



Budget Discussion

Sept 18, 2025 | Spokane City Council Study Session





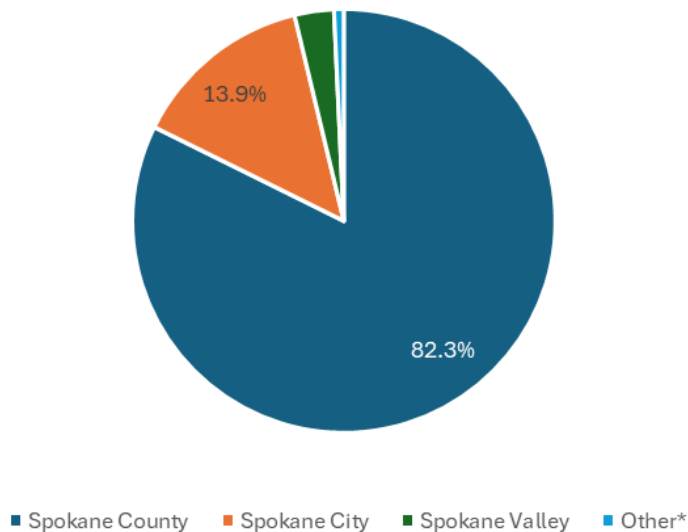
Agenda

- External Factors
- Current Deficit
- Council Budget Priorities
- Course Corrections & Next Steps



Rising Jail Costs

2024 Average Daily Population (ADP) %

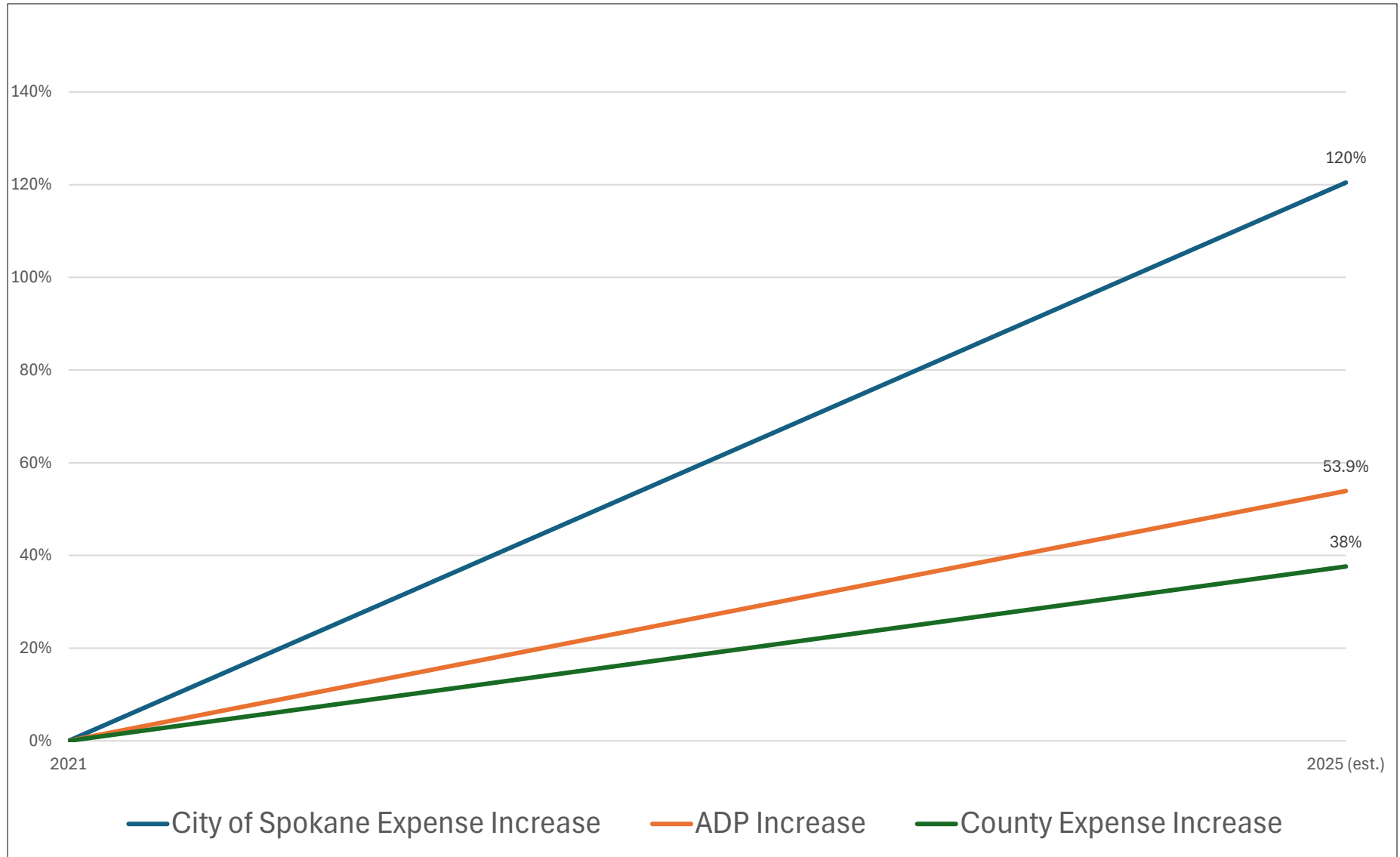


City of Spokane Jail Payments

2021: \$4.16M
2022: \$4.89M
2023: \$5.42M
2024: \$7.42M
2025: \$9.18 (est)



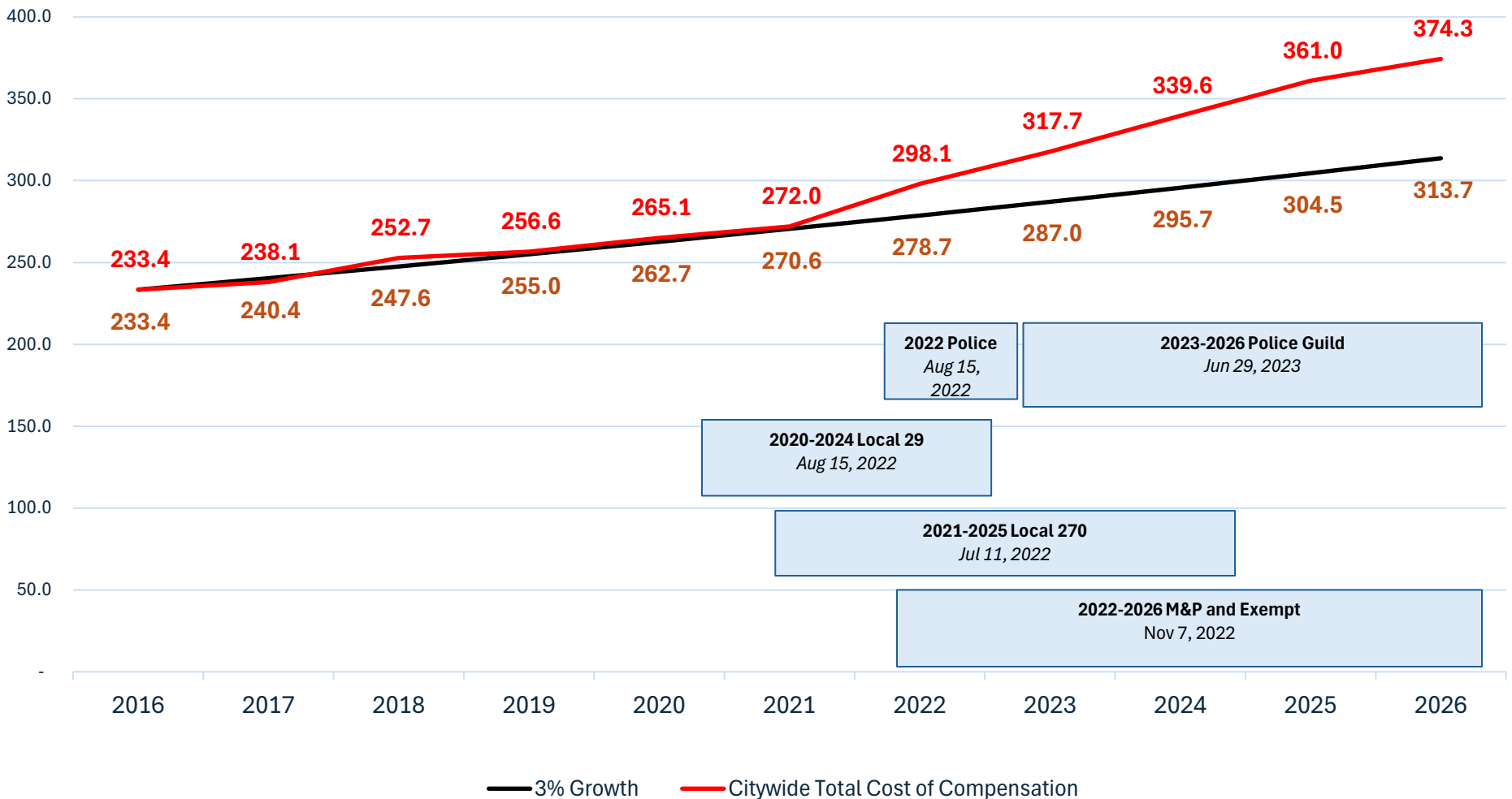
Rising Jail Costs





Revenue Growth vs. Personnel Costs

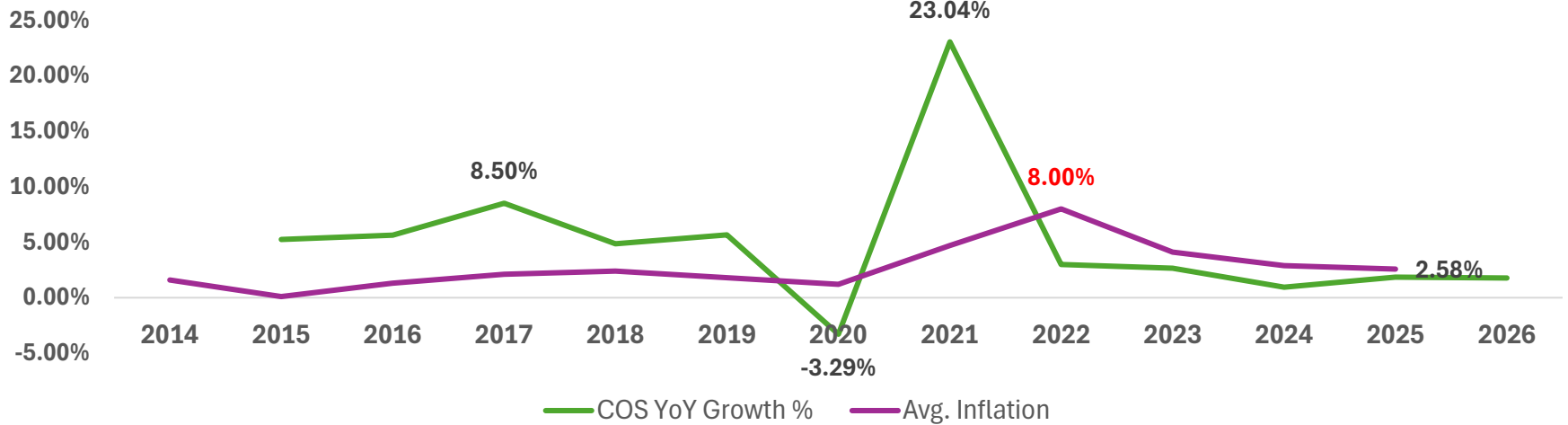
Personnel Expense vs 3% Growth
(dollars in millions)



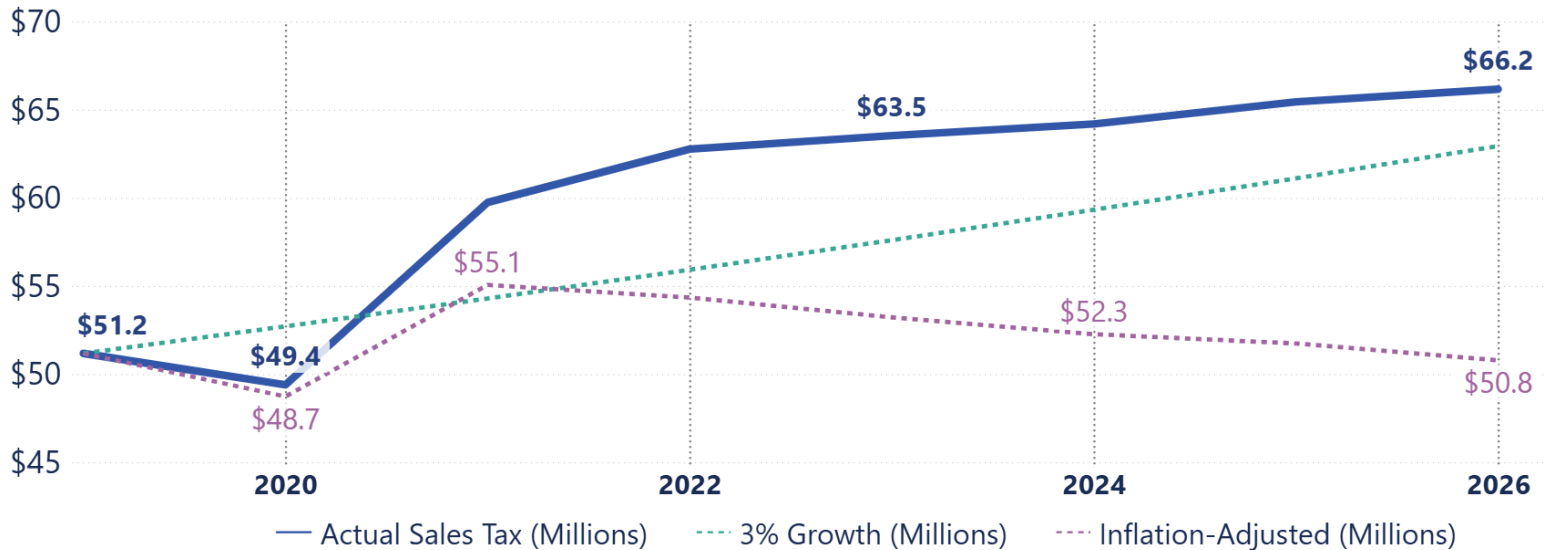


Sales Tax

Sales Tax Impact vs. Inflation 2014-2025



Citywide Actual Sales Tax vs. Inflation Adjusted Sales Tax

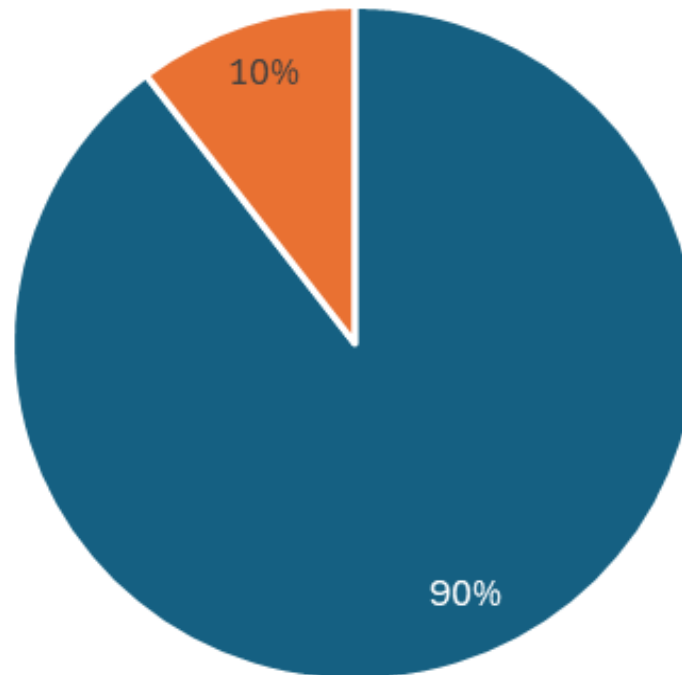


*2025 & 2026 Inflation assumed to be 3.0%



Personnel Costs

2025 GF Amended Expense Budget



■ Personnel ■ Non-Personnel



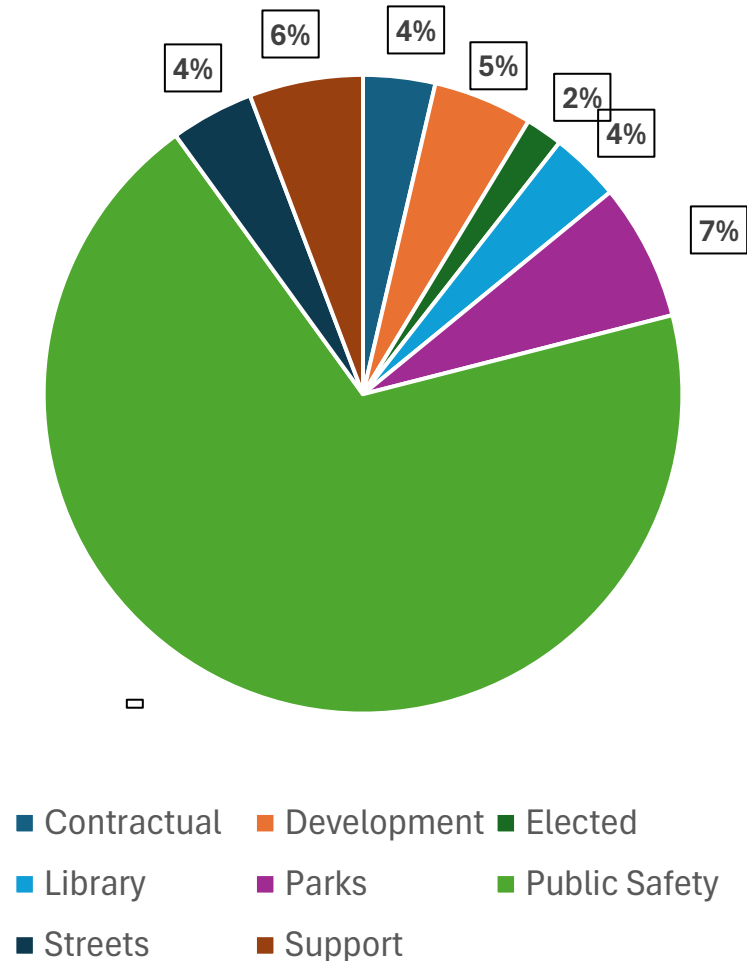
Non-Personnel Costs





Current Deficit

- We're facing a deficit of approximately \$13 million
- Last year we took all the low hanging fruit cuts and then some
- General Fund is approximately \$270 million – deficit is about 5%
 - Public Safety departments make up about \$190 million
- We can't close this deficit on cuts alone because of the service level impacts





Council Priorities

- Reserve Funds
 - Restoring reserves
 - Align reserve amounts with long-term strategy and best practice
- Labor Agreements
 - Fulfilling existing collective bargaining agreements
 - Working with labor partners to bring compensation back into alignment with projected revenue growth
- Public Safety Capital
 - Comprehensive funding strategy
- Animal Control
 - Working with consultant on a realistic path forward
 - Centering community priorities



Council Priorities

- Ombuds Office
 - Creating certainty for the OPO budget
- City Facilities
 - Evaluating entire portfolio
 - Strategic look at maintenance, conveyance, and disposition of properties
 - Clean Buildings Act compliance
- Workforce Planning
 - Evaluating FTE counts
 - Continue to look for responsible reductions and efficiencies
- Language Access
 - Full implementation by January 1, 2027
- Arts
 - 2-year contract extension for Spokane Arts
 - Working with City Arts Commission on staffing plan and meeting statutory requirements



Administrative actions underway

- Efficiencies from centralizing services and eliminating duplication ~\$1M
- Reduce personnel costs ~\$2M
 - Leave buyouts
 - Vacancy reductions
- Refinance/restructure debt obligations ~\$3.5M