

Mayor David Condon's Statement of Conditions and Affairs

**Monday, October 10, 2016 at 6 pm
City Council Chambers**

Good evening Council President and members of the City Council.

To those of you watching at home and with us here in the Council Chambers, thank you for joining us for the City Council meeting and the annual statement of conditions and affairs.

Tonight is one of the times we set aside to update you on the progress of the city and talk about its direction moving forward.

Before we get started, I want to take a moment for our city government family to recognize the two Waste-To-Energy facility employees and the firefighter who were recently hurt at work.

Our thoughts, prayers and best wishes remain with each of you and your loved ones.

City government is a people business, and the hard work and dedication of the men and women just like these three individuals make the update we will discuss tonight possible.

Over the next few minutes, you will hear about great advancements in public safety and tremendous improvements in how we are making our streets safer and more drivable.



We will talk about the investments you are making to transform Riverfront Park and the outcomes we are striving for with our most vulnerable citizens.

We will also be the first ones to tell you that for all of the great work, for all of the improvement, for all of the momentum, there is still more to be done.

And that is where we need to be squarely focused.

So, according to the Spokane City Charter, Article IV, Section 24, I hereby fulfill my duty as mayor to annually, at the second meeting of the City Council in October, communicate a statement of the conditions and affairs of the city.

Tonight, I report to you that our optimism about Spokane's future is based on the recent steady growth in the local economy.

Over the past five years, we have learned a lot about building the City of Choice.

We have challenged assumptions, looked at things with a fresh perspective and let desired outcomes drive our approaches to getting there.



We have stretched your investments to deliver multiple outcomes, aligned resources to your priorities and held ourselves accountable to delivering against them.

The list goes on, but no matter what the example there is one lesson that continually stands out and that is the value of collaboration and partnership.

It has been proven over and over again that the best outcomes are born from the best engagements, so your interest and participation in city government is something we as elected leaders greatly appreciate.

Partnership between the community and city government is fundamental to the success of Spokane.

So, we begin our discussion about the statement of the city's conditions and affairs with partnership.

Tonight, we are recommitting to working together – working together as elected leaders, with our neighborhoods and with the community.

It is critical that even as Spokane is safer, stronger and smarter than it was a few years ago that we foster a safer environment for discussion, dialogue and healthy disagreement so that we build a stronger team to deliver smarter outcomes to the community we all serve.



The most immediate opportunity is during the process we are currently in as an Administration and City Council working together to finalize the budget.

The proposed draft budget is based on a budgeting philosophy adopted by City Council Resolution 2011-0030 and reaffirmed in May by this Council.

The philosophy requires us to make government more affordable to citizens, aligned to top community priorities and accountable for our performance.

To meet those requirements, we follow these principles when developing the budget:

- Don't spend more than you take in
- Don't spend one-time money on ongoing expenses
- Maintain prudent budget reserves
- Maintain strict controls on hiring and spending
- Fund the highest priority services first

This year's draft budget, which includes increases to spending on public safety, streets and sustainable growth, proposes an increase of just over 1% of last year's operating budget.

The budget also maintains the discipline of limiting the utility rate increase to the cost of living.



Already, we agree on more than 99% of what is in the draft budget.

And, we have every expectation of working together to evaluate the remaining items and finalize a line-item budget that will deliver on the community's most important priorities when it is submitted to the City Council in early November.

While budgeting may not be everyone's first interest, it is an important note because the process we follow to develop the budget and how the resources are allocated sets the tone for the year to come.

The budget conversation, which has now spanned several months, has been productive and meaningful.

We have introduced new tools to better understand the cost of government to its citizens and the changes to the budget.

Where we have disagreed we have worked through the concerns with an understanding that we share a common goal of delivering the best, most affordable outcome.

We are not perfect, but we are continuing to learn along the way.

And, that is perfectly okay.

The accomplishments we have delivered as a city give me the confidence to say that.



Collaborative learning is getting us to a cleaner river faster, sending the right people, resources and vehicles when people call for assistance and improving our streets for pedestrian, bicycle and vehicle travel.

It has changed and improved how we prevent, respond to and investigate crime, connect our most vulnerable to the resources they need most, and encourage new investment in Spokane.

As disconnected as some of those items might appear at first glance, they all support the ultimate goal of a sustainable and growing Spokane.

There are numerous indications that we are making steady progress beginning with growing our citizens' discretionary income.

Median household income in the city grew to \$44,350 in 2015.

That figure is up nearly 13% since 2013 bolstered by two consecutive years of growth during a period when Spokane County as a whole saw relatively little gain.

Investments in critical transportation infrastructure and strategic capital are driving new investment in Spokane.

Total permitting activity climbed 24% this year through the end of September.



With a quarter to go in the year, construction valuation, which is up 32%, has already exceeded the total in each of the previous two years.

That activity translates into more than \$1.5 billion invested in Spokane over the past four years.

Meanwhile, the median home sale price has grown 20.3% since 2013, including 9.5% in the past year.

Sales tax revenue is up 4.2% over the past 12 months, although some month-to-month inconsistencies give us reason to be a little more conservative with revenue growth estimates for the 2017 budget.

Each of these is an important measure of economic vitality that benchmarks the city's progress toward sustainable growth.

Quality of life factors are responsible for much of the advancement and will determine our future successes.

Consider, for example, the \$80 million in street construction that will be completed during the next several weeks to be followed by an even greater investment next year.

As you drive by the construction in your car or walk through it, you probably only notice street work.



Quite honestly, that is how the city approached the work as well until a few years ago when, with a looming federal mandate to clean up the river, we realized it's all about the river.

It had to be.

The Spokane River is our greatest asset and getting out of the river so that people can get back into it is the right thing to do.

That shift in thinking was the genesis for a three-dimensional approach to integrated projects that delivers utility work, stormwater management upgrades and street improvements at the same time and for the same dollar invested.

Early successes in the cleaner river faster program became a jumping-off point for other integrated solutions in the areas of business services, parks and public safety.

The strategy is one of the reasons the \$64 million investment in Riverfront Park will refresh and update amenities, provide greater access and interaction with the river, and make badly needed infrastructure improvements.

It impacted how we wrapped supportive services around a housing first model that now includes plans for a 24-hour emergency shelter as part of our approach to solving homelessness in Spokane.



Next year's draft budget proposes spending an additional \$250,000 to aid in that effort.

Integrated thinking is shaping the discussion the Administration and City Council are having about how we define, approach and implement the city's economic development strategy.

In a recommitment to our neighborhoods, the city is rolling out a district management model of government to better integrate services and resources, such as planning, neighborhood services, transportation and public safety, and improve communications.

And, finally, integrated solutions have made a significant impact on public safety services, which you have told us remains your top priority.

Examples include the continued refinement and extension of the pilot program that sends smaller vehicles to non-emergency aid calls and improvements to dispatch and management of the records of the calls for service.

Just last month we expanded the geographic police services model to include co-location of a C.O.P.S. volunteer substation with the North Precinct to increase the visibility of the program, encourage closer interaction between officers and volunteers and deliver better services to the northeast neighborhoods.

During a recent public safety forum, the North Precinct captain specifically credited the volunteers with saving officers hundreds of



hours every year, which allows them to spend more time preventing and responding to crime.

The C.O.P.S. program, which has been one of Spokane's most successful community partnerships, has demonstrated the power of passion and collaboration for more than two decades.

This month, the city has launched Spokane Strong, a campaign to create greater interaction among neighbors and better awareness of the steps you as individuals can take to keep your neighborhoods safe.

We have made great gains in reducing the crime rate over the past few years.

This year, that progress has stagnated some, especially in the area of property crimes.

Next year's draft budget calls for four additional patrol officers and continuation of the hire-ahead program, both joint priorities of the Administration and the City Council.

The city secured a nearly \$9 million S.A.F.E.R. grant that adds 50 new firefighters and expands the alternative response unit program to 24-hour operation at Stations 1, 2, 4, 5, 11 and 13.

The budget also ups the investment in new public safety vehicles and equipment, like the new ladder truck that replaced a 20-plus-year-old truck and began serving the community from Station 1 last month.



Discussions are underway about additional property crime resources and potential legislative solutions in subsequent years to get at an issue that is deeply personal to everyone in the community.

Public safety forums this month are focusing on education that helps you better protect your property and plan for emergencies.

This is where partnership is once again very important even as we add public safety resources.

Cutting the crime rate and reducing the number of calls for fire and emergency medical service starts with prevention at the neighborhood level.

As I close, I want to reiterate our commitment to working together to make Spokane safer, stronger and smarter.

Engagement is a two-way exchange, so please contact me at mayor@spokanecity.org with questions, suggestions or comments.

The city is only as good as the sum of its parts, and Spokane, thanks to the time and dedication of the community to its friends and neighbors, has very strong pieces to work with.

On behalf of the city team that serves all of you at home and here with us tonight, thank you for your engagement and for your continued passion for your community.

