds for the items and then submit for reimbursement.</p> <p>Expending the fund and seeking reimbursement from AOC will significantly improve audio quality and fidelity for teleconference participants, participants with language barriers, and all those seeking to review audio recordings from our court for appellate and other purposes.</p> <p>The ability to hear and understand what is occurring in a court proceeding is a fundamental element of access to justice. It is difficult to imagine how someone who cannot clearly hear what is occurring in a proceeding, including translations for non-English speakers, can possibly make knowing and intelligent decisions regarding their case.</p> <p>SBO for funds from which to advance the AV upgrade expenses and receipt grant revenue:</p> <p>Expense: Misc grant funds: 1360-91210-12500-53502-99999 \$18,700. Revenue: 1360-91201-99999-33412-99999 \$18,700</p>
Proposed Council Action & Date:	Approve acceptance of AOC grant and approve an SBO transfer by October 31
Fiscal Impact: Total Cost: <u>\$18,700 advanced, net zero +/- \$500 after reimbursement</u> Approved in current year budget? <input type="checkbox"/> Yes X No <input type="checkbox"/> N/A Funding Source X One-time <input type="checkbox"/> Recurring Specify funding source: AOC grant reimbursement Expense Occurrence X One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.) N/A	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? Improves access to justice and makes participation in court proceedings more meaningful.	

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

N/A

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

N/A

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

The AV improvements are important to improving access to justice for disadvantaged communities and an important element of the City's criminal justice reform efforts.

ORDINANCE NO _____

An ordinance amending Ordinance No. C-36161, passed by the City Council December 13, 2021, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2022, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2022, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2022 budget Ordinance No. C-36161, as above entitled, and which passed the City Council December 13, 2021, it is necessary to make changes in the appropriations of the Miscellaneous Grants Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the Miscellaneous Grants Fund, and the budget annexed thereto with reference to the Fund, the following changes be made:

- 1) Increase revenue by \$18,700.
 - A) Of the increased revenue, \$18,700 is from the Administrative Office of the Courts (AOC) AV grant.
- 2) Increase appropriation by \$18,700.
 - A) Of the increased appropriation, \$18,700 will be used toward upgrading AV equipment for court participants.

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to accept newly awarded AOC grant funds, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council _____

Council President

Attest: _____

City Clerk

Approved as to form: _____

Assistant City Attorney

Mayor

Date

Effective Date

Committee Agenda Sheet

FINANCE AND ADMINISTRATION COMMITTEE

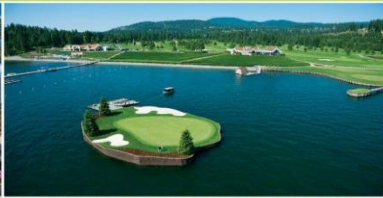
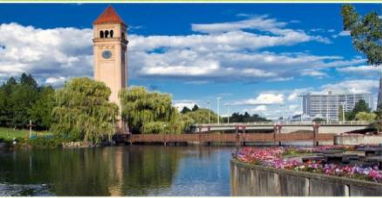
Submitting Department	Spokane Airport Board
Contact Name & Phone	Rob Schultz, 509.481.8093
Contact Email	rschultz@spokaneairports.net
Council Sponsor(s)	Council President Beggs
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 5
Agenda Item Name	2023 Budget for Spokane Airports
Summary (Background)	<p>On October 20, 2022 the Spokane Airport Board will review and approve the 2023 budget for Spokane International Airport, the Airport Business Park and Felts Field (Spokane Airports). The budget does not require any financial support from the City or County; however, approval is necessary to meet conditions of the Joint Inter-Local Agreement. The 2023 operating budget is \$50,722,906 and the capital budget is \$123,572,999. The total 2023 budget is \$174,295,905.</p>
Proposed Council Action & Date:	Approval of 2023 Budget for Spokane Airports October 24, 2022
Fiscal Impact: Total Cost: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: no funding is requested for this agenda item Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	

Operations Impacts
What impacts would the proposal have on historically excluded communities? n/a
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? n/a
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution? n/a
Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others? n/a



SPOKANE

INTERNATIONAL AIRPORT



2023 BUDGET DISCUSSION SPOKANE AIRPORTS

SPOKANE AIRPORTS:

Financially self-sufficient
Funds come only from system users

- Operating Revenues
 - Parking and Ground Transportation fees
 - Concessions (Food/Beverage/Retail/Hotels)
 - Tenant Rents
 - Airline Landing Fees & Rent
 - Rental Cars
- Capital Projects Revenues
 - AIP Grants (Federal Ticket & Fuel Tax; Airport Improvement Trust Fund)
 - Bipartisan Infrastructure Law (BIL) grants
 - DOT & WSDOT grants
 - Passenger Facility Charges (PFC) from traveling passenger tickets
 - Customer Facility Charges (CFC) from rental car transactions
 - Cash generated from Airport operating and non-operating income
- Used ONLY on specific approved projects

Budget Process Highlights

- ➔ Budget Overview
 - Regulated by DOT Regulations (encourages negotiation)
 - Start with expenses, subtract non-airline revenues, airlines are responsible for balance
- ➔ Rate Modeling
 - Based on activity forecasts
 - Passengers
 - Landed weight
 - Calculate 2021 true-up based on actuals
 - Input department information (staffing, O&M expenses & proposed capital)
 - Calculate estimated 2022
 - Enter 2023 data
 - Apply cost center allocations
- ➔ Results in rate setting
 - Terminal rent rate
 - Landing fee rate

2019 - 2023 Activity (Passengers & Landed Weight)

Traffic Activity Spokane International Airport (for the 12 months ending December 31; numbers in thousands)					
	Actual 2019	Actual 2020	Actual 2021	Estimate 2022	Budget 2023
Enplaned Passengers					
Alaska	706	334	544	643	658
Allegiant (non-sig)	0	-	18	38	39
Delta	501	202	385	500	511
Frontier (non-sig)	35	15	19	13	14
Southwest	464	235	384	457	468
American	123	89	149	96	98
United	191	85	142	162	165
Others	3	1	1	10	10
Total	2,023	962	1,643	1,920	1,964
Enplaned Passengers	2,023	962	1,643	1,920	1,964
% Change YoY	1.2%	-52.4%	70.8%	16.9%	2.3%
% Change to 2019		-52.4%	-18.8%	-5.1%	-3.0%
By Terminal					
Terminal C	828	424	693	739	756
Terminal A&B	1,195	539	950	1,181	1,208
Total	2,023	962	1,643	1,920	1,964

Traffic Activity Spokane International Airport (for the 12 months ending December 31; numbers in thousands)					
	Actual 2019	Actual 2020	Actual 2021	Estimate 2022	Budget 2023
Landed Weight (per 1,000 lbs.)					
Passenger Airlines					
Alaska	741	532	698	728	724
Allegiant (non-sig)	1	-	26	39	41
Delta	554	407	543	561	582
Frontier (non-sig)	33	21	24	14	14
Southwest	513	392	422	462	459
American	142	129	186	104	171
United	247	140	180	181	171
Others	7	2	3	4	11
Subtotal - Passenger	2,239	1,623	2,084	2,093	2,173
Cargo					
Signatory	429	414	456	465	475
Non-signatory	66	130	93	123	126
Subtotal - Cargo	495	544	550	589	600
Total	2,733	2,168	2,633	2,682	2,774
% Change YoY	1.0%	-20.7%	21.5%	1.9%	3.4%
% Change to 2019		-20.7%	-3.7%	-1.9%	1.5%

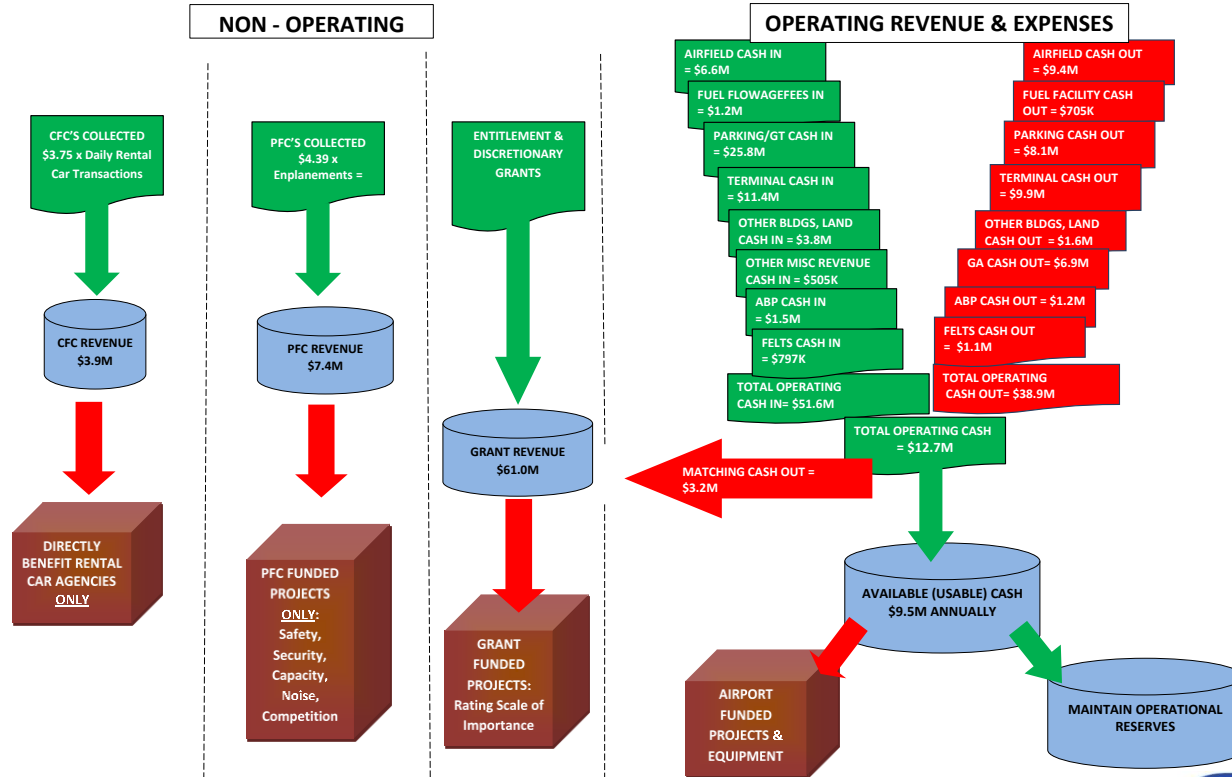


Budget Process Highlights

- ➔ Airport Airline Affairs Committee (AAAC) Consultation
 - October 4th
 - Current Agreement expires December 31, 2022 – proposed one-year extension
 - Presented 2023 Rates and Charges
- ➔ Rate Summary
 - Class 1 Terminal Rent = \$63.02 up from \$60.70 per square foot per year (+3.8%)
 - Landing Fee = \$2.24 up from \$2.16 per 1,000# (+3.7%)
- ➔ Airport Finance Committee – October 12th
- ➔ Airport Board Meeting – October 20th
- ➔ Spokane City Council – October 24th
- ➔ Board of County Commissioners – October 25th

Sources and Uses of Cash

(Based on 2023 Budget)



2022 Year End Estimate

- Consolidated operating revenues projected to be 15.1% above budget
- Consolidated operating expenses projected to be 4.2% below budget
- 2022 enplanements are projected to be 5.1% below 2019 actuals
- 2022 landed weights projected at 1.9% below 2019 actuals
- Estimated CPE of \$5.79 for 2022; budgeted at \$6.19

2023 Budget Highlights

- ➔ Consolidated operating revenues of \$49.5M
 - 15.1% increase from 2022 budgeted revenues
 - 7.5% increase from 2022 projected revenues
- ➔ Consolidated operating expenses total of \$39.0M
 - 20.7% increase from 2022 budgeted expenses
 - 25.0% increase from 2022 projected expenses
- ➔ Sources of funds for Capital Improvement Program total of \$123.6M
 - \$71.9M combination of AIP & BIL grants, PFC, and CFC funds
 - \$17.3M for Concourse C TREX, may include debt financing
 - Up to \$34.4M of Airport funds

2023 Budget Highlights

✈ Operating Expenses

- Funding return of staffing to near pre-pandemic levels due to increase in business activities
- Increased materials and supplies cost due to inflation and supply chain challenges
- Higher than average snowfall prediction for this winter season

2023 Major Capital Projects by Funding Source

- PFC paygo
 - Concourse C TREX construction
- Debt issuance (PFC supported)
 - Concourse C TREX construction
- CFC
 - GTC Improvements Phase 3 – architectural and engineering design
- Airport
 - Road improvements to Flint Road and Airport Drive, parking lot improvements, east cargo ramp expansion, fuel facility improvements, elevator & escalator modernization, ARFF and airfield snow removal vehicles, IT infrastructure upgrades
- Federal Grants
 - West terminal ramp construction, Concourse C TREX

2023 Budget Summary (with comparison to 2022)

SPOKANE AIRPORT BOARD				
2023 BUDGET SUMMARY				
CONSOLIDATED				<u>2022</u>
Spokane International Airport	\$ 166,187,062			48.4%
Airport Business Park	2,486,432			65.1%
Felts Field	<u>5,622,411</u>			7.7%
Total	<u>\$ 174,295,905</u>			46.9%
<u>2022</u>	OPERATING EXPENSES			<u>2022</u>
18.3%	Spokane International Airport	\$ 47,736,563		
20.8%	Airport Business Park	1,299,432		
-1.3%	Felts Field	<u>1,686,911</u>		
17.6%	Total	<u>\$ 50,722,906</u>		
	CAPITAL			<u>2022</u>
	Spokane International Airport	\$ 118,450,499		65.4%
	Airport Business Park	1,187,000		176.0%
	Felts Field	<u>3,935,500</u>		12.1%
	Total	<u>\$ 123,572,999</u>		63.6%

Spokane Airports 2023 Budget

Spokane International Airport / Airport Business Park/ Felts Field



Spokane International Airport
SpokaneAirports.net

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FRONTIER

Southwest

sun country airlines.

UNITED





Spokane Airport Board

Spokane International Airport / Airport Business Park / Felts Field

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Spokane International Airport
GEG – GENERATING ECONOMIC GROWTH

AIRPORT BUSINESS PARK



Spokane Airport Board

Nancy Vorhees (Chair)
Al French (Vice Chair)
Jennifer West (Secretary)
Breean Beggs
Ezra Eckhardt
Max Kuney
K. Collins Sprague

Lawrence J. Krauter, CEO
Brian Werst, General Counsel



Section II. Introduction

The SPOKANE AIRPORT BOARD (Board), operates Spokane International Airport (SIA or GEG), Felts Field (SFF) and the Airport Business Park (ABP), collectively referred to as the SPOKANE AIRPORTS (Airport), under and pursuant to the Constitution and Laws of the State of Washington, including Ch. 14.08 RCW, RCW 14.08.200 that certain Joint Resolution and Operating Agreement of Spokane County and the City of Spokane dated October 7, 2019.

The agreement intends the expenses of operating Spokane International Airport, Airport Business Park, and Felts Field shall be paid, *to the maximum extent possible*, from the operating revenues of each area (emphasis added).

The Airport does not receive any funds from either the County or City of Spokane, nor does it receive any local tax revenues. Operating funds come from user fees, tenant rents in varying forms along with airline landing fees. Capital funds come from debt financing, federal and state grants and agreements, facility charges through airlines and rental car agencies along with airport funds generated through operations.

As of December 31, 2019, the Airport employed approximately 134 full and part-time employees responsible for providing access to the global air service network by managing, developing, maintaining and promoting the Airport. Given the pandemic's impact on air transportation, staffing levels decreased to approximately 109 full- and part-time employees in 2020, to 106 as of December 31, 2021, and to 99 full- and part-time employees as of October 2022. As the regional economy and air transportation sector recovers from the pandemic, the Airport will increase staff size appropriately. Employees work diligently to provide quality facilities and services along with a high quality customer experience.

The 2023 budget provides funds to accomplish goals while keeping the cost to airlines reasonable in comparison to previous years, funding important capital projects that will improve airport capacity, safety and security, maintaining aging facilities while designing new facilities and improving customer service. Through these initiatives, the budget provides funds for activities that provide economic impact and stimulus by creating jobs in the local area.

AIRLINE OPERATING AGREEMENT (AOA)

This 2023 budget is prepared based on the airline agreement with signatory airlines originally dated January 1, 2010. This agreement was extended, mutually by the Airport and the airlines through December 31, 2015. The Airport and airlines extended the agreement again, with minor modifications, for additional years to provide time to continue negotiating a modernized AOA. The agreement, as amended, now expires on December 31, 2022. Management proposed a one-year extension of the agreement with one modification to increase the cash amount retained by the Airport.

The Airport Airline Affairs Committee (AAAC) convened on October 4, 2022 to discuss the 2023 rates and charges. The AAAC is comprised of Airport staff members along with representatives of the Signatory and Non-Signatory Airlines and the major Cargo Carriers. The Airline members of the AAAC currently do not have any veto rights on the Airport's budget, however they do provide input for consideration.

The amended continuing agreement, on which the 2023 Budgets is based, utilizes a residual rate setting method. This approach is common, but not universal, among US airport operators. A pure residual rate setting method effectively applies all operating revenues and expenses into the models that set rates charged to airlines.

During discussions and consultations, it was agreed to continue to allow the Airport to apply a portion of operating net revenue, rather than all net operating revenue, effectively allowing the Airport to retain a larger amount of generated revenue to fund capital projects beneficial to passengers, the Airport and the air carriers.

2022 saw a continued recovery in passenger activity and aircraft operations from 2020 levels as the region, nation and world recovers from the COVID-19 pandemic. Passenger activity is anticipated to increase approximately 17% over 2021 activity. 2023 activity is forecasted to continue recovery towards 2019 levels. In developing the 2023 budget, the goal is to stabilize and position the Airport for a continued recovery while continuing as an attractive location for adding new airline service and maintaining current destinations.

THE BUDGET PROCESS

The budget process begins each year around July as the staff reviews the expenditures of the first six months of the current fiscal year. A budget packet was distributed including a budget calendar and general directions for each department's budget submittal. The Airport utilizes a budget process in which each expenditure line item is evaluated on its own merit each year. Specific department budgets are then developed to identify resources necessary to meet the daily functions of operating the airports and implementing the necessary airport improvement projects.

The Airport Finance Department continues to work with a third party consultant to develop the Airport's Rates and Charges structure and collaborate with staff on departmental allocations in preparation for modernizing the AOA.

Departments submitted their budgets which were rolled into the Rates and Charges Model (see Section V) to calculate the upcoming year's Terminal Rental Rates and Landing Fees. Each department's initiatives are reviewed before the proposed draft is completed and submitted for review and comment by the Board.

The Capital Improvement Program is also refined to examine its effect on rates and charges. Future period major capital projects are added to the modeling as most of these projects and expenditures affect budget periods beyond the current period under examination.

FINANCIAL SUMMARY

The table below summarizes the 2023 Consolidated Spokane Airport Board Budget. Subsequent sections and exhibits throughout this document will focus on the individual details of the summary shown.

2023	Operating	Capital	Total
GEG	\$47,736,563	\$118,450,499	\$166,187,062
ABP	1,299,432	1,187,000	2,486,432
Felts Field	1,686,911	3,935,500	5,622,411
2023 Consolidated	\$50,722,906	\$123,572,999	\$174,295,905
% Change vs 2022	17.6%	63.6%	46.9%
2022	Operating	Capital	Total
GEG	\$40,339,938	\$71,612,000	\$111,951,938
ABP	1,075,795	430,000	1,505,795
Felts Field	1,709,949	3,512,000	5,221,949
2022 Consolidated	\$43,125,682	\$75,554,000	\$118,679,682

The Total Spokane Airport Board 2023 budget presented for approval is \$173,963,860 representing a 46.9% increase from the 2022 Budget. This change is due to a 17.6% increase in the Operating Budget and a 63.6% increase in the Capital Budget. The increase in the Operating Budget is related to continued recovery of passenger activity, and therefore expenses, and inflationary impacts to wages, materials and supplies. The increase in the Capital Budget is due, in part, to anticipated construction activity for Concourse C Terminal Renovation and Expansion (TREX) project.

Consolidated Operating Revenues are forecast to increase by 22.3% from the 2022 budget to \$50.7 million. SIA operating revenues are forecast to increase by 23.4% from the 2022 budget, due to the increase in passenger activity which affects revenues from airline landing fees, concession and rental car activity. Included in the 2023 revenue increase is a 3.8% increase in the rental rates for terminal tenants and a 3.7% increase in the 2023 landing fee rate.

The **Parking / Ground Transportation** cost center recorded revenue declines due to the decrease in passenger activity in 2020 and 2021. 2022 parking revenue is forecasted to be near 2019 levels and is expected to exceed the 2022 budget by 12.6%. The 2023 parking revenue budget is expected to increase by 20.7% compared to the 2022 forecast. There are no changes proposed to the parking rate structure in 2023 or to the commercial vehicle trip fee.

Consolidated Operating Expenses, including depreciation and debt service, are projected to increase 17.8% to \$50.8 million. Operating expenses, not including depreciation and debt service, are projected to increase 29.4% over the 2022 budget to \$38.4 million. This

increase corresponds to increasing activity levels at the Airport as the region, nation and world recover from the global pandemic. The budget model is forecasting passenger activity to increase 2.3% over projected 2022 levels.

The 2023 Capital Improvements Program budget represents a 63.6% increase from the 2022 Capital Program budget. The total planned capital expenditures in 2023 are \$123.6 million.

Sources of funds for capital improvements are largely dependent on the Federal Grant process through the Airport Improvement Program (AIP), other funds obtained through the Department of Transportation (DOT), and the Passenger Facility Charge (PFC) Application process. Anticipated 2023 capital improvements projects are, or will be, funded for the upcoming year through AIP Grant applications, a DOT BUILD grant, Bipartisan Infrastructure Law (BIL) grants, pre-collected PFCs, Customer Facility Charges (CFCs) and debt issuance on approved projects. The Airport also uses funds from general operations to the extent expenditures do not reduce the reserve amount below a minimum targeted level.

Anticipated 2023 capital improvements projects at SIA include construction of roadway improvements, expansion of the Concourse C parking lot, Concourse C TREX construction, West terminal ramp and taxilane improvements, east cargo ramp expansion, aviation fuel facility improvements, elevator and escalator modernization and Ground Transportation Center Phase 3 improvements. Airport Business Park capital projects are anticipated to include roadway improvements and building rehabilitation. Felts Field anticipated projects include a new aircraft tie-down parking apron, rehabilitation and expansion of the terminal building, gateway streetscape improvements and the restoration of the historic Mamer Clock Tower. As noted above, these projects are, or will be, funded by AIP, BIL, DOT and state grants, PFCs, CFCs, Airport general funds and a debt issuance. The DOT and AIP grants contain a matching provision from the Airport's cash. Replacement of aging equipment and vehicles is planned in 2023 and will be funded with current year operating funds or those funds designated in prior years for projects that will be carried over to 2023.



Section III. Airline Activity Forecast

PASSENGER TRAFFIC

During the past decade, enplanement and total passenger increases were recorded each year from 2013 through the highest all-time activity level in 2019. Due to the global COVID-19 pandemic, and state-level stay-at-home orders, passenger enplanements decreased 52.4% in 2020. In 2021, enplanements were up 70.8% compared to 2020 and estimated 2022 enplanements are forecasted to increase 16.9% over 2021 levels. Given concerns regarding the potential for a recession in 2023, a conservative approach has been taken regarding the passenger activity forecast for budgeting purposes, which assumes that 2023 enplaned passengers will remain below 2019 levels by approximately 3.0%.

The following table shows actual passenger activity by airline for 2019 through 2021 with estimates for 2022 and 2023, which are incorporated into the 2023 budget. The table also shows the current breakdown of passengers traveling out of the two terminals.

Traffic Activity Spokane International Airport (for the 12 months ending December 31; numbers in thousands)					
	Actual 2019	Actual 2020	Actual 2021	Estimate 2022	Budget 2023
Enplaned Passengers					
Alaska	706	334	544	643	658
Allegiant (non-sig)	0	-	18	38	39
Delta	501	202	385	500	511
Frontier (non-sig)	35	15	19	13	14
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By Terminal					
Terminal C	828	424	693	739	756
Terminal A&B	1,195	539	950	1,181	1,208
Total	2,023	962	1,643	1,920	1,964

AIRCRAFT LANDED WEIGHT FORECAST

The Airport collects landing fees from air carriers based on an aircraft's Maximum Gross Landed Weight (MGLW). The costs of operating the airfield are recovered through the Landing Fee Rate multiplied by the MGLW of each aircraft. The accuracy of the landed weight forecast of each air and cargo carrier has an impact on the Landing Fee Rate. Section IV, which discusses Cost Centers, Allocations, Rate Making and CPE, examines the methodology of rate making under a Residual Airline Agreement in place with the airlines. Typically, the higher the landed weight forecast, the lower the budgeted unit cost rate for the upcoming year.

The following table shows actual passenger and cargo landed weight for 2019 through 2021 along with forecasts for 2022 and 2023, which has been incorporated into the 2023 budget. 2023 landed weight is forecasted to be above 2019 levels by 1.5% due to an increase in cargo operations.

Traffic Activity Spokane International Airport (for the 12 months ending December 31; numbers in thousands)					
	Actual 2019	Actual 2020	Actual 2021	Estimate 2022	Budget 2023
Landed Weight (per 1,000 lbs.)					
Passenger Airlines					
Alaska	741	532	698	728	724
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Cargo					
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Non-signatory	66	130	93	123	126
Subtotal - Cargo	495	544	550	589	600
Total	2,733	2,168	2,633	2,682	2,774
% Change YoY	1.0%	-20.7%	21.5%	1.9%	3.4%
% Change to 2019		-20.7%	-3.7%	-1.9%	1.5%



Section IV. Cost Centers, Allocations, Rate Making and CPE

COST CENTERS

The Airport is currently organized with seven direct cost centers with a goal to continue to refine the cost centers and allocations to them each year to provide better forecasts for rate making. The direct cost centers are Airfield (including Operations and the Fuel Facility), GEG Terminal, Parking and Ground Transportation, Other Buildings and Grounds, Rental Car Facilities, the ABP and Felts Field. There are five indirect cost centers in Planning and Engineering, Airport Rescue and Fire Fighting (ARFF), Information Technology, Police / Dispatch, and Airport Administration.

ALLOCATIONS

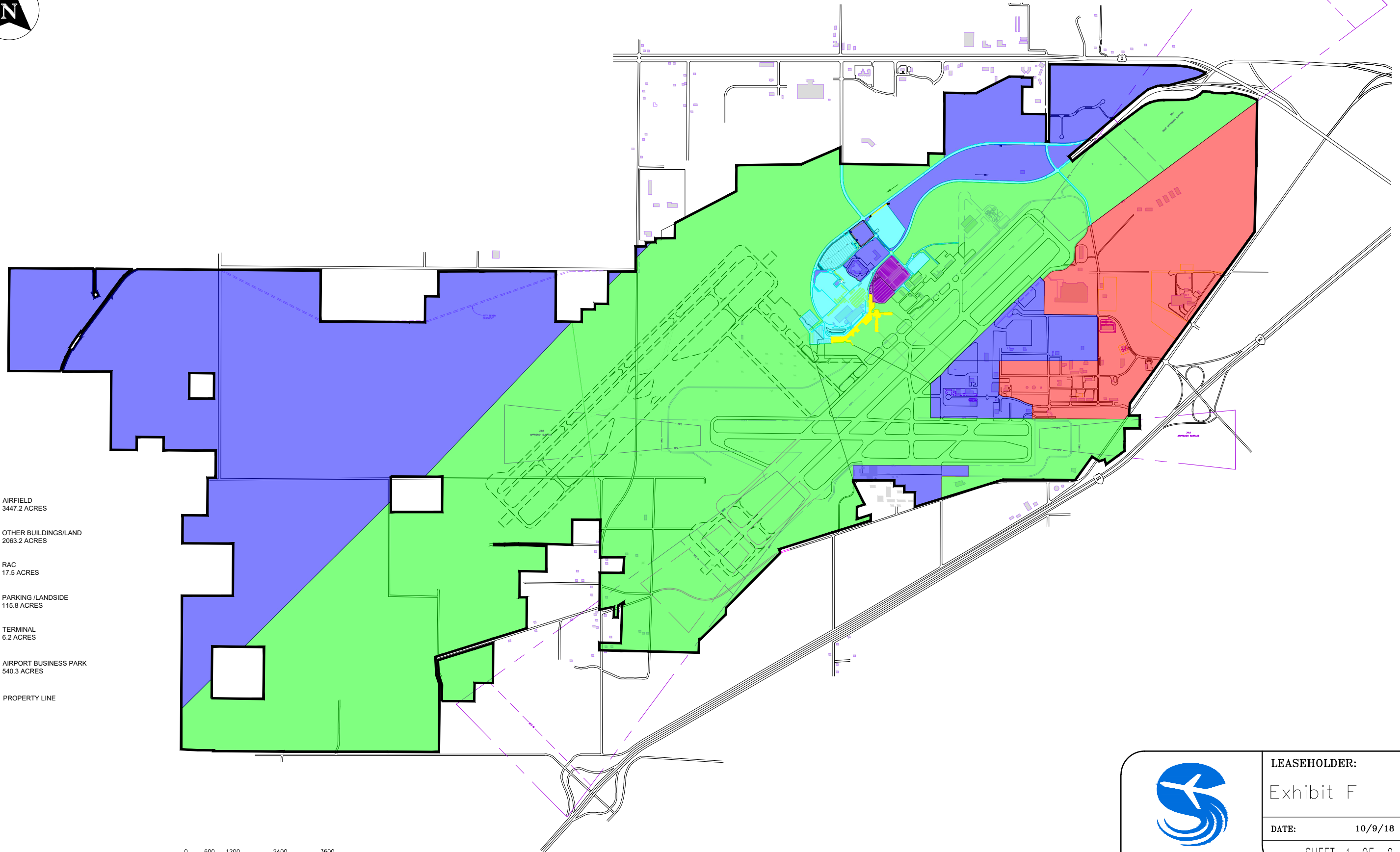
To develop rates, the expenses from four of the indirect costs centers, excluding administration, are allocated to the direct costs centers based on an analysis of the staff hours dedicated to a center along with the budgeted costs within each indirect cost center. After those indirect costs are allocated to the direct cost centers, administration is allocated based on the total actual direct and indirect costs for each direct cost center. The allocation percentages for 2023 are shown below. These allocation rates are reviewed annually and potentially revised at the end of each review period to reflect actual operations and maintenance for all of the facilities.

M&O Expense Allocation Percentages Spokane Airport Board								
	Airfield	Fuel	Terminal	Parking	OB&G	QTA	ABP	Felts
Indirect Allocations								
Airfield Maintenance	65.0%	0.0%	0.0%	20.0%	10.0%	0%	0.0%	5.0%
Terminal Maintenance	0.0%	0.0%	80.0%	20.0%	0.0%	0%	0.0%	0.0%
Operations	90.0%	0.0%	2.5%	2.5%	0.0%	0%	0.0%	5.0%
Fuel	100.0%	0.0%	0.0%	0.0%	0.0%	0%	0.0%	0.0%
Engineering	40.0%	1.0%	40.0%	10.0%	1.0%	0%	1.0%	7.0%
IT	25.0%	0.0%	25.0%	25.0%	18.0%	0%	2.0%	5.0%
ARFF/Fire	73.3%	3.2%	15.9%	0.9%	4.6%	0%	2.1%	0.0%
Police	1.0%	0.0%	80.0%	15.0%	1.5%	0%	2.5%	0.0%
Communications	1.0%	0.0%	80.0%	15.0%	1.5%	0%	2.5%	0.0%
Administration	29.8%	2.2%	31.5%	25.8%	3.5%	0%	3.9%	3.3%
Airport Business Park	0.0%	0.0%	0.0%	0.0%	0.0%	0%	100.0%	0.0%
Felts Field	0.0%	0.0%	0.0%	0.0%	0.0%	0%	0.0%	100.0%



LEGEND:

- AIRFIELD
3447.2 ACRES
- OTHER BUILDINGS/LAND
2063.2 ACRES
- RAC
17.5 ACRES
- PARKING /LANDSIDE
115.8 ACRES
- TERMINAL
6.2 ACRES
- AIRPORT BUSINESS PARK
540.3 ACRES
- PROPERTY LINE



0 600 1200 2400 3600
SCALE: 1" = 1200'
NOTE: SCALE SHOWN IS FOR 22 X 34 EXHIBITS, IF PLOTTED
ON 11 X 17 SCALE IS HALF SIZE.



LEASEHOLDER:

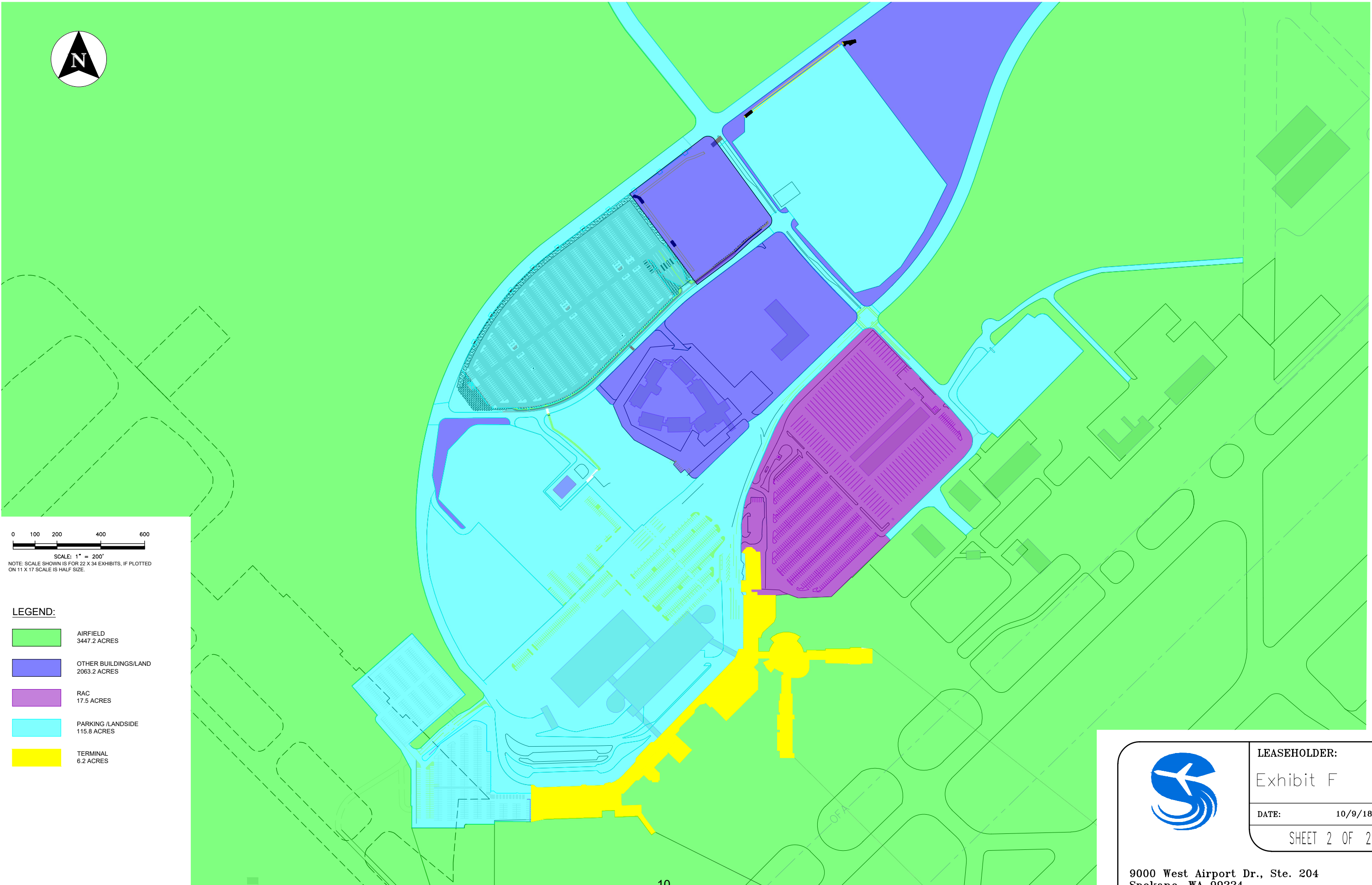
Exhibit F

DATE: 10/9/18

SHEET 1 OF 2

9000 West Airport Dr., Ste. 204
Spokane, WA 99224

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LEASEHOLDER:

Exhibit F

DATE: 10/9/18

SHEET 2 OF 2

9000 West Airport Dr., Ste. 204
Spokane, WA 99224

RATE MAKING

The Airport operates under an existing AOA with a residual ratemaking methodology where generally, with some exceptions, all revenues are shared with the signatory air carriers. Under the current AOA there is no specified methodology for each rate making calculation, however, there are federal guidelines for establishing rates. Currently the signatory airlines participate, in a consultation role only, in the budget and rate setting process and agreed to modifications to the rate making methodology outlined in the Introduction section under the Airline Operating Agreement (AOA).

Terminal Rental Rate Calculation

The existing AOA does not prescribe a methodology for calculating terminal building rentals, fees, and charges. However, exhibits provided annually to the air carriers with updated rates prescribes the fees and charges and the relative weighting of such charges. The Airport uses a cost center residual methodology to calculate a cost recovery terminal building rental rate.

The Terminal Building Cost includes allocable M&O Expenses, debt service (net of allocable PFC or CFC revenues), any debt service coverage, depreciation charges (net of bond-funded projects, grants, and PFC revenues), and M&O Reserve deposit requirements. The resulting Terminal Building Cost is reduced by Terminal Concession Revenues, Non-airline Terminal Rentals, a percentage of the estimated surplus revenue generated from the Parking/Landside cost center (with the remainder flowing into the airport residual landing fee rate), Other Terminal Payments, and Loading Bridge Fees to yield the Net Terminal Building Requirement.

The Net Terminal Building Requirement is divided by Rented Space weighted by the weight classifications to derive the Terminal Building Rental Rate per square foot per year. The 2023 terminal rental rate for Class 1 space (generally public areas) is \$63.02 per square foot per annum (sfpa), an increase of 3.8% from \$60.70 sfpa in 2022. The calculation of the Terminal Rental Rate is displayed in Section V.

Landing Fee Calculation

The methodology for calculating the landing fee rate is based on an airport residual approach where the total cost of SIA is credited with airline terminals rentals, other airline fees and charges, non-signatory airline landing fees, and non-airline revenues to yield the landing fee revenue requirement. The landing fee requirement is then divided by signatory airline landed weight forecast to derive the landing fee rate per 1,000 pound unit.

More specifically, the methodology consists of the following steps:

1. The SIA rate base includes M&O Expenses, debt service, debt service coverage, depreciation charges (net of grants and PFC revenues), and the M&O Expense Reserve deposit requirement. The rate base also includes an amount to provide sufficient funding for the Airport's share of funding the CIP.

2. The Airfield Requirement is then reduced by airline revenues other than landing fees and non-airline revenues, and the prior year carry forward surplus (deficit) to yield the Net Landing Fee Requirement.

3. The Net Landing Fee Requirement is divided by forecast Total Landed Weight of passenger and cargo carriers (as weighted for premiums) to derive the Signatory Airline Landing Fee Rate per 1,000-pound unit.

The 2023 landing fee rate is \$2.24 per 1,000 pounds of landed weight, an increase of 3.7% from the 2022 rate of \$2.16 / 1,000 pounds. The calculation of the Landing Fee Rate is displayed in Section V.

COST PER ENPLANEMENT (CPE)

The calculations of the Terminal Rent Rate and the Landing Fee result in charges to the air carriers. Those charges contribute to both Terminal and Airfield Revenue. One measure of the cost to operate at an airport by an airline is the Cost Per Enplanement (CPE) calculation.

The average CPE represents the net cost incurred by the commercial airlines based on their regular operations at the Airport. The table below shows the actual CPE for 2019 through 2021 along with forecasts for 2022 and 2023. The 2022 estimated CPE is \$5.79 as compared to a budgeted CPE of \$6.19, which was presented in the 2022 Budget. The improvement in the CPE relates to the recovery of passenger activity in 2022 and lower operating expenses than budgeted. The 2023 budgeted CPE is \$6.13, which is lower than actual 2019.

Airline Cost per Enplaned Passenger Spokane International Airport (for the 12 months ending December 31; numbers in thousands except rates)					
	Actual 2019	Actual 2020	Actual 2021	Estimate 2022	Budget 2023
Passenger Airline Payments					
Passenger Airline Signatory Landing Fees	\$ 5,186	\$ 3,106	\$ 4,221	\$ 4,399	\$ 4,722
Terminal Building Rent	6,751	6,916	6,504	5,987	6,549
Loading Bridge Fees	247	260	265	380	384
RON and Airfield Fees	260	112	211	209	217
Subtotal	\$ 12,444	\$ 10,394	\$ 11,202	\$ 10,975	\$ 11,871
Nonsignatory Passenger Landing Fees	112	59	137	141	171
Total Airline Revenues	\$ 12,556	\$ 10,453	\$ 11,338	\$ 11,116	\$ 12,041
Enplaned Passengers	2,023	962	1,643	1,920	1,964
Airline Cost per Enplaned Passenger	\$ 6.21	\$ 10.86	\$ 6.90	\$ 5.79	\$ 6.13



Section V. Terminal Rent Rate and Landing Fee Calculations

The tables below show the actual calculation of the average terminal rent rate and the airfield landing fee as described in Section IV Rate Making.

Calculation of Terminal Building Rental Rate					
Spokane International Airport					
(for the 12 months ending December 31; numbers in thousands except rates)					
	Actual 2019	Actual 2020	Actual 2021	Estimate 2022	Budget 2023
TERMINAL BUILDING COST					
M&O Expenses	\$ 9,824	\$ 8,441	\$ 9,093	\$ 10,499	\$ 12,137
M&O Reserve Fund Requirement	641	-	-	79	1,289
Debt Service	-	-	-	-	-
CARES Act Grants for Debt Service	-	-	-	-	-
Debt Service Coverage	-	-	-	-	-
Net Depreciation Charges	2,263	2,194	2,085	1,662	1,537
Terminal Building Cost	\$ 12,729	\$ 10,635	\$ 11,178	\$ 12,240	\$ 14,963
Less: Terminal Non-Airline Revenues Associated With Rented Space					
Terminal Concession Revenues	\$ (2,223)	\$ (1,291)	\$ (1,680)	\$ (2,462)	\$ (2,518)
Nonairline Terminal Rentals	(686)	(650)	(633)	(797)	(797)
Share of Parking Surplus @ 35% (2022 / 2023)	(1,848)	(892)	(2,962)	(3,422)	(3,912)
Other Terminal Payments	(844)	(642)	(1,079)	(1,171)	(1,136)
CARES Reimbursement		(3,551)	-	(32)	-
Loading Bridge Fees	(247)	(260)	(265)	(380)	(384)
Net Terminal Building Requirement	\$ 6,880	\$ 3,349	\$ 4,559	\$ 3,976	\$ 6,216
Weighted Rented Space	96	99	99	99	99
Charged Average Terminal Rental Rate (per sq ft per year)	\$ 61.44	\$ 64.73	\$ 59.19	\$ 60.70	
Calculated Average Terminal Rental Rate (per sq ft per year)	\$ 71.79	\$ 33.95	\$ 46.22	\$ 40.31	\$ 63.02
Rented Space	96	99	99	99	99
Subtotal	\$ 5,889	\$ 6,384	\$ 5,838	\$ 3,976	\$ 6,216
Other Airline Terminal Payments ¹	333	333	333	333	333
Airline Terminal Rentals	\$ 6,221	\$ 6,717	\$ 6,170	\$ 4,309	\$ 6,549
1. Storage – Outside, Janitorial, Boarding Areas Walkway, Ramp - Equipment Storage, and Glycol Pad.					

Calculation of Landing Fee Spokane International Airport (for the 12 months ending December 31; numbers in thousands except rates)					
	Actual 2019	Actual 2020	Actual 2021	Estimate 2022	Budget 2023
Landing Fee Requirements					
M&O Expenses	\$ 29,380	\$ 24,931	\$ 24,374	\$ 29,649	\$ 37,129
Net Depreciation					
Total SIA Depreciation - Existing Assets	23,806	27,889	28,131	27,892	22,929
Less: Future Capital Outlays					
Less Grant, PFC and Bond Funded Assets	(14,120)	(16,821)	(17,708)	(17,584)	(13,631)
Net SIA Depreciation - Existing Assets	9,686	11,067	10,423	10,308	9,298
Future SAB Funded Assets (Net of AIP/PFC)	-	-	-	-	1,542
Return on Investment in Land	990	990	990	990	992
Additional Discretionary Cash Flow (if Extension)	1,800	1,800	1,800	1,800	2,500
Debt Service					
Debt Service - Outstanding GARBs	-	-	-	-	-
Debt Service - Future GARBs	-	-	-	-	-
Debt Service - Outstanding Subordinate Lien	468	468	4,089	-	-
Required Debt Service Coverage	-	-	-	-	-
M&O Reserve Fund	1,876	-	-	216	3,841
Subtotal	\$ 44,199	\$ 39,256	\$ 41,676	\$ 42,964	\$ 55,302
Less:					
Airline Terminal Building Rent	(6,751)	(6,916)	(6,504)	(5,987)	(6,548)
Other Airline Revenues	(1,333)	(1,107)	(1,347)	(1,482)	(1,750)
Total Nonairline Revenues, incl CARES	(28,179)	(26,495)	(25,379)	(31,875)	(33,998)
Subtotal	\$ 7,937	\$ 4,737	\$ 8,447	\$ 3,619	\$ 13,005
Less Non-Operating Revenues					
Interest Income	\$ (661)	\$ (642)	\$ (501)	\$ (600)	\$ (600)
Air Service Incentive Waivers	(65)	(46)	(50)	(50)	(50)
CARES Act Grants for Debt Service			(4,089)	-	-
TOTAL LANDING FEE REQUIREMENT	\$ 7,211	\$ 4,049	\$ 3,807	\$ 2,969	\$ 12,355
Plus Unfunded Pension Liability			861		
Prior Year Carry Over (Surplus)/Deficit	(2,167)	(957)	(995)	(1,898)	(4,923)
Net Landing Fee Requirement	\$ 5,044	\$ 3,093	\$ 3,674	\$ 1,072	\$ 7,432
Landing Fees Paid	\$ 6,524	\$ 4,346	\$ 5,571	\$ 5,995	
Signatory Landed Weight (millions/lbs)	2,198	1,600	2,030	2,037	2,107
Signatory Cargo Landed Weight (adjusted for premium) 105%	450	435	479	489	498
Non-Signatory Use Agmt Landed Weight (adjusted) 115%	47	26	62	65	76
Itinerant Landed Weight (adjusted) 150%	99	195	140	185	189
Adjusted Total Landed Weight	2,794	2,257	2,711	2,775	2,870
Change	1.2%	-19.2%	20.1%	2.4%	3.4%
Calculated Signatory Airline Landing Fee Rated (per 1000 lbs)	\$ 1.81	\$ 1.37	\$ 1.36	\$ 0.39	\$ 2.24
Charged Signatory Airline Landing Fee Rate	2.36	2.24	2.10	2.16	
Charged Signatory Cargo Airline Landing Fee Rate 105%	2.48	2.35	2.21	2.27	2.35
Non-Signatory Use Agmt Landing Fee Rate 115%	2.71	2.58	2.42	2.48	2.58
Itinerant Landing Fee Rate 150%	3.54	3.36	3.15	3.24	3.36



Section VI. Operating Revenues and Expenses

OPERATING REVENUE

Operating revenue is generated from the Airport's primary business activities and reported through the cost centers outlined earlier (Airfield, Fuel Facility, GEG Terminal, Parking and Ground Transportation, Other Buildings and Grounds, Rental Car Facilities, ABP and Felts Field). Non-Operating revenue is generated from facility charges, interest income and the periodic sale of surplus land.

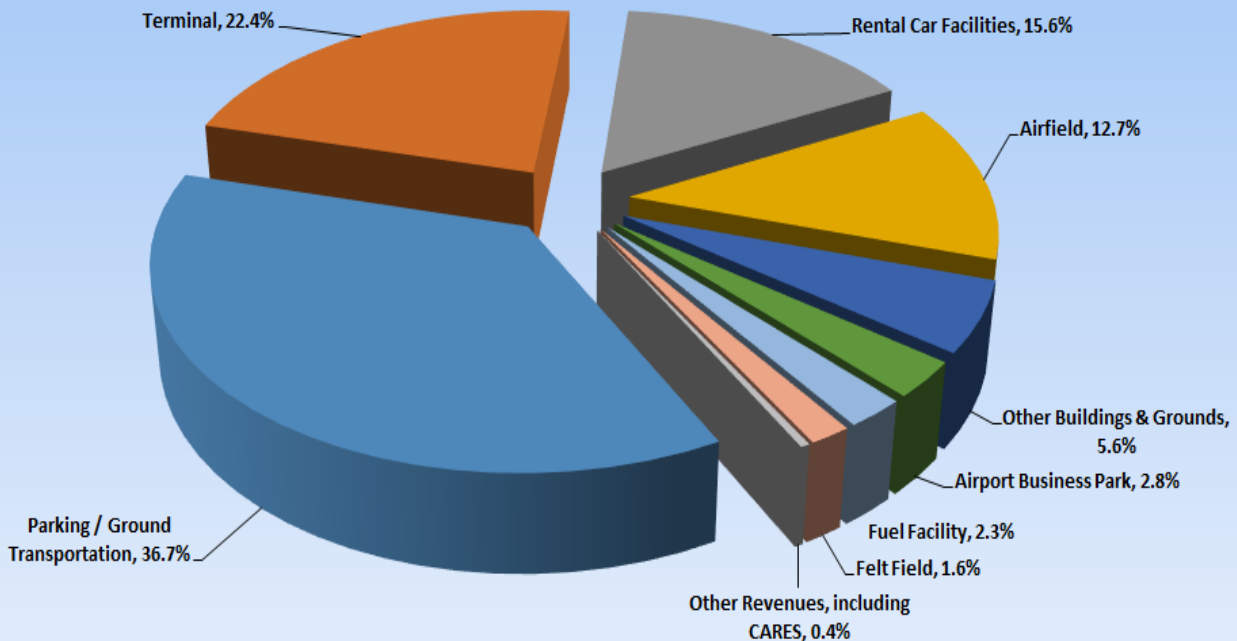
Highlights:

- **Parking and Ground Transportation** revenue is estimated to increase 35.9% compared to 2022. Parking and Ground Transportation comprises 36.7% of SIA's operating revenues.
- **Terminal and Other Commercial Land / Building Rents** are more exposed to the fluctuations in passenger activity, market demand varies for leased space products available in the Business Park and periodic land lease opportunities for aeronautical and non-aeronautical uses. Airline Terminal revenue is 22.4% of SIA's operating revenue.
- **Rental Car Facilities** represents 15.6% of total revenues and is estimated to increase 24.3% over the prior year.

This table and the chart on the next page shows the main revenue sources for 2022 and 2023.

Sources of Operating Revenue									
<i>This table shows general categories of revenues as a percentage of total operating revenues</i>									
Rank	Description	Year End							
		Budgeted 2022	FY 2022 % of Total Rev	Estimate 2022	FY 2022 % of Total Rev	Budgeted 2023	FY 2023 % of Total Rev	\$ Change	% Change
1	Parking / Ground Transportation	13,702,000	33.0%	15,425,050	32.4%	18,624,734	36.7%	4,922,734	35.9%
2	Terminal	9,674,941	23.3%	10,823,960	22.7%	11,369,163	22.4%	1,694,222	17.5%
3	Rental Car Facilities	6,377,500	15.4%	8,927,224	18.7%	7,925,041	15.6%	1,547,541	24.3%
4	Airfield	6,548,474	15.8%	6,327,706	13.3%	6,431,544	12.7%	(116,930)	-1.8%
5	Other Buildings & Grounds	2,083,582	5.0%	2,842,052	6.0%	2,817,766	5.6%	734,184	35.2%
6	Airport Business Park	1,466,000	3.5%	1,453,000	3.0%	1,435,179	2.8%	(30,821)	-2.1%
7	Fuel Facility	735,800	1.8%	893,555	1.9%	1,150,000	2.3%	414,200	56.3%
8	Felt Field	718,751	1.7%	785,122	1.6%	796,600	1.6%	77,849	10.8%
9	Other Revenues, including CARES	164,300	0.4%	175,870	0.4%	179,300	0.4%	15,000	9.1%
Total Operating Revenues		\$ 41,471,348	100.0%	\$ 47,653,540	100.0%	\$ 50,729,326	100.0%	\$ 9,257,978	22.3%

2023 Sources of Operating Revenue



OPERATING EXPENSES

Operating expenses are incurred through normal and customary business operations of the Airport and tracked in the direct and indirect cost centers described previously. Along with the direct cost centers tracking revenue, there are five indirect cost centers in Planning and Engineering, Airport Rescue and Fire Fighting (ARFF), Information Technology, Police and Dispatch along with Airport Administration. The following table and chart breaks down expenses into smaller categories for analysis.

Highlights:

- **Personnel Compensation and Benefits** accounts for 41.0% of total operating expenses. This expense category is budgeted at 11.7% over the prior year and is related to anticipated increases in staffing levels due to the recovery of passenger activity.
- **Ground Maintenance and Snow Control** accounts for 15.6% of total operating expenses in 2023. This expense category is budgeted at 16.6% over the prior year due to an increase in roadways and vehicle parking areas required to be maintained as well as to address deferred maintenance on assets during the COVID-19 pandemic and recovery.
- **Utilities** accounts for 7.2% of total operating expenses in 2023 and represents an increase of 18.2% over the 2022 budget. The increase partially relates to increasing cost of power and increasing power usage in the terminal.

Operating Expenditures by Rank



This table shows general categories of expenses as a percentage of total operating expenses

Rank	Description	Budgeted 2022	FY 2022 % of Total Exp	Year End Estimate 2022	FY 2022 % of Total Exp	Budgeted 2023	FY 2023 % of Total Exp	'23 vs '22 Budget \$ Change	% Change
1	Personnel (Incl taxes / benefits)	14,601,075	43.5%	14,365,260	46.6%	16,309,274	41.0%	1,708,199	11.7%
2	Grounds Maintenance / Snow Control	5,312,800	15.8%	2,888,139	9.4%	6,194,850	15.6%	882,050	16.6%
3	Utilities (Power/Nat. Gas/Water/Sewer)	2,423,600	7.2%	2,456,718	8.0%	2,865,527	7.2%	441,927	18.2%
4	Facilities, Hangars, Bldgs	1,808,750	5.4%	1,646,640	5.3%	2,557,676	6.4%	748,926	41.4%
5	Custodial Services & Supplies	1,747,694	5.2%	1,906,610	6.2%	2,178,500	5.5%	430,806	24.6%
6	Professional Services	1,209,911	3.6%	1,610,310	5.2%	2,038,964	5.1%	829,053	68.5%
7	Other Supplies	740,700	2.2%	731,207	2.4%	913,270	2.3%	172,570	23.3%
8	Equipment Maintenance	721,300	2.1%	644,199	2.1%	869,777	2.2%	148,477	20.6%
9	Insurances	625,750	1.9%	664,868	2.2%	744,324	1.9%	118,574	18.9%
10	Research / Planning / Engineering	510,000	1.5%	260,062	0.8%	443,951	1.1%	(66,049)	-13.0%
	Other Operating Expenses	3,890,761	11.6%	3,650,529	11.8%	4,674,154	11.7%	783,393	20.1%
	Total Operating Expenses	\$ 33,592,341	100.0%	\$ 30,824,544	100.0%	\$ 39,790,269	100.0%	\$ 6,197,928	18.5%

Note: Minor reclassifications have been made to prior years to conform with 2023 presentation and some totals or % may not add exactly due to rounding

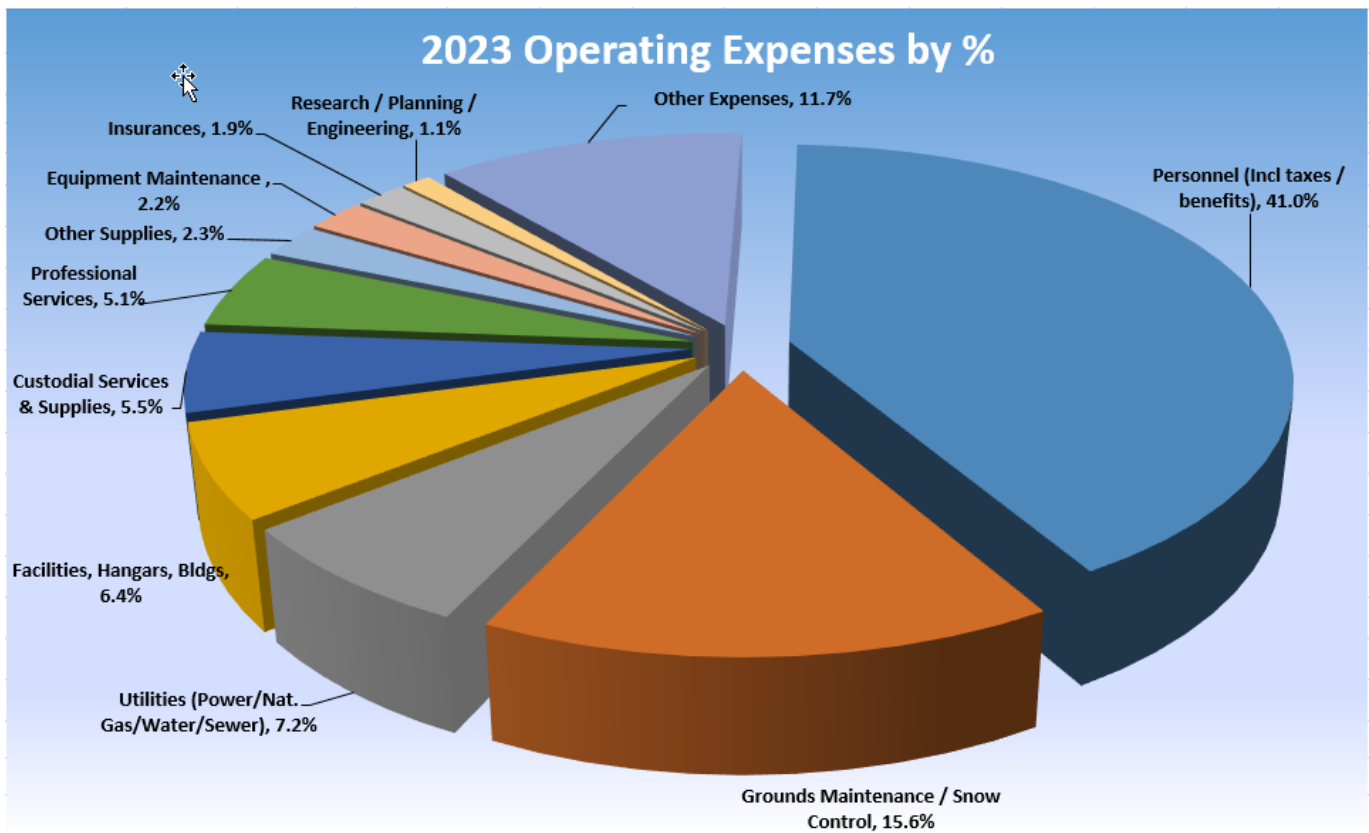


Chart shows operating expenses in 2023 as a percentage of total operating expenses



Section VII. Capital Improvement Program

The Capital Improvement Program (CIP) is developed annually and updated throughout each year. The purpose of the CIP process is to evaluate, prioritize, and coordinate proposed projects for a period of several years. Projects that may require FAA funding in the future are updated through consultation with the FAA annually. Funding for CIP projects typically comes from the FAA, DOT, and the TSA along state grants, PFCs, CFCs, debt issuance and cash generated by operation of the Airport.

The primary goal of the CIP is the development of a detailed capital budget for the current fiscal year and a flexible and rolling plan for capital development for the next several years. By updating and approving the CIP, a strategy and schedule is set for budgeting and constructing facilities at SIA, ABP, and Felts Field. The Airport Board reviews and approves all major CIP projects on an individual basis.

The table below shows a summary of projects by area anticipated for 2023.

Summary of 2023 Capital Improvement Program			
Spokane Airports			
(for the 12 months ending December 31; numbers in thousands)			
	Budget 2023		Budget 2023
CIP PROJECT COSTS		SOURCES OF FUNDS	
Spokane International Airport		Spokane International Airport	
Airfield	\$ 37,605	AIP - Entitlement	\$ 9,000
Terminal - Other	8,492	AIP - Discretionary	51,000
Terminal - TREX	48,000	GARBs	7,000
Parking / Landside Roadways	8,825	PFC-Supported Bonds	10,312
Hangars & Buildings (Incl RAC)	8,700	PFC pay-as-you-go	5,360
ARFF	1,065	CFC	3,500
IT	2,075	SAB	31,278
Police	100	Other	1,000
Fuel	3,075		
Admin	513		
Subtotal - SIA	118,450	Subtotal - SIA	\$ 118,450
Felts Field	3,936	Felts Field	3,936
Airport Business Park	1,187	Airport Business Park	1,187
Total CIP	\$ 123,573	Total CIP	\$ 123,573

Spokane Airports
Proposed Capital Improvement Program

Item No.	Project Description	Airport	Cost Center	FEDERAL FUNDS		BONDS		LOCAL FUNDS				TOTAL
				DI	Entitlement	PFC	GARB	PFC	CFC	OTHER	Airport	
2023 (FY January - December 2023)												
Spokane International Airport												
1	Landside/Parking Projects:											
2	Development Projects											
3	Realign Spotted Road with Interchange - Environmental Assessment and Design	SIA	Parking								\$75,000	\$75,000
4	Flint Road Intersection Improvements - Design and Construction	SIA	Parking								\$1,000,000	\$1,000,000
5	Concourse C South Parking Lot Improvements - Design and Construction	SIA	Parking								\$3,500,000	\$3,500,000
6	Terminal Crosswalk Improvements - Design and Construction	SIA	Parking								\$750,000	\$750,000
7	Mill and Overlay Airport Drive Outbound - Spotted Road to Flint Road - Design and Construction	SIA	Parking								\$1,000,000	\$1,000,000
8	Install Electric Vehicle Charging Stations in Garage and Outside Lot	SIA	Parking								\$500,000	\$500,000
9	Sanitary Sewer Improvements Project	SIA	Parking								\$1,500,000	\$1,500,000
10	Roadway Lighting Upgrades - ESCO	SIA	Parking								\$500,000	\$500,000
11	Equipment and Other Purchases											
12												
13	Airfield Projects:											
14	Development Projects											
15	West Terminal Ramp and Taxilane Improvements - Design and Construction, Phase 1	SIA	Airfield		\$3,500,000						\$350,000	\$3,850,000
16	West Terminal Ramp and Taxilane Improvements - Design and Construction, Phase 2	SIA	Airfield	\$17,500,000	\$5,000,000						\$2,250,000	\$24,750,000
17	Reconstruct Taxiway A - Design	SIA	Airfield		\$500,000						\$50,000	\$550,000
18	East Air Cargo Ramp Expansion - Design and Construction	SIA	Airfield								\$7,000,000	\$7,000,000
19	New Fuel Island Design	SIA	Airfield								\$75,000	\$75,000
20	Airfield Sign Replacements	SIA	Airfield								\$125,000	\$125,000
21	Vehicles, Equipment and Other Purchases											
22	Toro Grounds Master Mower (Replace)	SIA	Airfield								\$125,000	\$125,000
23	Rhino Mower Deck (Replace)	SIA	Airfield								\$35,000	\$35,000
24	Portable Variable Message Sign (Replace)	SIA	Airfield								\$15,000	\$15,000
25	Fleet Vehicle 988 (Replace 1999 F250)	SIA	Airfield								\$65,000	\$65,000
26	Fleet Vehicle 989 (Replace 1999 F250)	SIA	Airfield								\$65,000	\$65,000
27	Snow Equipment (Replace 903 Runway Broom with Broom/Plow Unit)	SIA	Airfield								\$950,000	\$950,000
28												
29	Fuel Facility Projects:											
30	Thermal Relief Valve and Sump Improvements - Design and Construction	SIA	Fuel								\$1,500,000	\$1,500,000
31	New AST Jet-A Fuel Receipt Tank (500,000 gal) - Design and Construction	SIA	Fuel								\$1,500,000	\$1,500,000
32	Ground Fueling Station Controls Upgrade - Design and Construction	SIA	Fuel								\$75,000	\$75,000
33												
34	Aviation Leased Property Projects:											
35												
36	Non Aviation Leased Property Projects:											
37												
38												
39	Rental Car Facilities Projects:											
40	GTC Improvements - Design and Construction, Phase 3	SIA	Hangars & Buildings						\$3,500,000			\$3,500,000
41												

Spokane Airports
Proposed Capital Improvement Program

Item No.	Project Description	Airport	Cost Center	FEDERAL FUNDS		BONDS		LOCAL FUNDS				TOTAL
				DI	Entitlement	PFC	GARB	PFC	CFC	OTHER	Airport	
2023 (FY January - December 2023)												
42	Terminal Projects:											
43	Development Projects											
44	Concourse C TREX - PFC #12 - Construction	SIA	Terminal	\$28,000,000		\$7,000,000	\$8,500,000	\$4,500,000				\$48,000,000
45	Concourse C TREX Automated Exit Lane - Design & Construction	SIA	Terminal				\$1,812,499	\$860,000				\$2,672,499
46	Administrative Office Building - Design & Construction	SIA	Terminal	\$3,000,000								\$3,000,000
47	Replace Bag Makeups OHD (14 Doors)	SIA	Terminal								\$180,000	\$180,000
48	Replace Chiller 4 - Concourse A - ESCO	SIA	Terminal								\$145,000	\$145,000
49	Elevator Modernization - Cars 2, 3 and 4 - ESCO	SIA	Terminal								\$1,200,000	\$1,200,000
50	Escalator Modernization - 2 at Main Terminal - ESCO	SIA	Terminal								\$1,100,000	\$1,100,000
51	Vehicles, Equipment and Other Purchases											
52	Replace Snow Equipment (Small Tractor)	SIA	Terminal								\$45,000	\$45,000
53	Replace Fleet Vehicle 367 (2001 F350)	SIA	Terminal								\$75,000	\$75,000
54	Replace Fleet Vehicle 387 (1995 Jetway Box Van)	SIA	Terminal								\$75,000	\$75,000
55												
56	Aircraft Rescue and Fire Fighting (ARFF) Projects:											
57	Replace Fleet Vehicle 501	SIA	ARFF								\$65,000	\$65,000
58	Replace ARFF Vehicle 503	SIA	ARFF								\$1,000,000	\$1,000,000
59												
60	Information Technology Projects:											
61	Lenel Security Upgrades (Analog Camera Replacements)	SIA	IT								\$600,000	\$600,000
62	Security Video Network Upgrades (Network Switch Replacements)	SIA	IT								\$1,000,000	\$1,000,000
63	Security Server Replacements (Server Replacements)	SIA	IT								\$125,000	\$125,000
64	Admin Server Acquisition (Admin Server Replacements)	SIA	IT								\$50,000	\$50,000
65	Meeting Room A/V System Enhancements	SIA	IT								\$300,000	\$300,000
66												
67												
68	Security (Police/Communications):											
69	Development Projects											
70	Relocate Dispatch Center - Design and Construction	SIA	Police								\$100,000	\$100,000
71												
72	Equipment and Other Purchases											
73												
74	Administration:											
75	Development Projects											
76	Replace - Operation Department Building Roof - ESCO	SIA	Admin								\$123,000	\$123,000
77	Replace Operation Department Building HVAC - ESCO	SIA	Admin								\$180,000	\$180,000
78	Vehicles, Equipment and Other Purchases											
79	Engineering - Acquire New Vehicle	SIA	Admin								\$75,000	\$75,000
80	Replace Fleet Vehicle 198 (2014 Tahoe)	SIA	Admin								\$75,000	\$75,000
81	New Fleet Vehicle (Touring Van)	SIA	Admin								\$60,000	\$60,000
82												
83	Other:											
84	Rail - Truck Transload Facility (Phase III)	SIA	Hangars & Buildings	\$2,500,000						\$1,000,000	\$500,000	\$4,000,000
85	Land Acquisition	SIA	Hangars & Buildings								\$1,200,000	\$1,200,000
86												
87	Total Spokane International Airport FY 2023			\$51,000,000	\$9,000,000	\$7,000,000	\$10,312,499	\$5,360,000	\$3,500,000	\$1,000,000	\$31,278,000	\$118,450,499
88												

Spokane Airports
Proposed Capital Improvement Program

Item No.	Project Description	Airport	Cost Center	FEDERAL FUNDS		BONDS		LOCAL FUNDS				TOTAL
				DI	Entitlement	PFC	GARB	PFC	CFC	OTHER	Airport	
2023 (FY January - December 2023)												
Spokane International Airport Business Park												
89	Non Aviation Leased Property Projects:											
90	Replace BLDG 43 Roof - ESCO	ABP	ABP								\$82,000	\$82,000
91	Replace BLDG 43 HVAC - ESCO	ABP	ABP								\$55,000	\$55,000
92	Water Tower Site Fencing	ABP	ABP								\$50,000	\$50,000
93	Administrative:											
94												
95	Other:											
96	Roadway Improvements (Flightline Blvd, Pilot Drive, BP Sidewalks) - Design and Construction	ABP	ABP								\$1,000,000	\$1,000,000
97												
98	Total Spokane International Airport Business Park FY 2023			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,187,000	\$1,187,000
Felts Field												
99	Airfield:											
100	New Tie-Down Apron - Construction	FF	Airfield		\$750,000							\$750,000
101	Rehabilitate Runway 4L/22R - Design	FF	Airfield		\$250,000						\$25,000	\$275,000
102	Northeast Taxilane Development - Environmental Review	FF	Airfield		\$75,000						\$7,500	\$82,500
103	Vehicles, Equipment and Other Purchases											
104	Replace Equipment (1230 field tractor transmission)	FF	Airfield								\$18,000	\$18,000
105												
106	Aviation Leased Property Projects:											
107												
108	Fuel Facility:											
109	New AST for AvGas Fuel (12,000 gal)	FF	Hangars & Buildings								\$35,000	\$35,000
110												
111	Terminal:											
112	Renovate and Expand Terminal, including CBP Facility - Preliminary Design	FF	Terminal								\$150,000	\$150,000
113	Replace Terminal Boiler, Windows HVAC and Roof	FF	Terminal								\$200,000	\$200,000
114												
115	Other:											
116	Restore Mamer Clock Tower - Construction	FF	Airfield							\$50,000	\$50,000	\$100,000
117	Construct Child's Playground Area - Design and Construction	FF	Airfield							\$400,000	\$400,000	\$800,000
118	Gateway Entrance - Preliminary Design and ROW/Easement Study	FF	Airfield								\$25,000	\$25,000
119	Gateway Entrance - Design and Construction	FF	Airfield							\$500,000	\$500,000	\$1,000,000
120	Land Acquisition	FF	Airfield								\$500,000	\$500,000
121												
122	Total Felts Field FY 2023			\$0	\$1,075,000	\$0	\$0	\$0	\$0	\$950,000	\$1,910,500	\$3,935,500
123												
124	TOTAL FY 2023			\$51,000,000	\$10,075,000	\$7,000,000	\$10,312,499	\$5,360,000	\$3,500,000	\$1,950,000	\$34,375,500	\$123,572,999



Section VIII. Debt Service

As of the end of the 2022 fiscal year, the Airport has no outstanding debt. The debt service calculation for 2019 through 2021, along with forecasts for 2022 and 2023, is shown below. The Airport defeased a 2008 bond and redeemed a 2005 bond in 2017 and defeased four Washington State Community Economic Revitalization Board (CERB) loans in 2021. Since the Airport does not carry any municipal bond debt, it has not been required to obtain a bond rating, however the most recent ratings in 2017 were A+ Standard & Poor's, A+ Fitch, and A-2 Moody's.

Having no outstanding debt positions the Airport well to be able to pursue long-term bond financing to fund the Concourse C TREX construction project and potentially subsequent terminal expansion and renovation projects as well as other projects at Felts Field or in the Airport Business Park or at the new Transload Facility that will be operational in 2023.

Debt Service by Series and Cost Center					
Spokane International Airport					
(for the 12 months ending December 31; numbers in thousands)					
	Actual 2019	Actual 2020	Actual 2021	Estimate 2022	Budget 2023
By Series					
Senior Lien					
2008 Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
2010 Revenue Bonds	-	-	-	-	-
Total Existing Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Future PFC Debt Service	-	-	-	-	-
Less: PFC Revenues Pledged	-	-	-	-	-
Future GARB Debt Service	-	-	-	-	-
Total Senior Lien Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Subordinate Lien					
2005 CERB Loan	\$ 51	\$ 51	\$ 250	\$ -	\$ -
2006 CERB Loan	48	48	315	-	-
2008 CERB Loan	118	118	1,024	-	-
2010 CERB Loan	250	250	2,500	-	-
Total Subordinate Debt Service	\$ 468	\$ 468	\$ 4,089	\$ -	\$ -
Subordinate Lien - Felts Field					
2018 City Hangar Loan	-	-	-	-	-
Senior Lien					
2005 Revenue Bonds - ABP	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEBT SERVICE	\$ 468	\$ 468	\$ 4,089	\$ -	\$ -



Section IX. Budget Summaries by Cost Center

- Spokane Airport Board Consolidated Summary
- Spokane International Operations Summary
- Business Park Operations Summary
- Felts Field Operations Summary
- Capital Improvement Program



SPOKANE AIRPORT BOARD

2023 BUDGET SUMMARY

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>	<u>% Change '23 vs '22</u>
Operations Revenues (with CARES)						
Spokane International	\$ 42,796,506	\$ 38,764,805	\$ 42,889,578	\$ 45,415,418	\$ 48,484,962	
Airport Business Park	1,395,220	1,599,815	1,448,381	1,453,000	1,435,179	
Felts Field	772,149	866,944	808,295	785,122	796,600	
Total Operations Revenues	<u>44,963,875</u>	<u>41,231,564</u>	<u>45,146,254</u>	<u>47,653,540</u>	<u>50,716,741</u>	6.4%
Other Sources						
Spokane International	661,122	751,506	500,658	600,000	600,000	
Airport Business Park	15,127	16,337	11,363	13,000	16,000	
Felts Field	9,855	120,629	8,581	64,462	10,000	
(To) / From Reserves	(3,474,713)	(2,847,536)	(7,347,204)	(6,651,991)	(619,835)	
Total Other Sources	<u>(2,788,609)</u>	<u>(1,959,064)</u>	<u>(6,826,602)</u>	<u>(5,974,529)</u>	<u>6,165</u>	
Total Operations / Other Sources	<u>\$ 42,175,266</u>	<u>\$ 39,272,500</u>	<u>\$ 38,319,652</u>	<u>\$ 41,679,011</u>	<u>\$ 50,722,906</u>	21.7%
Operations Expenses						
Spokane International	\$ 29,419,101	\$ 26,104,978	\$ 22,292,284	\$ 29,709,187	\$ 38,438,681	29.4%
Airport Business Park	614,655	568,191	543,669	362,459	703,826	
Felts Field	596,296	547,688	456,573	752,898	647,762	
Total Operations Expenses	<u>30,630,052</u>	<u>27,220,857</u>	<u>23,292,526</u>	<u>30,824,544</u>	<u>39,790,269</u>	29.1%
Debt Service						
Spokane International	467,519	467,519	4,089,205	-	-	
Airport Business Park	-	-	-	-	-	
Felts Field	-	-	-	-	-	
Total Debt Service	<u>467,519</u>	<u>467,519</u>	<u>4,089,205</u>	<u>-</u>	<u>-</u>	
Operations & Debt Service	<u>31,097,571</u>	<u>27,688,376</u>	<u>27,381,731</u>	<u>30,824,544</u>	<u>39,790,269</u>	29.1%
Non-Cash Depreciation						
Spokane International	9,649,412	9,935,178	9,290,428	9,091,614	9,297,882	
Airport Business Park	556,887	536,935	506,783	622,255	595,606	
Felts Field	871,395	1,112,010	1,140,710	1,140,598	1,039,149	
Total Non-Cash Depreciation	<u>11,077,695</u>	<u>11,584,123</u>	<u>10,937,921</u>	<u>10,854,467</u>	<u>10,932,637</u>	
Total Operations / Other Expenditures	<u>\$ 42,175,266</u>	<u>\$ 39,272,500</u>	<u>\$ 38,319,652</u>	<u>\$ 41,679,011</u>	<u>\$ 50,722,906</u>	21.7%
Capital Sources						
Spokane International	30,435,966	13,345,017	29,266,302	71,612,000	118,450,499	
Airport Business Park	838,943	17,727	118,297	430,000	1,187,000	
Felts Field	4,243,194	444,535	1,237,398	3,512,000	3,935,500	
	<u>\$ 35,518,103</u>	<u>\$ 13,807,279</u>	<u>\$ 30,621,997</u>	<u>\$ 75,554,000</u>	<u>\$ 123,572,999</u>	63.6%
Capital Expenditures						
Spokane International	30,435,966	13,345,017	29,266,302	71,612,000	118,450,499	
Airport Business Park	838,943	17,727	118,297	430,000	1,187,000	
Felts Field	4,243,194	444,535	1,237,398	3,512,000	3,935,500	
	<u>\$ 35,518,103</u>	<u>\$ 13,807,279</u>	<u>\$ 30,621,997</u>	<u>\$ 75,554,000</u>	<u>\$ 123,572,999</u>	63.6%
Consolidated Sources	<u>\$ 77,693,369</u>	<u>\$ 53,079,779</u>	<u>\$ 68,941,649</u>	<u>\$ 117,233,011</u>	<u>\$ 174,295,905</u>	48.7%
Consolidated Expenditures	<u>\$ 77,693,369</u>	<u>\$ 53,079,779</u>	<u>\$ 68,941,649</u>	<u>\$ 117,233,011</u>	<u>\$ 174,295,905</u>	48.7%

SPOKANE INTERNATIONAL AIRPORT

2023 OPERATIONS BUDGET SUMMARY

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>	<u>% Change '23 vs '22</u>
Operations Revenues (with CARES)						
Parking / Ground Transportation	\$ 15,353,376	\$ 8,643,334	\$ 11,973,477	\$ 15,425,050	\$ 18,624,734	20.7%
Airfield	6,801,313	6,701,567	5,782,285	6,327,706	6,419,475	
Fuel Facility	825,519	734,404	870,240	893,555	1,150,000	
Other Buildings & Grounds	2,537,884	2,576,837	2,482,758	2,842,052	2,817,766	
Terminal	10,744,231	11,449,488	10,161,326	10,823,960	11,368,646	
Rental Car Facilities	6,328,214	3,826,865	7,226,568	8,927,224	7,925,041	
Other Revenues	205,969	196,512	304,144	164,300	179,300	
Indirect Cost Centers CARES Funds	-	4,635,798	4,088,780	11,570	-	
Total Operations Revenue	<u>\$ 42,796,506</u>	<u>\$ 38,764,805</u>	<u>\$ 42,889,578</u>	<u>\$ 45,415,418</u>	<u>\$ 48,484,962</u>	6.8%
Operations Expenses						
Parking / GTC / Landside	5,556,086	4,530,348	3,791,286	4,261,442	6,548,696	
Airfield & Operations	5,873,452	6,014,889	4,837,799	5,878,098	9,183,285	
Fuel Facility	422,847	367,705	302,487	427,635	622,721	
Other Buildings & Grounds	483,123	185,152	224,322	380,445	546,191	
Terminal	5,666,229	4,515,796	4,712,568	5,593,816	6,795,023	
Rental Car Facilities	389,351	419,353	266,718	558,497	469,000	
Other Indirect Centers						
Engineering	527,494	411,935	586,042	638,890	861,611	
Fire	2,275,829	2,151,699	2,200,514	2,635,794	2,302,235	
Information Technology	580,111	575,267	618,762	777,577	1,042,498	
Police	1,989,129	2,053,036	2,102,398	2,433,992	2,298,816	
Communication	548,394	518,029	541,334	548,028	780,656	
General Administration	5,107,056	4,361,769	2,108,054	5,574,973	6,987,949	
Sub-Total Operations Expenses	<u>29,419,101</u>	<u>26,104,978</u>	<u>22,292,284</u>	<u>29,709,187</u>	<u>38,438,681</u>	29.4%
Revenues over Expenses pre Deprec	<u>\$ 13,377,405</u>	<u>\$ 12,659,827</u>	<u>\$ 20,597,294</u>	<u>\$ 15,706,231</u>	<u>\$ 10,046,281</u>	
Gross Depreciation	<u>23,808,566</u>	<u>26,756,561</u>	<u>26,998,286</u>	<u>26,675,282</u>	<u>22,928,959</u>	
Credit for Funded Assets	<u>(14,159,154)</u>	<u>(16,821,383)</u>	<u>(17,707,858)</u>	<u>(17,583,668)</u>	<u>(13,631,077)</u>	
Net Depreciation	<u>9,649,412</u>	<u>9,935,178</u>	<u>9,290,428</u>	<u>9,091,614</u>	<u>9,297,882</u>	
Revenues over Expenses incl Deprec	<u>\$ 3,727,993</u>	<u>\$ 2,724,649</u>	<u>\$ 11,306,866</u>	<u>\$ 6,614,617</u>	<u>\$ 748,399</u>	
Other Sources Available / (Used)						
Interest Income	661,122	751,506	500,658	600,000	600,000	
Debt Interest	(13,338)	(11,844)	(5,935)	-	-	
Total Other Sources Available	<u>647,784</u>	<u>739,662</u>	<u>494,723</u>	<u>600,000</u>	<u>600,000</u>	0.0%
Available for Debt / Projects / Reserves	4,375,777	3,464,311	11,801,589	7,214,617	1,348,399	-81.3%
Total Debt Principal	<u>(451,701)</u>	<u>(454,636)</u>	<u>(4,083,270)</u>	<u>-</u>	<u>-</u>	
Sources over (Expenses)	<u>\$ 3,924,076</u>	<u>\$ 3,009,675</u>	<u>\$ 7,718,319</u>	<u>\$ 7,214,617</u>	<u>\$ 1,348,399</u>	

AIRPORT BUSINESS PARK

2023 OPERATIONS BUDGET SUMMARY

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>	<u>% Change '23 vs '22</u>
Operations Revenues (with CARES)						
Building / Office Leases	\$ 1,148,272	\$ 1,163,700	\$ 1,145,099	\$ 1,142,000	\$ 1,116,211	
Land Leases	239,825	299,681	303,282	311,000	317,968	
Miscellaneous	7,123	136,434	-	-	1,000	
Total Operating Revenues	<u>\$1,395,220</u>	<u>\$1,599,815</u>	<u>\$1,448,381</u>	<u>\$1,453,000</u>	<u>\$1,435,179</u>	-1.2%
Operating Expenses						
Buildings	\$ 408,304	\$343,528	\$ 285,239	\$ 206,833	\$ 368,611	
Grounds	70,340	70,340	160,338	59,327	129,743	
General Administration	136,011	154,323	98,092	96,299	205,472	
Total Operating Expenses	<u>614,655</u>	<u>568,191</u>	<u>543,669</u>	<u>362,459</u>	<u>703,826</u>	94.2%
Revenues over Expenses (Pre Deprec)	<u>\$ 780,565</u>	<u>\$ 1,031,624</u>	<u>\$ 904,712</u>	<u>\$ 1,090,541</u>	<u>\$ 731,353</u>	
Depreciation	<u>556,887</u>	<u>536,935</u>	<u>506,783</u>	<u>622,255</u>	<u>595,606</u>	
Operating Revenue over (Expense)	<u>\$ 223,678</u>	<u>\$ 494,689</u>	<u>\$ 397,929</u>	<u>\$ 468,286</u>	<u>\$ 135,747</u>	
Other Sources Available / Used						
Interest Income	15,127	16,337	11,363	13,000	15,000	
Interest Expense	-	-	-	-	-	
Other Non-Operating Income (Expense)	-	-	-	-	1,000	
Total Other Sources Available	<u>15,127</u>	<u>16,337</u>	<u>11,363</u>	<u>13,000</u>	<u>16,000</u>	
Available for Debt / Projects / Reserves	<u>238,805</u>	<u>511,026</u>	<u>409,292</u>	<u>481,286</u>	<u>151,747</u>	
Total Debt Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Sources over Expenditures incl Deprec	<u>\$ 238,805</u>	<u>\$ 511,026</u>	<u>\$ 409,292</u>	<u>\$ 481,286</u>	<u>\$ 151,747</u>	

FELTS FIELD

2023 OPERATIONS BUDGET SUMMARY

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>	<u>% Change '23 vs '22</u>
Operating Revenues						
Airfield	\$ 47,608	\$ 42,796	\$ 55,726	\$ 46,980	\$ 50,300	
Hangars/ Bldgs / Land	688,152	676,760	715,685	645,616	706,700	
Terminal	26,534	26,759	28,303	28,064	29,600	
Miscellaneous	<u>9,855</u>	<u>120,629</u>	<u>8,581</u>	<u>64,462</u>	<u>10,000</u>	
Total Revenues	\$ 772,149	\$ 866,944	\$ 808,295	\$ 785,122	\$ 796,600	1.5%
Operating Expenses						
Airfield	\$ 129,004	\$ 124,556	\$ 105,087	\$ 182,818	\$ 210,301	
Hangars/ Bldgs / Land	84,597	59,993	49,554	147,106	97,585	
Terminal	61,147	57,247	66,576	63,295	78,624	
General Admin	<u>321,548</u>	<u>305,892</u>	<u>235,356</u>	<u>359,679</u>	<u>261,252</u>	
Total Expenses	<u>596,296</u>	<u>547,688</u>	<u>456,573</u>	<u>752,898</u>	<u>647,762</u>	-14.0%
Revenue / (Expense) Pre Depreciation	\$ 175,853	\$ 319,256	\$ 351,722	\$ 32,224	\$ 148,838	
Depreciation	1,742,876	1,983,491	2,012,024	2,003,708	1,813,700	
Credit for Funded Assets	<u>(871,481)</u>	<u>(871,481)</u>	<u>(871,314)</u>	<u>(863,110)</u>	<u>(774,551)</u>	
Net Depreciation	<u>871,395</u>	<u>1,112,010</u>	<u>1,140,710</u>	<u>1,140,598</u>	<u>1,039,149</u>	
Revenue / (Expense) incl Depreciation	<u>\$ (695,542)</u>	<u>\$ (792,754)</u>	<u>\$ (788,988)</u>	<u>\$ (1,108,374)</u>	<u>\$ (890,311)</u>	
Cash Available for Debt Service	\$ 175,853	\$ 319,256	\$ 351,722	\$ 32,224	\$ 148,838	
Interest and Other Income	<u>9,855</u>	<u>120,629</u>	<u>8,581</u>	<u>64,462</u>	<u>10,000</u>	
Available for Debt / Projects / Reserves	185,708	439,885	360,303	96,686	158,838	
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Expenses over Sources	<u>\$ 185,708</u>	<u>\$ 439,885</u>	<u>\$ 360,303</u>	<u>\$ 96,686</u>	<u>\$ 158,838</u>	

SPOKANE AIRPORT BOARD

2023 CAPITAL SUMMARY

		2019	2020	2021	2022	2023
		Actual	Actual	Actual	Estimated	Budget
SPOKANE INTERNATIONAL AIRPORT						
SOURCES OF FUNDS						
	Federal & AIP Grants	-	5,000,305	11,282,598	-	60,000,000
	Other Federal Grants / Funds	-	-	1,980,625	12,000,000	-
	Other State / Local Funds	-	1,260	496,260	-	1,000,000
	Available / Used PFC Collections and Interest	16,076,555	3,618,625	6,542,293	3,500,000	5,360,000
	Revenue Bonds / PFC Supported				45,562,000	17,312,499
	Available CFC Collections	152,609	2,117,569	2,942,790	-	3,500,000
	Funds From Operations, Unrestricted Cash, CARES	14,206,802	2,607,259	6,021,736	10,550,000	31,278,000
		30,435,966	13,345,017	29,266,302	71,612,000	118,450,499

EXPENDITURE OF FUNDS						
	Parking / Ground Transportation	3,742,347	18,831	438,344	3,300,000	8,825,000
	Landside Roadways	985,259	4,552,564	4,765,301	-	-
	Airfield / Ops / Fuel	4,503,841	567,626	8,502,025	6,600,000	40,680,000
	Other Buildings & Grounds	2,322,115	1,526,074	3,314,349	11,350,000	8,700,000
	Terminal	13,739,848	5,136,024	7,813,138	48,687,000	56,492,499
	ARFF	56,079	734,982	-	60,000	1,065,000
	I.T.	3,832,340	132,941	-	1,475,000	2,075,000
	Police / Security	918,876	-	-	75,000	100,000
	Admin	-	46,255	32,906	65,000	513,000
	Transload	-	613,273	4,360,828	-	-
	Land Acquisitions	335,261	16,447	39,411	-	-
	Total Expenditures	30,435,966	13,345,017	29,266,302	71,612,000	118,450,499

		2019	2020	2021	2022	2023
		Actual	Actual	Actual	Estimated	Budget
AIRPORT BUSINESS PARK						
SOURCES OF FUNDS						
	Funds From Operations & Unrestricted Cash	838,943	17,727	118,297	430,000	1,187,000
	Total Sources	838,943	17,727	118,297	430,000	1,187,000

EXPENDITURE OF FUNDS						
	Total Capital Projects	838,943	17,727	118,297	430,000	1,187,000
	Total Expenditures	838,943	17,727	118,297	430,000	1,187,000

		2019	2020	2021	2022	2023
		Actual	Actual	Actual	Estimated	Budget
FELTS FIELD						
SOURCES OF FUNDS						
	Federal & AIP Grants	-	150,275	801,821	90,000	1,075,000
	Other Grants				492,000	950,000
	Debt or Other Funds				-	-
	Funds From Operations & Unrestricted Cash	4,243,194	294,260	435,577	2,930,000	1,910,500
	Total Sources	4,243,194	444,535	1,237,398	3,512,000	3,935,500

EXPENDITURE OF FUNDS						
	Airfield	52,226	268,046	1,207,641	690,000	1,160,500
	Other Buildings / Grounds	4,096,106	176,489	29,757	600,000	1,925,000
	Terminal	15,355	-	-	1,572,000	350,000
	Land Acquisitions	79,507	-	-	650,000	500,000
	Total Expenditures	4,243,194	444,535	1,237,398	3,512,000	3,935,500

Note: The expenditures noted above do not necessarily represent specific projects, rather a variety of projects in a category that will be individually vetted by the Airport Board through the Committee process prior to authorization of expending of funds.



Section X. Selected 2023 Rates & Charges List

Space rates shown on a square foot per annum basis

Other rate basis are noted

(This list is not meant to be all inclusive.)

Change from 2022

Spokane International Airport	Signatory	Cargo Exempt*	w/ Use Agreement	Itinerant
Class 1 Space				
Airline Ticket Counters	\$ 63.02			
Airline Ticket Office (ATO)	63.02			
Queuing Areas	63.02			
Instant Travel Machines	63.02			
Concourse Hold Areas	63.02			
Baggage Claim	63.02			
Class 2 Space				
Baggage Service (BOS)	\$ 47.27			
Upper Concourse Office	47.27			
Ops Office	47.27			
Communications Office	47.27			
Baggage Make-Up	47.27			
Baggage Delivery	47.27			
Lower Concourse Office	47.27			
Storage Room	47.27			
Maintenance Office	47.27			
Baggage Cabinet	47.27			
Triturator Building	47.27			
Loading Bridge / mo	\$ 2,237.08			
Aircraft Parking / mo	\$ 500.00			
Boarding Walkway	\$ 11.25			
Ramp GSE Storage	\$ 4.34			
Glycol Pad	4.34			
Outside Storage	0.80			
Landing Fee / 1,000 lbs	\$ 2.24	\$ 2.35	\$ 2.58	\$ 3.36
Non Leased Loading Bridge / full turn	303.00		303.00	303.00
{Includes NON Leased Loading Bridge, A/C Parking, Concourse holding area}				
Non Leased Baggage System / turn	122.00		122.00	122.00
{Includes both baggage make-up for outbound AND baggage claim for inbound}				
Non Leased Ticketing / use	40.00		40.00	40.00
{Includes NON Leased Ticket Counter Only}				
Non Leased Aircraft Parking / use	125.00	131.00	144.00	187.00
{Includes NON Leased Aircraft Parking area away from a Bridge}				
Fuel Flowage Fee / Gallon	0.050	0.050	0.060	0.075

*Cargo Exempt: Cargo Carriers with on-airfield ramp & operation facilities



Section X. Selected 2023 Rates & Charges List

Space rates shown on a square foot per annum basis

Other rate basis are noted

(This list is not meant to be all inclusive.)

Change from 2022

Spokane International General Aviation	
Non Lease Aircraft Parking / day	
Single Engine Aircraft	\$ 25.00
Multi Engine / Small Jet	35.00
Q-400 / EJ / RJ or Greater	50.00

Use Agreement / month	
SIA	\$ 90.00
Felts Field	35.00

Felts Field Rates	
Landing Fee / 1000 lbs	\$ 2.50
Non Lease Aircraft / day	25.00
T-Hangar / mo	305.00
Tie-Down / mo	30.00
Fuel Flowage / Gallon	0.065

Mini Warehouse Rates	
amounts due in advance for entire billing term)	
Monthly Only	TBD
Includes WA St LH Tax	

Miscellaneous Items (not incl. applicable taxes)	
Security Badge Only	\$ 30.00
Badge Renewal or Fingerprinting	40.00
New Badge & Fingerprinting	60.00
1st Lost Badge	30.00
2nd Lost Badge	40.00
3rd Lost Badge	60.00
Telephone Line / mo	12.00
Fitness Center / mo	15.00
GTC Conf room / 4 hrs	25.00
Room Setup (if necessary)	25.00
Event or Conference Center / day	175.00
GTC Trip Fee / Trip	2.00

Force Account Rates	
Materials	Cost + 10%
Labor / hr.	\$ 62.50

ALL VEHICLE PARKING LOT RATES INCLUDE WA STATE SALES TAX					
Parking (Sales Tax Included)	Covered	Outside			
Length of Stay	Garage	Surface	C-Lot	Economy	Hourly
0 - 2 HR	\$ 4.00	\$ 4.00	\$ 4.00	\$ 6.00	\$ 2.00 / HR
2 - 3 HRS	6.00	6.00	6.00		
3 - 4 HRS	8.00	8.00	8.00		
4 - 5 HRS	10.00				
5-24 HRS	12.00				
DAILY MAX.	\$ 12.00	\$ 8.00	\$ 8.00	\$ 6.00	

Miscellaneous Vehicle Parking	
Employee Lots / mo	\$ 30.00
Employee Surface Lot / mo	130.00
Employee Garage Parking / mo	200.00
Passport / Executive / mo	200.00
Vendor / Contractor Parking / veh / year	50.00
Transponder Replacement	50.00
ALL VEHICLE PARKING INCLUDES WSST	

Notes: Certain other terminal and leasehold rental rates are set in conjunction with the Airline Operating Agreement (AOA) provisions while others are set by Fair Market Value appraisals. Rental Car and Concession rates are determined through negotiation and Request for Proposal (RFP) processes. Equipment rentals and other rates are available upon request.

Spokane Airports 2023 Budget

Spokane International Airport / Airport Business Park/ Felts Field



www.spokaneairports.net

Approved:
Spokane Airport Board, October 20, 2022