

August 4, 2014

Council President Ben Stuckart  
Spokane City Council  
808 West Spokane Falls Blvd.  
Spokane, WA 99224

Dear Council President Stuckart,

Thank you for your thoughtful input into the 2015 budget process and for sharing your budget priorities with us. Over the past months my leadership team has been working hard to identify areas of alignment between the City Council's goals and the goals of my Administration and I am pleased to report that we have found many. The 2015 Program Budget which I am delivering today reflects those many alignments.

Please remember that our 2015 Program Budget is a work in progress. Our final proposed budget, the line item budget, will be delivered to you in early October.

I appreciate the detailed budget requests that City Council offered (Resolution 2014-0036) and I'd like to respond specifically to each of the five areas of focus you identified:

City Council Request:

1. Public Safety – Improving community safety

- Follow-up and fund Fire Task Team recommendations
- Continue to fund alternative response vehicles
- Support and ensure funding for implementation of precincts as part of community-oriented policing
- Fund Fire Dept. front line staff at 2012 levels
- Begin implementation and funding of Criminal Justice Commission recommendations
- Sustain COPS program funding at 2014 level.
- Work with partner agencies/jurisdictions to reduce & respond more effectively to domestic violence, including co-location of city/county prosecutors and advocates

Response:

As you are no doubt aware, the work of the Fire Task Team is ongoing as we work together to create a 21<sup>st</sup> century public safety organization that serves our citizens well at a price they can afford. With your help we've dedicated growth in property tax to fund public safety capital needs including \$17.5M for Fire apparatus and equipment. In addition, the pilot for Alternative Response Unit's (ARU's) will continue through 2016. A number of other Fire Task Team recommendations are in development and, with partner support from the community, are planned for implementation in the coming year. Budget limitations and service level needs do not warrant/allow the addition of staffing for Fire at this time.

We appreciate your ongoing support of the evolution of the Spokane Police Department and we're seeing fantastic results in reduced crime rates across the City. We will continue to work with you to implement Chief Straub's distributed policing model, which includes neighborhood precincts. With the success of the Downtown precinct, we are moving quickly to establish other precinct locations within current budget parameters. We anticipate that the 2nd precinct will be in place this year with complete implementation to occur over the next 24 months. As requested, our 2015 budget proposal also includes a sustained level of funding for the COPS program.

We continue to work with our County partners to evaluate and implement recommendations outlined in the Blueprint for Reform published by the Criminal Justice Commission. Thank you for your support in hiring Dr. Vanwormer to manage implementation of that plan. Our 2015 budget proposal does not include additional funding for this effort, we anticipate that funding requests will be forthcoming late next year. We'll work with City Council and County Commissioners to identify funding for this important effort.

City Council Request:

## 2. Jobs and Economic Growth – Supporting sustainable, targeted growth and economic opportunity

- Provide ongoing financial and administrative support for the U District & Northeast PDAs
- Approve additional development incentives for Downtown Spokane and other targeted growth areas
- Fund additional positions in planning, either entry level planners or funding for project staff as needed to implement updated comprehensive plan policies
- Fund Integrated projects in East Sprague Targeted Investment Pilot area
- Fund update of Bicycle Master Plan and completion of Ped Master Plan

Response:

Jobs and economic growth continue to be a key component to a *safer, smarter, stronger* Spokane. Our 2015 budget proposals sustains funding and staffing support for target area development including the University District and Northeast Public Development Authority. Additionally, we'll continue to work with City Council to develop policy for infill development incentives.

We appreciate City Council leadership regarding East Sprague targeted area development and we plan to implement integrated projects to support that effort next year and over the coming years. With focus and appropriate oversight we believe we can increase capacity of our Planning Department utilizing existing staff. We'll be working with City Council on this effort over the coming months. Funding for bicycle and pedestrian plans, along with all modes of travel, will be included in the update of the City's Comprehensive Plan and Link Spokane integrated project implementation plan.

City Council Request:

## 3. Budget – Promoting fiscal health and budget accountability

- Fund replacement/training overlap when long time employees leave in all departments
- Fund recommended changes (8.25%) to SERS Pension System

- Work with administration to identify performance measures that link to priority-based budget

Response:

While we've made significant progress to minimize the City's structural budget gap, we do not yet have revenues in excess of expenditures that will allow a hire ahead program for all departments. As Public Safety is our top priority, our 2015 budget proposal will include a hire ahead program for Police and Fire.

We worked with affected labor groups for many months to reform the Spokane Employee Retirement System (SERS). We are appreciative of the efforts of labor to improve the financial health of SERS, which includes changes to benefits as well as an increase in contribution rate to 8.25%, and for the City Council's support in passing those changes.

We've had great success developing performance measures that contribute to our ability to better serve our citizens. Those performance measures are released to City Council quarterly. We will continue to work to enhance both the performance measures and the methods we use to communicate these measures and related outcomes.

City Council Request:

#### 4. Infrastructure Maintaining and improving public infrastructure in an affordable and integrated fashion

- Fund the 1% for Arts with all CSO projects
- Fund CSO implementation with goal of meeting 2017 permit deadline
- Ensure that Utilities compensates Streets for use of right-of-way at minimum of \$2.5M
- Develop and fund a plan to run Waste to Energy Facility as a city run operation
- Include funding for signage & monuments honoring Spokane Tribe in Spokane River stormwater/CSO projects.

Response:

Our *cleaner river faster* initiative, which is articulated in the City's Integrated Clean Water plan, is a top priority for this Administration. We continue to work with the Department of Ecology, the EPA and state and federal legislators to secure partnership funding. We anticipate, with current funding levels for CSO's, that we will meet the federally mandated deadline of 2017. We do not anticipate general purpose funding for the arts in this program. Our Utilities Division continues to work with the Spokane Tribe as a key regulator, including plans to invest in and install appropriate art as tribute to the Tribe's history and heritage.

We continue to work with the Street Department to secure utility right-of-way to address utility needs including stormwater in the City's streets. With City Council approval, the incremental \$2.5M investment in streets related to utility projects will be in place by the end of 2014. We worked to secure support from the State Auditor to make this important connection between streets and utilities a reality.

City Council Request:

#### 5. Quality of Life – Engaging citizens and improving the health, quality and character of our community

- Maintain funding for the Arts at 2014 levels
- Increased funding for Code Enforcement and/or Building Dept. to improve City's response to neighborhood blight, substandard buildings, vacant properties and foreclosures.
- Continuing to address Downtown Spokane livability through targeted developer incentives, public safety policies, and infrastructure improvements
- Fund Human Services in an increasing amount of \$50,000 per year (end goal of 1% of GF)
- Funding for main floor City Hall display honoring Spokane Tribe homeland
- Increased funding to maintain basic capital needs at Community Centers

Response:

Building the fabric of our community through quality of life investments is an important element of the 2015 budget proposal. Our proposal maintains current funding for the Spokane Art Fund and invests in Volunteer Spokane to build capacity in our region's non-profit organizations and to engage our community in volunteer service opportunities. Community Center funding will be maintained at current levels and our Asset Management team will work with our Community Center partners to understand and identify long-term capital needs and potential funding models. With these and many other investments, the General Fund contribution to Human Services exceeds 1%.

Staff has been working with City Council members for many months on the creation of infill development incentives to improve density and livability in our core. We look forward to continuing work with City Council to formalize those incentives this year. At the same time we are evaluating our Code Enforcement resources and we believe we have adequate capacity to respond to new opportunities to address blight and other code related needs.

I want to thank you again for all of your efforts over the past year. It has truly been an amazing year for the City of Spokane. We look forward to working with you through the details of the 2015 budget.

Sincerely,

David A. Condon, Mayor  
City of Spokane