Mayor’s 2023 Proposed Budget
Overview and Highlights

City of Spokane
Management & Budget Office
November 3, 2022
Overview

- Highlights
- Total Citywide Budget for 2023
- General Fund Budget for 2023
- Budget Documents & Next Steps
2023 Budget Highlights

- Invest in people & maintains services.
  - Invests in employees, neighborhoods, and our most vulnerable population.

- Enhance physical health and safety of the community.
  - Allocates 52% of General Fund resources to public safety.
  - Unites fire dispatch and saves taxpayer money.
  - Plans for additional firefighters in 2024.
  - Supports staffing structure to enhance police patrol.

- Strategical one-time use of revenues and reserves.
  - Provides limited use of General Fund unappropriated fund balance to continue services.
  - Provides funding to ensure shelter beds remain available until affordable housing units become available and shelter providers transition to post-pandemic funding levels.
Citywide Resources

SPOKANE CITY 2023 PROPOSED RESOURCES BY CATEGORY
$1.3 BILLION

- **Taxes**
  - Property Taxes
  - Sales Taxes
  - Utility Taxes
  - Other Use Taxes

- **License & Permits**

- **Intergovernmental**
  - State & Federal Grants
  - State Distribution

- **Charges for Services**
  - User Fees
  - Contracted Services

- **Fines & Forfeits**

- **Other**
  - Interest
  - Rental & Lease Income
  - Transfers between funds
  - Indirect Revenue
  - Donations/Contributions

- **Fund Balance/Retained Earnings**
General Fund = $229 million
Restricted Funds = $798 million
Capital Budget = $154 million
Citywide Expenditure by Category

SPOKANE CITY 2023 PROPOSED EXPENDITURE BUDGET
$1.2 BILLION

- Salaries & Wages: 20%
- Services: 28%
- Operating Transfer Out: 15%
- Budget Reserves: 2%
- Interfund Services: 8%
- Debt Service: 4%
- Capital Outlay: 13%
- Employee Benefits: 7%
- Supplies: 3%
## 2023 Proposed Citywide Expenditure Budget

<table>
<thead>
<tr>
<th>Fund Category</th>
<th>2020 Actual</th>
<th>2021 Actual</th>
<th>2022 Adopted</th>
<th>2023 Proposed</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>232,063,915</td>
<td>212,472,787</td>
<td>216,736,834</td>
<td>229,428,626</td>
<td>5.9%</td>
</tr>
<tr>
<td>Special Revenue Funds</td>
<td>165,824,436</td>
<td>193,048,350</td>
<td>223,790,091</td>
<td>300,326,760</td>
<td>34.2%</td>
</tr>
<tr>
<td>Debt Service Funds</td>
<td>16,858,298</td>
<td>16,802,797</td>
<td>16,491,889</td>
<td>17,678,130</td>
<td>7.2%</td>
</tr>
<tr>
<td>Capital Funds</td>
<td>59,340,903</td>
<td>70,665,589</td>
<td>49,339,009</td>
<td>52,043,489</td>
<td>5.5%</td>
</tr>
<tr>
<td>Enterprise Funds</td>
<td>401,118,880</td>
<td>322,782,499</td>
<td>329,342,381</td>
<td>389,431,988</td>
<td>18.2%</td>
</tr>
<tr>
<td>Internal Service Funds</td>
<td>114,926,029</td>
<td>131,726,029</td>
<td>124,734,674</td>
<td>142,203,309</td>
<td>14.0%</td>
</tr>
<tr>
<td>Fiduciary Funds</td>
<td>42,235,815</td>
<td>45,261,860</td>
<td>49,687,587</td>
<td>50,833,388</td>
<td>2.3%</td>
</tr>
<tr>
<td><strong>Total Citywide Expenditures</strong></td>
<td><strong>1,032,368,276</strong></td>
<td><strong>992,759,912</strong></td>
<td><strong>1,010,122,465</strong></td>
<td><strong>1,181,945,690</strong></td>
<td><strong>17.0%</strong></td>
</tr>
</tbody>
</table>

**Less:**

- Internal Service Fund Charges (92,225,976) (94,768,932) (103,317,560) (117,504,008) (14,186,448) 13.7%
- Operating Transfers between Funds (187,166,034) (164,710,259) (131,441,484) (172,253,220) (40,811,736) 31.0%
- Pension Charges to Other Funds (15,602,219) (17,066,429) (18,544,542) (18,297,405) 247,137 -1.3%

**Net Citywide Expenditures**

<table>
<thead>
<tr>
<th></th>
<th>2020 Actual</th>
<th>2021 Actual</th>
<th>2022 Adopted</th>
<th>2023 Proposed</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>737,374,048</td>
<td>716,214,292</td>
<td>756,818,879</td>
<td>873,891,057</td>
<td>15.5%</td>
</tr>
</tbody>
</table>
2023 Staffing

Summary of Proposed 2023 Staffing Levels

<table>
<thead>
<tr>
<th>Fund</th>
<th>2020 Adopted</th>
<th>2021 Adopted</th>
<th>2022 Adopted</th>
<th>2023 Proposed</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>710.2</td>
<td>713.6</td>
<td>724.6</td>
<td>725.0</td>
<td>0.35</td>
</tr>
<tr>
<td>Special Revenue Funds</td>
<td>722.3</td>
<td>730.3</td>
<td>764.3</td>
<td>793.2</td>
<td>28.88</td>
</tr>
<tr>
<td>Enterprise Funds</td>
<td>626.6</td>
<td>643.6</td>
<td>649.8</td>
<td>665.0</td>
<td>15.12</td>
</tr>
<tr>
<td>Internal Service Funds</td>
<td>202.0</td>
<td>210.0</td>
<td>219.6</td>
<td>226.2</td>
<td>6.65</td>
</tr>
<tr>
<td>Fiduciary Funds</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total FTEs</strong></td>
<td><strong>2,264.2</strong></td>
<td><strong>2,300.6</strong></td>
<td><strong>2,361.3</strong></td>
<td><strong>2,412.3</strong></td>
<td><strong>51.00</strong></td>
</tr>
</tbody>
</table>
SPOKANE CITY 2023 PROPOSED GENERAL FUND RESOURCES
$229 MILLION

- Taxes: 81%
- Charges For Services: 9%
- Fines And Forfeits: 1%
- Licenses And Permits: 3%
- Intergovernmental Revenue: 2%
- Other Revenue: 3%
- Fund Balance/Retained Earnings: 1%
2023 General Fund Expense by Division

- Police: 32%
- Fire: 20%
- Public Works, Streets & Utilities: 14%
- Courts & Legal: 6%
- Internal Services: 5%
- Library: 4%
- Parks: 4%
- Community and Economic Development: 3%
- Neighborhood Housing and Human Services: 2%
- Allocation for Capital/Debt: 3%
- Other: 14%
## 2023 General Fund Expense by Division

<table>
<thead>
<tr>
<th>Department</th>
<th>2023 Budget Estimate</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>73,540,720</td>
<td>32.1%</td>
</tr>
<tr>
<td>Fire</td>
<td>46,758,457</td>
<td>20.4%</td>
</tr>
<tr>
<td>Public Works, Streets &amp; Utilities</td>
<td>8,756,583</td>
<td>3.8%</td>
</tr>
<tr>
<td>Parks</td>
<td>16,997,823</td>
<td>7.4%</td>
</tr>
<tr>
<td>Courts &amp; Legal</td>
<td>14,596,584</td>
<td>6.4%</td>
</tr>
<tr>
<td>Internal Services</td>
<td>12,305,855</td>
<td>5.4%</td>
</tr>
<tr>
<td>Library</td>
<td>9,754,899</td>
<td>4.3%</td>
</tr>
<tr>
<td>Community and Economic Development</td>
<td>6,017,818</td>
<td>2.6%</td>
</tr>
<tr>
<td>Neighborhood Housing and Human</td>
<td>3,365,212</td>
<td>1.5%</td>
</tr>
<tr>
<td>Allocation for Capital/Debt</td>
<td>6,356,118</td>
<td>2.8%</td>
</tr>
<tr>
<td>Other</td>
<td>30,978,557</td>
<td>13.5%</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>229,428,626</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>
Mayor’s 2023 Strategic Proposals - Included

• Employee compensation increases per approved labor agreements
• Homelessness services intended to move people to housing
• Public safety
  • Overtime and other pay adjustments
  • Recruit academies
  • Dispatch changes
• Development service staffing
• Utility services support and additional staffing
• Administration and project support
1. Does not include ARPA.
   - Unallocated balance is represented as a non-specific appropriation in the ARPA Fund. It will be allocated to specific programs only when Council action is taken.
   - Allocated amounts to specific programs are not included. Those will be “rolled” forward from 2022 to 2023.

2. Contains at least a 10 percent reduction in General Fund expenses.
   - Does not include a 10% reduction.
   - Use of fund balance represents less than 1% of expenditures.
   - Administration proposes a service/program review with the intended outcome of closing structural gaps to less than 1% of expenditures for the next three years. Getting back to core city services performed efficiently and effectively.

3. Includes any requested public safety capital in the 2023 budget.
   - 2023 Capital Budget includes funded projects.
   - Unfunded projects require a financial strategy and are not part of the 2023 Proposed Budget.
4. Provides a longer-term public safety capital facility plan.
   • Administration proposes starting with a CIP priority setting session to review public safety and city facilities so that a financial strategy can be developed and presented for consideration.

5. Ties any additional ARPA revenue replacement allocations to permanent cuts in positions for 2023.
   • Needs clarification.

   • Contra accounts are included in the 2023 Proposed Budget based on analysis and financial need. General Fund contra amount equals $4.0 million, or the equivalent of freezing 28.5 FTE’s.

7. Re-establish a health unassigned reserve balance of 10-15%.
   • Unrestricted reserves exceed 10%.

8. Commits to not bringing forward Special Budget Ordinances before Q3.
   • Administration proposes SBOs that are revenue-neutral and robustly reviewed may be presented anytime.
   • Administration proposes a mid-year General Fund financial review for consideration of budgetary re-allocations.
Mayor’s 2023 Proposed Budget Book

• Mayor’s Budget Message
• Budget Summary
• Mayor’s Operational & Strategic Proposals
• Other Proposals by Divisions – Not Included in Budget
• Financial Reports
• Division Budget Book Reports
Next Steps

- 11/3 - Meet with City Council Budget Committee

- 11/7 – 1st Reading of Property Tax Ordinance
  - Certification by 11/30/22

- 11/14 – 1st Reading of Capital Improvement Program Ordinance

- 12/5 – Closing of Budget Hearing

- 12/12 – Adoption of the 2023 Budget by Ordinance
Budget Book and Presentations Available Online:
https://my.spokanecity.org/budget/

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