



**City of Spokane**  
**CONTRACT RENEWAL**  
**Title: SOFTWARE MAINTENANCE AND UPGRADES  
FOR THE CITY'S FINANCIAL MANAGEMENT SYSTEM**

This Contract Renewal is made and entered into by and between the **City of Spokane** as ("City"), a Washington municipal corporation, and **MITCHELL HUMPHREY & COMPANY**, whose address is 1285 Fern Ridge Parkway, Suite 140, St. Louis, Missouri 63141-4022 as ("MH&CO"). Individually hereafter referenced as a "party", and together as the "parties".

*WHEREAS, the parties entered into a Contract wherein the Contractor agreed to perform SOFTWARE MAINTENANCE AND UPGRADES FOR THE CITY'S FINANCIAL MANAGEMENT SYSTEM; and*

*WHEREAS, the original Contract needs to be formally renewed by this written Contract Renewal document; and*

*-- NOW, THEREFORE, in consideration of these terms, the parties mutually agree as follows:*

**1. CONTRACT DOCUMENTS.**

The original Contract executed by the parties on May 5, 2016 and May 26, 2016, any previous amendments, renewals and / or extensions / thereto, are incorporated by reference into this document as though written in full and shall remain in full force and effect except as provided herein.

**2. RENEWAL TERM.**

This Contract Renewal shall become effective on July 1, 2017 and run through June 30, 2018, unless terminates sooner.

**3. COMPENSATION.**

The City shall pay an estimated maximum amount not to exceed **EIGHTY THREE THOUSAND EIGHT HUNDRED FORTY AND 00/100 (\$83,840.00)**, plus tax, for everything furnished and done under this Contract Renewal. This is the maximum amount to be paid under this Renewal, and shall not be exceeded without the prior written authorization of the City, memorialized with the same formality as the original Contract and this Renewal document.

IN WITNESS WHEREOF, in consideration of the terms, conditions and covenants contained, or attached and incorporated and made a part, the parties have executed this Contract Renewal by having legally-binding representatives affix their signatures below.

**MITCHELL HUMPHREY & COMPANY**

**CITY OF SPOKANE**

By \_\_\_\_\_  
Signature                      Date

By \_\_\_\_\_  
Signature                      Date

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
David A. Condon

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Assistant City Attorney

**Attachments that are part of this Agreement:**

Contract Renewal - Scope of Work document  
Briefing Paper



# **2018-2023**

# **Citywide Capital Improvement Program**

# **Overview**

Finance Committee

**May 8, 2017**

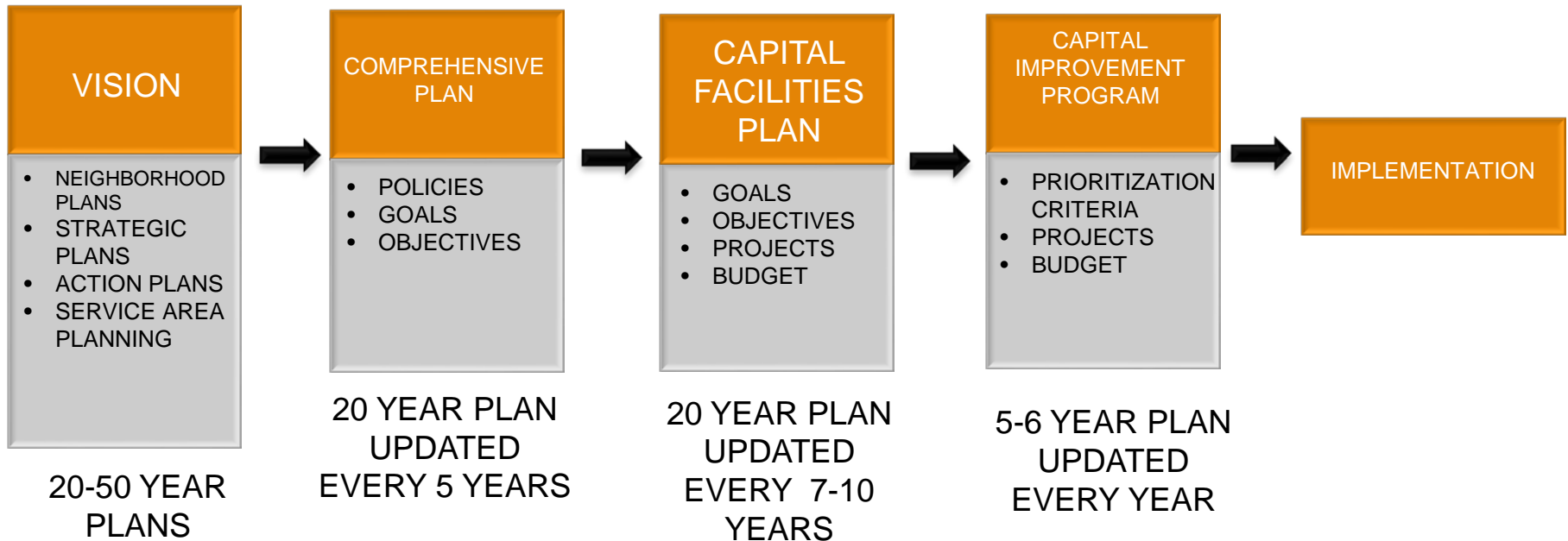


# Capital Budgeting Process

CONSISTENCY  
FROM STATE TO



GROWTH MANAGEMENT ACT



CONSISTENCY FROM VISION TO IMPLEMENTATION



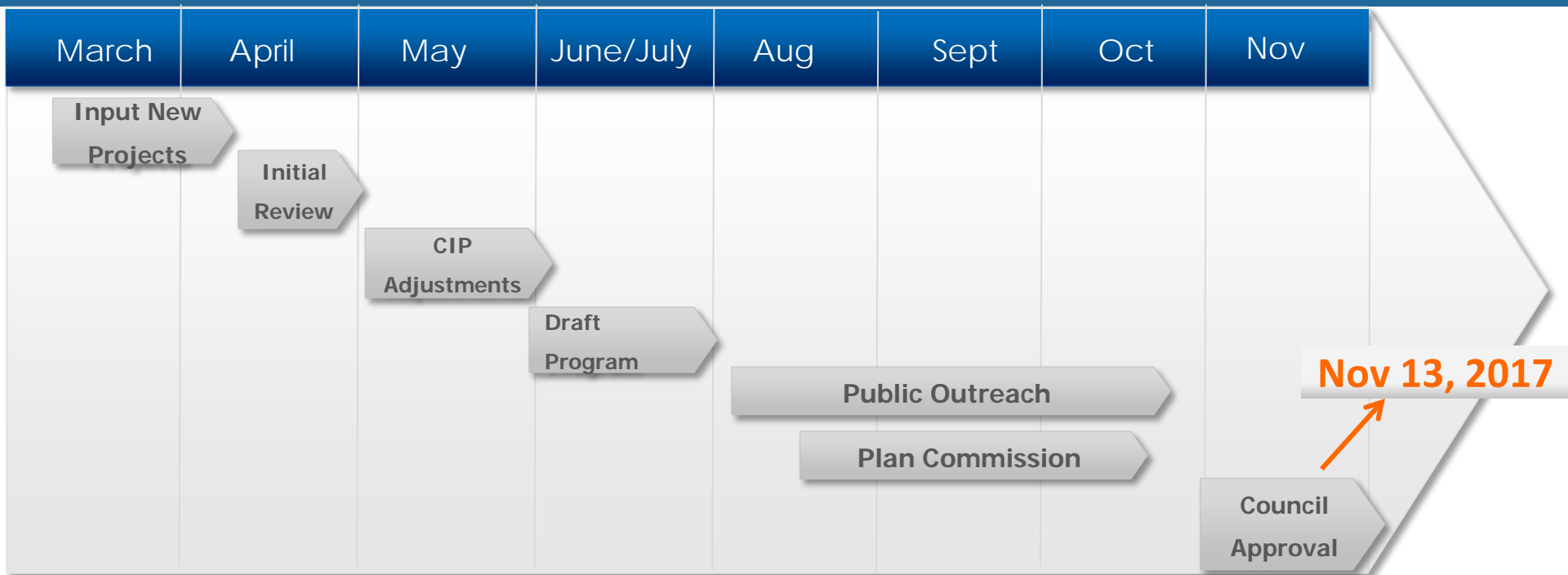
# Citywide Six Year Capital Improvement Program

## Process

- CIP Developed by City Staff & Administration
- *New Projects* **Presented** to the City Plan Commission **at the Consistency Review Workshop** (All Departments: September, 2017)
- *New Projects* **Reviewed** by the City Plan Commission **for Consistency with the City's Comprehensive Plan**
- City Plan Commission issues a Findings of Fact, Conclusions, and Recommendations document at the **CIP Hearing** (October, 2017) **which is taken to City Council**
- Adoption of the CIP is voted on by City Council (November, 2017)



# 2018-2023 Citywide CIP Schedule



March - June

City Departments submit projects

June - July

City Administration reviews and develops a Draft Program

Aug - Oct

Public Meetings throughout the City by Mayor & Cabinet

Aug - Oct

Plan Commission Consistency Review Workshop, Hearing & Recommendation

Nov 13<sup>th</sup>

Adoption of the CIP is voted on by City Council



# What's New?

- **2018-2023 Citywide Capital Improvement Program (CIP) opened earlier than in previous years**
  - **To allow for more time to establish & review capital projects consistent with the City's Comprehensive Plan and evaluate project funding.**
  - **Focus on *Alignment* with City of Spokane's Comprehensive Plan ~ Reference Tool Developed**
- **CIP closed **Friday, April 7, 2017****
  - **Initial CIP Reports have been provided to Administration for review**
  - **CIP System has been re-opened and Department Staff will be making adjustments as needed**



# What's Next?

- **July / August Finance Committee**
  - **Status Update**
  - **Initial Look at the Draft 2018-2023 Program (Amounts by department/year, funding, etc.)**





**Questions?**

CITY OF SPOKANE ADMINISTRATIVE POLICY AND PROCEDURE	ADMIN 0320-17-07 LGL 2006-0032
<b>TITLE: : CITY COUNCIL STANDING COMMITTEE PROCEDURES</b> EFFECTIVE DATE: August 10, 2006 REVISION EFFECTIVE DATE: _____, 2017	

1.0 GENERAL

1.1 This document provides procedures for both City staff and the City Council in regards to standing committee meetings of the City Council.

1.2 TABLE OF CONTENTS

- 1.0 GENERAL
- 2.0 DEPARTMENTS/DIVISIONS AFFECTED
- 3.0 REFERENCES
- 4.0 DEFINITIONS
- 5.0 POLICY
- 6.0 PROCEDURE
- 7.0 RESPONSIBILITIES
- 8.0 APPENDICES

2.0 DEPARTMENTS/DIVISIONS AFFECTED

This policy shall apply to the City Council and all City departments and divisions.

3.0 REFERENCES

SMC 2.005.010  
City Council Rules of Procedure Rule 9

4.0 DEFINITIONS

None

5.0 POLICY

5.1 It is the policy of the City Council to utilize standing committee meetings to facilitate Council business and to become fully informed on City administration activities of interest to the Council.

## 6.0 PROCEDURE

- 6.1 The City Council has established five (5) standing committees. Those committees and their meeting times and locations are as follows:
- a. Planning and Economic Development Committee – meets third Monday of the month at 10:30 a.m. in the City Council Briefing Center.
  - b. Public Works Committee – meets second and fourth Monday of the month at 1:30 p.m. in the City Council Briefing Center.
  - c. Finance Committee – meets first Monday of the month at 1:30 p.m. in the City Council Briefing Center.
  - d. Public Safety Committee – meets third Monday of the month at 1:30 p.m. in the City Council Briefing Center.
  - e. Community, Health & Environment Committee – meets first Monday of the month at 10:30 a.m. in the City Council Briefing Center.
- 6.2 Standing committee meetings are intended to provide members of the City Council and City staff an opportunity to review and discuss in detail issues or topics that are of interest to the City administration and the City Council and to facilitate the efficient conduct of Council business.
- 6.3 No public testimony will be taken during standing committee meetings. Participation in a standing committee meeting shall be limited to standing committee members, appropriate staff, and other individuals recognized by the committee.
- 6.4 Staffing.
- 6.4.1 The Senior Executive Assistant to the City Council President will be in charge of coordination and execution of meeting notices with approval from the standing committee chairs and their staff.
  - 6.4.2 The divisions or departments routinely reporting to a respective standing committee shall provide staff to assist the chairperson of the standing committee by taking minutes and distributing material.
  - 6.4.3 Agendas for standing committee meetings shall be set by the chairperson of the standing committee with input from Council staff and the appropriate department or division head. Agendas for

standing committee meetings shall be approved by the chairperson of the standing committee prior to publication or distribution.

6.5 Minutes / Briefing Papers

6.5.1 Minutes shall be taken using the attached template (Attachment No. 1). Original approved and signed standing committee meeting minutes shall be filed with the City Clerk’s Office and online. Minutes of standing committee meetings shall be retained pursuant to the applicable retentions schedule.

6.5.2 Staff for the Council Member or department or division which is bringing forward the topic or item under consideration by the standing committee shall prepare a briefing paper on each topic being submitted to the standing committee, which shall be formatted using the attached template (Attachment No. 2).

7.0 RESPONSIBILITIES

The Council President, with the assistance of City administration, shall administer this policy.

8.0 APPENDICES

Attachment No. 1 – Minutes Template  
Attachment No. 2 – Briefing Paper Template

APPROVED BY:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

\_\_\_\_\_  
Council President

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Date

# ATTACHMENT 1

## STANDING COMMITTEE MINUTES

City of Spokane

Committee Name

Date

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### **Attendance**

Include names of individuals in attendance.

### **Approval of Minutes:**

Approval of minutes should be obtained.

### **Agenda Items:**

List agenda items as presented to the Committee (or as outlined in the meeting notice). Please give a brief description of action taken on each item. Include within the agenda items the following:

- **Action Taken:**
- Committee action on agenda items such as deferral, tabled, approval to forward to City Council or other standing committees.

### **Adjournment**

What time the meeting adjourned

Prepared by:

Approved by:

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Chair

For further information contact:

Page 1

**ATTACHMENT 2**  
**BRIEFING PAPER**  
**City of Spokane**  
**Department/Committee**  
**Date**

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**Subject**

Include a brief description of the subject and, of appropriate, the person or agency interested in the matter.

**Background**

Provide background on the subject with a short history, what is involved, how it relates to the City, and any existing policy that provides guidance on the subject.

**Impact**

Convey the impact(s) of the issue as it relates to the city, county, region, community or other specific group(s) and what it may mean to other city programs or functions.

**Action**

What action is required or expected? What is the timeline?

**Funding**

Provide all funding sources, i.e. federal, state and local dollars. The individual amounts associated with each source and the funding sources respective compliance requirements. As an example: federal funds require compliance with A-133 guidelines, The Catalogue of Federal Domestic Assistance Number (CFDA) and the applicable compliance supplement. Additionally, please stipulate any and all matching requirements.

RESOLUTION NO. 2017- \_\_\_\_\_

A Resolution approving amendments to the City Council standing committee administrative procedures.

WHEREAS, the pursuant to section 9.1 of the City Council's Rules of Procedure, the City Council has established five standing committees; and

WHEREAS, each standing committee requires and depends upon smooth and efficient interactions between the City Council, Council staff, the City administration, and City staff; and

WHEREAS, City departments routinely adopt policies to assist in the performance of various administrative functions; and

WHEREAS, The City Council previously approved Resolution 2011-0023 (April 11, 2011), which approved the administrative procedures for the operation of City Council standing committees; and

WHEREAS, the attached amended administrative policy relates to the City Council standing committees, is consistent with the City Council's Rules of Procedure, the Spokane Municipal Code, and prior resolutions regarding standing committees, and amends the existing administrative policy to reflect changes to the standing committee procedures.

NOW, THEREFORE, BE IT RESOLVED that the Spokane City Council approves the attached amended administrative procedures for the operation of City Council standing committees.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
Assistant City Attorney

# Briefing Paper

## City of Spokane

### Finance/Capital Budget Definitions

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#### **Subject:**

Provide definition of capital and funding status used for purposes of the Citywide Six-Year Capital Improvement Program.

#### **Background:**

Capital Projects entered into the Six-Year Capital Improvement Program (CIP) qualify as capital per the definition provided below and require a funded status entry in the system as well as a description of the funding source.

#### **Capital:**

- Is a tangible asset
- Has a useful life of at least five years
- Single item has a value of \$60,000 or more
- Is found in either Chapter 4 or 5 of the Comprehensive Plan or meets its goals (and/or addresses State-Federal requirements)

#### **Funded Status:**

Capital that has an identified, committed funding source. Utility Rates, an executed Grant Agreement, or SIP funds for example would qualify as identified, committed funding sources.

#### **Unfunded Status:**

Capital that does not yet have a committed funding source. Unfunded capital may or may not have an identified funding source.

**Identified Funding Source:** Identified funding sources could include a potential or executed Grant Agreement, potential or committed bond proceeds or Utility Rates. Identified funding sources can be used to describe funded and unfunded capital. In the CIP system, identified funding sources include Federal, State or Local Grants, Private funding, or a generic “identified” source label. In all cases, funding sources can be further described in the funding name field; this field should always be used to further explain a generic funding source label, such as “identified.”

**Unidentified Funding Source:** Unidentified funding sources should only be used to describe unfunded capital for which there is currently no anticipated or known funding source. If needed, the funding name field can be used to provide any additional explanation or information related to an unidentified funding source.

#### **Financial Impact:**

None



BRIEFING PAPER  
Finance Committee  
Purchasing Department  
May 8, 2017

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Subject:

Interlocal Agreement with Spokane County for Detention Services/Geiger Corrections Center for Work Crew Services.

Background:

Multiple departments within the City of Spokane have a need to access the Spokane County Detention Services/Geiger Corrections Work Crew Services. Based on the City of Spokane's needs, the parties desire to enter into an Interlocal Agreement wherein they reduce to writing the County's responsibilities through Spokane County Detention Services/Geiger Corrections Center Work Crew as well as the City's responsibility to reimburse the County for providing such services. Per RCW 39.26.230 The City of Spokane Departments can contract for these services from Spokane County without competition once this Interlocal Agreement is in place. The Scope of Services is listed below as well as the Service Fees.

Impact:

The Geiger Correction Work Crew provides a needed service by regularly cleaning up public areas with quick response to the City's needs and requests.

Action:

For council consideration. Approve this Interlocal Agreement for a period of five (5) years.

Funding:

Funding will be from each individual department through a contract.

BRIEFING PAPER  
Finance Committee  
Purchasing Department  
May 8, 2017

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ATTACHMENT "A"  
SCOPE OF WORK

A. The Spokane County Detention Services Department, who operates the Geiger Corrections Center, will provide offender work crews and necessary supervisors as requested by the City of Spokane, including but not limited to, the following departments:

1. Code Enforcement
2. Parks & Rec
3. Parks & Rec Golf
4. Parks & Rec Riverfront Park
5. Solid Waste Collection
6. Solid Waste Disposal
7. Neighborhood Services
8. Engineering

B. The services provided to the City of Spokane by the offender work crew shall consist of, but not be limited to, the following:

1. Grounds keeping, including that of storm swales: planting, weeding, mowing, mulch removal or installation
2. Litter cleanup: service and reline garbage cans (excludes garbage or items inside porta potties)
3. Clean up tasks: community events on public or private properties consisting of litter pick up, sweeping, and wash down
4. Graffiti abatement: paint over or remove the graffiti
5. Moving/hauling tasks
6. Event preparation: set up/tear down as necessary
7. Basic non-skilled labor
8. Snow removal

C. General guidelines for the use of offender labor:

The use of offender work crews is dependent on the availability of appropriate offender labor. Offender work crew members are subject to change due to factors outside of Spokane County's control.

BRIEFING PAPER  
Finance Committee  
Purchasing Department  
May 8, 2017

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Safety and security of staff, offenders and the public are always the priority. If there are conditions at the job site that create safety or security concerns for the supervising officer, then work may be delayed until resolved.

Exposure to extreme temperatures may cause serious health problems. Hot/cold weather safety protocols may impact offender work crew schedules and availability.

D. Offender work crews cannot perform the following tasks:

1. Activities that involve the use of pesticides or chemical agents - household type cleaners may be used with appropriate personal protective equipment (PPE) and access to safety information;
2. Activities that involve exposure, clean-up of body/bodily waste or biohazardous materials;
3. Activities involving the demolition or destruction of buildings, to include exposure to asbestos or suspected asbestos containing materials. This may include tile, carpeting, or ceiling tiles;
4. Activities performed in confined spaces, or take place four feet or more below ground level. This could include trench digging, sewers or working in tunnels;
5. Activities around electrical panels, electrical wiring or energized lines – overhead or underground;
6. Activities that take place on roof tops or elevated platforms. To include any activity that takes place more than 10 feet above the ground;
7. Operating equipment that requires certification or licensing;
8. Safety briefings will be conducted prior to using any power equipment. Appropriate PPE will be provided and usage required, and
9. Any task not listed that may pose significant safety or security risks.

BRIEFING PAPER  
Finance Committee  
Purchasing Department  
May 8, 2017

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ATTACHMENT "B"  
SCHEDULE OF SERVICE FEES

This schedule sets forth the services fees for the activities as set forth in Attachment "A" Scope of Work. The City of Spokane will reimburse Spokane County as follows:

- Offender work crews and supervisor services will be billed at the rates below (maximum daily rate is Three Hundred Eighty-Five Dollars (\$385.00) and there is a daily minimum of 2-hour) per offender work crew:

5-8 hours	\$385.00
4 hours	\$217.50
3 hours	\$169.50
2 hours	\$121.25

- In addition to the hourly offender work crews and supervisor services rate, Spokane County will be reimbursed mileage at the current IRS rate.
- Spokane County shall also bill the City of Spokane for all materials, supplies and/or waste station fees.

BRIEFING PAPER  
Asset Management Department  
May 2, 2017

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Subject:

Low-Value Personal Property Disposition

Background:

The City of Spokane has accumulated a large amount of used office furniture and equipment over the years that it no longer uses. The furniture and equipment have either worn out, been replaced by more ergonomic/functional items, or no longer fits the space originally intended.

Consequently, the City has been storing this used furniture and equipment in its facilities which consumes vital working and storage space, impedes access to mechanical systems, and creates safety hazards.

Impact:

The attached ordinance, drafted by Brian McClatchey, outlines the disposition process for low-value personal property and equipment.

The ordinance calls for the City Administrator, or her designee, to provide a report to the City Council describing...

- the property to be disposed of,
- method of disposition (arm's length sale, donation to non-profit, or auction),
- date of disposition
- costs to perform disposition, if applicable, and
- estimated revenues, if applicable.

Any proceeds from the disposition are to be deposited in an asset management fund to be used for the benefit of city facilities.

Action:

Recommend approval of the attached draft ordinance.

**BRIEFING PAPER**  
**City of Spokane**  
**Information Technology**  
**May 1, 2017**

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**Subject**

Contract with Mitchell Humphrey and Company for annual support and upgrades of Financial Management System Software.

July 1, 2017 through June 30, 2018 for \$83,840 plus tax

**Background**

The City of Spokane has been using the Mitchell Humphrey & Company's Financial Management System since 1983. The Financial Management System has been continually enhanced based on the City's enterprise needs and requirements. This Financial Management System interfaces with many of the City's Enterprise Systems (HRMS, Permits, Utility Billing, etc.) and is the final repository of all City financial transactions.

This contract supplies the annual maintenance on the existing systems:

- 1) General Ledger & related modules
- 2) Budget Ledger
- 3) Accounts Payable
- 4) Accounts Receivable-Invoicing
- 5) FMS-ONRAMP, FMS-EXEC, Test Account, FMS Productivity Suite
- 6) AP ACH Wire Transfer, Credit Card Processing, Purchasing Modules

2016 - \$81,400

**Impact**

Without this yearly maintenance contract, the Financial Management System used by The City of Spokane would not be supported by the vendor and the City would not be able to benefit from future enhancements and upgrades.

**Action**

City IT recommends approval

**Funding**

5300-73300-18850-54820 Software Maintenance

**BRIEFING PAPER**  
**City of Spokane**  
**Information Technology**



BRIEFING PAPER  
Finance Committee  
City Council  
May 8, 2017

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Subject:

Repealing the Cabaret, All-Ages Venues, and Teen Club annual licensing fees.

Background:

The initial cabaret license was first passed by the Spokane City Council in 1937 to opposition from many in the community including the Spokane Women's Club. (They still pay a Cabaret License fee to this day). Licensees have dwindled with venues going out of business, non-profits ending, and many former licensees no longer paying the fee. Although the cabaret fee is paid by the venue, the fee serves as an obstacle for a thriving live music scene in Spokane. The repeal of these fees is supported by our local musicians and will put businesses and non-profits with live music or dancing on a level playing field with non-license holders.

Revenue from these license fees (cabaret, all-ages, teen club) since 2012<sup>1</sup>:

2016 Estimated Revenue: \$10,500

2015 Estimated Revenue: \$13,500

2014 Estimated Revenue: \$14,100

2013 Estimated Revenue: \$15,900

2012 Estimated Revenue: \$16,800

Policy Impact of Repeal:

- Simplifies the licensing requirements by removing the different license fees for cabaret, teen clubs, and all-ages venues, and creating a general entertainment facilities license with a fee of \$100. This license fee is currently being paid by all other businesses and non-profits with music or entertainment.
- Removes reference to "immoral or obscene dancing", because "immoral or obscene" is not defined elsewhere in the ordinance and is vague/highly subjective.
- Removes the disc jockey requirement (SMC 10.23A.030E(3)). The previous ordinance was adopted prior to the rise of Apple Music, Spotify, Pandora, and other licensed music streaming services.
- Removes the prohibition that a person with a criminal record can't manage an entertainment facility.
- Removes the parking requirements for concerts, circuses, and carnivals.
- Removes references to Community Advisory Board which no longer exists.

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<sup>1</sup> Amusement Facility Revenue 11-22-2016, Crystal Marchand



BRIEFING PAPER  
Finance Committee  
City Council  
May 8, 2017

Fiscal Impact:

The total estimated loss of revenue to the General Fund is \$7,000. All 35 Cabaret, All-Ages, or Teen Club licensees will be responsible for paying the entertainment facilities fee of \$100 (formerly known as amusement facilities).

2016 35 Licensees x \$300 Cabaret/All Ages License fee = \$10,500

2017 35 Licensees x \$100 Entertainment Facility License = \$3,500

**Fiscal Impact: -\$7,000**

Final Fireside Edition  
Spokane Daily Chronicle  
52ND YEAR. NO. 25. 22 PAGES SPOKANE, WASH., TUESDAY, OCTOBER 19, 1937. PHONE MAIN 1121. PRICE: 25c

# BODIES OF AIRLINER VICTIMS FOUND

*Women Prepare to Protest City's Proposed New Cabaret Licensing Ordinance*

**Sees Difference.**  
"My original intention was to prohibit dancing in what I call saloons," the commissioner said. "If a decent dance hall is operated adjoining a beer parlor, that is a different matter."  
Aside from setting up a definite fee for cabarets and licensing them, the proposed ordinance does little that is not covered under present city ordinances.  
Final authority in the matter of revoking licenses will rest with the commissioner of public safety. But in the event a license application is denied, the city council as a whole will have final word if an appeal is taken.  
Beer-dance halls which now have bars will, under the ordinance, be forced to remove the bars or stop the dancing.  
Dancing on Sundays is prohibited. The new ordinance proposes to close dance halls and cabarets at midnight Saturdays, instead of 1 a. m. Sundays as at present.  
The public safety commissioner is given further powers, in that he will have authority to make "all proper and necessary administrative rules and regulations for the purpose of carrying into effect the provisions of this ordinance with respect to the conduct of public dances."

**Fears Discrimination.**  
City Commissioner A. B. Colburn said the proposed ordinance will be discriminatory unless sections 9 and 21 are amended.  
"This ordinance does nothing that could not have been accomplished by amending the old dance ordinance," the commissioner asserted.  
Section 9 provides: "It shall be unlawful for any person licensed under the provisions of this ordinance to sell, serve or supply any individual in any public dance or dance hall, any wine, beer or other intoxicating liquor, or to do so in any room, space or building adjoining or adjacent thereto."  
Mr. Colburn could eliminate "or to do so in any room, space or building adjoining or adjacent thereto."  
Section 21 makes it unlawful to allow screens or blinds to obscure the view from the outside, or to have the cabarets in basement or upstairs rooms.

Not at all satisfied with the proposed new cabaret licensing ordinance, Spokane club women prepared today to protest the measure vigorously when it comes up for final hearing before the city council Monday afternoon.  
"I am getting copies of the ordinance today and will then have the women meet in groups to bring all possible pressure against the measure," reported Mrs. Harry J. Vaughan, who was delegated by the Spokane Federation of Women's Organizations to attend the city council meeting Monday.  
Mrs. Charles A. Massie, president of the federation, declared: "The women of Spokane will do all in their power to prevent the mixing of beer and dancing. What is fair for one is fair for all. I do not think it is right to allow the rich to have what is denied the poor."  
"Of course, we have liquor—this is just one of the results of letting go of prohibition."

# City Council Finance & Technology Committee: May 8, 2018

## City Financial, Investment & Economic Update



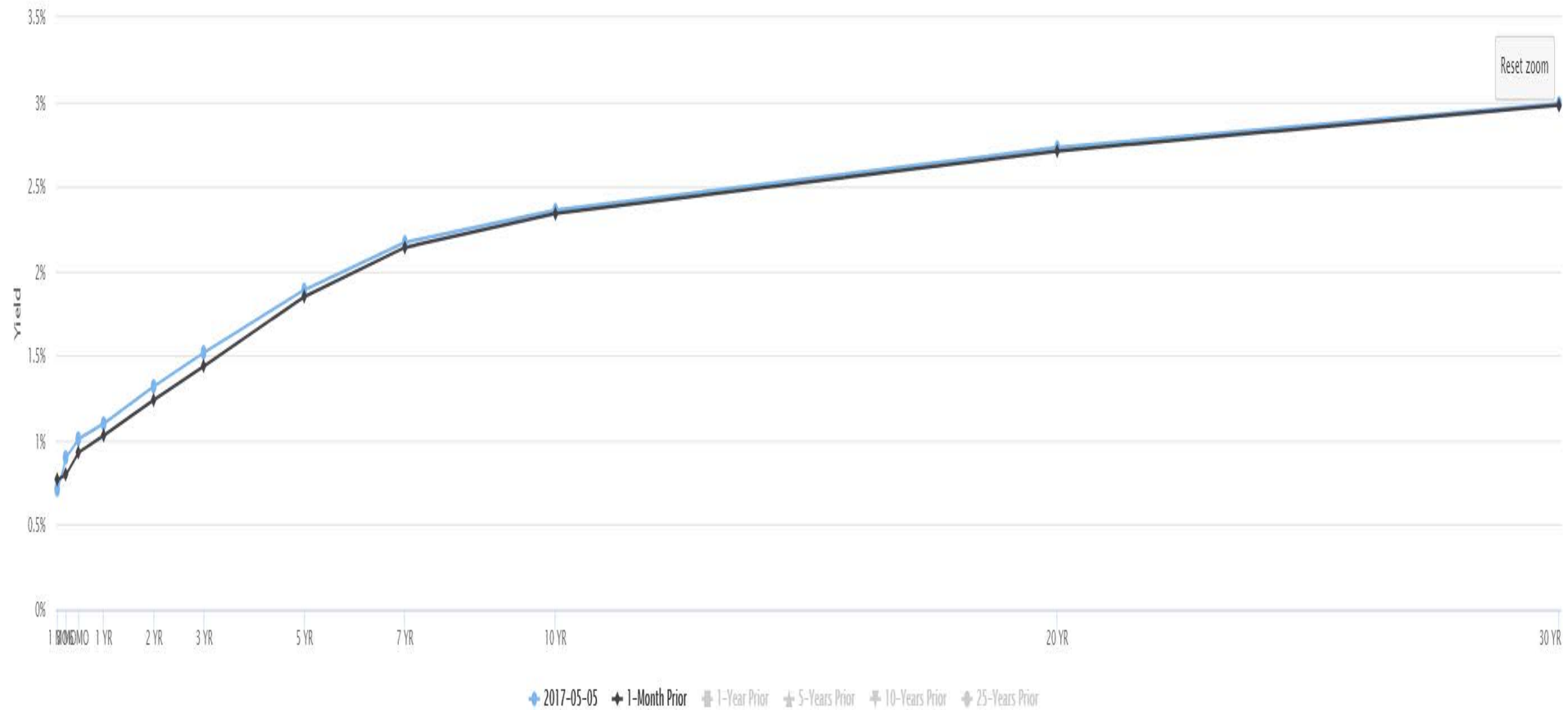
# Flatter Yield Curve in 2017 Shows Growth Concern Lingers

*Long-term Treasury yields have declined modestly, while short-term yields have risen*



# 1-Month Yield Curve Change Take-away: 'Holding Steady'

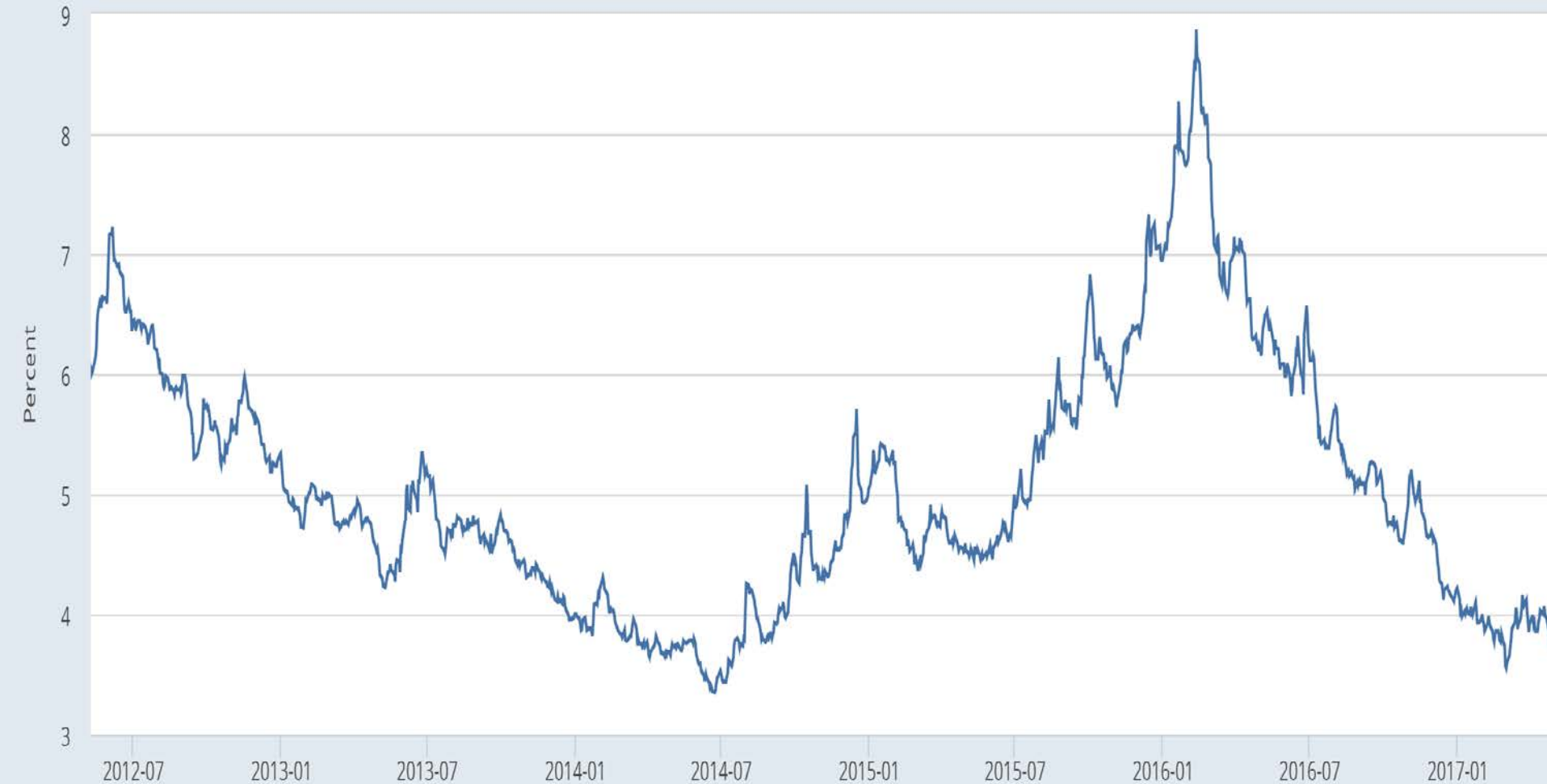
Treasury Yield Curve for 2017-05-05



# Spread Between Junk Bond Yields and Treasury Yields

*Higher Spreads Reflect Market Uncertainty About the Economic Outlook*

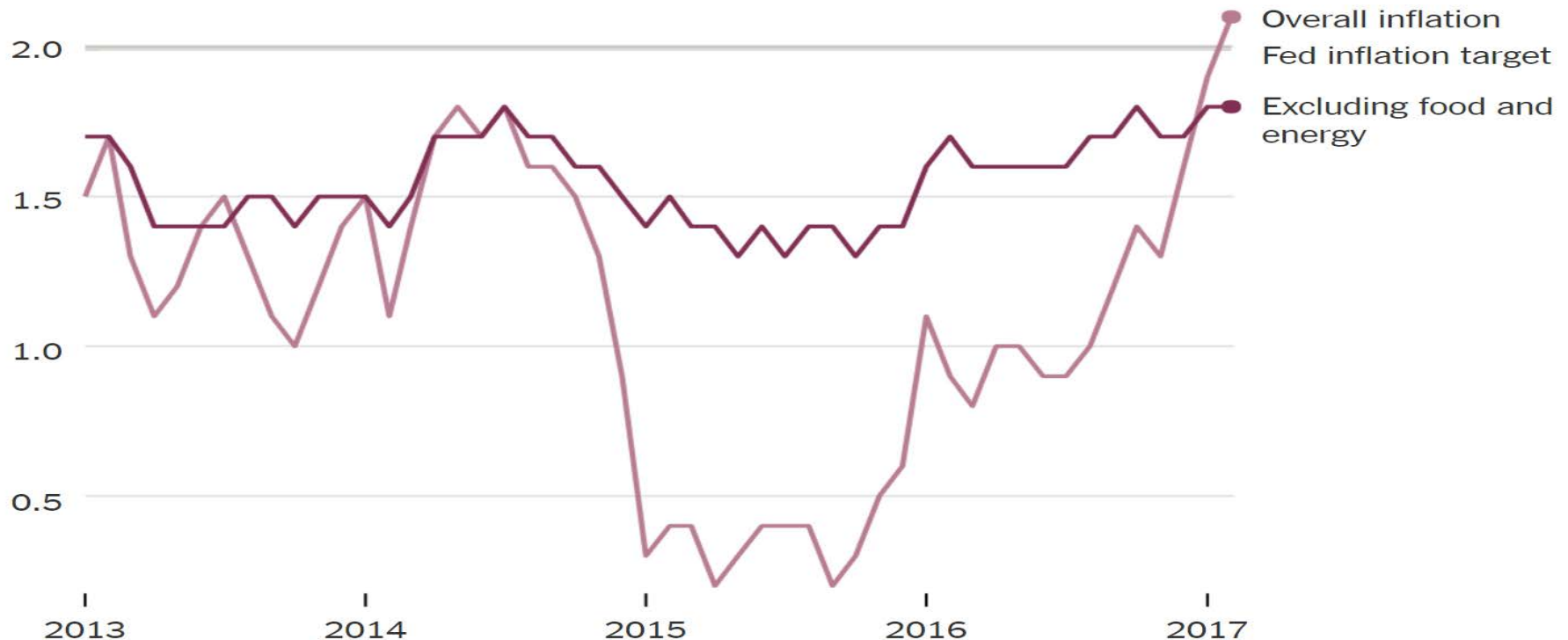
**FRED**  — BofA Merrill Lynch US High Yield Option-Adjusted Spread©



# April Unemployment Report

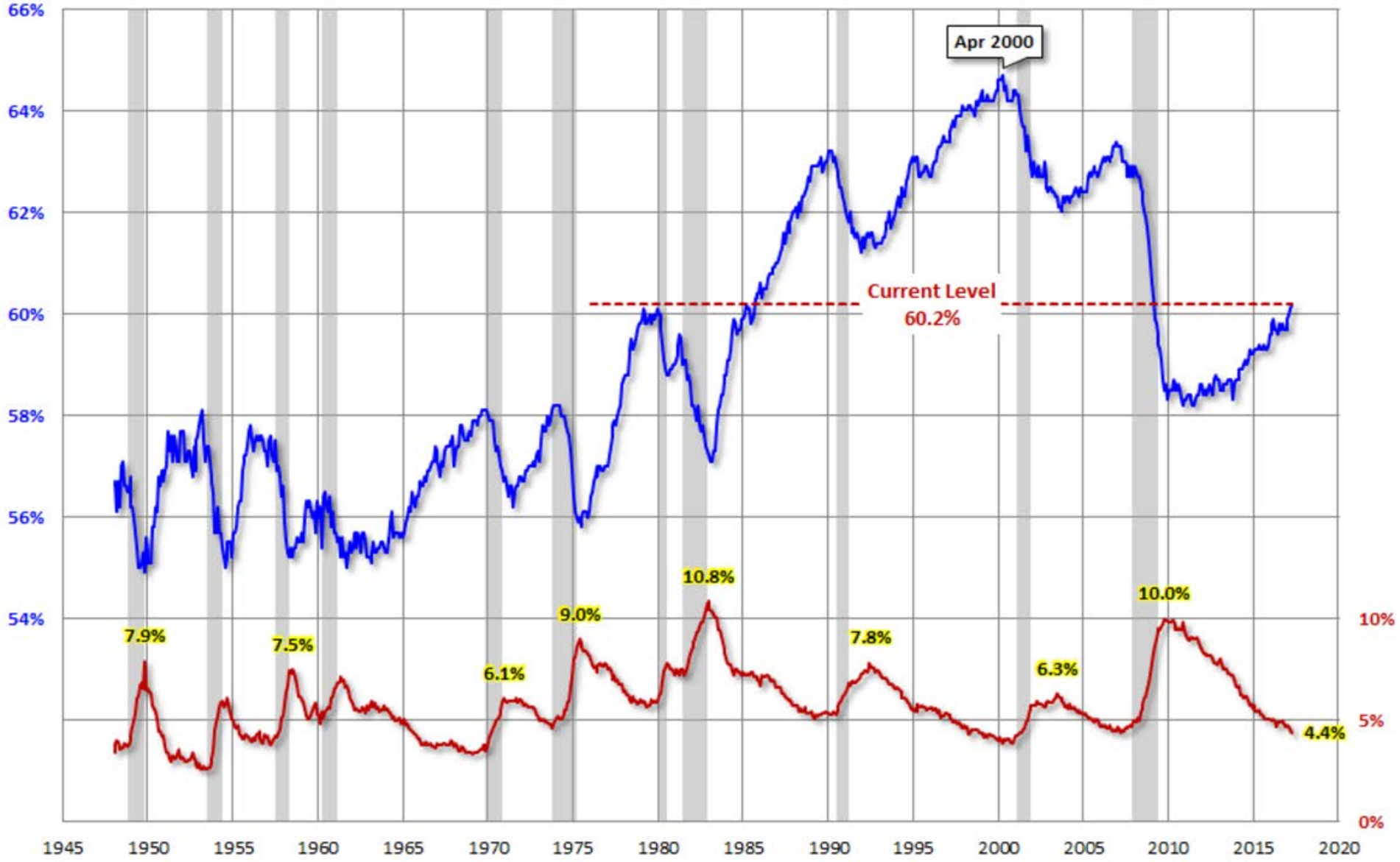
*Good News but....*

- Unemployment rate lowest since 2007, dropped from 4.5% to 4.4% of work force.
- Many are still only partially employed or not participating in workforce.
- Core inflation is still below the Fed's 2 percent target and barely twitching



# Employment to Population Ratio

Recessions    Employment-Population Ratio    Unemployment Rate



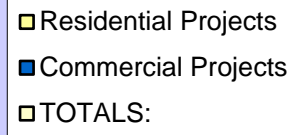
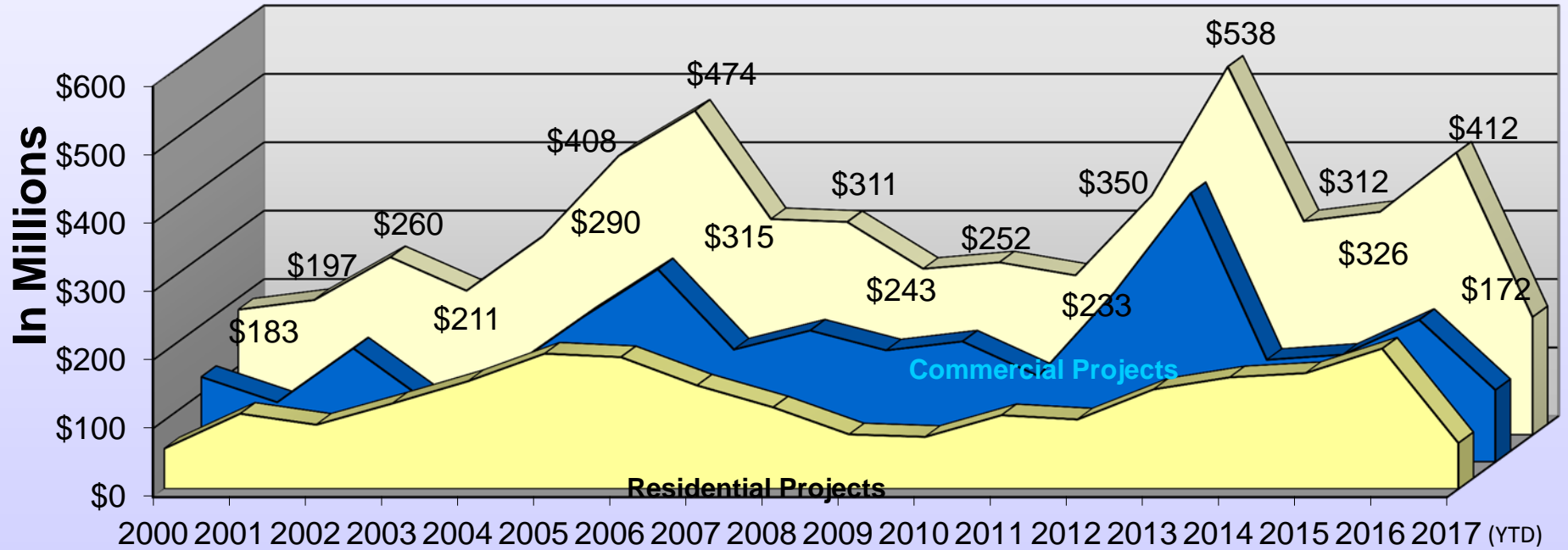
# City of Spokane Permit Activity

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- ▶ **Total Permit Activity down 13% (vs. down 11% last month)**
  - 5,863 permits were issued through April 2017 compared to 6,727 that were issued in the first four months of 2016. Permit volume is up 11% over 2015. 2016 was a record breaking year in terms of permit volumes – partially due to repairs from the 2015 windstorm.
- ▶ **New Single Family Residences down 37% (vs. down 22% last month)**
  - There were 81 SFR permits issued through April 2017 and 128 permits issued in the first four months of 2016. SFR permits are down 23% from 2015 when 106 permits were issued through April. There has been an influx of SFR plans this month – there are currently 37 in review.
- ▶ **Construction Valuation up 20% (vs. up 10% last month)**
  - The valuation of permits issued through April 2017 was \$172M, the valuation for permits issued through April 2016 was \$143M. Valuations are up 131% from April 2015.



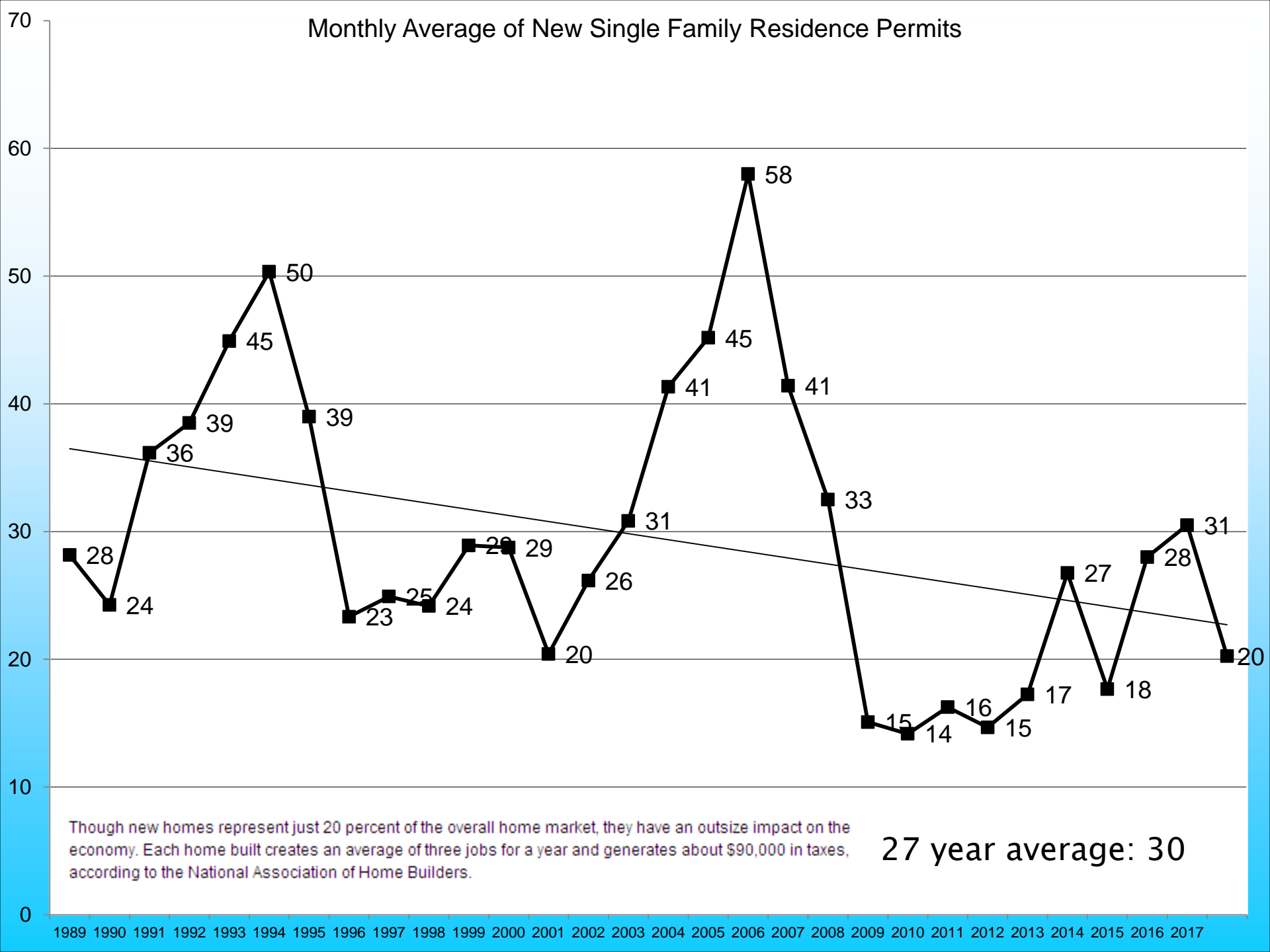
# Yearly Construction Valuations



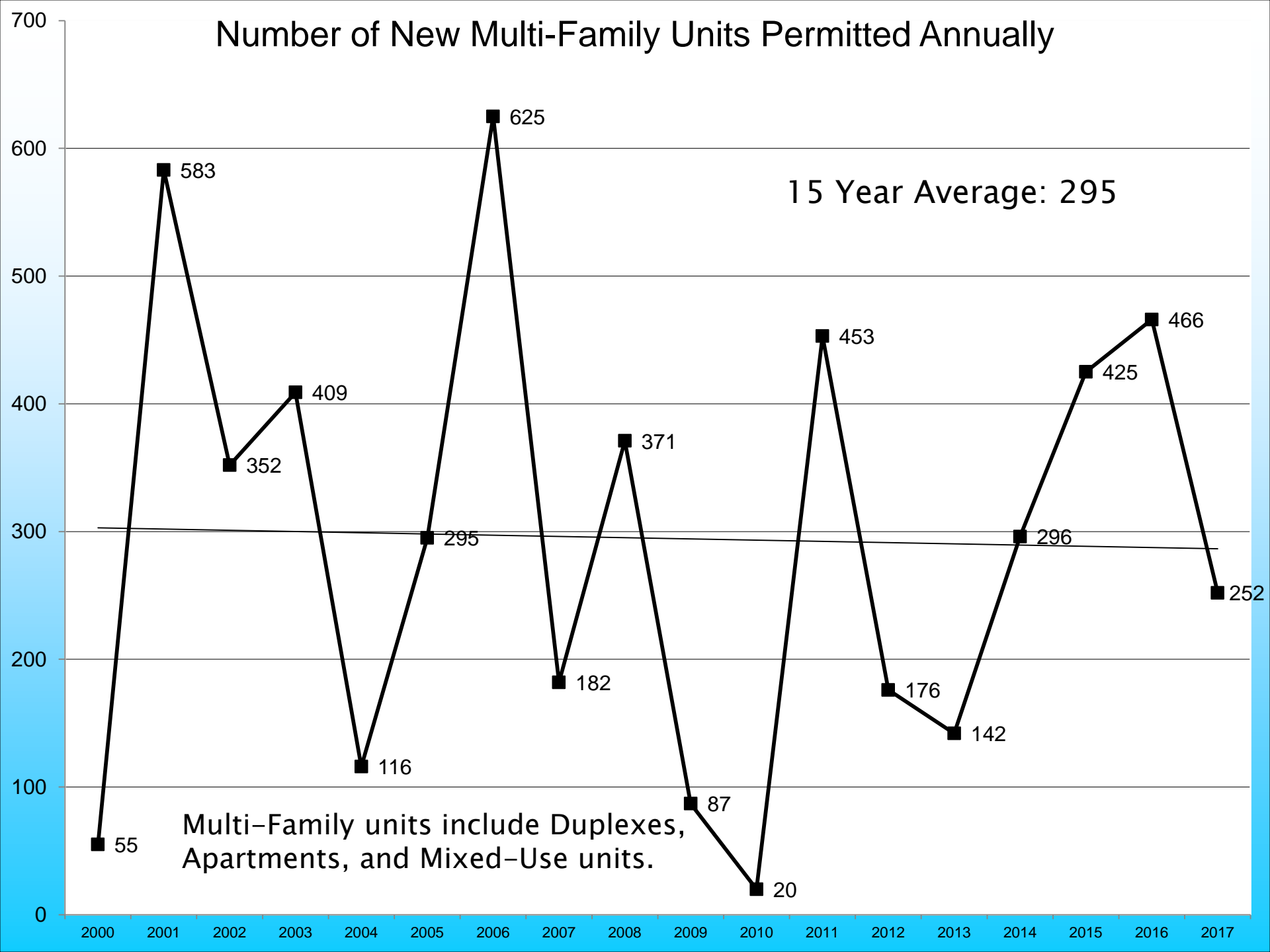
# Construction Valuation Comparison of Publicly and Privately Funded Projects

		Private	Public	Total	Public %
In Millions of Dollars	<b>2017</b>	\$ 144	\$ 28	\$ 172	16%
	<b>2016</b>	\$ 350	\$ 63	\$ 413	15%
	<b>2015</b>	\$ 291	\$ 35	\$ 326	11%
	<b>2014</b>	\$ 253	\$ 57	\$ 310	18%
	<b>2013</b>	\$ 440	\$ 98	\$ 538	18%
	<b>2012</b>	\$ 235	\$ 114	\$ 349	33%
	<b>2011</b>	\$ 182	\$ 51	\$ 233	22%
	<b>2010</b>	\$ 142	\$ 110	\$ 252	44%
	<b>2009</b>	\$ 150	\$ 93	\$ 243	38%
	<b>2008</b>	\$ 282	\$ 30	\$ 312	10%
<b>Averages:</b>	<b>\$ 247</b>	<b>\$ 68</b>	<b>\$ 315</b>	<b>22%</b>	

# Monthly Average of New Single Family Residence Permits



# Number of New Multi-Family Units Permitted Annually



## Construction Valuation Comparisons

	City	Valley	County	Total	City %
<b>2016</b>	\$ 412,764,824	\$ 262,450,000	\$ 272,716,073	\$ 947,930,897	44%
<b>2015</b>	\$ 325,863,780	\$ 98,180,000	\$ 256,109,833	\$ 680,153,613	48%
<b>2014</b>	\$ 312,104,458	\$ 111,876,535	\$ 225,905,141	\$ 649,886,134	48%
<b>2013</b>	\$ 534,607,011	\$ 173,820,000	\$ 317,800,000	\$ 1,026,227,011	52%
<b>2012</b>	\$ 349,474,428	\$ 111,594,294	\$ 221,030,312	\$ 682,099,034	51%
<b>2011</b>	\$ 233,012,833	\$ 65,378,378	\$ 245,839,900	\$ 544,231,111	43%
<b>2010</b>	\$ 252,003,323	\$ 86,463,600	\$ 186,776,741	\$ 525,243,664	48%
<b>2009</b>	\$ 242,594,589	\$ 105,192,518	\$ 178,725,029	\$ 526,512,136	46%
<b>2008</b>	\$ 311,733,003	na	\$ 232,089,582	\$ 543,822,585	

## COMPARISON OF PROJECTS FROM 2017 & 2016

Largest Projects of 2017	Valuation		Valuation	Largest Projects of 2016
Macy's Shell	\$20,000,000	1	\$26,400,000	Salk School Replacement - Phase 2
Center for Athletic Achievement	\$18,000,000	2	\$15,068,458	Highline Apartments
Copper River Apartments	\$16,808,410	3	\$13,282,949	Hampton Inn & Suites
SFCC Gym Addition and Reno	\$13,200,000	4	\$12,301,588	Palouse Trails Apartments
Riverview Lofts	\$11,783,348	5	\$12,000,000	RPWRF NLT Project
Looff Carousel	\$6,200,000	6	\$11,499,999	North Central High School Addn
RFP Icerink & Skyride	\$5,600,000	7	\$8,100,000	GU Jesuit Residence Center
Trinity School	\$4,000,000	8	\$8,000,000	St. Joseph's Care Center
Avista Downtown Network Bldg	\$3,500,000	9	\$5,167,307	Kendall Yards Elm Street Apts
Canterbury Court TI	\$3,200,000	10	\$4,900,000	One South Madelia
	<b>\$102,291,758</b>		<b>\$116,720,301</b>	

## COMPARISON OF PROJECTS ISSUED with PROJECTS IN PLAN REVIEW

Largest Projects of 2017	Valuation		Valuation	Largest Projects in Review
Macy's Shell	\$20,000,000	1	\$34,658,000	Myrtle Woldson Perf. Arts Center
Center for Athletic Achievement	\$18,000,000	2	\$20,200,000	Franklin Elementary
Copper River Apartments	\$16,808,410	3	\$12,090,273	Copper River Apartments
SFCC Gym Addition and Reno	\$13,200,000	4	\$4,872,960	St. Aloysuis Gym & Educare
Riverview Lofts	\$11,783,348	5	\$4,652,983	Larry Miller Downtown Honda
	<b>\$79,791,758</b>		<b>\$76,474,216</b>	

# Largest Projects Issued in 2017

- 1. Macy's Redevelopment Shell – 608 W. Main – Core and shell to include building envelope and core structures surrounding stairs, elevators.**
- 2. Center for Athletic Achievement – 702 E. Cataldo – New building construction and remodel of Martin Centre.**
- 3. Copper River Apartments – 2865 W Elliott – Permits for six 3-story, 24-unit apartments and the clubhouse have been issued.**
- 4. SFCC Gymnasium Addition and Renovation – 3410 W. Fort George Wright Dr. – Demolition of existing locker rooms/classrooms. Renovate existing competition gym and fitness center. Construct a new 2-story addition, approximately 24,000 sf.**
- 5. Riverview Lofts – 1601 E. Mission – 80 Unit apartment project with 4 buildings, a clubhouse and garages.**

# Largest Projects Issued in 2017

- 6. Loeff Carousel Building** – 610 W. Spokane Falls Blvd. – New Loeff Carousel building (approx. 12,308 sq. ft.) including a gift center, party room, concessions.
- 7. Riverfront Park Ice Rink and Skyride**– 610 W Spokane Falls Blvd – New outdoor ice rink, site and utility improvements, landscaping and new paving. New rink & sky ride building w/kitchen, rental areas, rink support rooms, sitting areas & sky ride control room.
- 8. Trinity School – 2315 N. Cedar – New School/daycare for Trinity Catholic School**
- 9. Avista Downtown Network Building** – 1804 W. 5<sup>th</sup> Avenue – New ~30,000 sf warehouse, storage, and office building.
- 10. Canterbury Court TI** – 1010 S. Rockwood – Interior renovations to an existing 6–story apartment building with parking lot, sidewalk, and landscaping.



# Largest Projects in Plan Review

- ▶ **Myrtle Woldson Performing Arts Center** – 211 E. Desmet – A new performing arts center with two floors, five levels, a 750 seat theater, and a rehearsal hall with 150 seats. \$34,658,000
- ▶ **Franklin Elementary Modernization and Addition** – 2627 E. 17<sup>th</sup> Avenue – Remodel of 1909 Building, Demolition of 1951 building addition and portable building. Construction of a 46,000 sf addition and expanded parking lot.
- ▶ **Copper River Apartments** – 2911 Fort George Wright Dr. – New apartment project on Sisters of Holy Names property. 240 units in 10 buildings, a clubhouse, garages, carports, and associated buildings.
- ▶ **St. Aloysius Gym and Educare Center**– 611 E. Mission– New 24,192 sf gym and educare facility with future second story classrooms. \$4,872,960
- ▶ **Larry Miller Downtown Honda** – 1208 W. 3<sup>rd</sup> Avenue – New automotive showroom facilities, office, service reception drive, parts storage, and automatic carwash tunnel. \$4,652,983

# Proposed Projects:

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Jensen Byrd Development	2017	\$45,000,000
Spokane Behavioral Health	June 2017	\$26,000,000
1400 Riverside Tower	2017	\$20,000,000
Wonder Building Adaptive Re-use	Summer 2017	\$15,000,000
City View Apartments	Winter 2016/2017	\$12,000,000
Fieldstone Memory Care	Spring 2017	\$9,000,000
Otis Hotel	TBD	\$6,000,000
Medical & Prof. Offices	Summer 2017	\$5,000,000
Maverik at Francis/Market	Summer 2017	\$4,600,000
The Catalyst Project	Fall 2017	TBD
McKinley School	TBD	TBD

# Proposed Projects Descriptions

- ▶ **Jensen Byrd Development** – 131 E Main – Mixed use development on WSU property including several buildings – mixed use, office, retail, fitness center, parking garage, and restaurant.
- ▶ **Spokane Behavioral Health** – 104 W. 5<sup>th</sup> Avenue – New behavioral health hospital with 3 floors. The total area of the project is approximately 65,000.
- ▶ **1400 Riverside Tower** – 1404 W. Riverside – New mixed use parking and condominium building with 17 floors. There will be approximately 50 units in 275,000 sf.
- ▶ **Wonder Bread Adaptive Re-use and Parking Garage** – 821 W. Mallon Avenue – Tenant improvements and a change of use from a bakery to mixed use – retail, office, restaurant, and storage. A new parking garage with 261 stalls is also proposed.
- ▶ **City View Apartments** – 1403 S. Assembly – New apartment complex with 144 units in 3 buildings. Project includes 2 support structures and site development.

# Proposed Projects Descriptions

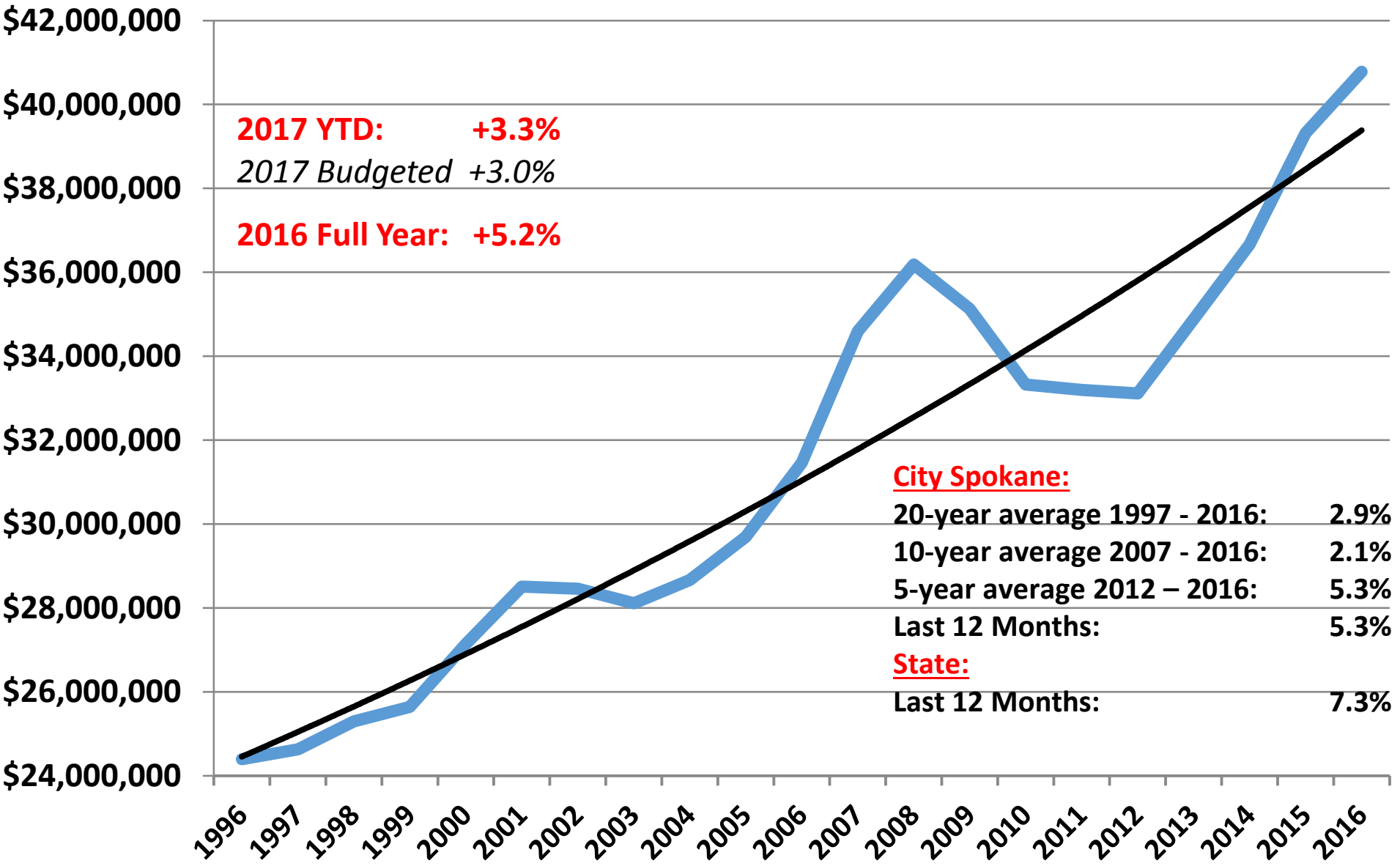
- ▶ **Fieldstone Memory Care** – 4515 S Freya – New memory care facility with four new buildings and site work.
- ▶ **Otis Hotel** – 110 S. Madison – Tenant improvement and change of use from hotel to main floor commercial with apartments on upper floors.
- ▶ **Medical and Professional Offices** – 960 E. 3<sup>rd</sup> Avenue – A new 3-story medical and professional office building.
- ▶ **Maverik at Francis/Market** – 6225 N. Market Street – New motor vehicle fueling facility, canopies for fueling areas, underground tanks, and a convenience store.
- ▶ **The Catalyst Project** – 611 E. Sprague – New mixed use building with six floors and a basement. The total area of the project is approximately 140,000 sf.
- ▶ **McKinley School** – 120 N. Magnolia – Change of use of two existing storage/warehouse buildings. Proposed uses include brewery, light industrial, restaurants, concert venue, retail and/or office.

Sales Tax Report			← 2017 2016 →												
	Approx. Annual \$	12-Month	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
King Cnty	\$107m	7.1%	-0.5%	10.8%	-3.0%	2.3%	6.3%	8.8%	13.6%	2.2%	8.0%	12.8%	15.2%	13.8%	13.6%
Bellevue	\$62m	5.2%	7.8%	5.8%	1.9%	-4.0%	2.3%	7.2%	9.7%	0.4%	2.1%	8.1%	20.6%	4.1%	3.6%
Seattle	\$211m	7.9%	5.5%	9.1%	3.7%	7.1%	5.9%	9.3%	12.6%	5.5%	5.4%	12.4%	9.4%	10.9%	8.5%
Pierce	\$47m	7.4%	1.7%	10.5%	7.8%	10.2%	4.5%	10.0%	9.3%	5.8%	4.3%	6.9%	8.9%	9.3%	13.4%
Tacoma	\$43m	8.9%	3.0%	20.0%	15.4%	14.6%	5.8%	1.8%	6.5%	5.5%	2.9%	9.4%	11.7%	11.7%	11.3%
Snohomish	\$46m	8.3%	5.1%	11.3%	5.3%	6.1%	2.1%	10.0%	16.4%	6.9%	8.7%	9.3%	9.6%	9.8%	7.9%
Everett	\$27m	3.2%	-0.5%	3.0%	-1.3%	0.9%	-0.7%	8.1%	9.9%	1.7%	3.3%	6.8%	-0.8%	9.2%	11.0%
Clark Cnty	\$29m	8.8%	4.2%	8.0%	11.1%	7.3%	8.9%	11.3%	13.8%	4.4%	11.8%	8.1%	8.1%	7.3%	10.8%
Vancouver	\$34m	5.6%	2.1%	6.3%	4.1%	8.5%	0.2%	8.0%	4.2%	0.3%	6.1%	7.7%	8.5%	11.9%	-5.5%
Spokane City	\$43m	5.3%	-1.5%	8.2%	1.2%	7.8%	2.6%	5.7%	11.3%	2.3%	3.9%	12.5%	7.1%	4.6%	2.7%
Spok Cnty	\$24m	6.3%	-.9%	2.6%	8.0%	9.2%	6.1%	6.6%	10.8%	0.7%	6.3%	6.7%	9.7%	9.1%	10.0%
Spok Valley	\$19m	7.9%	.8%	4.0%	6.9%	15.5%	11.1%	12.6%	16.2%	3.7%	3.4%	-3.1%	14.0%	12.2%	11.6%
Benton Cnty	\$12m	8.5%	-16.4%	42.1%	18.9%	86.8%	17.4%	29.1%	18.2%	2.2%	-29.6%	-13.7%	5.1%	-1.3%	16.7%
Kennewick	\$18m	1.4%	-11.0%	-2.6%	-0.8%	4.4%	2.2%	3.7%	10.0%	15.4%	5.6%	5.3%	8.8%	11.1%	6.5%
Wenatchee	\$8m	14.7%	10.7%	23.2%	9.0%	31.2%	3.2%	12.4%	25.5%	11.9%	15.9%	7.0%	14.3%	15.7%	15.0%
Walla Walla	\$5m	6.1%	4.1%	-7.0%	.7%	1.1%	-1.2%	4.3%	7.9%	2.7%	17.8%	17.7%	17.2%	7.6%	13.6%
Yakima	\$17m	3.7%	-10.5%	-3.0%	.2%	27.1%	2.6%	4.7%	6.9%	2.5%	1.3%	2.0%	7.5%	4.3%	7.3%
Statewide	\$1.5b	7.2%	5.0%	7.7%	3.2%	7.7%	4.8%	8.6%	12.0%	3.5%	5.8%	8.2%	10.7%	10.0%	9.6%

# Weak Sales Tax in February? A BIG Winter

City	Snowfall in 2016-2017 winter season*
Syracuse, NY	106.3"
Rochester, NY	74.2"
Anchorage, AK	71.2"
Portland, ME	66.2"
Spokane, WA	60.6"
Duluth, MN	59.0"
Salt Lake City, UT	50.1"
Buffalo, NY	48.2"
Albany, NY	41.4"
Great Falls, MT	40.5"
Madison, WI	39.8"
Boise, ID	39.0"
Boston, MA	36.4"
Milwaukee, WI	33.3"
Cheyenne, WY	31.4"
Detroit, MI	31.2"
Minneapolis, MN	27.8"
New York, NY	23.4"
Denver, CO	19.3"
Chicago, IL	18.6"

# Sales Tax History: Year-Over-Year Collections



**2017 YTD: +3.3%**  
*2017 Budgeted +3.0%*

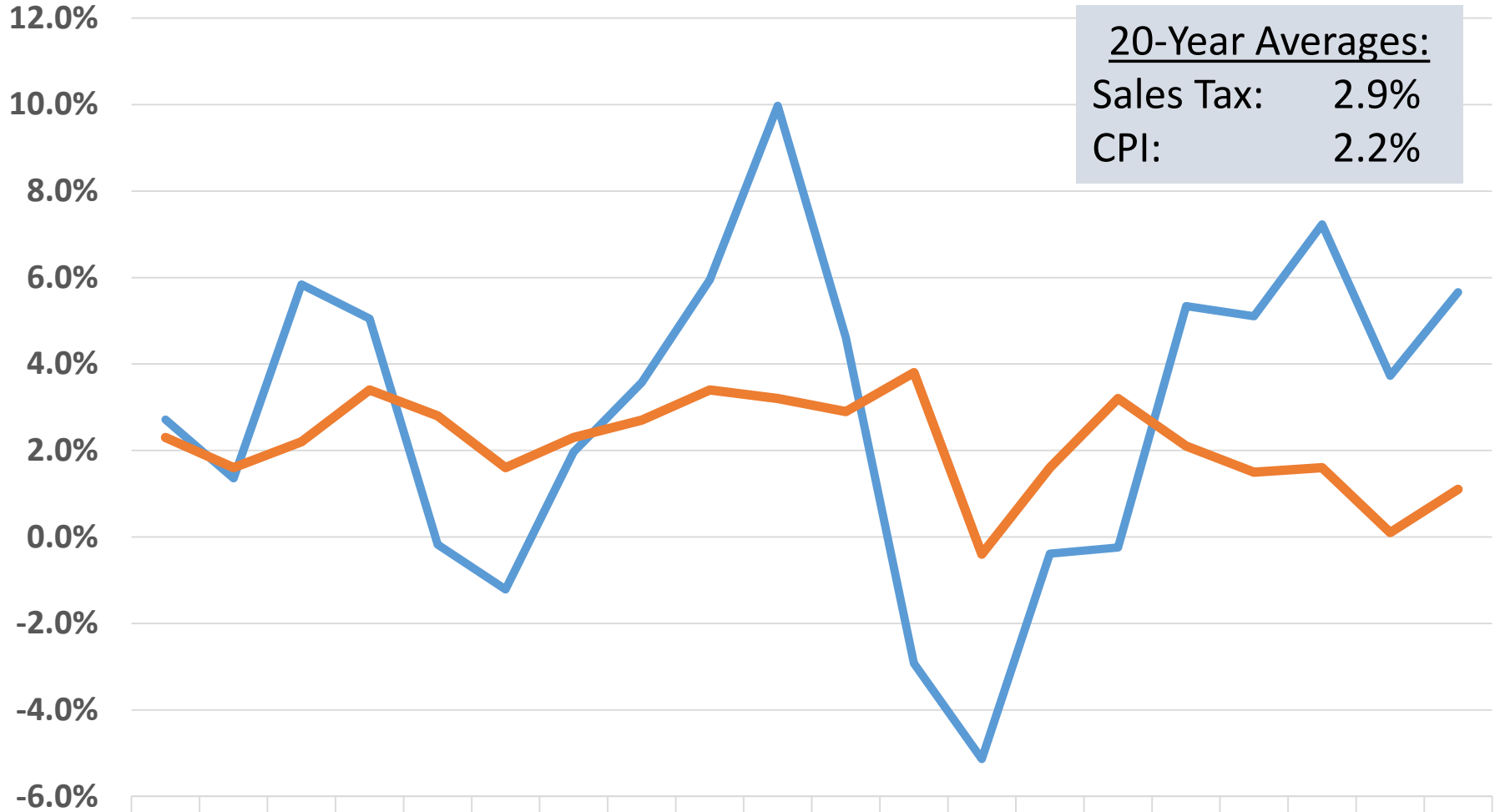
**2016 Full Year: +5.2%**

**City Spokane:**  
 20-year average 1997 - 2016: 2.9%  
 10-year average 2007 - 2016: 2.1%  
 5-year average 2012 - 2016: 5.3%  
 Last 12 Months: 5.3%

**State:**  
 Last 12 Months: 7.3%

# City Sales Tax Growth vs. Annual CPI

## 20-Year



20-Year Averages:  
 Sales Tax: 2.9%  
 CPI: 2.2%

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
— Sales Tax	2.7%	1.4%	5.8%	5.1%	-0.2%	-1.2%	2.0%	3.6%	5.9%	10.0%	4.6%	-2.9%	-5.1%	-0.4%	-0.2%	5.3%	5.1%	7.2%	3.7%	5.7%
— CPI	2.3%	1.6%	2.2%	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%	3.2%	2.9%	3.8%	-0.4%	1.6%	3.2%	2.1%	1.5%	1.6%	0.1%	1.1%



<b>General Fund – Revenues Through April 2017</b>					
<u>Revenues//</u>	<u>Year-to-date</u>	<u>Budgeted YTD</u>	<u>Over / Under Budget</u>	<u>Variance Prior Month</u>	<u>Increase / (decrease)</u>
Sales Tax - General Fund Only	5,612,081	5,525,786	86,295	85,106	1,189
Admissions Tax	188,482	174,461	14,021	15,715	(1,693)
Private Utility Tax/Franchise Fees	8,376,713	7,875,275	501,439	516,856	(15,417)
Utility Tax - Water	1,333,322	1,347,899	(14,577)	(27,604)	13,027
Utility Tax - Sewer	4,108,542	4,214,902	(106,360)	(110,610)	4,250
Utility Tax - Solid Waste (Interfund)	2,033,326	2,009,077	24,248	(3,325)	27,573
Utility Tax – Stormwater	371,784	366,790	4,994	(641)	5,635
Utility Tax - IF Electric	73,325	94,458	(21,134)	(12,972)	(8,162)
Other Bus License/Permit Revenue	1,253,263	1,155,964	97,299	61,913	35,386
Interest Revenue	2,729,286	2,033,333	695,953	759,502	(63,549)
Traffic & Parking Violations	830,423	754,713	75,710	86,029	(10,319)
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	26,910,547	25,552,659	1,357,888	1,369,970	(12,082)

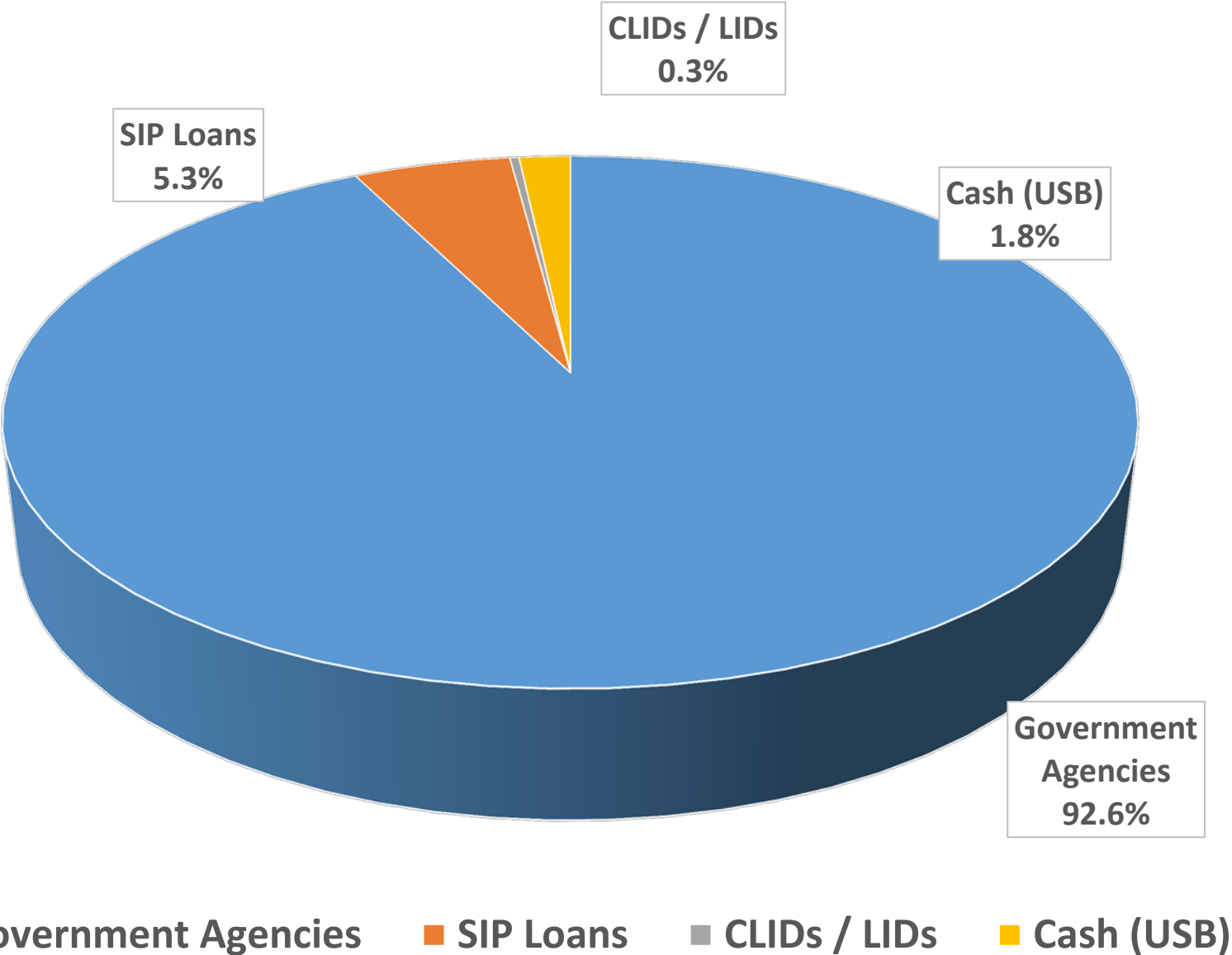


# City Council Finance & Technology Committee: May 8, 2017

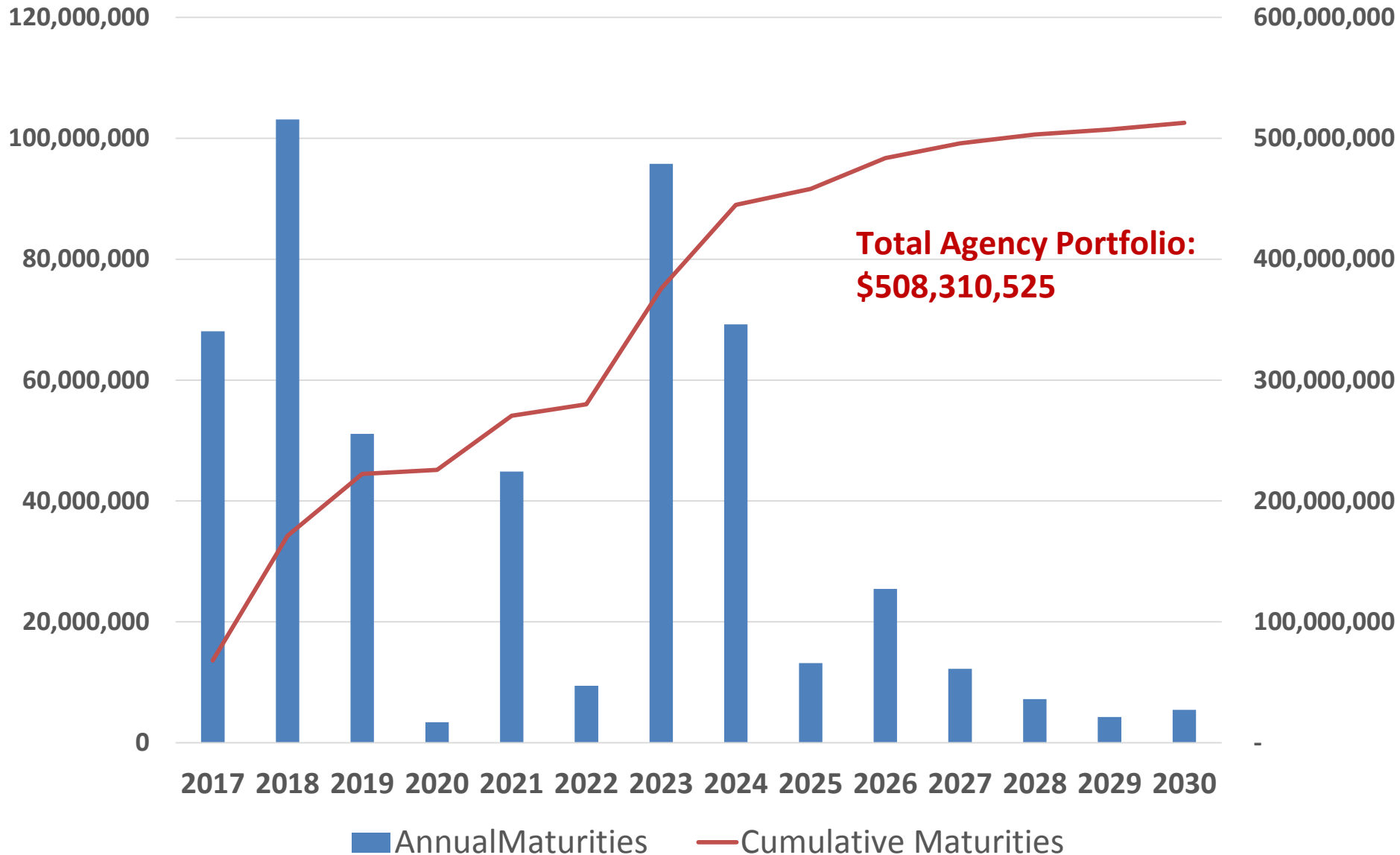
## Investment Report & National Economic Outlook



# Spokane Investment Pool (SIP) Investment Composition



# Spokane Investment Pool (SIP) Government Agency Maturity Analysis



# National Economic Outlook

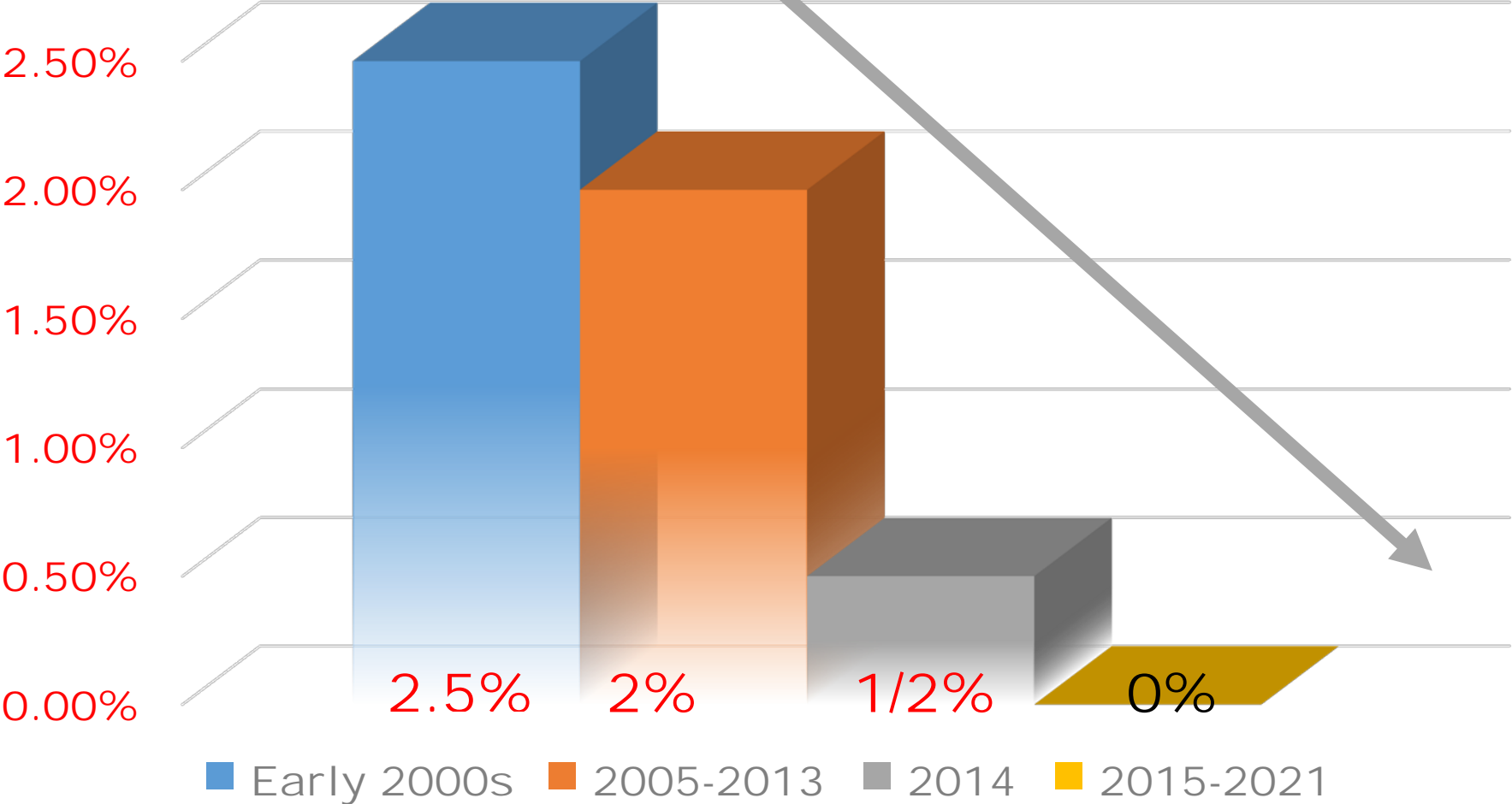
*It's All About Sustainable City Budgeting*

*Forward looking and sustainable city budgets are essential to regional prosperity.*

*Fiscal sustainability is key to providing quality city services and infrastructure to our citizens, businesses and visitors now and predictably into the future.*



# Structural Gap... Gone but not Forgotten



Structural Budget Gap  
now stands at 0%



# Structural Gap... Gone but not Forgotten

*“Because the U.S. economy is already near full employment, Trump’s policies — particularly his infrastructure spending plan — would presumably drive up wages...”*

-- WSJ 12/1/16

**Recall: over 80% of General Fund budget is comprised of Labor & Benefits**

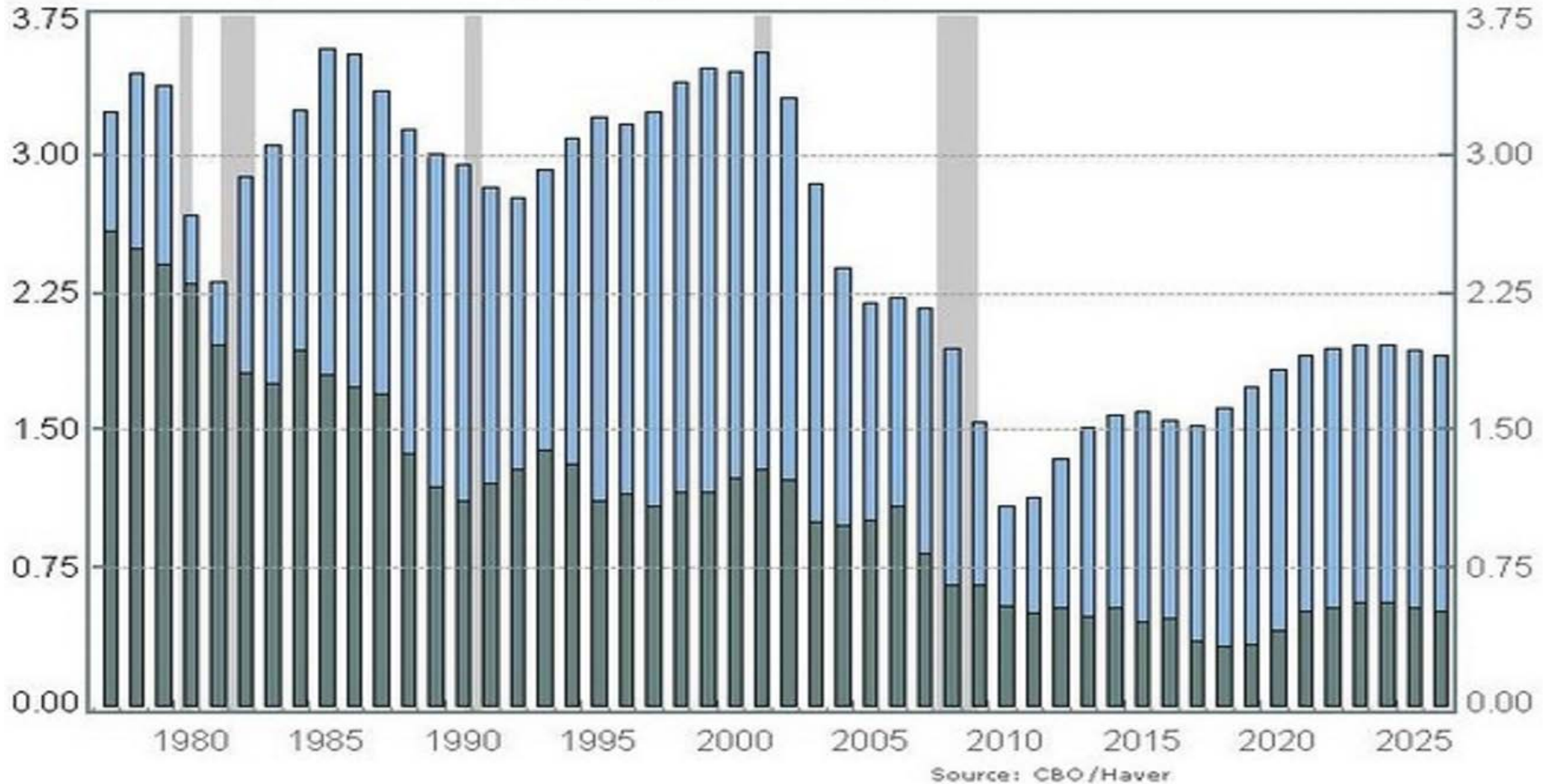
# Economic Growth = Labor Force Growth + Productivity Growth

(This 'Speed Limit' on Economic Growth is Currently Below 2%)

3% - 4% Growth Target Unrealistic Unless Add Workers or Add Productivity

**Potential labor force growth (dark green)**

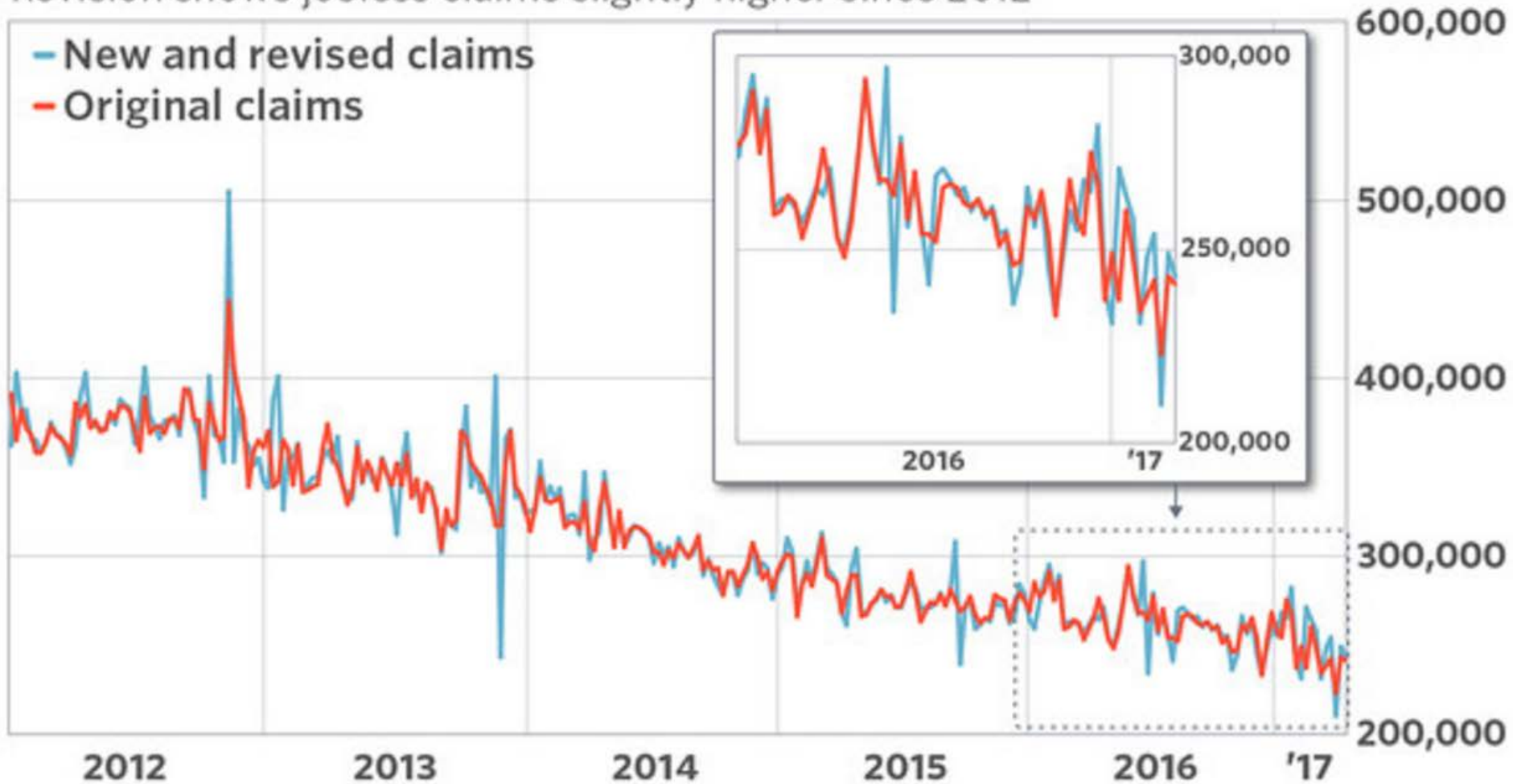
**Potential productivity (bright blue)**



Source: CBO/Haver

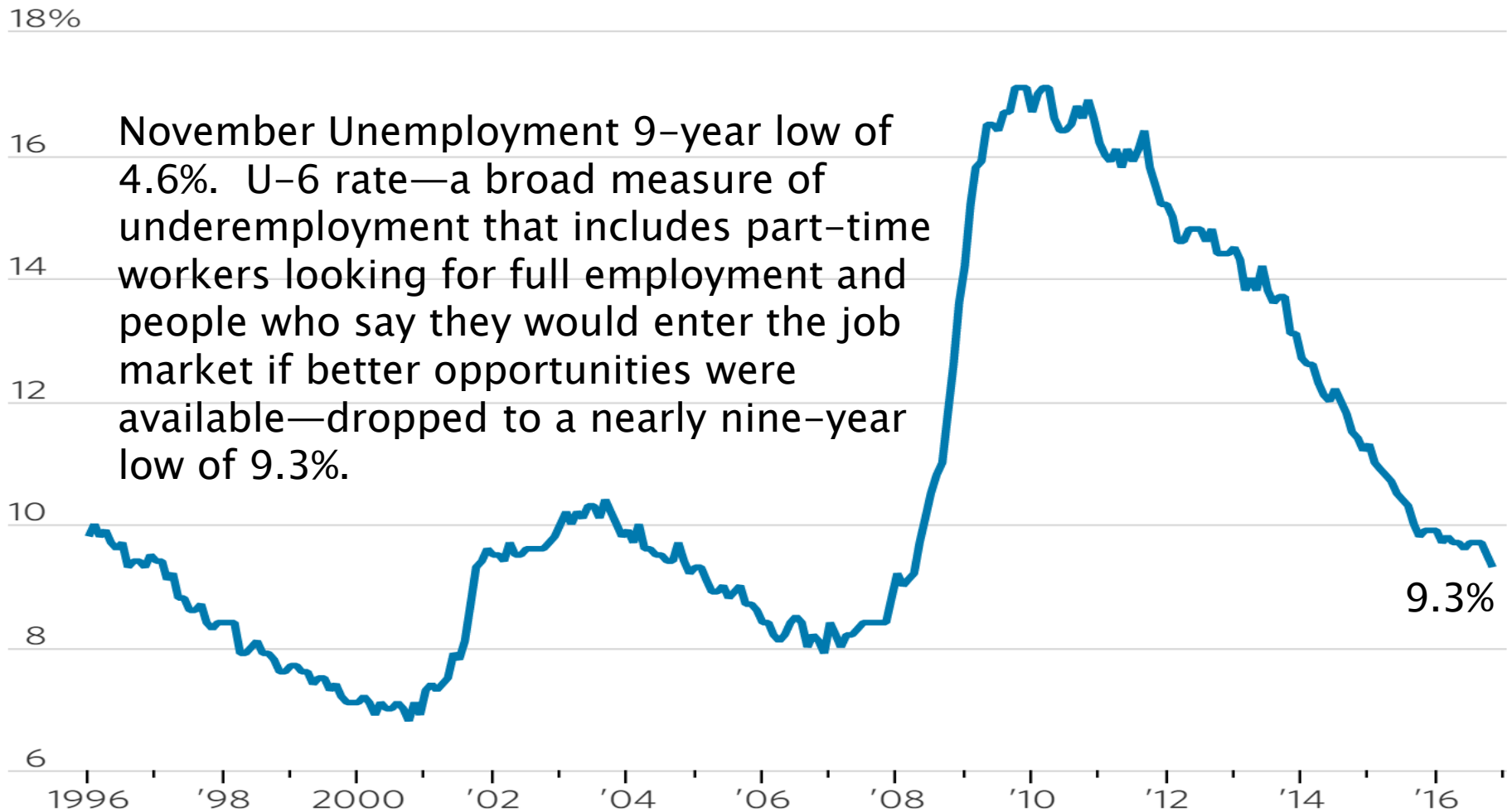
# Rate of U.S. layoffs

Revision shows jobless claims slightly higher since 2012



Source: U.S. Labor Department

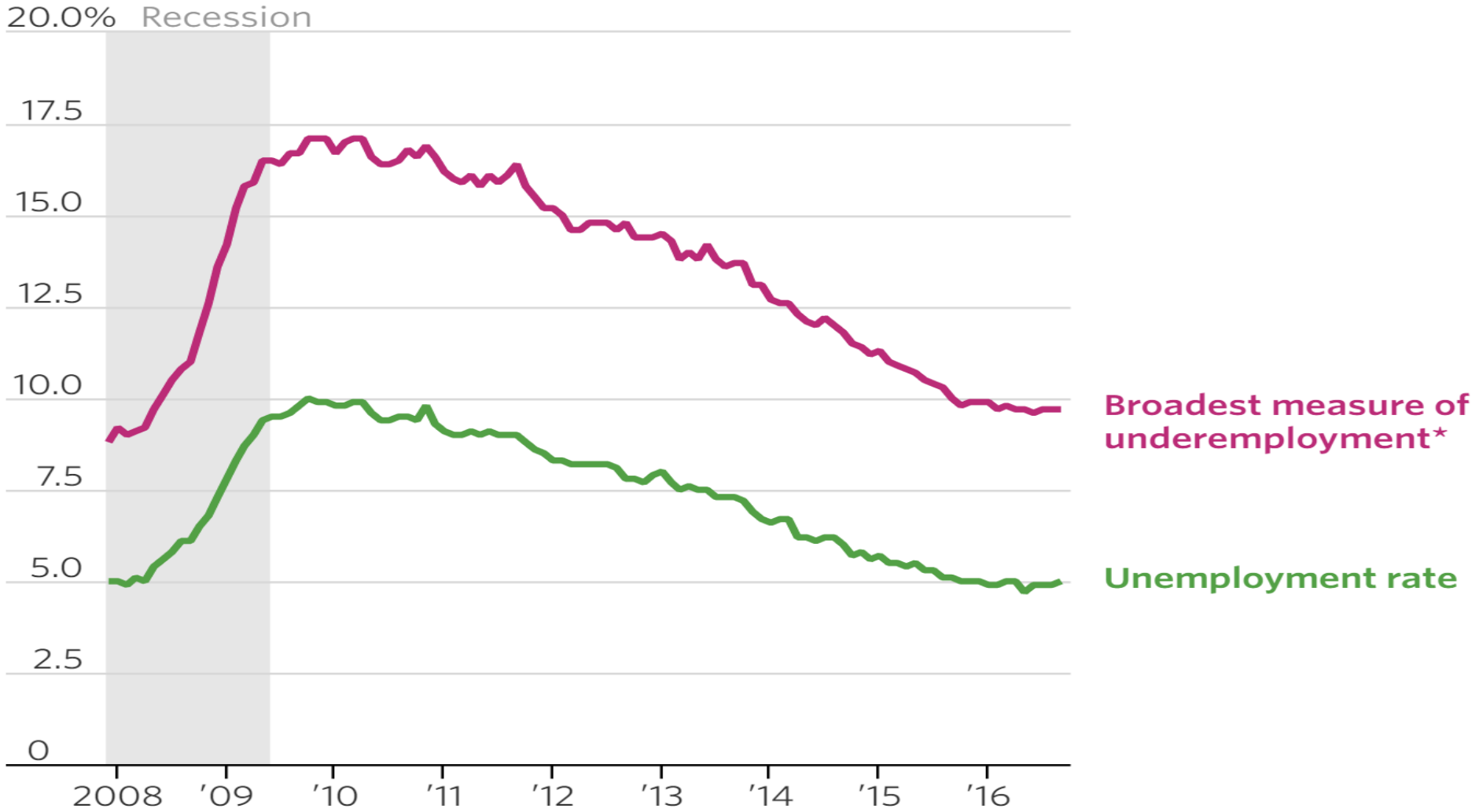
# U.S. Approaching Full Employment Questions Persist...



Source: Labor Department

# Unemployment: Varying Perspectives

## Questions Around Full Employment



\*Includes unemployed, involuntary part-timers and marginally attached. Note: Seasonally adjusted

Source: Labor Department  
THE WALL STREET JOURNAL

# Increasing Risk of Recession?

1986 was the only episode over the past 30 years in which all four of our warning indicators were activated without this leading to a recession

US recession warning signals					
	1986	1990	2001	2008	2016
Falling profit margins	✓	✓	✓	✓	✓
Fed's LMCI negative	✓	✓	✓	✓	✓
Capex growth negative	✓	✓	✓	✓	✓
Speculative default rate above 5.5%	✓	✓	✓	✓	✓
<b>Recession</b>	<b>X</b>	✓	✓	✓	?

# Increasing Risk of Recession?

**US corporate margins have been declining for the past eight quarters**



# Increasing Risk of Recession?

**While the corporate debt to GDP ratio was low in 1986, it is now at an all-time high**

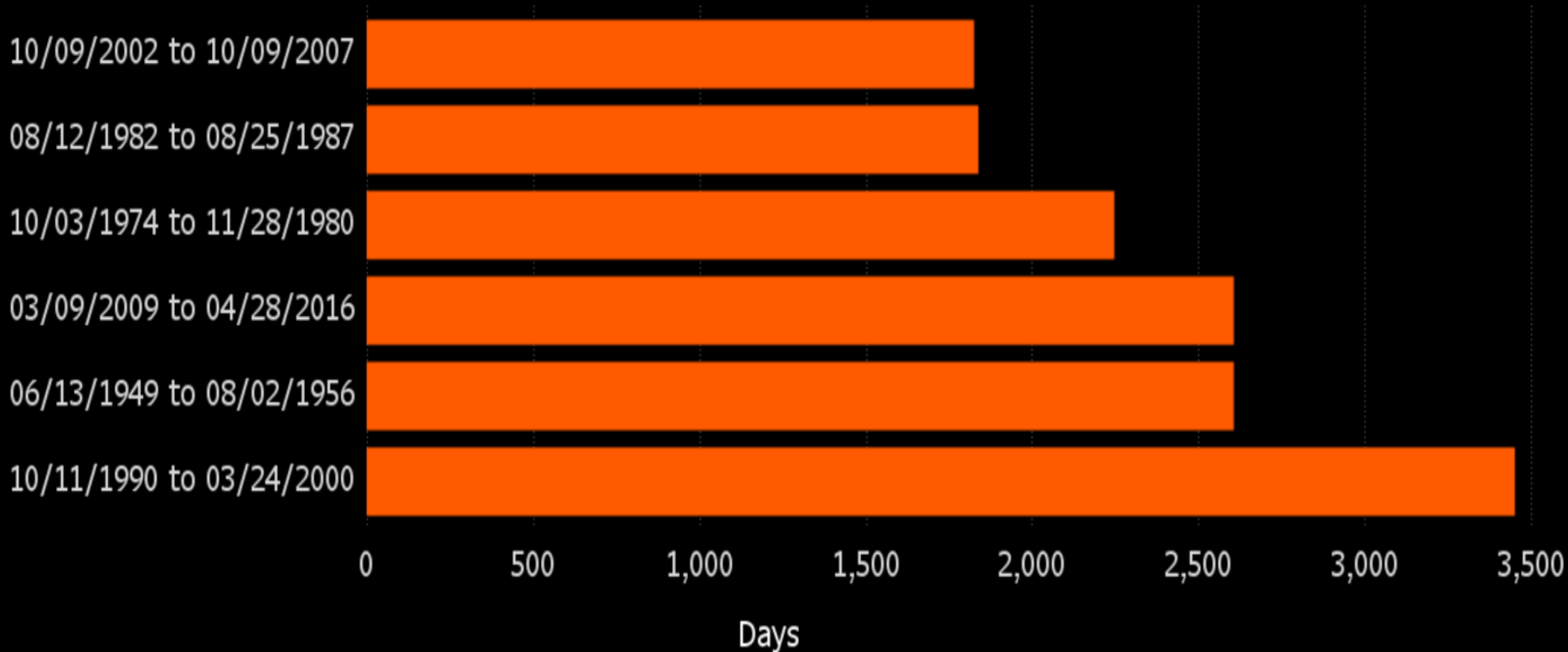




# Increasing Risk of Recession? Business Cycle getting long in the tooth?

## Bull Market Rankings

S&P 500 poised for second-longest rally in history



**FINANCE & TECHNOLOGY MEETING  
MEETING AGENDA FOR  
May 8, 2017  
10:30 a.m. – City Council Briefing Center**

The Spokane City Council's Finance & Technology Committee meeting will be held at **10:30 a.m. on May 8, 2017** in City Council Briefing Center –Lower Level City Hall, 808 West Spokane Falls Boulevard, Spokane, Washington.

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 meeting will be open to the public, with the possibility of moving or reconvening into executive session only with the members of the City Council and the 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 from April 10, 2017 Meeting**

**III. Council Requests**

- Repeal of the Cabaret License Council
- Administrative Procedures and Policy Council

**IV. Staff Requests**

1. KSPS PEG Contract John Delay
2. Interlocal Agreement w/County for Geiger Work Crews Thea Prince
3. Disposition of Low Value Personal Property or Equipment Ed Lukas
4. 2018-2023 Capital Improvement Program Overview Crystal Marchand
5. Financial Update Cooley/ Mallahan
6. IT Update Eric Finch
  - Contract with Mitchell Humphrey for annual support and upgrades of our Finance Management System Software
7. Council Budget Priorities CM Waldref

**V. Executive Session:**

**VI. Adjournment:**

**Next Finance & Technology Committee meeting will be on Monday, June 5, 2017.**

***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 509.625.6363, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or [jjackson@spokanecity.org](mailto:jjackson@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.***

## BRIEFING PAPER

### CityCable 5

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Subject:

Cable Educational Access Agreement with the Friends of KSPS

Background:

The City of Spokane designates KSPS as the administrator of C.A.B.L.E. PEG funds under Section 19 subsection (b) of the City's Cable Franchise. KSPS prioritizes the Capital Equipment needs of the C.A.B.L.E then relays those requests on to the City for funding.

Impacts:

As part of the Franchise, KSPS ensures that the (E) Educational Channels of the PEG Channels are provided to any subscriber, at no additional charge, and viewable by Comcast Subscribers without the need for additional equipment beyond that required to receive the Basic Cable Tier.

Action:

Continued approval of this contract to fulfill Comcast Cable Franchise Requirements.

**ORDINANCE NO. C-\_\_\_\_\_**

An ordinance relating to the disposition of surplus City real property; enacting a new section 12.05.040; and amending section 07.08.509 of the Spokane Municipal Code.

**NOW THEREFORE**, the City of Spokane does ordain:

Section 1. That there is enacted a new section 12.05.040 of the Spokane Municipal Code to read as follows:

**Section 12.05.040 Disposition of Low-Value Personal Property or Equipment**

- A. As authorized by, and pursuant to RCW 35.22.280(3), chapters 35.33 and 35.94, RCW, and chapter 12.10, SMC, as well as Article 8, Section 7 of the Washington State Constitution, which generally prohibits the City from gifting money or property to private individuals or corporations, the City Administrator, or her designee, is authorized to dispose of low-value City personal property or equipment, by any of the following methods:
1. Arms'-length sale on commercially reasonable terms;
  2. Donation to a non-profit organization; or
  3. Auction.
- B. Prior to conducting any disposition authorized by this section, the City Administrator, or her designee, shall provide a report to the City Council providing, in reasonably specific terms, the following:
1. a description of the City low-value personal property or equipment which is to be disposed of;
  2. the preferred method of disposition;
  3. the approximate date of the disposition;
  4. the estimated costs of the disposition, if any; and
  5. the estimated revenues, if any, to be derived from the disposition.
- C. For purpose of this section, "low-value personal property or equipment" means (i) any item of personal property or equipment having an estimated value of less than five hundred dollars (\$500.00), and (ii) any item of personal property or equipment which, in the determination of the City Administrator or her designee has not been in use by the City for a period of five years or longer.
- D. Funds derived from the sale of low-value personal property or equipment shall be deposited into the Asset Management Fund, pursuant to SMC 07.08.509(F).

Section 2. That section 07.08.509 of the Spokane Municipal Code is amended to read as follows:

**Section 07.08.509 Asset Management Fund**

- A. There is created a fund to be known as the “asset management fund” for the purpose of planning, designing, constructing/demolishing, procuring, managing and selling real property and infrastructure for City departments/funds.
- B. All moneys deposited in the fund shall be expended through the usual fiscal officers of the City as directed by the legislative authority of the City and in accordance with approved budgets for the design, construction/demolition, procurement or management of real property and for payments of debt related to property owned by the fund.
- C. All moneys deposited into the fund and not expended shall remain in the fund from year to year and shall not be transferred to any other fund or expended for any other purpose whatsoever, except by appropriate action of the city council.
- D. The City fund that uses the property owned by the asset management fund for its operating activities is responsible for all expenses related to the maintenance and operation of the property.
- E. To the extent permitted by law, all moneys from the sale of real properties surplus by the city council shall be deposited into the fund.
- F. To the extent permitted by law, all proceeds from the sale of low-value personal property or equipment conducted as authorized under SMC 12.05.040 shall be deposited into the fund.

PASSED by the City Council on \_\_\_\_\_.

Council President

\_\_\_\_\_

Approved as to form:

Attest:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date

DRAFT