

2018 Business Plan



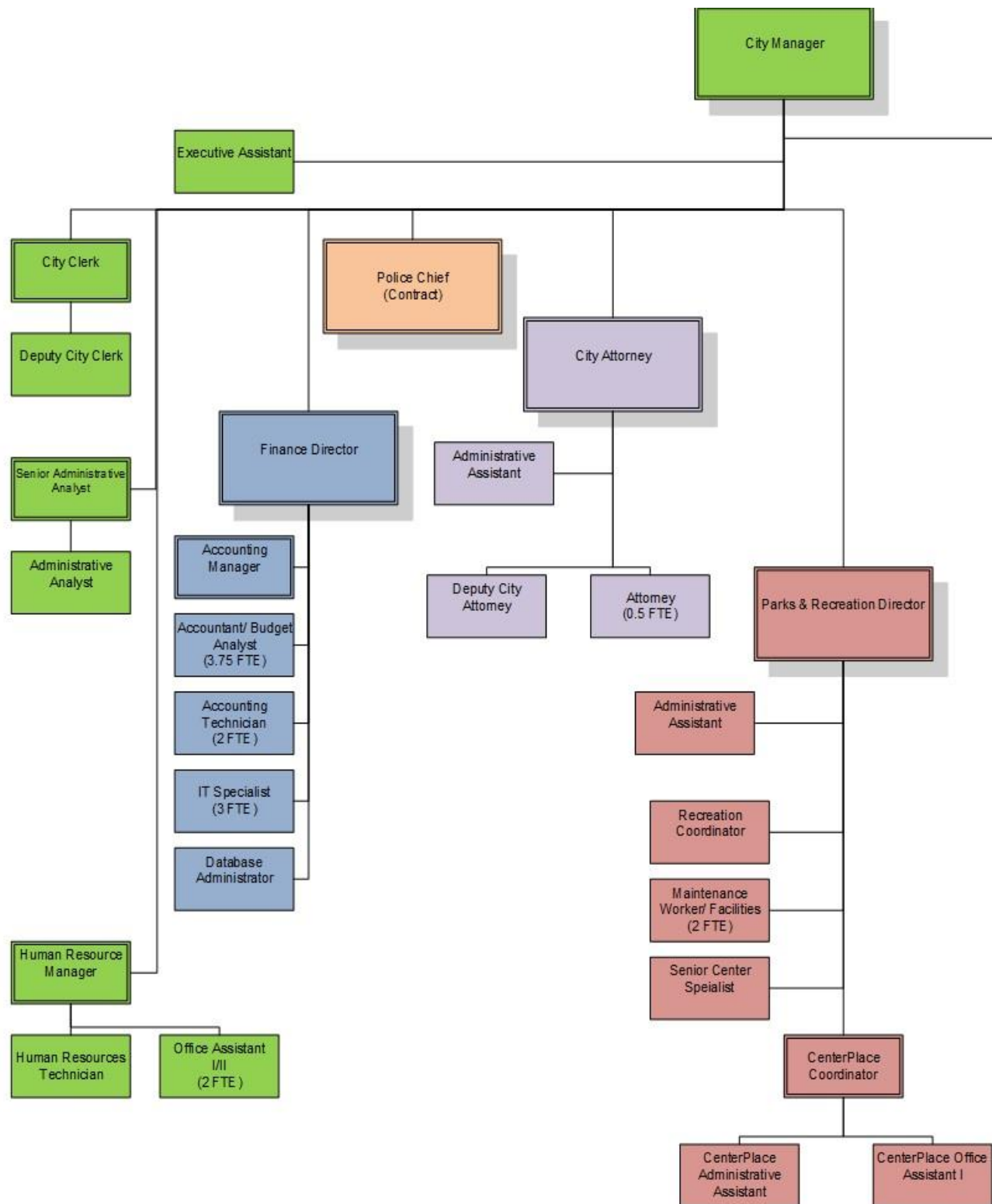
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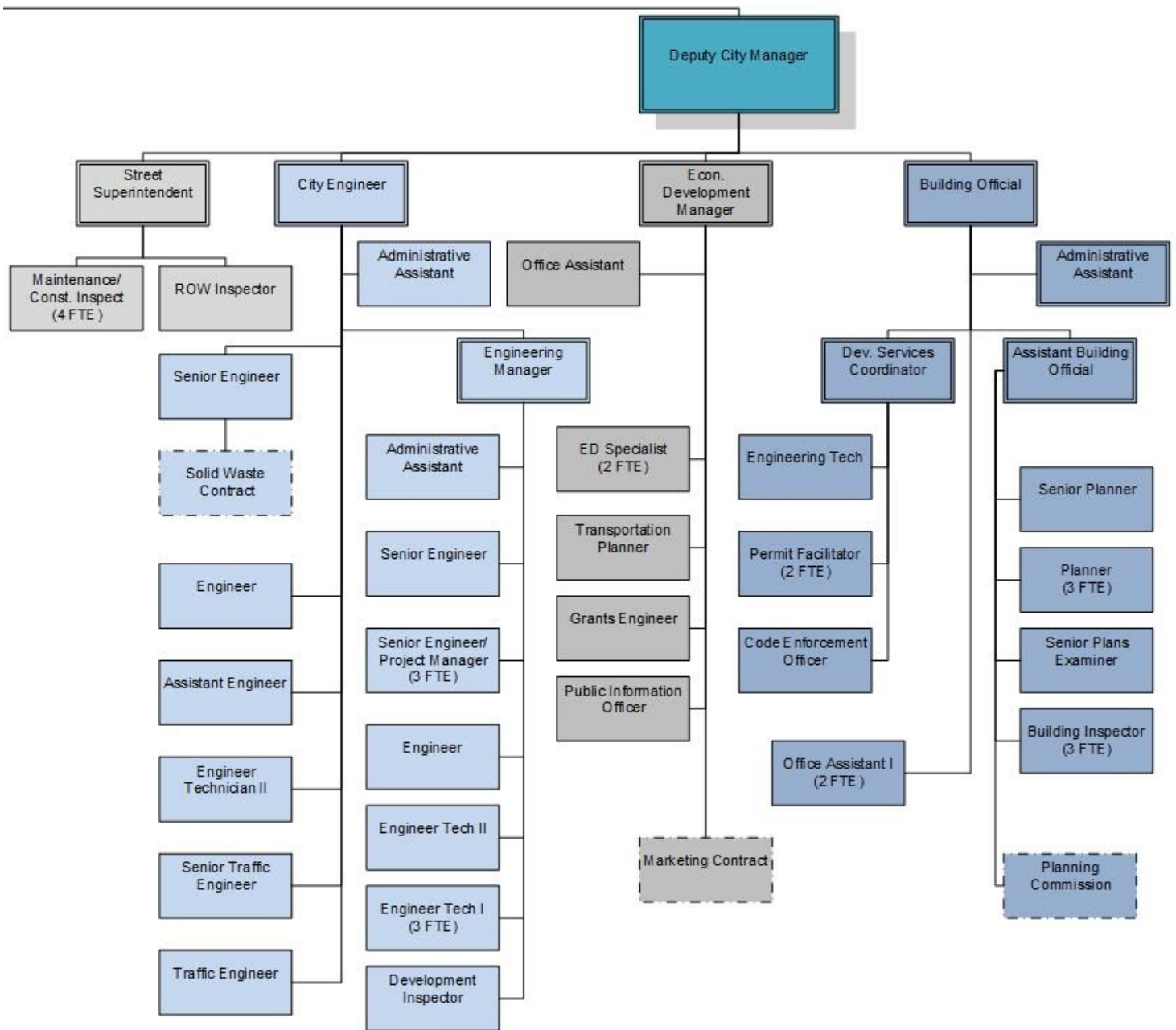
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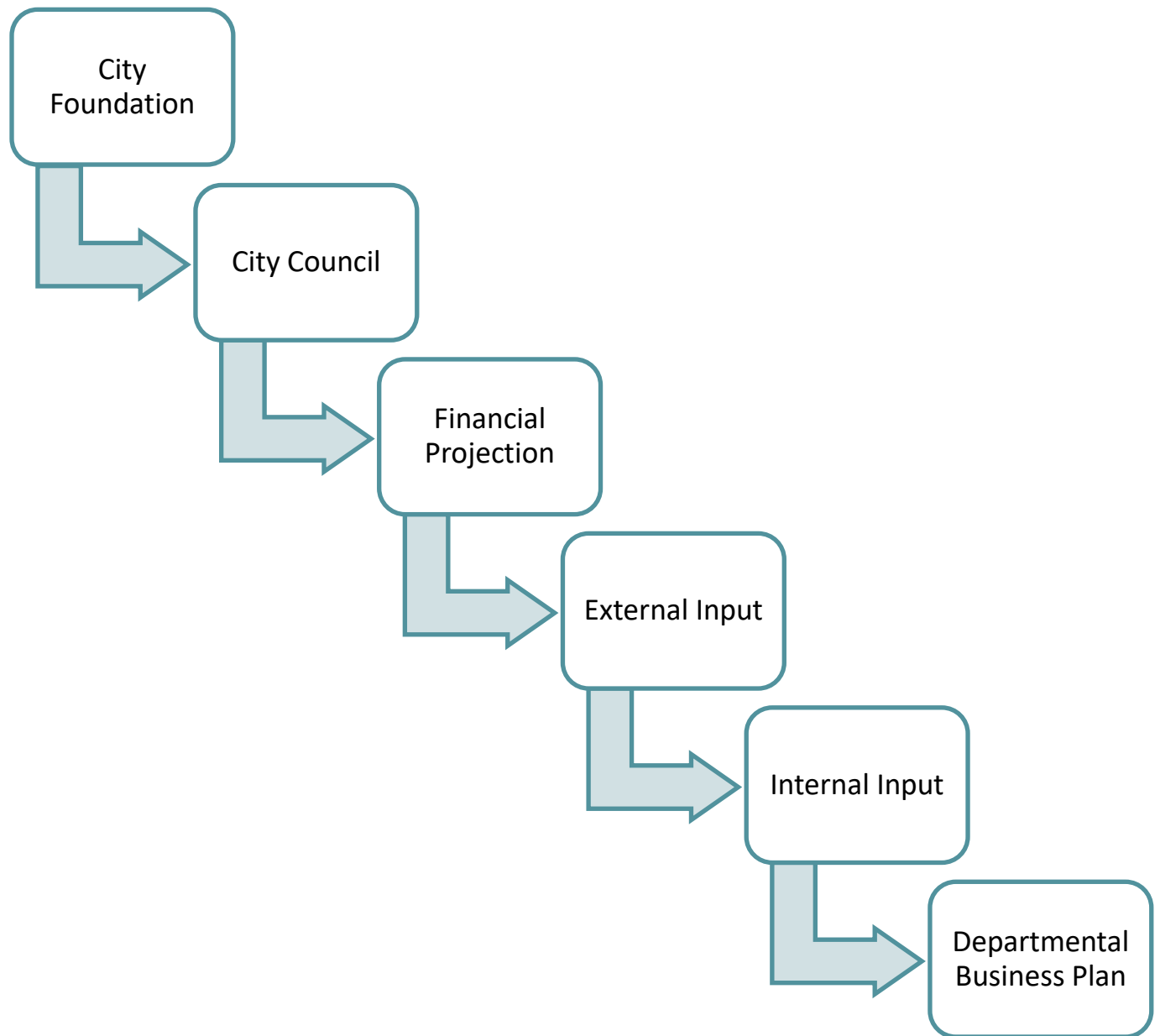
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Spokane Valley Citywide Business Plan Components



Introduction

Each year, the City of Spokane Valley prepares a Business Plan to serve as a guide in the preparation of the annual budget. The 2018 Business Plan links together community priorities, fiscal policies, Council Goals, and the proposed 2018 Budget. Each department within the City participates in the Business Plan process, developing objectives guided by Council Goals, public input, staff input and strategic planning. Departments also refine existing goals based on new information and the updated Financial Projection. Strategies accompany each goal in order to illustrate and define how departments will accomplish these goals. City Council reviews the Business Plan as part of the annual budget process.

The Business Plan is integrated with the budget to create a plan of action to meet the essential needs of our citizens. In large part, the Business Plan charts the course that leads to the maintenance of the strong financial position enjoyed by the City. Prioritized spending, lean staff and a commitment to basic values has allowed the City to address the needs of the community and enhance infrastructure while maintaining fiscal reserves.

To best understand the Citywide Business Plan, it is important to review the various components utilized to develop this document, beginning with the City's Foundation.

City's Foundation

The foundation of Spokane Valley is based on the City's primary objective to be a city which is responsive, focused on customer service, open to the public, progressive, efficient, lean and fair while providing a high quality of life. Citizen involvement along with guidance from the City Council established the City's vision, core beliefs and customer service standards. These foundations influence the development of the City Council Goals for each year as well as the goals of the individual departments.

Spokane Valley's Vision Statement:

"A community where individuals and families can grow and play and businesses will flourish and prosper."

Core Beliefs

Supporting this vision are the core beliefs of Spokane Valley which were established with Resolution 07-019:

"We believe Spokane Valley should be a visionary city encouraging its citizens and their government to look to the future beyond the present generation and to bring such ideas to public discussion and to enhance a sense of community identity.

We believe that elected body decision-making is the only lawful and effective way to conduct the public's legislative business and that careful observance of a clear set of Governance Coordination Rules of Procedure can best enhance public participation and decision-making.

We believe in the City Council as policy leaders of the City. One or more City Councilmembers are encouraged to take the lead, where practical, in sponsoring Ordinances or Resolutions excepting quasi-judicial or other public hearings and the statutory duties of the City Manager as set forth in RCW 35A.13.020.

We believe in hearing the public view. We affirm that members of the public should be encouraged to

speak and be heard through reasonable rules of procedure when the public business is being considered, thus giving elected officials the broadest perspectives from which to make decisions.

We believe that the City of Spokane Valley's governance should be known as "user friendly," and that governance practices and general operations should consider how citizens will be served in the most responsive, effective and courteous manner.

We believe that the economic and commercial job base of the community should be preserved and encouraged to grow as an alternative to increasing property taxes. We believe it's imperative to have an expanded and diverse economic base.

We believe that Councilmembers set the tone for civic discussion and should set an example by:

- (a) Setting high standards of decorum and civility.
- (b) Encouraging open and productive conversation amongst themselves and with the community about legislative matters.
- (c) Demonstrating respect for divergent points of view expressed by citizens, fellow Councilmembers, and the staff.
- (d) Honoring each other and the public by debating issues within City Hall and the community without casting aspersions on members of Council, the staff, or the public.
- (e) Accepting the principle of majority rule and working to advance the success of "corporate" decisions.

We solicit the City Manager's support in conducting the affairs of the City with due regard for:

- (a) Promoting mutual respect between the citizens, City staff and the City Council by creating the organizational teamwork necessary for effective, responsive and open government.
- (b) Providing the City Council and public reasonable advance notice when issues are to be brought forward for discussion.
- (c) Establishing and maintaining a formal citywide customer service program with emphasis on timely response, a user-friendly atmosphere and an attitude of facilitation and accommodation within the bounds of responsibility, integrity and financial capability of the City, including organizational and job description documents while pursuing "best practices" in customer service.
- (d) Seeking creative ways to contain or impede the rising cost of governmental services, including examination of private sector alternatives in lieu of governmentally-provided services.
- (e) Providing a database of future projects and dreams for the new City of Spokane Valley so that good ideas from its citizens and leaders are not lost and the status of projects can be readily determined."

Customer Service Standards

The commitment to provide excellent customer service for our citizens, businesses and visitors resulted in the development of customer service standards. The City's goal is to deliver service that is complete, consistent and equitable to all our customers, and is based on the principles of integrity, respect and responsiveness. Regardless of the reason for, the method, or frequency of contact, our customers will be treated with courtesy, respect and professionalism.

The Customer Service Standard is divided into three categories:

1. Respectful
 - Demonstrating courtesy and professionalism
 - Listening effectively
 - Responding in a timely manner
 - Exemplifying a no-surprise atmosphere
2. Knowledgeable
 - Fostering a team-oriented approach
 - Providing alternatives
 - Anticipating questions
 - Having and/or knowing your resources
 - Being organized
3. Welcoming
 - Acknowledging customers when they enter
 - Steering customers in the right direction
 - Promoting an enjoyable work environment
 - Maintaining a clean and uncluttered work environment
 - Treating people as individuals

City Council Goals

New goals are set by the Council annually while progress toward previous years' goals will be measured. Though goals are set by the Council, they represent the goals of the citizens and of the community.

2018 Council Goals

- ❖ Continue to work with state and federal legislators toward obtaining financial assistance for the Barker and Pines Grade Separation Projects.
- ❖ Continue to pursue a plan to sustain the City's Pavement Preservation Program, to include sustained financing for the Street Fund #101 and Pavement Preservation Fund #311.
- ❖ Pursue a strategic plan for financing and completion of all grade separation projects.
- ❖ Pursue state and federal financial assistance to address transportation concerns along the entire Barker Corridor.
- ❖ Pursue financing for Browns Park, Balfour Park and Appleway Trail amenities, and continue the acquisition of parkland.
- ❖ Continue and expand, where possible, economic development efforts. Complete the development of implementation strategies for the retail and tourism studies that were completed in 2016.
- ❖ Foster relationships with federal, state, and local legislators including the Spokane County Board of Commissioners.

Financial Projection

Looking forward, in order to meet the City's budget objectives, departmental goals and strategies have been adjusted from the 2017 plan. This Business Plan is the tool we use to guide the City forward to accomplish the Council's goals, while remaining squarely within the current budget and forecasted projections. The Business Plan includes performance measures to determine the amount of effectiveness and efficiency in which work is performed. Over time, the City will have a good indicator of the progress the City is making to provide high quality services in a cost-effective way, while remaining within budget and the forecasted projections. Based on the Financial Projection, department budgets have been thoroughly reviewed to keep 2018 expenditures in line with projected revenues.

The City views the changes in economy as an opportunity to reevaluate goals and strategies to meet the challenges set before us. As an open collaborative government, we continue to encourage our citizens to provide the necessary feedback we need as we endeavor to plan our City's future together.

Although the Business Plan is based on a six-year cycle, the Financial Forecast is limited to five years. The reason for this discrepancy is that it becomes increasingly difficult to forecast economic indicators beyond 2022. It is important to note the Business Plan and Financial Projection are imperfect tools and this is precisely why both documents are updated on an ongoing basis.

Table 1.1, page 1

| CITY OF SPOKANE VALLEY, WA | | | | | | | 1/30/2018 |
|--|----|-------------|------------|------------|------------|------------|------------|
| General Fund Budget Projection | | | | | | | |
| | | | 2018 | 2019 | 2020 | 2021 | 2022 |
| | | | Adopted | Projection | Projection | Projection | Projection |
| | | | Budget | | | | |
| RECURRING ACTIVITY | | | | | | | |
| Revenues | | | | | | | |
| Property Tax | 1 | 11,796,100 | 11,946,100 | 12,096,100 | 12,246,100 | 12,396,100 | |
| Sales Tax | 2 | 20,881,900 | 21,508,400 | 22,153,700 | 22,818,300 | 23,502,800 | |
| Sales Tax - Public Safety | 3 | 967,800 | 996,800 | 1,026,700 | 1,057,500 | 1,089,200 | |
| Sales Tax - Criminal Justice | 4 | 1,738,000 | 1,790,100 | 1,843,800 | 1,899,100 | 1,956,100 | |
| Gambling Tax and Leasehold Excise Tax | 5 | 381,000 | 392,400 | 404,200 | 416,300 | 428,800 | |
| Franchise Fees/Business Registration | 6 | 1,210,000 | 1,246,300 | 1,283,700 | 1,322,200 | 1,361,900 | |
| State Shared Revenues | 7 | 2,109,600 | 2,172,900 | 2,238,100 | 2,305,200 | 2,374,400 | |
| Fines and Forfeitures/Public Safety | 8 | 1,319,900 | 1,333,100 | 1,346,400 | 1,359,900 | 1,373,500 | |
| Community and Public Works | 9 | 1,684,100 | 1,734,600 | 1,786,600 | 1,840,200 | 1,895,400 | |
| Recreation Program Revenues | 10 | 633,300 | 652,300 | 671,900 | 692,100 | 712,900 | |
| Miscellaneous Department Revenue | 11 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | |
| Miscellaneous & Investment Interest | 12 | 201,800 | 205,800 | 209,900 | 214,100 | 218,400 | |
| Transfer-in - #101 (street admin) | 13 | 39,700 | 39,700 | 39,700 | 39,700 | 39,700 | |
| Transfer-in - #105 (h/m tax-CP advertising) | 14 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | |
| Transfer-in - #402 (storm admin) | 15 | 13,400 | 13,400 | 13,400 | 13,400 | 13,400 | |
| Total Recurring Revenues | | 43,007,600 | 44,062,900 | 45,145,200 | 46,255,100 | 47,393,600 | |
| Expenditures | | | | | | | |
| City Council | 16 | 548,494 | 564,900 | 581,800 | 599,300 | 617,300 | |
| City Manager | 17 | 956,245 | 984,900 | 1,014,400 | 1,044,800 | 1,076,100 | |
| Legal | 18 | 594,752 | 612,600 | 631,000 | 649,900 | 669,400 | |
| Public Safety | 19 | 25,464,251 | 26,228,200 | 27,015,000 | 27,825,500 | 28,660,300 | |
| Deputy City Manager | 20 | 450,663 | 464,200 | 478,100 | 492,400 | 507,200 | |
| Finance / IT | 21 | 1,339,064 | 1,379,200 | 1,420,600 | 1,463,200 | 1,507,100 | |
| Human Resources | 22 | 275,387 | 283,600 | 292,100 | 300,900 | 309,900 | |
| City Hall Operations and Maintenance | 23 | 306,043 | 315,200 | 324,700 | 334,400 | 344,400 | |
| Community & Public Works - Engineering | 24 | 1,572,947 | 1,620,100 | 1,668,700 | 1,718,800 | 1,770,400 | |
| Community & Public Works - Economic Dev | 25 | 970,642 | 999,800 | 1,029,800 | 1,060,700 | 1,092,500 | |
| Community & Public Works - Building & Planning | 26 | 2,265,677 | 2,333,600 | 2,403,600 | 2,475,700 | 2,550,000 | |
| Parks & Rec - Administration | 27 | 301,083 | 310,100 | 319,400 | 329,000 | 338,900 | |
| Parks & Rec - Maintenance | 28 | 893,700 | 920,500 | 948,100 | 976,500 | 1,005,800 | |
| Parks & Rec - Recreation | 29 | 260,574 | 268,400 | 276,500 | 284,800 | 293,300 | |
| Parks & Rec - Aquatics | 30 | 492,900 | 507,700 | 522,900 | 538,600 | 554,800 | |
| Parks & Rec - Senior Center | 31 | 98,229 | 399,350 | 401,250 | 401,450 | 401,500 | |
| Parks & Rec - CenterPlace | 32 | 910,468 | 937,800 | 965,900 | 994,900 | 1,024,700 | |
| General Government | 33 | 1,261,610 | 1,299,500 | 1,338,500 | 1,378,700 | 1,420,100 | |
| Transfers out - #204 (2016 LTGO debt service) | 34 | 399,350 | 401,250 | 401,450 | 401,500 | 401,400 | |
| Transfers out - #309 (parks capital projects) | 35 | 160,000 | 164,800 | 169,700 | 174,800 | 180,000 | |
| Transfers out - #311 (pavement preservation) | 36 | 962,700 | 991,600 | 1,021,300 | 1,051,900 | 1,083,500 | |
| Transfers out - #501 (CenterPlace kitchen reserve) | 37 | 36,600 | 36,600 | 36,600 | 36,600 | 0 | |
| Transfers out - #502 (insurance premium) | 38 | 370,000 | 381,100 | 392,500 | 404,300 | 416,400 | |
| Total Recurring Expenditures | | 40,891,379 | 42,405,000 | 43,653,900 | 44,938,650 | 46,225,000 | |
| Recurring Revenues Over (Under) | | | | | | | |
| Recurring Expenditures | | 2,116,221 | 1,657,900 | 1,491,300 | 1,316,450 | 1,168,600 | |
| NONRECURRING ACTIVITY | | | | | | | |
| Revenues | | | | | | | |
| Transfers in - #106 (solid waste repayment) | | 40,425 | 40,425 | 0 | 0 | 0 | |
| Total Nonrecurring Revenues | | 40,425 | 40,425 | 0 | 0 | 0 | |
| Expenditures | | | | | | | |
| General Government - IT capital replacements | | 115,000 | 0 | 0 | 0 | 0 | |
| City Attorney (part-time attorney furniture) | | 4,809 | 0 | 0 | 0 | 0 | |
| Public Safety (full facility generator) | | 100,000 | 0 | 0 | 0 | 0 | |
| Deputy City Manager (Q-Alert software) | | 11,700 | 0 | 0 | 0 | 0 | |
| Parks & Rec (flooring in Great Room & Dining Room) | | 50,000 | 0 | 0 | 0 | 0 | |
| Parks & Rec (CP reseal two restroom floors) | | 3,000 | 0 | 0 | 0 | 0 | |
| Transfers out - #309 (CP outdoor venue Phase 1) | | 200,000 | 0 | 0 | 0 | 0 | |
| Transfers out - #309 (Browns Park lighting & path) | | 200,000 | 0 | 0 | 0 | 0 | |
| Transfers out - #312 (misc capital projects) | | 1,000,000 | 0 | 0 | 0 | 0 | |
| Economic Development (retail recruitment) | | 50,000 | 0 | 0 | 0 | 0 | |
| Total Nonrecurring Expenditures | | 1,734,509 | 0 | 0 | 0 | 0 | |
| Nonrecurring Revenues Over (Under) | | | | | | | |
| Nonrecurring Expenditures | | (1,694,084) | 40,425 | 0 | 0 | 0 | |
| EXCESS (DEFICIT) OF TOTAL REVENUES | | | | | | | |
| OVER (UNDER) TOTAL EXPENDITURES | | 422,137 | 1,698,325 | 1,491,300 | 1,316,450 | 1,168,600 | |
| ESTIMATED BEGINNING UNRESTRICTED FUND BAL. | | 29,115,160 | 29,537,297 | 31,235,622 | 32,726,922 | 34,043,372 | |
| ESTIMATED ENDING UNRESTRICTED FUND BAL. | | 29,537,297 | 31,235,622 | 32,726,922 | 34,043,372 | 35,211,972 | |
| Ending fund balance as a % of recurring expenditures | | 72.23% | 73.66% | 74.97% | 75.76% | 76.18% | |

Table 1.1, page 2

| Projection Assumptions | | | | | | | | | |
|------------------------|----------------|--------------------|--------------------------|--------------------|-----------------------|--------------------|--------------|--------------------|---------|
| | | 2019 Projection | | 2020 Projection | | 2021 Projection | | 2022 Projection | |
| Projection assumes: | | | | | | | | | |
| 1 | An increase of | 0.00% | plus new construction of | \$150,000 | per year through 2022 | | | | |
| 2 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 3 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 4 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 5 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 6 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 7 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 8 | An increase of | 1.00% | in 2019, | 1.00% | in 2020, | 1.00% | in 2021, and | 1.00% | in 2022 |
| 9 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 10 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 11 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 12 | An increase of | 2.00% | in 2019, | 2.00% | in 2020, | 2.00% | in 2021, and | 2.00% | in 2022 |
| 13 | An increase of | 0.00% | in 2019, | 0.00% | in 2020, | 0.00% | in 2021, and | 0.00% | in 2022 |
| 14 | An increase of | 0.00% | in 2019, | 0.00% | in 2020, | 0.00% | in 2021, and | 0.00% | in 2022 |
| 15 | An increase of | 0.00% | in 2019, | 0.00% | in 2020, | 0.00% | in 2021, and | 0.00% | in 2022 |
| 16 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 17 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 18 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 19 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 20 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 21 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 22 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 23 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 24 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 25 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 26 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 27 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 28 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 29 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 30 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 31 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 32 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 33 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 34 | An increase of | 0.48% | in 2019, | 0.05% | in 2020, | 0.01% | in 2021, and | -0.02% | in 2022 |
| 35 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 36 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |
| 37 | An increase of | 0.00% | in 2019, | 0.00% | in 2020, | 0.00% | in 2021, and | -100.00% | in 2022 |
| 38 | An increase of | 3.00% | in 2019, | 3.00% | in 2020, | 3.00% | in 2021, and | 3.00% | in 2022 |

Table 1.1 Financial Forecast and Program Impact Summary

The General Fund forecast for the years 2019 through 2022 uses the adopted 2018 Budget as a beginning point and currently assumes levels of service that are identical to those provided by the City in 2018. Rather than a hard and fast prediction of the City's future finances, this is a planning tool that allows us to determine how best to match existing and proposed programs and levels of service with anticipated financial resources and make adjustments if necessary.

It is noteworthy that the Estimated Beginning Unrestricted Fund Balance figure listed in 2018 is as of January 23, 2018, and is based upon preliminary and unaudited figures. As we progress through the process of "closing the 2017 books" we anticipate this figure will change due to the fact we will continue to record both 2017 revenues and expenses as we become aware of them.

The Financial Projection reflects a generally positive trend with an increase in both revenues and expenditures of about 3.0% per year through 2022. Therefore, the 2018 Business Plan has been created during a time of a strengthening economy. Within this document, each department has defined its functions and has identified the services each function provides. With projected economic constraints, the ability to sustain services in 2018 at the 2017 levels continues to be feasible. With existing Operations and Maintenance (O&M) held to a 1.81% increase, with a few exceptions, the City does not anticipate utilizing reserves for O&M in 2018.

Table 1.2 Primary General Fund Revenue Sources



*2017 figures are preliminary and unaudited as of January 30, 2018. 2018 figures reflect adopted budget estimates.

Fiscal Policies

Fiscal health is at the core of providing a good public service.

The Fiscal Policies adopted by the City Council are important for the long-range fiscal strength of the City of Spokane Valley. These policies set a framework that the City will follow to responsibly manage resources and if necessary, under what circumstances we will utilize reserves to sustain operations during economic declines.

Financial Management

The City proposes to:

1. Maintain basic service levels with minimal resources to achieve success.
2. Minimize personnel costs and overhead by continuing to contract for many services when it makes financial sense to do so.
3. Continue the six-year Business Plan process.
4. Leverage City funds with grant opportunities.
5. Minimize City debt with a pay as you go philosophy.
 - The State of Washington sets the maximum level of allowable debt for cities based on assessed value of property. The City of Spokane Valley currently utilizes only 2.10% of its total debt capacity, and more importantly, only 10.50% of non-voted bond capacity. This reflects an exceptionally low debt burden.

6. Strive to prioritize spending in the annual budget process and minimize mid-year addition of projects and appropriations.

Financial Objectives

The City's financial objectives are:

1. Adopt a General Fund Budget with recurring revenues equal to, or greater than recurring expenditures.
2. Maintain a minimum General Fund Ending Balance of at least 50% of recurring expenditures. This is adequate to meet cash flow needs and is the equivalent of six months of General Fund operations.
3. If necessary, utilize a portion of the Service Level Stabilization Reserve Fund (\$5.5 million) to maintain ending fund balance minimum.
4. Commitment to the strategy the Service Level Stabilization Reserve Fund will not reduce below \$3.3 million (60% of \$5.5 million).
5. Maintain the 2018 property tax assessment the same as 2017 with the exception of new construction. As in the previous eight years, the City will forego the one-percent annual increase to property tax allowable by RCW 84.52.050. We anticipate this will result in a levy of \$11,646,122 plus estimated new construction of \$150,000 for a total levy of \$11,796,100. The allowable potential increase will be banked for future use as provided by law. This effectively makes this the ninth consecutive year in a row that we have not increased our City property tax assessment.
6. Grow our economy so the existing tax base can support basic programs.

Commitment – By committing to these policies and the checks and balances they afford, the City will ensure financial sustainability well into the future.

Challenges

Beyond the annual challenge of balancing the General Fund Budget, the City has a number of on-going financial challenges.

1. Declining revenues in Street O&M Fund #101 that will impact our future ability to deliver historic service levels

This Fund depends upon a combination of gas and telephone tax receipts.

- Because the gas tax is a flat amount per gallon, and because each generation of newer vehicles get better gas mileage, we find our gas tax revenues have recently hovered somewhere between either flat or declining. Due to the 2015 State Legislature's increase in the gas tax, we have seen a bit of an increase in this revenue source with a 2018 revenue projection of \$2,052,000 which represents an increase of \$117,000 (or 6%) over 2015 revenues of \$1,935,000.
- The 6% telephone utility tax generated \$3.1 million in the first year of implementation in 2009. Since that time however we have experienced a steady decline and at this point are projecting 2018 revenues of just \$1,900,000.

2. Balancing the cost of pavement preservation against other transportation and infrastructure needs

- Pavement preservation has historically been financed from a combination of sources including:
 - General Fund dollars;
 - Street Fund money;
 - Real estate excise tax (REET) receipts;
 - Grants;
 - Civic Facility Replacement Fund #123 reserves that were dedicated towards this purpose.

Because Fund #123 reserves were fully depleted in 2016, beginning in 2017 the City was forced to dedicate more REET receipts towards pavement preservation in order to maintain historic levels of funding.; and

- Street construction and reconstruction projects are typically financed through a combination of state and federal grants plus a City match that normally comes from REET receipts. The more we apply REET dollars towards pavement preservation projects, the less able we are to leverage this revenue source towards street construction and reconstruction projects. If one assumes we are able to obtain street construction grants requiring a 20% City match, then every \$1 of REET money we set aside for this purpose leverages a \$5 project.

3. Railroad Grade Separation and Quiet Zone Projects (overpasses and underpasses)

Bridging the Valley is a proposal to separate vehicle traffic from train traffic in the 42 mile corridor between Spokane and Athol, ID. The separation of railroad and roadway grades in this corridor is intended to promote future economic growth, traffic movement, traffic safety, aquifer protection in the event of an oil spill, and train whistle noise abatement. The underlying study outlined the need for a grade separation at four locations in Spokane Valley including:

- Barker and Trent Road Overpass (estimated cost of \$20.0 million);
- Pines and Trent Underpass (estimated cost of \$19.8 million);
- Sullivan Road Overpass improvements (estimated cost of \$16.1 million); and
- Park Road Overpass (estimated cost of \$19.0 million).

Because grade separation projects are exceptionally expensive endeavors (totaling \$74.9 million) and largely beyond our ability to finance through existing sources of internal revenue, the City has pursued grant funding from both the federal and state government over the past several years. Incremental successes thus far includes:

Barker/Trent Grade Separation Project

- Estimated cost has been reduced from \$36.0 million to \$20.0 (or less) by determining that a full interchange is unnecessary.
- \$720,000 Federal earmark.
- \$2,209,000 City earmark of real estate excise tax.
- \$1,421,321 of City General Fund money earmarked for this purpose.
- \$1,500,000 awarded by the Washington State Legislature during the 2017 session.
- FMSIB grant that is a 20% match of the total project cost.
- Summary: Assuming a project cost of \$20.0 million, the total of the aforementioned financial commitments is \$9.8 million leaving \$10.2 million currently underfunded.
- On August 22, 2017 Council approved a Phase 1 contract to an engineering firm valued at \$173,000 with a scope of services that calls for evaluating five potential options. The end result of the study will be a final recommended option with a revised cost estimate. Following this, we will plan to enter a second phase where we will contract with an engineering firm to take the recommended solution to a 100% design.
- The City has applied for a variety of both state and federal grants (including the TIGER and FASTLANE programs) and met with some success. We will continue to apply for grant programs as they become available including the upcoming federal INFRA and TIGER 9 programs. We are hopeful that having a 100% design will make use more competitive as we will then have a “shovel ready” project.

Pines/Trent Grade Separation Project

- In the 2017 General Fund Budget, Council appropriated \$1.2 million towards this project and through 2018 Budget discussions has earmarked an additional \$721,321 of excess General Fund reserves for a total of \$1,921,321.

- In late 2016, the City acquired property valued at approximately \$500,000 to provide the necessary right-of-way for this project.
- Summary: Although the City has not obtained any outside financial assistance on this project, we have committed \$2,421,321 of internal funds towards this project.
- On July 11, 2017m Council approved Phase 1 contract to an engineering firm valued at \$124,000 with a scope of services that calls for evaluating two potential options. The end result of the study will be a final recommended option with a revised cost estimate. Following this, we will plan to enter a second phase where we will contract with an engineering firm to take the recommended solution to a 100% design.
- The City has applied for a variety of both state and federal grants (including the TIGER and FASTLANE programs). We will continue to apply for grant programs as they become available including the upcoming INFRA and TIGER 9 programs. We are hopeful that having a 100% design will make us more competitive as we will then have a “shovel ready” project.

External Input

As representatives of the citizens of the City Spokane Valley, the City Council strives to form policy that fairly represents all segments of our community, including residents, businesses and those visiting our City. To maintain balance in serving the different needs that exist in the City of Spokane Valley, it is necessary to receive feedback from customers and constituents.

Previously the City has utilized citizen surveys to obtain feedback on various contract services including solid waste and the cable franchising process. Community meetings are used to inform citizens of upcoming planning and infrastructure changes. Citizen input was sought during the development of the original Comprehensive Plan as well as the recent Comprehensive Plan Update, and will continue to be sought on subsequent Comprehensive Plan updates. The City Council utilizes public comment during Council meetings to assist the Councilmembers in the decision-making process.

City staff recognizes the importance of citizen concerns and the role citizens play in the health of our City. The Citizen Action Request Entry System (C.A.R.E.S) allows citizens to share their concerns and report issues affecting the City. Staff are then able to respond in a timely manner and have a conversation with the citizen to work to resolve the reported concern.

The public can also choose to take a more active role in participation through public forums such as public hearings and open house functions as well as through service on advisory committees. In the future, focus groups may be utilized to allow for more focused feedback on a particular subject so Council and staff can get a better feel for how a particular subject is received in the community, thereby allowing citizens to play active roles in guiding the way services are delivered.

Internal Input

The City of Spokane Valley City staff is comprised of knowledgeable professionals. Staff analysis provide Council with specialized knowledge that assists Council in making informed decisions. From demand analysis, which determines when the workload is heaviest and how to best accommodate it, to staff reports that consider alternative methods of service delivery or other cost-saving measures, employees are invaluable in providing complex information. An audit program could be utilized to ensure efficiency of service delivery for both in-house services and contracted services. In addition, performance measure results will be analyzed, summarizing multi-year performances linked to targets and making comparisons to other entities. Employees are often the information conduit from the citizens to the Council, relaying

resident concerns and/or changing trends. Staff often bring forward innovative ways of providing efficient service delivery.

Strategic planning through several long-range plans allows staff to look at current trends in order to make future forecasts and continually update plans as necessary. While much public input goes into these documents, the forecasting and planning is done by skilled staffers who strive to create innovative ways of achieving our future vision while meeting current needs, complying with the law, and operating within financial constraints. These plans include the Comprehensive Plan, Six-Year Transportation Improvement Program (TIP), Five-Year Financial Forecast, CenterPlace Marketing Plan, Parks Master Plan, Streets Master Plan (Pavement Management Program) and the Business Plan.

Departmental Business Plans

The Departmental Business Plans utilize Workload Indicators and Performance Measures to evaluate the service the City provides in order to make the appropriate adjustments to the Business Plan and meet the objective of providing our citizens with the highest level of service possible. This data will continue to be updated as the information becomes available.

The initial Departmental Business Plans were developed through participatory meetings open to all City employees. A SWOT analysis identifying the **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats for each department was conducted. Mission statements and goals were established by employees. Another SWOT analysis was conducted in 2013. Each department participated in identifying internal strengths and weaknesses and external opportunities and threats. This evaluation provides key directional information which assists the departments in the Budget planning process.

Goals & Strategies

Goals and Strategies in the Business Plan provide direction for the future. Workload Indicators and Performance Measures help ensure desired results are achieved and that citizens are receiving the value they expect.

Workload Indicators

Data is compiled to demonstrate the amount of work performed, services received and/or resources consumed. This type of information will be collected annually to identify trends that are occurring in our City that affect the government organization. Such information can be utilized to make staffing decisions, prioritize purchases to best meet the needs of our citizens and forecast future Budget needs.

Performance Measures

Performance Measures are used to determine whether services are delivered effectively and efficiently. Although most basic City services provided are consistent across jurisdictions, the City has great discretion in deciding how to provide those services. Each task performed by a City employee has an accompanying desired effect. If we do not take steps to determine whether the desired effect is being accomplished, we do not know if we are effectively meeting the needs of our citizens and customers.

Departmental Business Plans

City Council

Mission

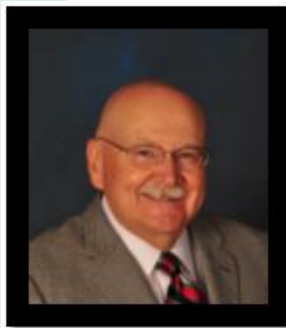
To be responsive, focused on customer service, open to the public, progressive, efficient, lean, fair and committed to providing a high quality of life.

The City of Spokane Valley incorporated March 31, 2003, as a non-charter code city and operates under a Council-Manager form of government. It is governed under the optional municipal code of RCW Chapter 35A. Under this form of government, legislative authority is concentrated in the elected City Council, which hires a professional administrator to implement its policies.

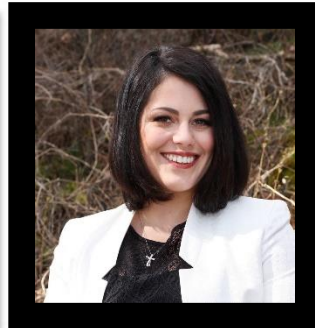
There are seven positions on the City Council, all of which are at-large positions. At-large means all Councilmembers represent all of the citizens of the City versus each Councilmember representing a specified area within the City. Councilmembers are generally elected to four-year terms, with elections held every two years. For continuity, position terms are staggered by two years so that all positions are not open for election at the same time.

Pursuant to RCW 35A.13.030, biennially the members choose a chair of the Council who receives the title of Mayor. The Mayor presides over all meetings and is recognized as the head of the City for ceremonial purposes.

In addition to the position of Mayor, pursuant to RCW 35A.13.035, a Mayor pro tempore or Deputy Mayor is chosen by the Council. This position runs in concert with the position of Mayor and fulfills the duties of the Mayor during any absence or disability of the Mayor.



Rod Higgins
Mayor – Position 1



Brandi Peetz
Position 2



Arne Woodard
Position 3



Ben Wick
Position 4



Pam Haley
Deputy Mayor - Position 5



Sam Wood
Position 6



Linda Thompson
Position 7




Theoretical Budget Reduction Exercise

Hope for the best, prepare for the worst. The Business Plan also helps the City prepare for cyclical downturns in the economy. To meet this objective, each department prepares a theoretical set of 3%, 6% and 9% Budget reductions. These reductions are not Budget proposals, but tools to test the ability to provide a base level of services by the City in anticipation of potential future revenue shortfalls.

City Council 2018 Budget Impact Summary

2018 Budget is \$548,494 which reflects an increase of \$5,622 or 1.04% over the 2017 Budget

The Executive City Council line item portion of the budget is able to operate with a 1.07% increase over the 2017 adopted budget.

| | |
|--|--|
|  <p>-3% (\$16,373)</p> | <ul style="list-style-type: none">• Supplies are reduced from \$4,950 to \$4,200 for a total reduction of \$750 or 15.15%.• Federal Lobbyist is reduced from \$92,400 to \$85,977 for a total reduction of \$6,423 or 6.95%.• Travel & Mileage is reduced from \$28,000 to \$21,000 for a total reduction of \$7,000 or 25%. Reducing the ability for Councilmembers to attend conference and meeting.• Printing & Binding is reduced from \$500 to \$400 for a total reduction of \$100 or 20%.• Registrations are reduced from \$10,500 to \$8,400 for a total reduction of \$2,100 or 20%. Reducing the number of meetings and conferences that Councilmembers will be able to attend to represent the City. <hr/> |
|  <p>-6% (\$32,746)</p> | <ul style="list-style-type: none">• Supplies are reduced from \$4,950 to \$4,200 for a total reduction of \$750 or 15.15%.• Federal Lobbyist is reduced from \$92,400 to \$77,304 for a total reduction of \$15,096 or 16.34%.• Travel & Mileage is reduced from \$28,000 to \$15,400 for a total reduction of \$12,600 or 45%. Resulting in Councilmembers being able to only attend local meetings or conferences.• Printing & Binding is reduced from \$500 to \$400 for a total reduction of \$100 or 20%.• Registrations are reduced from \$10,500 to \$6,300 for a total reduction of \$4,200 or 40%. Further reducing the number of meeting and conferences that Councilmembers will be able to attend to represent the City. <hr/> |
|  <p>-9% (\$49,119)</p> | <ul style="list-style-type: none">• Supplies are reduced from \$4,950 to \$4,200 for a total reduction of \$750 or 15.15%.• Federal Lobbyist is reduced from \$92,400 to \$68,631 for a total reduction of \$23,769 or 25.72%.• Travel & Mileage is reduced from \$28,000 to \$10,500 for a total reduction of \$17,500 or 62.5%. Greatly reducing the number of local meetings Councilmembers are able to attend.• Printing & Binding is reduced from \$500 to \$400 for a total reduction of \$100 or 20%.• Registrations are reduced from \$10,500 to \$3,500 for a total reduction of \$7,000 or 66.67%. Greatly reducing the number of local meetings and conferences that Councilmembers will be able to attend to represent the City. |

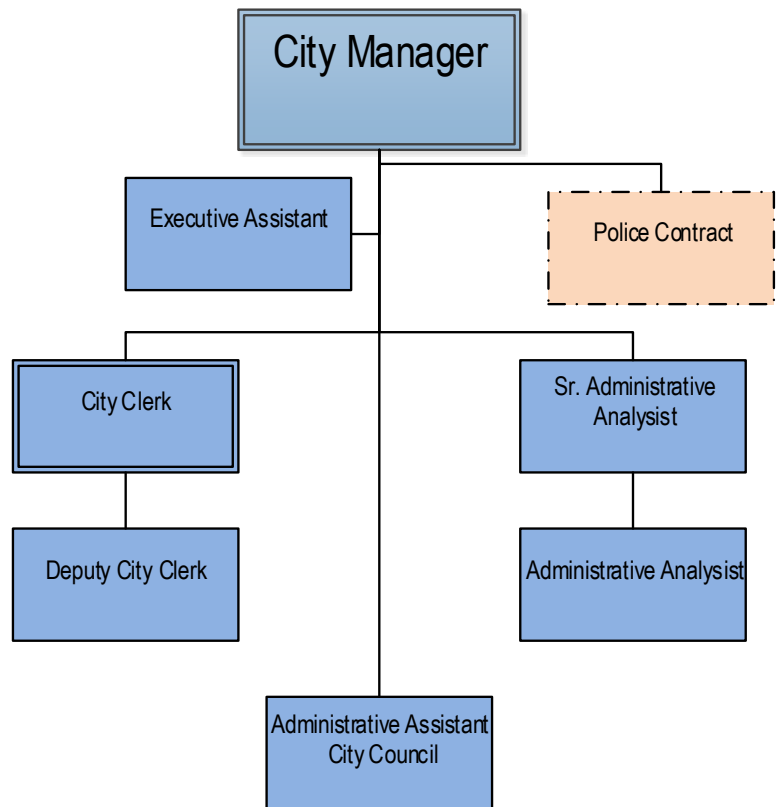
City Manager

Mission

To provide the City Council and employees with professional leadership, sage advice and to work together to implement best practices to achieve adopted goals and deliver quality services to the community.

The City Manager Department is accountable to the City Council for the operation of the organization, effective support of elected officials in achieving their goals, fulfillment of the statutory requirements of the City Manager, implementation of City Council policies and the provision of a communication linkage among citizens, the City Council, City departments and other government agencies.

The City Manager Department includes the City Clerk, Contract Administration as well as oversight of the police services contract for the City. Additionally Human Resources and the Office of the City Attorney are included in the City Manager's oversight both departments work directly with all other departments and have their own mission statements and goals.



City Manager

As the City's Chief Executive Officer, the City Manager has overall responsibility for policy development, program planning, fiscal management, administration, and operation of all City functions, programs and activities. The City Manager's administrative direction is provided by the City Council. The City Manager assesses community and citizen needs to ensure objectives and priorities are focused to meet those needs in an effective, cost-efficient manner; directs development and implementation of initiatives for service quality improvement; provides daily leadership, and works with the City's management team to ensure a high-performance, service-oriented work environment consistent with sound management principles. All City employees report directly or indirectly to the City Manager. Police services are contracted through the Spokane County Sheriff's Department with the Spokane Valley Police Chief reporting to the City Manager.

Essential Services:

- ❖ Directs the implementation of the City Council's annual goals;
- ❖ Develops and directs the implementation of policies, procedures and work standards for the City;
- ❖ Prepares and recommends long-range plans for City services and programs;
- ❖ Monitors status of contracts;
- ❖ Develops and recommends adoption of the annual budget;
- ❖ Coordinates the preparation of reports or presentations to the City Council or outside agencies;
- ❖ Develops specific proposals for action on current and future City needs;
- ❖ Acts as the Emergency Management Coordinator for the City;
- ❖ Monitors staff performance on qualitative and quantitative measures;
- ❖ Participates with local, regional, state and national jurisdictions to represent Spokane Valley's interests; and
- ❖ Maintains good working relationships with community constituents.

Goals & Strategies

1. Facilitate the achievement of the annually-established Council Goals.
 - Annually develop objectives and strategies to accomplish Council Goals.
 - Report goal attainment progress to the community in the City Manager's Accomplishments Report.
2. Update the General Fund Budget Projection. The Budget Projection estimates expected revenues and expenses, incorporates the fiscal elements of Departmental Business Plans, identifies fiscal constraints and proposes formulas for Council consideration in composing a budget-balancing approach that itemizes necessary service reductions or increased revenues, or a combination thereof.
 - Update the General Fund Budget Projection on an ongoing basis.
 - Update Departmental Business Plans.
 - Calculate the fiscal impacts identified in Business Plans.
 - Assess revenue and expenditure trends.
 - Merge trend data with Business Plan cost data.
 - Determine the financial delta.
 - Develop best-case and worst-case scenarios.
 - Formulate revenue and expenditure options.
 - Determine affordable service levels.
 - Select budget-balancing options to implement.
 - Obtain Council authorization to proceed with selected option(s).

3. Prepare Legislative Agenda for Council consideration.
 - Present a draft Legislative Agenda to City Council to consider the matters the City Council wishes to promote on behalf of the City for the potential inclusion in the state's budget.

| Workload Indicators | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Weekly Meetings with department heads to attain Council Goals</i> | √ | √ | √ | √ | √ | √ |
| <i>Goal Attainment Progress (Business Plan) posted to website by February 25 annually (after the winter Council Workshop)</i> | √ | √ | √ | √ | √ | √ |
| <i>Number of Council meetings</i> | 49 | 53 | 50 | 48 | 77 | 47 |
| <i>Draft of Departmental Business Plans completed annually by June 30</i> | √ | √ | √ | √ | √ | √ |
| <i>General Fund Budget Projection reviewed and updated annually</i> | √ | √ | √ | √ | √ | √ |
| <i>Balanced budget presented to City Council annually</i> | √ | √ | √ | √ | √ | √ |
| <i>Ordinances passed</i> | 29 | 20 | 21 | 26 | 18 | 14 |
| <i>Resolutions passed</i> | 14 | 13 | 15 | 12 | 12 | 20 |

City Clerk

The City Clerk's Office, which consists of the City Clerk and Deputy City Clerk, manages the City's official records and public disclosure, supports the City Council, including agenda development and preparation of the official minutes, provides legal notices to the public regarding City business and supports all City departments. As the custodian of all City records, the City Clerk's office oversees record archival and all document imaging for state compliance.

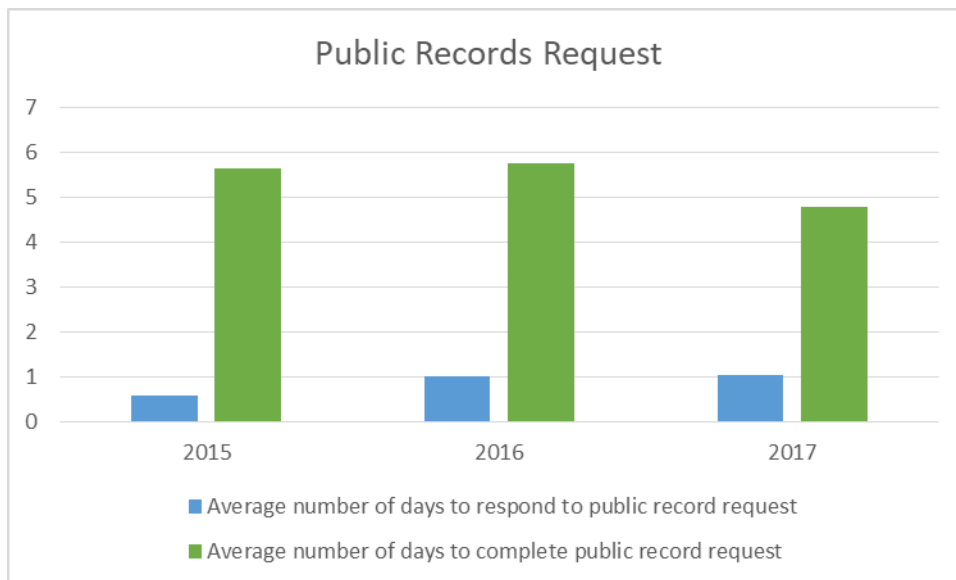
Essential Services:

- ❖ Prepares City Council Agendas and Packets;
- ❖ Certifies official City documents;
- ❖ Is custodian of City Seal;
- ❖ Supervises City's official file record maintenance;
- ❖ Administers insurance claims;
- ❖ Administers the City's Municipal Code;
- ❖ Is the Public Records Officer and handles public record requests;
- ❖ Ensures proper format for and processes resolutions and ordinances;
- ❖ Is responsible for business registrations;
- ❖ Administers oath of office for City Council, City Manager, Deputy City Manager, Finance Director and Police Chief;
- ❖ Monitors contracts and other documents for signature, recording and posting;
- ❖ Coordinates volunteer opportunities for City and regional boards, committees and commissions;
- ❖ Responsible for set-up and clean-up of Council meetings;

- ❖ Attends all Council meetings and transcribes minutes;
- ❖ Presides at bid openings;
- ❖ Is responsible for publication of all legal notices;
- ❖ Serves as City's Election Official;
- ❖ Communicates with and provides citizens information;
- ❖ Administers Consultant, Small Works and Vendor rosters;
- ❖ Processes requests for use of the City Logo;
- ❖ Participates on the Governance Manual Committee; and
- ❖ Serves as official Parliamentarian at Council meetings.

| Workload Indicators | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Number of file storage boxes archived</i> | 109 | 53 | 36 | 85 | 70 | 240 |
| <i>Number of public records requests processed</i> | 352 | 297 | 276 | 296 | 295 | 288 |
| <i>Number of archived file storage boxes destroyed</i> | - | - | 40 | 42 | 49 | 71 |
| <i>Number of archived boxes sent to State Archives in Cheney for permanent storage</i> | - | - | - | - | - | 65 |
| <i>Number of files/documents destroyed</i> | - | - | 1,233 | 759 | 689 | 7,924 |
| <i>Address files scanned and destroyed</i> | - | - | 3,221 | 7,001 | 11,038 | 4,142 |
| <i>Number of contracts processed</i> | 206 | 234 | 243 | 238 | 228 | 276 |

Performance Measures



Contract Administration

Under the direction of the City Manager, Contract Administration works with contractors and agencies to help insure that the City government remains small and lean while delivering services efficiently and effectively. This idea was incorporated early in the City of Spokane Valley's existence to maintain the original concept of a Contract City that is not focused on growing government but instead utilizes the best possible options to provide services to citizens and businesses, whether that is the private sector or other government agencies. Contract Administration regularly evaluates service delivery, examining cost trends, performance and value compared to other liked-size cities. Additionally, a primary focus is insuring that local tax revenues generated from the City are invested in the community and are not used to subsidize other jurisdictions.

Contract Administration also evaluates current service deliverables based upon current and anticipated demand, while employing the best business practices and sound fiscal policy to ensure that staffing levels match demand and all efficiencies are incorporated while interacting with customers to answer questions and provide information on contract services.

Public Safety

Contract Administration is responsible for negotiating and administering all public safety contracts which total \$25.5 million or 62% of the 2017 General Fund recurring expenditures budget. All public safety contracts are provided by Spokane County. Contract Administration reviews cost estimates, final cost reconciliations, and performance measures. Periodically, Contract Administration will review the contracts and re-negotiate the terms. The law enforcement contract was re-negotiated in 2017, solidifying the identity of the Spokane Valley Police Department, providing for more control and enhanced performance measures. In addition, a new cost methodology was developed that greatly simplifies cost calculations and segregates direct costs, ensuring that the City is being charged accurately for the City's specific costs.

Public Safety Service Contracts Administered:

- Animal Control
- Detention Services
- District Court
- Emergency Management
- Law Enforcement
- Pretrial Services
- Prosecutor Services
- Public Defender
- SCOPE
- Traffic Safety School

False Alarm Program

Contract Administration has evaluated the False Alarm Program, the program designed to reduce the number of false alarms and allow police more time to respond to actual calls for service and perform proactive policing. False alarm recovery fees have been reduced and the registration requirement and fee has been eliminated. The department has developed its own in-house database and program which will provide improved customer service at a lower cost. This program will be implemented in early 2018.

Solid Waste

Contract Administration has been part of the negotiation and evaluation teams for solid waste disposal and collection as well as the development of the City's Solid Waste Plan. As the result of negotiations and competitive processes, substantial savings were achieved for disposal and collection. The new collection

contracts will begin on April 1, 2018 and include substantially-enhanced customer service standards. The \$1.5 million in annual saving achieved will be utilized to preserve streets in the City, avoiding expensive rehabilitation projects and preserving streets in satisfactory condition without increasing garbage rates for citizens and business owners.

Geographic Information Systems (GIS) and Database Systems

Contract Administration administers, negotiates and presents for adoption the contracts for GIS and database services that allow the creation of mapping databases.

Hearing Examiner

The Hearing Examiner conducts quasi-judicial hearings on land use matters. Contract Administration monitors and evaluates the costs and quality of the service provided.

Cable Television Franchise

Cable television service that utilizes the City's right-of-way to run lines to connect to customers must operate by authority of a City franchise. Contract Administration negotiates the terms of the franchise agreement and administers the terms of the agreement such as customer service standards, use of the right-of-way and payment of the franchise fees and Public, Education, and Government (PEG) Funds.

Precinct Building

The Precinct Building houses the Spokane Valley Police Department and a District Court courtroom and ticket counter. The City purchased the Precinct Building from Spokane County in 2006. The Contract Administration Program creates and manages the budget for maintaining the Precinct Building and coordinates with the Parks Department and maintenance staff to insure that the building is maintained and that it remains a secure facility. Additionally, the department calculates and bills the County for its share of lease and maintenance of the building.

Performance

Spokane Valley Per Capita Public Safety Costs Compared to Like-Sized Cities in Washington State.

| Service | SV Per Capita \$ | Per Capita Avg. \$ |
|-----------------|-------------------------|---------------------------|
| Law Enforcement | \$ 187 | \$ 277 |
| Jail | \$ 13 | \$ 38 |
| Court | \$ 9 | \$ 19 |
| Public Defender | \$ 6 | \$ 6 |
| Prosecution | \$ 4 | \$ 9 |
| Animal Control | \$ 3 | \$ 3 |
| Emergency Mgmt. | \$ 1 | \$ 3 |
| Total | \$ 222 | \$ 357 |

Goals & Strategies

1. Formalize public accountability in City operations through incorporating the Business Plan into decision-making and establishing a toolbox for evaluating the City's contract services. An open, collaborative government is the third Core Value adopted by City Council.
 - Incorporate the Business Plan in the City's decision-making process to enhance accountability through implementation of performance results.
 - Evaluate City's contract services.
 - Implement contract audit program.
 - Create custom feedback system.

Theoretical Budget Reduction Exercise

Hope for the best, prepare for the worst. The Business Plan also helps the City prepare for cyclical downturns in the economy. To meet this objective, each department prepares a theoretical set of 3%, 6% and 9% Budget reductions. These reductions are not Budget proposals, but tools to test the ability to provide a base level of services by the City in anticipation of potential future revenue shortfalls.

City Manager & City Clerk 2018 Budget Impact Summary

2018 Budget is \$956,245 which reflects an increase of \$231,810 or 31.50% over the 2017 Budget.

The Executive & Legislative line-item portion of the budget is able to operate with a 14.51% increase over the 2017 adopted budget. 2018 FTE count increased by 2.0 as a result of moving 2.0 Administrative Analysts from the Deputy City Manager budget to the City Manager budget.

-3%

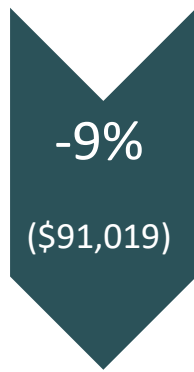
(\$31,439)

- Wages, payroll taxes and benefits are reduced from \$877,105 to \$850,966 for a total reduction of \$26,139 or 2.98%. This represents a reduction of FTE from 7.00 to 6.75 which would affect the ability to maintain the current level of services as well as an elimination of overtime. Resulting in the inability for staff to be available outside of normal work hours as necessary.
- Professional Services reduced from \$22,000 to \$20,000 for a total reduction of \$2,000 or 9.1%. Resulting in the reduction of access to professional services when required.
- Travel & Mileage is reduced from \$13,500 to \$10,200 for a total reduction of \$3,300 or 24.4%. Limiting staff access to training opportunities.

-6%

(\$59,966)

- Wages, payroll taxes and benefits are reduced from \$877,105 to \$829,339 for a total reduction of \$47,766 or 5.45%. This represents a reduction of FTE from 7.00 to 6.50 which would greatly reduce the ability to maintain the current level of services as well as an elimination of overtime. Resulting in the inability for staff to be available outside of normal work hours as necessary.
- Professional Services reduced from \$22,000 to \$20,000 for a total reduction of \$2,000 or 9.1%. Resulting in the reduction of access to professional services when required.
- Travel & Mileage is reduced from \$13,500 to \$8,200 for a total reduction of \$5,300 or 28.19%. Limiting staff access to training opportunities.
- Legal Notices reduced from \$18,800 to \$15,000 for a total reduction of \$3,800 or 20.2%
- Printing & Binding reduced from \$7,600 to \$7,000 for a total reduction of \$600 or 7.89%.
- Membership is reduced from \$2,500 to \$2,000 for a total reduction of \$500 or 20%. Reducing the number of professional memberships for staff members.



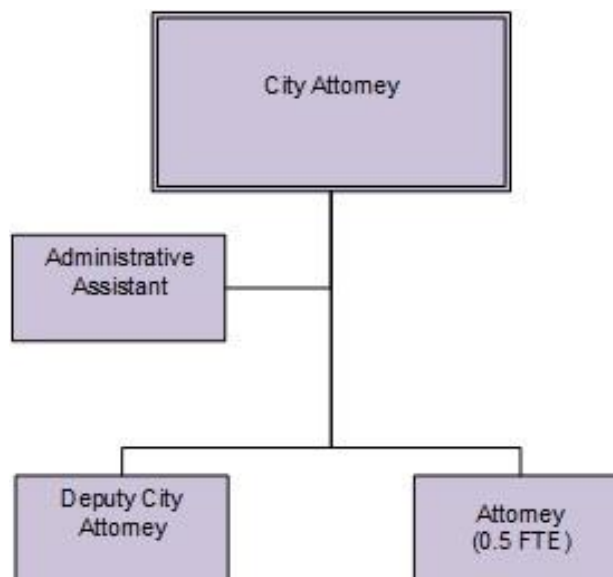
- Wages, payroll taxes and benefits are reduced from \$877,105 to \$786,086 for a total reduction of \$91,019 or 10.38%. This represents a reduction of FTE from 7.00 to 6.00, eliminating one position greatly impacting the ability to provide currently levels of services. Overtime would be eliminated, resulting in the inability for staff to be available outside of normal work hours as necessary.

Office of the City Attorney

Mission

To assist in implementing Council policy by providing clear legal direction and meaningful assistance to Council, and to staff who implement City programs. Maintain a positive and creative workplace.

The Office of the City Attorney represents the City's legal interests, including oversight of claims and litigation. The Office of the City Attorney drafts ordinances and resolutions; negotiates contracts, interlocal agreements, franchises, leases and agreements; and supports departments in enforcing associated laws. The Office of the City Attorney also provides specialized employee training regarding existing laws. The City Attorney supervises and directs the work of legal interns.



The Office of the City Attorney is responsible for providing legal advice and support to the City Council and City employees, as well as to prosecute and defend all civil matters not assigned to outside counsel. This office works extensively with all City departments.

The Office of the City Attorney staff consists of two full-time attorneys, one part-time attorney, one administrative assistant and from one to three legal interns. The daily work largely consists of providing timely advice on a full range of municipal issues, to City staff and the City Council.

Essential Services:

- ❖ Negotiate and draft and/or review all contracts;
- ❖ Negotiate and draft franchise agreements with utility providers;
- ❖ Meet and negotiate with Spokane County on service contracts;
- ❖ Meet and negotiate with other jurisdictions on a variety of matters, including interlocal agreements;
- ❖ Defend City in litigation and administrative hearings;
- ❖ Represent City in code enforcement litigation and collections;
- ❖ Maintain office and document organization necessary to successfully complete all tasks;
- ❖ Advise on labor relations and employment law;
- ❖ Advise on numerous miscellaneous issues of general governance on a daily basis;

- ❖ Draft, or review and revise, ordinances, resolutions and policies as appropriate;
- ❖ Draft legal memoranda on a full range of municipal issues;
- ❖ Review and compile responses to public record requests when necessary;
- ❖ Provide training to staff on legal issues with broad application, such as public records, the Open Public Meeting Act, public disclosure rules, ethics, administrative and land-use regulations, contracts and purchasing, and ordinance drafting;
- ❖ Attend all City Council meetings;
- ❖ Attend all Planning Commission meetings;
- ❖ Review and advise on all real property transfers (easements, deeds, etc.); and
- ❖ Participate on the Governance Manual Committee.

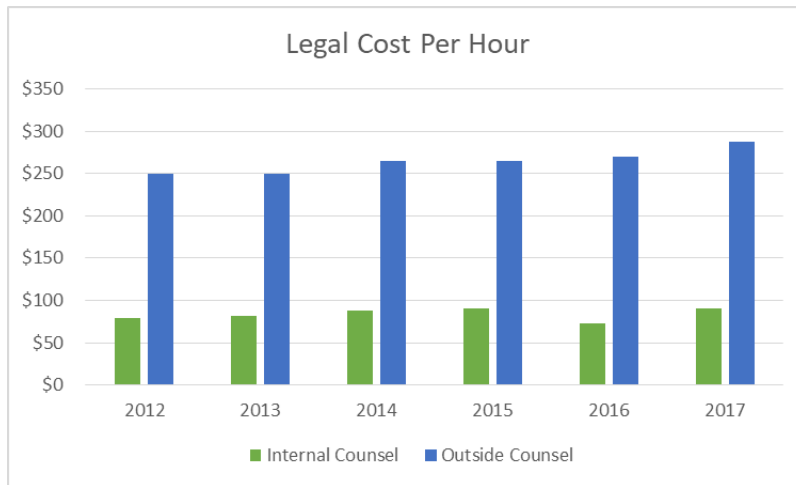
Goals & Strategies

1. To have a fully-operational City Attorney's office that proactively assists in office process development, advises all departments on legal issues in a timely manner, and manages all potential and existing litigation.
 - Review processes.
 - Monitor workload and workload changes.
 - Track response times.
 - Identify deficient areas.
2. To assist other departments in analyzing and mapping existing processes to determine compliance with the law and whether higher levels of customer service can be achieved.
 - Maintain and update all form contracts used by all departments.
 - Attend internal planning meetings to identify and resolve potential issues.
 - Review and revise administrative policies and procedures as appropriate.
3. Provide legal support to other departments and to the City Council in furtherance of the City Council goal to develop and adopt necessary development regulations to implement the Comprehensive Plan Update.
4. Negotiate and draft utility franchise agreements on an as-needed basis with utility providers.
 - Finalize and begin negotiations to establish and update franchise agreements.
 - Draft model language for franchise agreements.
5. Assist Economic Development to identify options for economic development.
 - Assist with development of functional economic development tools.

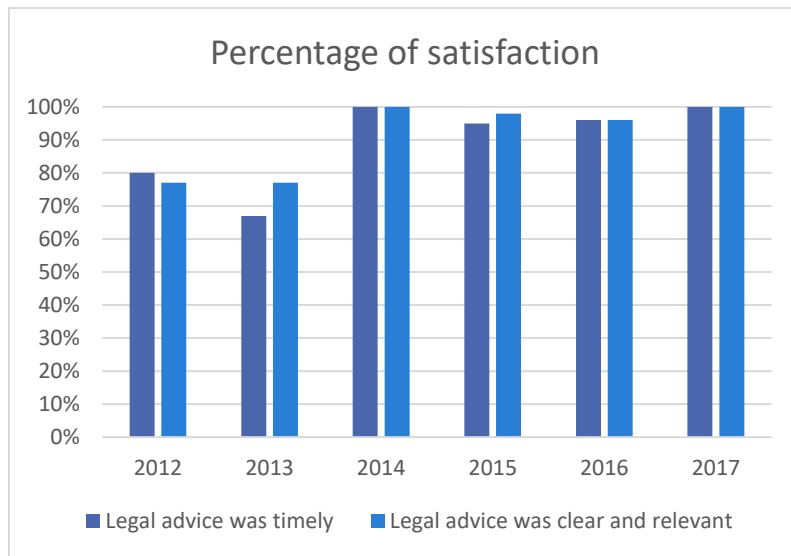
| Workload Indicators | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Work order requests processed</i> | 249 | 251 | 274 | 254 | 295 | 280 |
| <i>Legal memoranda</i> | 50 | 27 | 26 | 28 | 25 | 16 |
| <i>Public record requests processed*</i> | 9 | 19 | 11 | 22 | 46 | 24 |
| <i>Number of open litigation matters including enforcement matters</i> | 17 | 25 | 21 | 44 | 23 | 63 |
| <i>Number of closed litigation matters including enforcement matters</i> | 21 | 16 | 15 | 27 | 17 | 37 |
| <i>Training classes taught</i> | 4 | 5 | 10 | 6 | 9 | 9 |
| <i>Average number of days for completion of tasks</i> | 22 | 18 | 17 | 18 | 26 | 19 |
| <i>Ordinances and resolutions drafted</i> | 43 | 33 | 36 | 38 | 30 | 34 |
| <i>Contracts reviewed</i> | 190 | 206 | 209 | 214 | 255 | 342 |

*Does not include day-to-day file review in response to public record requests processed by City Clerk.

Performance Measures



Illustrating the cost effectiveness of retaining internal legal counsel as opposed to the use of outside counsel. The cost for internal counsel is determined by the total legal budget for the calendar year divided by the number of hours worked by the legal department. The outside counsel is the average hourly billing rate of all outside counsel that are used by the City.



Clients were surveyed by the legal department for the percentage of satisfaction. First, the percentage of internal clients reporting that legal advice was timely. Secondly, the percentage of internal clients reporting that legal advice was clear and relevant.

The Work Order Requests Processed graph reflects individual tasks the office is requested to do, or tasks the office identifies as needing some analysis. The Contracts Reviewed graph reflects the number of contracts, contract amendments, and interlocal agreements executed by the office annually. The level of work for each varies significantly, depending on whether our office is negotiating the contract, advising another department on contracting options or contracting law, or whether we are simply reviewing and signing. This number has increased over the past several years as the contracting process has been improved.



Theoretical Budget Reduction Exercise

Hope for the best, prepare for the worst. The Business Plan also helps the City prepare for cyclical downturns in the economy. To meet this objective, each department prepares a theoretical set of 3%, 6% and 9% Budget reductions. These reductions are not Budget proposals, but tools to test the ability to provide a base level of services by the City in anticipation of potential future revenue shortfalls.

Office of the City Attorney 2018 Budget Impact Summary

2018 Budget is \$594,752 which reflects an increase of \$78,758 or 15.26% over the 2017 Budget.

The Office of the City Attorney increased FTE by .5 to 3.5 for the 2018 Budget. The half-time attorney position will handle all code enforcement litigation cases increasing the efficiency of these types of cases.

-3%

(\$68,060)

- Wages, payroll taxes and benefits are reduced from \$506,481 to \$439,158 for a total reduction of \$67,323 or 13.29%. Resulting in the elimination of one of the three legal interns, affecting amount of research for the attorneys as well as work on the code compliance cases.
- Office Supplies are reduced from \$1,301 to \$893 for a total reduction of \$408 or 31.36%
- Registrations are reduced from \$1,970 to \$1,641 for a total reduction \$329 or 16.7%. Resulting in the reduction or elimination of training for the administrative assistant on public record production requirements.

-6%

(\$84,349)

- Wages, payroll taxes and benefits are reduced from \$506,481 to \$423,377 for a total reduction of \$83,104 or 16.41%. Resulting in the elimination of two of the three legal interns, significantly affecting amount of research for the attorneys as well as work on the code compliance cases.
- Office Supplies are reduced from \$1,301 to \$893 for a total reduction of \$408 or 31.36%
- Registrations are reduced from \$1,970 to \$1,641 for a total reduction \$329 or 16.7%. Resulting in the reduction or elimination of training for the administrative assistant on public record production requirements.
- Outside Legal Counsel is reduced from \$58,500 to \$57,992 for a total reduction of \$508 or 8.68%. Resulting in an impact on the workload for the two attorneys and remaining intern, reducing efficiency, total work product completed, as well as timeliness of completed work.



-9%
(100,637)

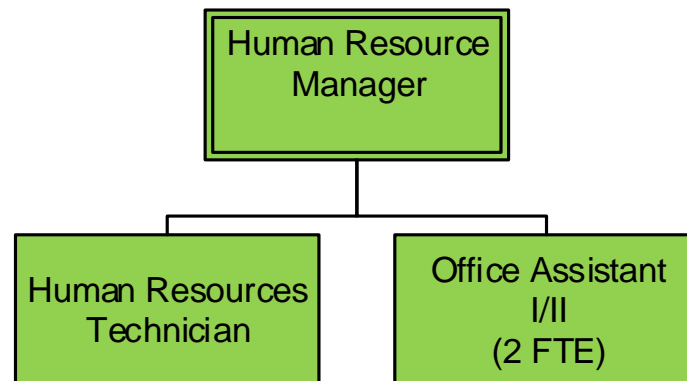
- Wages, payroll taxes and benefits are reduced from \$506,481 to \$407,595 for a total reduction of \$98,886 or 24.26%. Resulting in the elimination the three legal interns, significantly affecting amount of research for the attorneys as well as work on the code compliance cases.
- Office Supplies are reduced from \$1,301 to \$893 for a total reduction of \$408 or 31.36%
- Registrations are reduced from \$1,970 to \$1,641 for a total reduction \$329 or 16.7%. Resulting in the reduction or elimination of training for the administrative assistant on public record production requirements.
- Outside Legal Counsel is reduced from \$58,500 to \$57,486 for a total reduction of \$1,014 or 17.33%. Resulting in an impact on the workload for the two attorneys, reducing efficiency, total work product completed, as well as timeliness of completed work.

Human Resources

Mission

To promote an employment environment that supports the mission of the City and the development of its employees.

The Human Resources office is responsible for providing personnel consultation and employee services to the management of the City of Spokane Valley and its employees, supporting a workforce that is motivated to deliver quality services to the community.



Essential Services:

- ❖ Employee recruitment;
- ❖ Labor Relations;
- ❖ Risk Management;
- ❖ ADA Consultation;
- ❖ Employee training;
- ❖ Ensure compliance with employment laws;
- ❖ Compensation administration;
- ❖ Policy development and administration;
- ❖ Administer the Employee Wellness Program;
- ❖ Facilitate performance management;
- ❖ Healthcare and other benefit administration;
- ❖ Provide new employee orientation; and
- ❖ Website administration.

Human Resources conducted 75 interviews, filling 30 positions in 2017. The office maintains a greater than 97% satisfaction rate with the services provided to City employees and managers. The office, along with the Wellness Committee, continues to achieve the WellCity Award by developing a qualified Wellness Program which is anticipated to reduce employee health care expense by more than \$20,000 per year.

The Human Resource office also provides Risk Management services to the City in the identification, assessment and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor and control the probability and/or impact of such risks. Further, the Human Resources Manager functions as the Americans with Disabilities Act (ADA) coordinator guiding the City's efforts to promote access to its citizens. As the City's designated contact for persons requesting accommodation, the Human Resource Manager works with the public to provide reasonable access to City services.

Human Resources prepares the City for the many changes in the external business environment, including increased governmental mandates and legislation, recruitment needs as the pool of skilled workers decreases, the increasing cost of labor and changing workforce demographics.

Goals & Strategies

1. Respond to internal and external impacts on the City's Human Resources function in order to recruit and retain a well-qualified workforce.
 - Evaluate City's work environment to encourage retention of existing staff.
 - Develop processes that improve employee access to information and make the best use of technology in order to administer costs effectively.
 - Evaluation of employment costs to identify opportunities to reduce those costs.
2. Audit of existing Risk Management practices and further development of the Risk Management Program for the City.
 - Revalue City fleet vehicles to lower cost of coverage.
 - Facilitate the maintenance program for City owned vehicles.
 - Support new supervisors in providing leadership training.

| Workload Indicator | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Number of City FTEs</i> | 87.25 | 85.25 | 87.25 | 87.25 | 87.40 | 89.25 |
| <i>Personnel action forms processed</i> | 162 | 100 | 157 | 166 | 122 | 139 |
| <i>Number of training classes facilitated or coordinated</i> | 4 | 5 | 8 | 6 | 4 | 8 |
| <i>Employees hired*</i> | 6 | 9 | 8 | 12 | 6 | 10 |
| <i>Average number of applications received per recruitment cycle</i> | 39.28 | 31.95 | 29.7 | 24.08 | 33.4 | 25 |

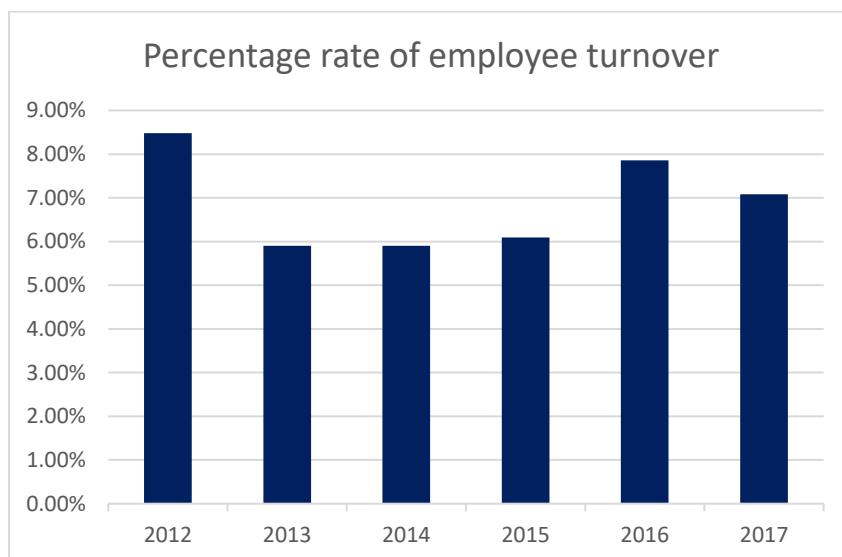
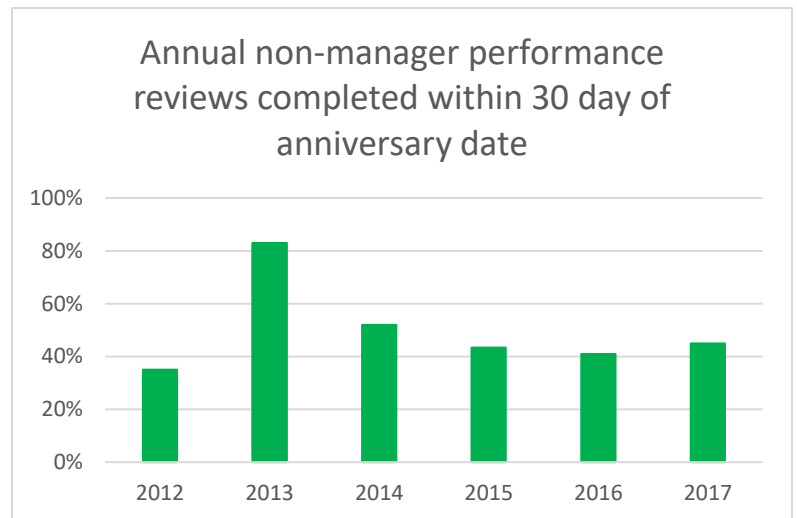
* Includes regular employees—permanent FT/PT employees; limited term; does not include temporary/seasonal employees

Performance Measures



In 2012, the percentage of employees satisfied with the Human Resources Department was 65%. This measurement was taken in the first quarter of 2013 when the City made two dramatic changes to its personnel systems; the elimination of certain health plans, moving employees to plans having less benefits and the movement of the City's compensation system to performance based. Since then, we had five successive measurement periods showing a return to former levels of satisfaction; in 2013, the percentage increased to 93% and has been increasing each year.

Timely completion of employee evaluations has also changed significantly; however, very close to all evaluations are completed within 45 days.



Central Reception

Historically Central Reception consisted of two full-time employees who serve as the primary point of contact for the City. In September of 2017, due to the move of staff into the new City Hall, staff have been making adjustments to how the City receives customers into the Reception and Permitting area and assessing how we can use the layout of the new building to improve customer service. It remains our goal to providing the highest level of customer service for citizens, clients and staff. Central Reception continues to greet and assist all visitors, provides information, assists in business registration applications, makes community referrals, answers incoming telephone calls, takes messages and directs calls to appropriate staff members.

Essential Services:

- ❖ Route calls and provide information for City Services;
- ❖ Post regular and certified out-going mail;
- ❖ Schedule conference rooms and vehicle usage;
- ❖ Receive Home Occupation Application;
- ❖ Receive Public Record Requests;
- ❖ Traffic-related requests;
- ❖ Street maintenance requests;
- ❖ Non-domestic animal issues;
- ❖ Maintain City directories on website;
- ❖ Snow plow and street sweeping information;
- ❖ Order business cards and name plates;
- ❖ Database maintenance for business registrations;
- ❖ Maintain literature for City Services;
- ❖ Database maintenance for Public Works;
- ❖ Abandoned vehicles;
- ❖ Business registrations;
- ❖ Welcome letters to new businesses;
- ❖ C.A.R.E.S (Citizen Action Request Entry System); and
- ❖ Internal mail distribution.

| Workload Indicator | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>New business registrations processed</i> | 1,851 | 2,069 | 1,899 | 1,572 | 2,184 | 1,765 |
| <i>Renewal business registrations processed</i> | 5,862 | 5,754 | 6,173 | 6,847 | 8,060 | 8,685 |
| <i>Number of phone calls answered and directed</i> | 7,082 | 6,846 | 6,623 | 7,100 | 6,942 | 7,292 |
| <i>Number of visitors greeted</i> | 2,265 | 2,507 | 2,413 | 3,023 | 3,171 | 3,093 |
| <i>Number of Citizen Action Request Entry System (C.A.R.E.S.) entered</i> | 1,131 | 996 | 1,126 | 1,383 | 1,649 | 2,611 |

Theoretical Budget Reduction Exercise

Hope for the best, prepare for the worst. The Business Plan also helps the City prepare for cyclical downturns in the economy. To meet this objective, each department prepares a theoretical set of 3%, 6% and 9% Budget reductions. These reductions are not Budget proposals, but tools to test the ability to provide a base level of services by the City in anticipation of potential future revenue shortfalls.

Human Resources 2018 Budget Impact Summary

2018 Budget is \$275,387 which reflects an increase of \$12,970 or 4.94% over the 2017 Budget.

-3%

(\$17,084)

- Wages, payroll taxes and benefits are reduced from \$254,577 to \$245,488 for a total reduction of \$9,089 or 3.57%.
- Fuel is reduced from \$30 to \$0 for a total reduction of \$30 or 100%.
- Legal Services are reduced from \$3,000 to \$1,400 for a total reduction of \$1,600 or 53%. This reduction may increase the risk concerning employment decisions and/or actions.
- Professional Services are reduced from \$8,500 to \$5,550 for a total reduction of \$2,950 or 35%. Reducing the ability to perform pre-employment criminal history checks.
- Advertising is reduced from \$1,500 to \$0 for a total reduction of \$1,500 or 100%. Eliminating the ability to advertise employment opportunities.
- Postage is reduced from \$75 to \$50 for a total reduction of \$25 or 33.33%.
- Membership in professional organizations is reduced from \$780 to \$400 for a total reduction of \$380 or 48.72%.
- Registration for training is reduced from \$595 to \$400 for a total reduction of \$195 or 33%. Reducing training opportunities for Human Resource staff.
- Training is reduced from \$1,000 to \$285 for a total reduction of \$715 or 71.5%.
- Employee Wellness is reduced from \$1,500 to \$900 for a total reduction of \$1,200 or 40%. Resulting in the minimum required level to be eligible for the WellCity Award and the 2% reduction in healthcare expenses.

-6%

(\$25,713)

- Wages, payroll taxes and benefits are reduced from \$254,577 to \$239,824 for a total reduction of \$14,753 or 5.80%. Resulting in a reduction of .07 FTE.
- Fuel is reduced from \$30 to \$0 for a total reduction of \$30 or 100%.
- Legal Services are reduced from \$3,000 to \$900 for a total reduction of \$2,100 or 70%. Further reducing the ability to consult council on employment decisions and/or actions.
- Professional Services are reduced from \$8,500 to \$5,550 for a total reduction of \$2,950 or 35%. Reducing the ability to perform pre-employment criminal history checks.
- Advertising is reduced from \$1,500 to \$0 for a total reduction of \$1,500 or 100%. Eliminating the ability to advertise employment opportunities.
- Postage is reduced from \$75 to \$50 for a total reduction of \$25 or 33.33%.
- Travel is reduced from \$2,280 to \$500 for a total reduction of \$1,780 or 78.1%.
- Membership in professional organizations is reduced from \$780 to \$400 for a total reduction of \$380 or 48.72%. Resulting in the elimination of require drug testing of CDL holders and not allow employees to operate vehicles such as snow plows.
- Registration is reduced from \$595 to \$0 for a total reduction of \$595 or 100%. Eliminating training registrations for Human Resource staff.
- Training is reduced from \$1,000 to \$0 for a total reduction of \$1,000 or 100%.
- Employee Wellness is reduced from \$1,500 to \$900 for a total reduction of \$1,200 or 40%. Resulting in the minimum required level to be eligible for the WellCity Award and the 2% reduction in healthcare expenses.



-9%

(\$34,193)

- Wages, payroll taxes and benefits are reduced from \$254,577 to \$232,794 for a total reduction of \$21,783 or 8.59%. Resulting in a reduction of .16 FTE.
- Fuel is reduced from \$30 to \$0 for a total reduction of \$30 or 100%.
- Legal Services are reduced from \$3,000 to \$0 for a total reduction of \$3,000 or 100%. Eliminating the ability to consult council on employment decisions and/or actions.
- Professional Services are reduced from \$8,500 to \$5,550 for a total reduction of \$2,950 or 35%. Reducing the ability to perform pre-employment criminal history checks.
- Advertising is reduced from \$1,500 to \$0 for a total reduction of \$1,500 or 100%. Eliminating the ability to advertise employment opportunities.
- Postage is reduced from \$75 to \$50 for a total reduction of \$25 or 33.33%.
- Travel is reduced from \$2,280 to \$500 for a total reduction of \$1,780 or 78.1%.
- Membership in professional organizations is reduced from \$780 to \$400 for a total reduction of \$380 or 48.72%. Resulting in the elimination of require drug testing of CDL holders and not allow employees to operate vehicles such as snow plows.
- Registration is reduced from \$595 to \$0 for a total reduction of \$595 or 100%. Eliminating training registrations for Human Resource staff.
- Training is reduced from \$1,000 to \$0 for a total reduction of \$1,000 or 100%.
- Employee Wellness is reduced from \$1,500 to \$900 for a total reduction of \$1,200 or 40%. Resulting in the minimum required level to be eligible for the WellCity Award and the 2% reduction in healthcare expenses.

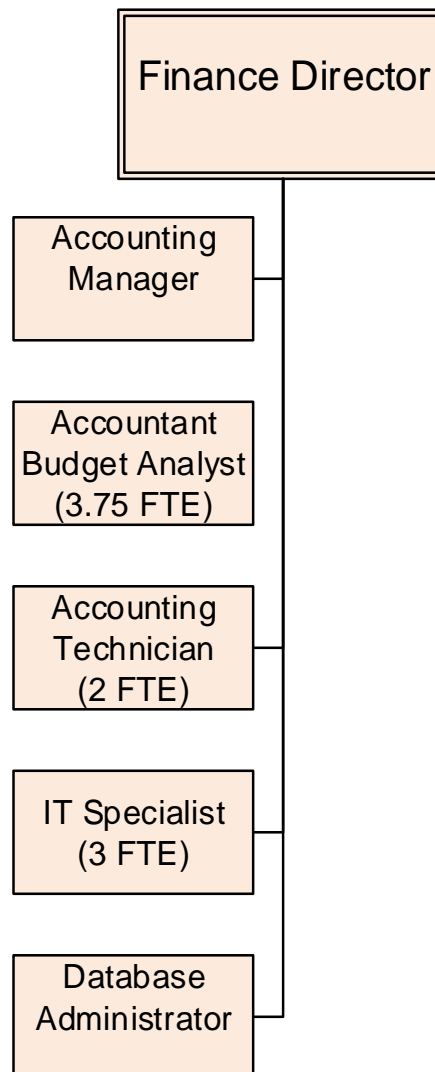
Finance & Information Technology

Mission

To assist the City Council, City staff and citizens in the areas of financial planning, budgeting, financial reporting and overall stewardship of the City's resources. Our information technology (IT) group seeks to understand technology and how it can best serve internal and external IT users.

The Finance and Information Technology (IT) Department provides financial management services for all City departments. Responsibilities include accounting and financial reporting, payroll, accounts payable, some purchasing, budgeting and financial planning, treasury, investments and information technology. The department is also responsible for generating and analyzing financial data related to the City's operations.

Finance is responsible for the administration, coordination, supervision and control of the City's financial activities engaged in by the City. These functions are performed through a combination of interrelated activities including financial management, general accounting and information technology.



Essential Services:

Financial management responsibilities include:

- ❖ Budget development and monitoring;
- ❖ Preparation of periodic budget amendments;
- ❖ Treasury control and management of the City's cash and investment portfolio;
- ❖ Debt financing and management; and
- ❖ Collaboration with Public Works staff on financing options for capital projects.

General accounting responsibilities include:

- ❖ Internal and external financial reporting including preparation of the Annual Financial Report;
- ❖ Coordination with the Washington State Auditor's Office for the City's annual audit which on average represents approximately 800 auditor hours each year;
- ❖ General ledger accounting;
- ❖ Audit coordination;
- ❖ Cash receipting including preparation of daily deposits for City departments;
- ❖ Tracking and receipting telephone utility tax payments;
- ❖ Tracking and receipting quarterly gambling tax payments;
- ❖ Processing payroll and accounts payable for 87.75 full-time equivalent employees as well as seasonal and temporary employees;
- ❖ Process approximately 3,500 accounts payable checks;
- ❖ Grant accounting and reimbursements;
- ❖ Project accounting and reimbursements;
- ❖ Advertise and call for applications for outside agency grants for both social service and economic development agencies; and
- ❖ Advertise and call for applications for lodging tax grants.

Information technology responsibilities include:

- ❖ Design, maintain and support of City's data network;
- ❖ Research, order, deliver, repair and maintain all desktop, iPad, laptop and peripheral equipment;
- ❖ Maintenance of all primary computer applications including the financial management and permitting systems; and
- ❖ Broadcasting of City Council meetings which entails the acquisition and ongoing maintenance and support of the necessary related hardware and software, as well as working with the vendor involved with actual recording of the meeting.

Goals & Strategies

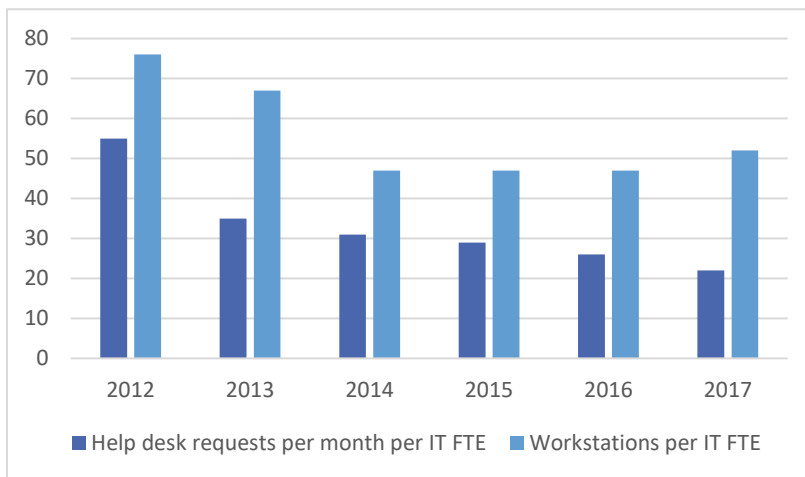
1. Maintain a consistent level of service in payroll, accounts payable, budget development, periodic and annual financial report preparation IT services.
 - Work with Finance staff to cross-train position responsibilities and knowledge base where possible. Also, provide adequate training opportunities to allow staff members to remain current with changes in pronouncements by the Governmental Accounting Standards Board (GASB), changes in the Eden financial management system, and changes in the electronic technology that allows all City employees to be more efficient and effective.
2. Complete the 2017 Annual Financial Report by May 30, 2018, and receive a "clean audit opinion" from the Washington State Auditor's Office.
 - This can be accomplished through a combination of cross-training responsibilities between the Accounting Manager and staff accountants as well as remaining current on GASB pronouncements.
3. Continue with the ongoing process of refining the replacement program for IT hardware resources including server hardware, network hardware, printers and network-based appliances (firewalls, email

backup, network switches, intrusion prevention hardware, etc.), desktop computers, and the phone system. This will continue to be the foundation for future budget developments and in large part dictate operational workload through the course of the next year.

- Update the existing inventory of all related equipment currently deployed including when it was acquired, it's expected useful life, anticipated replacement date and replacement cost.

| Workload Indicators | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Number of computer workstations</i> | 152 | 134 | 140 | 140 | 140 | 155 |
| <i>Number of tablets supported</i> | 6 | 18 | 20 | 27 | 31 | 35 |
| <i>Number of physical servers supported</i> | - | - | 17 | 22 | 10 | 15 |
| <i>Number of virtual servers supported</i> | - | - | 8 | 15 | 25 | 28 |
| <i>Number of appliances supported</i> | - | - | 55 | 45 | 50 | 50 |
| <i>Number of PC's installed or replaced</i> | 36 | 0 | 54 | 39 | 37 | 72 |
| <i>Network Hardware</i> | - | - | - | 75 | 76 | 87 |

Performance Measures



Help desk requests per IT FTE per month dropped in 2014 due to hiring the Help Desk Technician in that year. This will continue to drive the six-year average down.

Theoretical Budget Reduction Exercise

Hope for the best, prepare for the worst. The Business Plan also helps the City prepare for cyclical downturns in the economy. To meet this objective, each department prepares a theoretical set of 3%, 6% and 9% Budget reductions. These reductions are not Budget proposals, but tools to test the ability to provide a base level of services by the City in anticipation of potential future revenue shortfalls.

Finance & Information Technology 2018 Budget Impact Summary

2018 Budget is \$1,339,064 which reflects an increase of \$56,604 or 4.41% over the 2017 Budget.

The Finance Department line-item budget reflects an increase of \$56,604 or 4.41%. Not including wages, payroll taxes and benefits, the budget reflects an increase of \$450 or 1.50%. To the best of our ability, we make certain the budget requests for individual line-items closely approximate the average actual expenditures in the previous three years.

-3%

(\$53,494)

- Wages, payroll taxes and benefits are reduced from \$1,308,614 to \$1,259,320 for a total reduction of \$49,294 or 3.77%. This represents a reduction of 0.55 FTEs, which would slow City payments to vendors and increase the time needed for financial analysis.
- Supplies are reduced from \$6,450 to \$5,350 for a total reduction of \$1,100 or 17.05%. The reduction would affect the department's ability to respond to needs for larger equipment items such as scanners or chairs.
- Professional services are reduced from \$2,500 to \$1,000 for a total reduction of \$1,500 or 60%. The reduction would hinder the City's ability to hire consultants for any continuing disclosure requirements on our bond issues.
- Travel is reduced from \$5,200 to \$5,000 for a total reduction of \$200 or 3.8%. This reduction would limit staff availability to access training opportunities.
- Memberships are reduced from \$1,500 to \$1,000 for a total reduction of \$500 or 33.3%. This reduction would reduce the number of staff with professional memberships which provide access to valuable resources to keep current with accounting standards.
- Registrations are reduced from \$9,500 to \$8,600 for a total reduction of \$900 or 9.5%. This reduction would limit access to training classes that keep staff current with accounting standards and new technology.

-6%

(\$93,120)

- Wages, payroll taxes and benefits are reduced from \$1,308,614 to \$1,219,694 for a total reduction of \$88,920 or 6.79%. This represents a reduction of 0.95 FTEs, which in addition to above would potentially compromise segregation of duties required by the State Auditor's Office and would slow the outside agency and lodging tax grant award processes.
- Supplies are reduced from \$6,450 to \$5,350 for a total reduction of \$1,100 or 18.3%. The reduction would affect the department's ability to respond to needs for larger equipment items such as scanners or chairs.
- Professional services are reduced from \$2,500 to \$1,000 for a total reduction of \$1,500 or 60%. The reduction would hinder the City's ability to hire consultants for any continuing disclosure requirements on our bond issues.
- Travel is reduced from \$5,200 to \$5,000 for a total reduction of \$200 or 3.8%. This reduction would limit staff availability to access training opportunities.

- Memberships are reduced from \$1,500 to \$1,000 for a total reduction of \$500 or 33.3%. This reduction would reduce the number of staff with professional memberships which provide access to valuable resources to keep current with accounting standards.
 - Registrations are reduced from \$9,500 to \$8,600 for a total reduction of \$900 or 9.5%. This reduction would limit access to training classes that keep staff current with accounting standards and new technology.
-

-9%

(\$133,409)

- Wages, payroll taxes and benefits are reduced from \$1,308,614 to \$1,181,605 for a total reduction of \$127,009 or 9.71%. This represents a reduction of 1.45 FTEs, which in addition to above would significantly compromise segregation of duties required by the State Auditor's Office. Also, City payments to vendors would only be processed once every two weeks, and the ability to accommodate the Outside Agency and Lodging Tax award processes would be seriously compromised without assistance from other City departments.
- Supplies are reduced from \$6,450 to \$4,500 for a total reduction of \$1,500 or 25%. The reduction would compromise the department's ability to maintain supply levels necessary for efficient operations.
- Professional services are reduced from \$2,500 to \$800 for a total reduction of \$1,700 or 68%. The reduction would severely limit the City's ability to hire consultants for any continuing disclosure requirements on our bond issues.
- Travel is reduced from \$5,200 to \$4,500 for a total reduction of \$700 or 13.5%. This reduction would prevent staff from attending training outside of the immediate area which would limit the types of training that could be used to keep current on accounting standards and new technology.
- Memberships are reduced from \$1,500 to \$500 for a total reduction of \$1,000 or 66.7%. This reduction would severely reduce the number of staff with professional memberships which provide access to valuable resources to keep current with accounting standards.
- Registrations are reduced from \$9,500 to \$8,000 for a total reduction of \$1,500 or 15.8%. This reduction, along with reductions in travel and memberships, would compromise the City's ability to continue to prepare error-free annual financial reports which could result in findings from the State Auditor's Office.


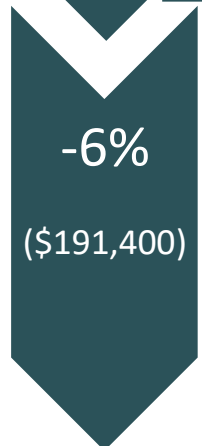
Theoretical Budget Reduction Exercise

Hope for the best, prepare for the worst. The Business Plan also helps the City prepare for cyclical downturns in the economy. To meet this objective, each department prepares a theoretical set of 3%, 6% and 9% Budget reductions. These reductions are not Budget proposals, but tools to test the ability to provide a base level of services by the City in anticipation of potential future revenue shortfalls.

General Government 2018 Budget Impact Summary

2018 Budget is \$4,705,260 which reflects a decrease of \$3,541,049 or -42.94% under the 2017 Budget.

This budget accounts for those activities that are not specific to the functions of any particular General Fund department or operation. Expenditures recorded here are composed of election costs and voter registration fees paid to Spokane County; the cost of the City's annual audit paid to the State of Washington; or debt service payments; most information technology expenses including annual computer leases, annual repair and maintenance contracts for servers and copiers, monthly telephone and internet charges, and computer and copier purchases. Also charged to this area are payments to outside agencies for economic development and social service purposes; annual property and liability insurance premiums; and transfers to other funds representing General Fund investments or grant matches in a variety of capital projects including pavement preservation.

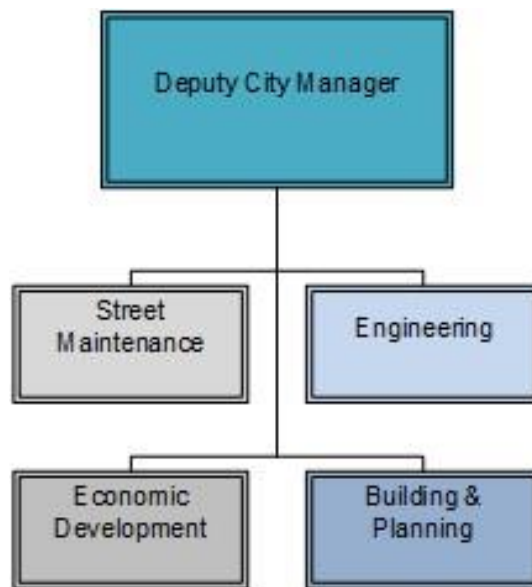
| | |
|--|---|
|  <p>-3% (\$95,700)</p> | <ul style="list-style-type: none">• Professional services – misc. studies are reduced from \$200,000 to \$179,300 for a total reduction of \$20,700 or 10.35%. This reduction would reduce the City's ability to address unforeseen issues that may arise throughout the year.• Outside Agency funding is reduced from \$150,000 to \$75,000 for a total reduction of \$75,000 or 50.0%. This reduction would limit the City's ability to award funding to local social service and economic development agencies. |
|  <p>-6% (\$191,400)</p> | <ul style="list-style-type: none">• Professional services – misc. studies are reduced from \$200,000 to \$179,300 for a total reduction of \$20,700 or 10.35%. This reduction would reduce the City's ability to address unforeseen issues that may arise throughout the year.• Outside Agency funding is reduced from \$150,000 to \$29,300 for a total reduction of \$120,700 or 80.47%. This reduction would limit the City's ability to award funding to local social service and economic development agencies to the point of perhaps only funding one or two awards.• Transfers out to the Parks Capital Projects Fund #309 are reduced from \$160,000 to \$110,000 for a total reduction of \$50,000 or 31.25%. This reduction would impact the City's ability to finance future park capital projects. |



- Professional services – misc. studies are reduced from \$200,000 to \$150,000 for a total reduction of \$50,000 or 25.0%. This reduction would further reduce the City's ability to address unforeseen issues that may arise throughout the year.
- Outside Agency funding is reduced from \$150,000 to \$0 for a total reduction of \$150,000 or 100.0%. This reduction would eliminate the City's ability to award funding to local social service and economic development.
- Transfers out to the Parks Capital Projects Fund #309 are reduced from \$160,000 to \$72,800 for a total reduction of \$87,200 or 54.50%. This reduction would severely impact the City's ability to finance future park capital projects.

Deputy City Manager

The Deputy City Manager works under the general direction of the City Manager and works with the City's management team to coordinate efforts toward the achievement of departmental objectives and the objectives of the City government as a whole. The Deputy City Manager participates in and makes suggestions to the City Manager in the formulation of strategy and City policy involving organization, procedures and services. Duties also include advising the City Manager in the determination of department needs, the preparation and presentation of services for approval by the City Manager and City Council, and the coordination of the implementation of approved services. The Deputy City Manager performs operations oversight for Community & Public Works consisting of the Engineering Division, Street Maintenance, Economic Development and Building Division.



Essential services:

- ❖ Works with the City Manager and division heads in planning, organizing, coordinating and implementing services affecting assigned areas of responsibility;
- ❖ Coordinates with other managers of City services on matters affecting their areas of responsibility;
- ❖ Briefs the City Manager on issues of concern in the divisions and functions in assigned area of responsibility to assure proper action;
- ❖ Meets and corresponds with various citizens, professionals, businesses and other groups to answer questions and secure their assistance in carrying out various services;
- ❖ Coordinates the preparation of the annual budget for departments within assigned areas;
- ❖ Reviews results of major studies and coordinates the preparation of reports and recommendations;

- ❖ Attends Council meetings and reports on activities for which he is responsible as requested by the City Manager; confers with officials of city, county, state and federal agencies regarding plans and priorities for existing and planned services; and
- ❖ Demonstrates continuous effort to improve operations, decrease turnaround times, streamline work processes, and work cooperatively and jointly to provide quality seamless customer service.

Theoretical Budget Reduction Exercise

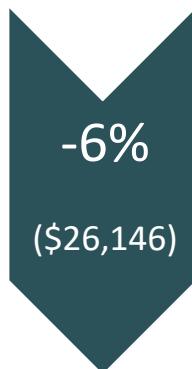
Hope for the best, prepare for the worst. The Business Plan also helps the City prepare for cyclical downturns in the economy. To meet this objective, each department prepares a theoretical set of 3%, 6% and 9% Budget reductions. These reductions are not Budget proposals, but tools to test the ability to provide a base level of services by the City in anticipation of potential future revenue shortfalls.

Deputy City Manager 2018 Budget Impact Summary

2018 Budget is \$430,243 which reflects a decrease of \$322,034 or -42.81% under the 2017 Budget.



- Wages, payroll taxes and benefits are reduced from \$357,073 to \$344,539 for a total reduction of \$12,534 or 3.5%. This represents a reduction of 0.17 FTE which would affect the ability to maintain the current level of services.
- Spokane County GIS is reduced from \$2,000 to \$1,600 for a total reduction of \$400 or 20%.



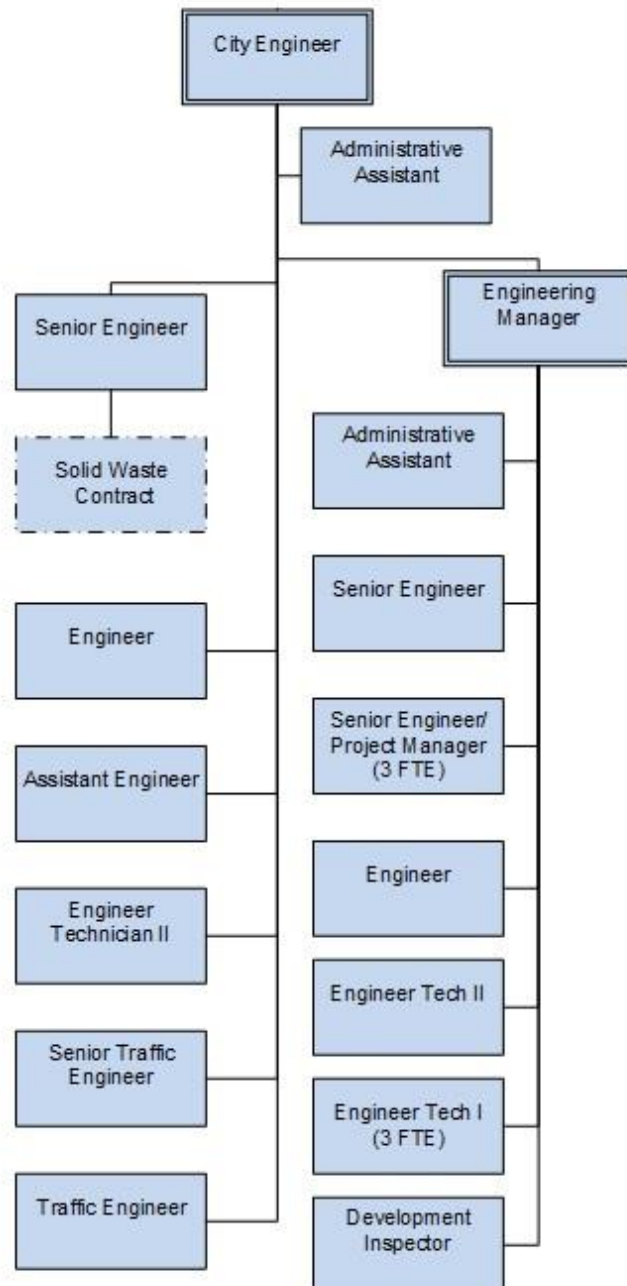
- Wages, payroll taxes and benefits are reduced from \$357,073 to \$342,327 for a total reduction of \$14,746 or 4.1%. This represents a reduction of 0.20 FTE which would further limit the ability to maintain the current level of services.
- Spokane Count GIS is reduced from \$2,000 to \$1,600 for a total reduction of \$400 or 20%.
- Public Information is reduced from \$46,200 to \$35,200 for a total reduction of \$11,000 or 23.8%. Resulting in reducing the number of citywide HotTopic mailings from four to three.



- Wages, payroll taxes and benefits are reduced from \$357,073 to \$340,114 for a total reduction of \$16,959 or 4.7%. This represents a reduction of 0.23 FTE which would further limit the ability to maintain the current level of services.
- Spokane Count GIS is reduced from \$2,000 to \$1,600 for a total reduction of \$400 or 20%.
- Public Information is reduced from \$46,200 to \$24,200 for a total reduction of \$22,000 or 47.6%. Resulting in reducing the number of citywide HotTopic mailings from four to only two.

Engineering Division

The Engineering Division combines the previously-known Development Engineering from Community & Economic Development with the engineering services provided by Public Works. This reorganization provides a more cohesive engineering approach for the City as a whole.



Capital Improvement Program

The Capital Improvement Program Section (CIP) plans, designs and constructs new facilities and maintains, preserves and reconstructs existing facilities owned by the City of Spokane Valley. These projects include roads, bridges, trails and civic and community buildings. This requires careful prioritized long-range planning, acquisition and management of state and federal grant funding, coordination with stakeholder groups, and proficient project management.

Essential Services:

- ❖ Prioritize and coordinate submittal of grant requests with the Economic Development Division for federal and state funding sources;
- ❖ Implement the Pavement Management Program;
- ❖ Coordinate with Economic Development Division to develop the annual Six Year Transportation Improvement Program (TIP) and the update of the current year TIP;
- ❖ Manage Capital Projects in accordance with City, state, and federal requirements;
 - Coordinate projects with various stakeholders, including the general public;
 - Manage project budget and schedule;
 - Coordinate with funding agencies and local program staff;
 - Prepare environmental documents, engineering plans, specifications and engineer estimates (Consultants and in-house staff);
 - Manage required right-of-way acquisition;
 - Coordinate with local utility companies;
 - Administer the bid and award process;
 - Provide construction administration, including inspection, documentation and contract management;
 - Ensure proper project closeout;
 - Ensure compliance with grant agency requirements;
- ❖ Coordinate with Spokane Regional Transportation Council (SRTC) and other local, regional and state jurisdictions on the metropolitan transportation plan, regional transportation policies and projects; and
- ❖ Collaborate with Maintenance, Stormwater, Traffic, Parks, Development Engineering and Economic Development for all projects.

Development Engineering

Development Engineering Section (DE) ensures that land actions and commercial building permits comply with the adopted City codes for private infrastructure development through plan review and construction inspection. Development Engineering periodically updates the City's development code pertaining to construction activities, ensuring adherence to federal and state requirements and the City's adopted Comprehensive Plan. As the City does not have surveyors, a surveying consultant reviews the surveying information provided in plats, binding site plans (BSPs), easements, and right-of-way dedications to ensure accuracy and compliance with state law.

Essential services:

- ❖ Provide engineering plan reviews in association with land use actions, property development, and building permits;
- ❖ Identify, develop and institute City code amendments as regulatory guidelines change;
- ❖ Provide construction oversight for various development and capital projects;
- ❖ Review, issue and monitor grading permits;
- ❖ Review, issue and monitor right-of-way permits; and

- ❖ Provide right-of-way inspections for various development and capital projects.

Traffic Management and Operations

The Traffic Engineering Section (TE) provides traffic engineering services for safe and efficient multi-faceted transportation systems throughout the City. Traffic Engineering oversees the operation of traffic signals, the installation and maintenance of roadway signs, and roadway channelization (striping). Traffic Engineering is also responsible for transportation planning and design in support to the CIP, to private development projects and regional transportation efforts.

Essential Services:

- ❖ Optimizes and coordinates traffic signals installation, maintenance and operation;
- ❖ Oversees, monitors and develop mitigation measures for traffic congestion citywide;
- ❖ Identifies and schedules the collection of annual traffic data for the City's arterial roadway network;
- ❖ Prepares traffic control, signal, signing and striping plans and specifications in cooperation with the capital projects;
- ❖ Scopes and reviews traffic studies for development utilizing the services of the City's street network;
- ❖ Identifies project that mitigate transportation impacts or correct deficiencies caused by the increased traffic volumes associated with new development;
- ❖ Identify capital improvement projects that improve the transportation system throughout the City;
- ❖ Develop Transportation Management Plans and Studies that identify school zone safety, pedestrian and bike facilities
- ❖ Assist the DE and CIP Sections in preparing of grant applications for various projects impacting the City's transportation network;
- ❖ Monitor motorized and non-motorized crashes to addresses safety concerns on the citywide street network;
- ❖ Review Traffic Control Plans for compliance with the Manual on Uniform Traffic Control Devices Handbook (MUTCD);
- ❖ Provide review of Traffic Control Plans and permits for oversize loads, special events and access control;
- ❖ Assist in updates to the City's Comprehensive Plan;
- ❖ Partner with the Washington State Department of Transportation (WSDOT), the Spokane Regional Transportation Council (SRTC), Spokane County and neighboring jurisdictions to coordinate regional transportation needs;
- ❖ Coordinate with Spokane Regional Transportation Management Center (SRTMC) on transportation management within the City and region; and
- ❖ Implement, monitor and maintain the City's Intelligent Transportation Systems (ITS) and Traffic Operations Center.

Utilities

The Utilities Section oversees the City's Surface and Stormwater Utility, manages the City's contracts for solid waste collection and disposal and coordinates other utility issues on behalf of the City. The City's Surface and Stormwater Utility manages the City's efforts to collect, treat, store and discharge stormwater while managing the risks to public safety, health and property from flooding and erosion.

Essential Services:

- ❖ Provide inventory, inspection and investigations for all City stormwater facilities;
- ❖ Provide Geographic Information System (GIS) mapping related to stormwater facilities, both public and private, throughout the City;
- ❖ Maintain the City's compliance with all environmental and utility laws, codes and regulations;
- ❖ Provide floodplain management services;
- ❖ Assist in the planning, design, and construction of capital improvements throughout the City, focusing on project utility requirements;
- ❖ Manage City street sweeping planning and operations;
- ❖ Manage the operations and maintenance of all City storm drainage structures;
- ❖ Represent the City in Stormwater Public Education and Outreach efforts; and
- ❖ Wellhead Protection Committee.

The Utilities Section oversees the requirements of the Clean Water Act for stormwater discharges including implementation of the City's National Pollutant Discharge Elimination System (NPDES) permit, Underground Injection Control (UIC) rules, and monitoring regulations for discharges in Aquifer Protection Areas and Total Maximum Daily Load requirements for the Spokane River. The Utilities provides required annual reporting to Washington State Department of Ecology.

The Utilities Section is also responsible for administering the National Flood Insurance Program (NFIP) within the City as required by the Federal Emergency Management Agency (FEMA). As part of these efforts, staff enforces local floodplain ordinances, assists homeowners and developers, and works with FEMA on determining local flood elevations.

Goals & Strategies

1. Continue to work with state and federal legislators to obtain financial assistance for the Barker Road Grade Separation.
 - Provide project specific support to Council and administration.
 - Continue to seek support from local legislators and interest groups such as GSI and Greater Spokane Valley Chamber of Commerce.
2. Develop a strategic plan for funding and completion of all grade separation projects.
 - Pursue grant opportunities at the state and federal levels including long-term funding for grade separation and corridor consolidation.
 - Include Bridging the Valley projects in the City's six-year TIP.
 - Coordinate with City management and the Economic Development Division to develop funding alternatives to construct all grade separation projects.
3. Pursue a sustainability plan in connection with the City's street preservation program to include sustained funding in the City's Street Fund #311 primarily addressing concerns beyond the year 2020.
 - Work with City management to find a solution to this funding shortfall.
 - Continue to seek grants and alternative funding sources to assist with pavement preservation projects.
4. Maintain City streets at lower costs to retain a higher overall pavement condition.
 - Implement the Pavement Management Plan (PMP).
 - Continue to monitor, update and implement the Transportation Improvement Program.
5. Develop a maintenance program for traffic signal components to address aging infrastructure. Devise a financial plan to address these needs and incorporate into the City's budget.
 - Perform a condition assessment of existing traffic signal components and equipment.
 - Develop a maintenance program and budget to replace aging signal equipment and components.
6. Continue to engage in the discussion surrounding oil and coal train impacts to the valley, region and the state.

- Monitor federal and state proposed regulations related to transport of oil and coal.
 - Continue to seek support for overpass improvements for at-grade crossings.
 - Support and ask for support from local and regional agencies to encourage funding agencies to help with implementation of improvements.
7. Manage the storm and surface water utility program plan in accordance with state and federal regulations.
 - Continue to integrate technology to provide better inspection data and monitoring of contractor performance (i.e. GIS field collection and GPS field tracking).
 - Continue to design and build projects that eliminate outfalls.
 - Reduce the backlog of small utility projects and maintenance repairs.
 - Continue to update the annual Stormwater Program Plan.
 - Coordinate with the Economic Development Division on the annual Six-Year Stormwater Capital Program update.
 8. Manage Solid Waste Program.
 - Continue to implement the Solid Waste Public Outreach and Education Program.
 - Manage the Department of Ecology Coordinated Prevention Grant Program.
 - Manage the solid waste contracts that provide for transfer, transport and waste disposal services.
 9. Delineate the Glenrose Creek floodplain to streamline development.
 - Develop Glenrose Creek hydrology and hydraulic data.
 - Initiate coordination with City of Spokane and Spokane County.
 - Develop Glenrose Creek floodplain mapping.
 - Develop Glenrose Creek preliminary map products.
 10. Emergency Management
 - Work with Spokane Greater Spokane Emergency Management to evaluate, determine and develop emergency planning efforts that need to be implemented by the City.
 - Update City website and provide information about emergency shelters and status of necessary facilities during emergencies such as gas stations, banks, pharmacies and hospitals.

| Workload Indicators | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Traffic signals maintained</i> | 86 | 86 | 85 | 85 | 86 | 86 |
| <i>Traffic counts performed</i> | 202 | 140 | 137 | 146 | 165 | 146 |
| <i>Traffic signs maintained</i> | 21,000 | 21,000 | 21,000 | 21,000 | 21,000 | 21,000 |
| <i>Total number of stormwater structures</i> | 13,937 | 14,107 | 14,033 | 14,761 | 14,792 | 14,795 |
| <i>Total stormwater-related citizen action requests</i> | 45 | 46 | 45 | 58 | 98 | 204 |
| <i>Total number of stormwater projects completed</i> | 13 | 32 | 26 | 25 | 8 | 92 |
| <i>Total stormwater structures inspected</i> | 975 | 5,223 | 980 | 2,100 | 1,550 | 2,158 |
| <i>Total stormwater structures cleaned</i> | 1,664 | 683 | 1,179 | 2,199 | 1,009 | 1,499 |
| <i>Total engineer grading permits issued</i> | 39 | 41 | 50 | 60 | 67 | 68 |
| <i>Total CIP projects awarded</i> | 9 | 11 | 13 | 9 | 9 | 8 |
| <i>Total centerline miles resurfaced</i> | 11.4 | 7.03 | 10.87 | 6.69 | 6.15 | 8.57 |

Theoretical Budget Reduction Exercise

Hope for the best, prepare for the worst. The Business Plan also helps the City prepare for cyclical downturns in the economy. To meet this objective, each department prepares a theoretical set of 3%, 6% and 9% Budget reductions. These reductions are not Budget proposals, but tools to test the ability to provide a base level of services by the City in anticipation of potential future revenue shortfalls.

Engineering Division 2018 Budget Impact Summary

2018 Budget is \$1,572,947 which reflects a decrease of \$166,602 or -9.58% under the 2017 Budget.



- Wages, payroll taxes and benefits are reduced from \$826,681 to \$775,889 for a total reduction of \$50,792 or 6.14%. This reduction would eliminate a 0.5 FTE Engineering Tech 1 position. The elimination of this position would impact the design of one pavement preservation project and the construction inspection of one pavement preservation project, which will lead to less projects being designed and constructed.
-



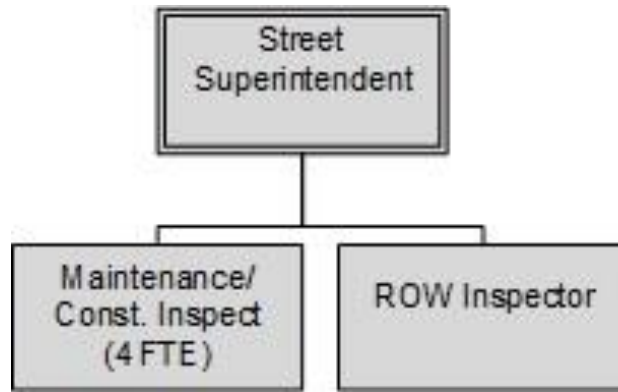
- Wages, payroll taxes and benefits are reduced from \$826,681 to \$725,097 for a total reduction of \$101,584 or 12.29%. This reduction would eliminate 1.0 FTE Engineering Tech 1. The elimination of this position would impact the design of two pavement preservation projects and the construction inspection of two pavement preservation projects, which will lead to less projects being designed and constructed.
-



- Wages, payroll taxes and benefits are reduced from \$826,681 to \$675,133 for a total reduction of \$151,548 or 18.33%. Resulting in the elimination of 1.5 FTE Engineering Tech 1. The elimination of these positions would impact the design of three pavement preservation projects and the construction inspection of three pavement preservation projects, which will lead to less projects being designed and constructed.

Street Maintenance Division

The Street Maintenance Division provides responsive maintenance and repairs for approximately 461 center line miles of City streets. Most services provided by the Street Fund 101 are contracted services, under the oversight of City staff. Street and stormwater maintenance and repair account for \$1.36 million dollars annually to provide asphalt patching, crack sealing, gravel shoulder repairs, curb and sidewalk repairs, gravel road grading and stormwater repairs.



The roadway landscaping services contract maintains all City-owned right-of-ways and provides weed control on all major arterials including sidewalks.

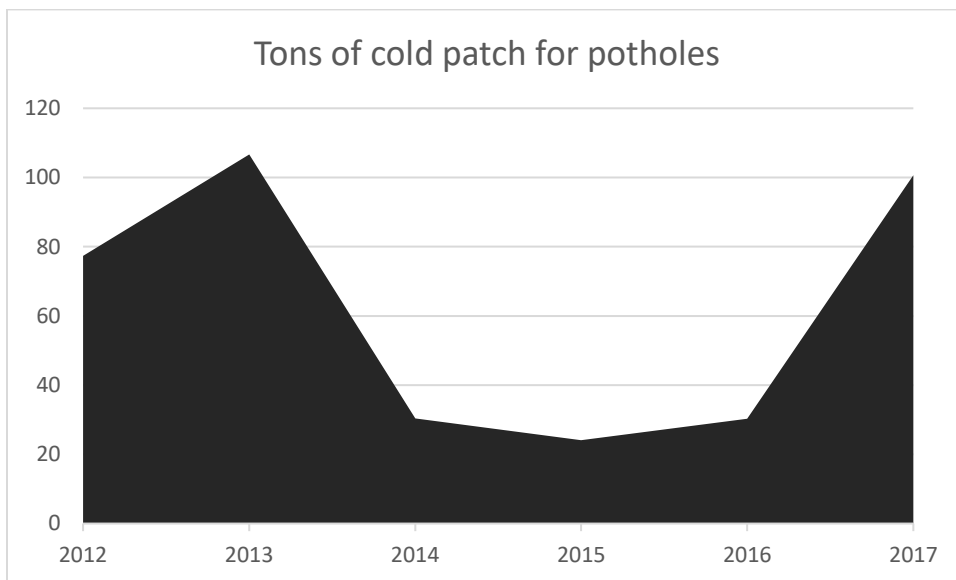
The street sweeping contract provides routine monthly maintenance along with a dedicated spring and fall sweep, performed in conjunction with the stormwater management program. The contract for storm drain cleaning is responsible for cleaning drywells, catch basins, culverts, swale inlets and bridge drains.

The Geiger Work Crew is contracted to provide low cost litter and trash control on arterial streets, weed control and trash clean up as requested, mowing and maintaining all City dry land grass and snow removal from sidewalks on City-owned bridges.

The City of Spokane Valley operates ten City-owned snow plows which are responsible for the clearing of the Priority 1 and 2 roads along with selected hillsides. The City contracts road graders in the event of a full City residential plow.

| Workload Indicators | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Centerline lane miles of streets maintained</i> | 461 | 461 | 461 | 461 | 461 | 461 |
| <i>Total street (Snow) related citizen action requests</i> | 293 | 64 | 123 | 153 | 146 | 660 |
| <i>Total street (non-Snow) related citizen action requests</i> | 356 | 361 | 361 | 504 | 598 | 1,154 |
| <i>Annual snowfall accumulation (inches)</i> | 51.8 | 26.3 | 35.0 | 39.0 | 30.9 | 63.5 |
| <i>Number of vehicles maintained</i> | - | - | 28 | 28 | 28 | 32 |
| <i>Total right-of-way permits issued</i> | 641 | 652 | 712 | 724 | 768 | 996 |
| <i>Total right-of-way inspection performed</i> | 6,049 | 5,513 | 7,322 | 9,459 | 10,901 | 13,980 |

| Performance Measures | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Street maintenance cost per capita</i> | \$41.19 | \$51.29 | \$53.11 | \$48.11 | \$48.01 | \$48.79 |
| <i>Lane miles maintained per 1,000 population</i> | 5.12 | 5.12 | 5.12 | 4.94 | 4.94 | 4.94 |
| <i>Street sweeping (in cubic yards removed)</i> | 894 | 804 | 874 | 1,370 | 1,450 | 1,310 |

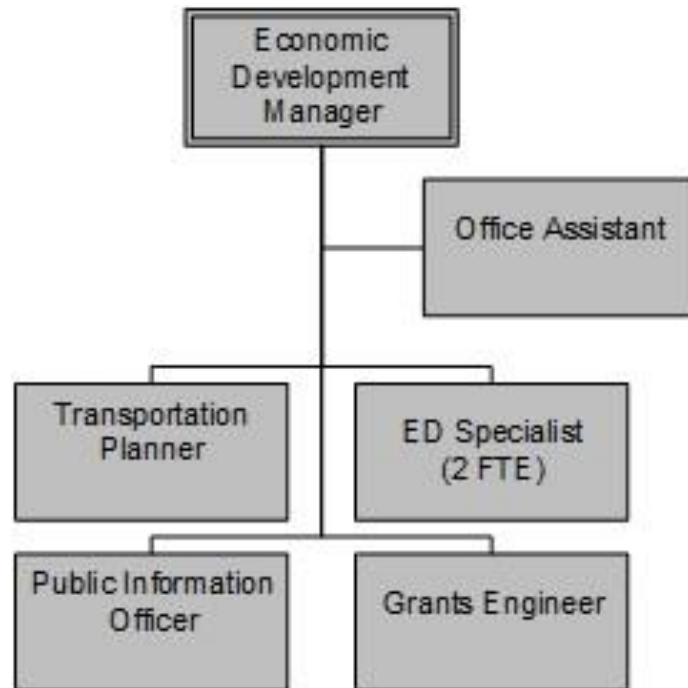


Two impacting factors are:

1. Winter Event the freeze-thaw process increased the amount used.
2. Road maintenance throughout the year lowers the amount used.

Economic Development

The Economic Development Division assists the City in the development of long range plans, zoning, economic studies and strategies that promote the City inside and outside of the region. Oversight of these activities is also coordinated closely with the City Administration.



Develop Long Range Plans

- ❖ Review, monitor and coordinate amendments to the Comprehensive Plan;
- ❖ Review, evaluate and recommend amendments to development regulations in order to streamline and simplify the development process;
- ❖ Facilitate annexation requests; and
- ❖ Represent the City at Planning Technical Advisory Committee meetings and attend the Steering Committee of Elected Officials meetings.

Develop and Coordinate Transportation Improvement Program (TIP)

- ❖ Development of annual six-year TIP;
- ❖ Respond to local citizen inquiries on the TIP and other capital improvements relating to transportation;
- ❖ Assist with complex transportation planning projects, including modal studies involving automobiles, freight, bicycle, pedestrian and/or public transportation;
- ❖ Coordinate transportation and capital facilities planning between City departments;

- ❖ Assist in the evaluation of transportation and traffic impacts of development proposals, permits, rezones, plats and other land use changes; and
- ❖ Coordinate long range plans for multimodal transportation.

Pavement Management

- ❖ Develop and maintain the Pavement Management Program (PMP);
- ❖ Focus on maximizing the condition and lifespan of the transportation network;
- ❖ Establish a public outreach process that identifies an acceptable transportation network level of service;
- ❖ Integrate pavement preservation projects with other City departments and outside agencies to minimize the impact to the network and travelling public; and
- ❖ Identify opportunities to leverage pavement management funds with grant opportunities to minimize the City's financial burden.

Business Retention, Expansion, and Recruitment

- ❖ Encourage a diverse and stable business environment;
- ❖ Establish and maintain communication with business leaders, developers and builders, real estate professionals, private and public agencies, educational institutions and the general public to promote and facilitate the implementation of the City's economic and development strategies;
- ❖ Develop information technology to assist citizens and business owners;
- ❖ Develop and implement strategies to promote business growth, attraction, and retention;
- ❖ Coordinate with business owners and developers to provide possible site locations, market research, and related information to assist business development;
- ❖ Facilitate project processing and permitting, assist with the interpretation of codes; and
- ❖ Negotiate and resolve sensitive and controversial issues.

Tourism and Economic Development Marketing

- ❖ Perform a full range of marketing activities including:
- ❖ Develop and implement a strategic marketing plan;
- ❖ Create and distribute marketing materials;
- ❖ Prepare and present information at meetings of various organizations and groups; and
- ❖ Manage the content of the City's Community and Public Works department web-based content;
- ❖ Support economic development by researching, proposing and developing informational and marketing materials, including brochures, newsletters, mailings, advertising, graphic design, photography and videography.

Grant Writing and Development

- ❖ Prepare and write grant applications including, but not limited to, street capital projects and overall network improvements, parks development and property acquisition and economic development initiatives;
- ❖ Coordinate with grant management partners and agencies like SRTC, WSDOT, Transportation Improvement Board and Spokane County Housing and Community Development (CDBG); and
- ❖ Coordinate with local, regional, state and federal stakeholders to identify opportunities for potential funding, funding partnerships or concurrent project coordination.

Development and Implementation of Strategic Initiatives

- ❖ Conduct special studies and reports related to economic development, retail recruitment, tourism, and the economic impact of capital projects or initiatives.

Coordination with Regional Partners

- ❖ Coordinate with regional and local economic development agencies to ensure their efforts reflect the City's priorities and goals; and
- ❖ Coordinate with SRTC and other jurisdictions on regional transportation policies and projects to ensure incorporation of the City's plans and priorities as well as to identify overlapping goals and potential partnerships.

Public Information

- ❖ Utilize a variety of channels and resources to ensure government transparency through development and dissemination of timely, accurate and complete information on City programs, meetings, projects, activities and issues;
- ❖ Serve as the primary contact and coordinator for interaction with media;
- ❖ Provide information and instructions for the safety and well-being of citizens, City Council and City staff in the event of emergencies;
- ❖ Support Council goals through communications that facilitate citizen understanding and engagement;
- ❖ Serve as contact point for general information about the City programs, projects, issues and services; and
- ❖ Facilitate representative government through two-way communications between Council and staff, businesses, citizens and visitors.

Goals & Strategies

1. Continue to evaluate and implement strategies in the Comprehensive Plan.
 - Evaluate short, mid and long-term enhancements to existing services.
 - Review strategic actions based upon recommended service enhancements.
 - Implementation options for the identified initiatives including budget and staffing requirements.
 - Implementation timelines.
 - Relevant performance measures.
2. Implement the retail recruitment strategy.
 - Mobilize resources to institute recruitment campaigns.
 - Develop a list of desirable retail businesses with a local, regional or statewide presence.
 - Establish connections with local and regional brokerage firms and commercial developers.
 - Identify local property and building owners with available land and spaces in key locations within the City.
 - Identify available spaces and match them with potential retail types and specific businesses.
 - Identify any zoning, permitting and/or fire and building code issues that may need to be resolved.
3. Pursue infrastructure improvements which foster economic development.
 - Adopt a Planned Action Ordinance to pursue strategic infrastructure development.
 - Coordinate with City engineering to improve transportation infrastructure to enhance development opportunities.
 - Collaborate with Spokane County Environmental Services to facilitate the development of sewer infrastructure in the City's industrial areas.
 - Collaborate with water districts and dry-utility providers to identify infrastructure needs to meet development demands to attract businesses.
 - Integrate capital facilities plans and project management to ensure efficient improvements.

4. Business Development Program

- Continue to improve the new business welcome program.
- Publicize local business success stories and events.
- Develop a program that identifies local available resources for businesses.
- Connect businesses with resources to assist them in business development.
- Develop relationships with local community colleges, Spokane Valley Tech, high schools and workforce development councils to determine how to support their efforts and ensure business owners use these resources.
- Recruit new businesses.
- Meet with existing businesses to assist with retention and expansion efforts.
- Identify supporting industries for recruitment to support existing businesses.
- Participate in business and trade shows.
- Collaborate with regional partners to support business recruitment.
- Promote availability of state and federal tax credit programs.
- Attend meetings with the Spokane Regional Site Selector partners to continue to provide information relating to available properties in the City.
- Host forums with regional real estate brokers, management associations, developers and property owners to identify issues and gather data.
- Identify industry clusters to support retention, recruitment, and expansion efforts.
- Periodically assess the challenges and opportunities facing the business community.
- Identify sites adjacent to the Appleway Trail and coordinate with representative brokers to market trail access.

5. Implement marketing strategies to attract and retain businesses and increase tourism.

- Continue to promote the City's brand and foster a sense of community pride among residents.
- Promote and increase awareness of City's lodging, retail shops and restaurants, as well as recreational opportunities and special events, to local residents and visitors within the regional drive market.
- Foster positive perceptions of the City as a business-friendly location among existing businesses and prospects.
- Update the City's existing marketing collateral to incorporate the City's brand and ensure a consistent theme and design.

6. Collaborate with economic development partners and related service providers.

- Participate in Visit Spokane, GSI, Spokane Valley Chamber of Commerce, and other partner meetings and events.
- Identify and develop content that can easily be integrated into Visit Spokane's existing promotional channels.
- Continue to partner with GSI, the region's Associate Development Organization (ADO), for business recruitment and retention.

7. Strengthen and expand civic and event opportunities.

- Develop strategies to support tourism related activities.
- Continue to partner and promote community events such as Valleyfest, Crave Northwest, Oktoberfest and the Cycle Celebration.
- Support efforts to create new events in the City that build a sense of identity and promote the City.

8. Coordinate and build the City's grant program

- Look for opportunities to improve the City's funding application success rate, both in quantity of projects awarded and dollars awarded.
- Expand the City's grant research process to identify more funding opportunities not historically implemented.

- Continue to identify street capital project grants that support transportation network improvements.
 - Look to expand opportunities to identify grants to support economic development initiatives and parks and recreation improvements.
9. Create and support relationships with the community that result in an interested, involved and informed citizenry.
- Coordinate with and involve all departments to develop and implement communications outreach that builds community interest, support and involvement in City government.
 - Research, recommend and implement new communication methods and technologies to expand communications with internal and external constituencies.
 - Produce four full-city mailers of Hot Topics Community Newsletter.
 - Work to expand public information services using video capabilities.
 - Assist in the implementation of the City's marketing strategy.
 - Develop a rankings program to determine a strategy to improve local rankings.
 - Ensure our partners such as Visit Spokane and Greater Spokane Valley Chamber of Commerce are marketing community events.
 - Promote the City as an emerging leader in high-tech manufacturing.
 - Increase awareness that Spokane Valley is a great place to live and work.
 - Use social media to connect with residents.
 - Apply for marketing and community awards.
 - Work with Spokane Valley businesses to secure recognition in Greater Spokane Incorporated's AGORA awards.
10. Ensure that the transportation system and investments in transportation infrastructure are designed to improve quality of life and support economic development priorities.
- Consider neighborhood traffic and livability conditions and address potential adverse impacts of public and private projects.
 - Coordinate with engineering to designate appropriate freight corridors to ensure they are designed to safely accommodate trucks and other modes.
 - Coordinate with engineering to provide truck routes to minimize the effects on residential neighborhoods.
 - Work with engineering to ensure that areas experiencing new development are well served by motorized and non-motorized transportation options.
 - Provide a supportive transportation network for expansion of general aviation and freight uses at Felts Field.
 - Continue to pursue funding for the BNSF grade separation projects.
 - Coordinate with Spokane Transit Authority (STA) to provide bus shelters at strategic locations.
 - Develop a citywide trail system that provides improved access and linkages between existing trails, neighborhoods and community amenities.
 - Evaluate multimodal planning efforts, particularly focusing on the quality of pedestrian, bicycle and transit facilities.
11. Develop and enhance the City's pavement management program,
- Identify a pavement management program that is fiscally responsible and acceptable to taxpayers.
 - Identify a pavement management program that maximizes network lifespan while reducing the cost to the City.
 - Integrate capital facilities plans and project management to ensure efficient improvements consistent with the City's long-term goals.
 - Leverage pavement management dollars against grant funding opportunities to maximize City dollars and widen the impact of the pavement management program.

| Workload Indicators | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------|------------------|-------------|-------------|-------------|-------------|
| <i>Number of businesses assisted</i> | - | - | 23 | 27 | 20 | 18 |
| <i>Meetings with regional partners</i> | - | - | 51 | 54 | 55 | 195 |
| <i>Marketing media created</i> | - | - | 9 | 12 | 19 | 41 |
| <i>Number of grants submitted</i> | - | - | - | - | 2 | 13 |
| <i>Total grant dollars requested (\$Millions)</i> | \$28.5 | \$15.5 | \$42.2 | \$33.3 | \$113.7 | \$98.5 |
| <i>Media releases issued</i> | 206 | 309 ¹ | 241 | 247 | 222 | 107 |
| <i>Earned media stories</i> | - | 434 | 354 | 320 | 211 | 138 |
| <i>Total media stories</i> | 507 | 828 | 756 | 575 | 592 | 353 |
| <i>Public Information contacts with the media</i> | 151 | 146 | 144 | 96 | 183 | 99 |
| <i>Community newsletters produced</i> | 2 | 2 | 3 | 4 | 4 | 3 |
| <i>Number of special events presentations/participation</i> | - | 5 | 5 | 3 | 9 | 3 |
| <i>Number Twitter followers</i> | - | - | - | - | - | 376 |
| <i>Number of Tweets sent</i> | - | - | - | - | - | 192 |

¹Media releases issued peaked in 2013 at 309 due to promotions and partnerships for the City's 10-Year Anniversary.

| Performance Measures | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|--------------------|
| <i>Business retention/expansion meetings held</i> | - | - | - | 27 | 20 | 21 |
| <i>Business recruitments – ongoing</i> | - | - | - | 3 | 1 | 1 |
| <i>Business recruitments – completed</i> | - | - | - | 2 | 2 | 1 |
| <i>New business welcome letters sent</i> | - | 1,622 | 1,899 | 1,572 | 1,824 | 1,765 |
| <i>Economic Development workshops held</i> | - | - | - | 2 | 2 | 2 |
| <i>Number of grants awarded</i> | 12 | 3 | 8 | 10 | 6 | 4 ¹ |
| <i>Total grant dollars awarded (\$Millions)</i> | \$7.9 | \$1.9 | \$5.6 | \$7.3 | \$4.5 | \$1.5 ¹ |
| <i>Road Network Condition Rating PCI (Network Backlog %)</i> | - | 68 (9%) | - | 72 (10%) | - | 71 (9%) |
| <i>Percentage increase of residents</i> | .5% | 1% | .6% | 1.4% | .9% | .8% |
| <i>Increase hotel occupancy rates</i> | - | - | - | - | - | 63% |
| <i>Percent change in sales tax collected</i> | 3.69% | 7.62% | 5.78% | 4.43% | 8.67% | 5.54% |

¹As of January 2018, 4 of the 13 submitted applications were in “pending” status.

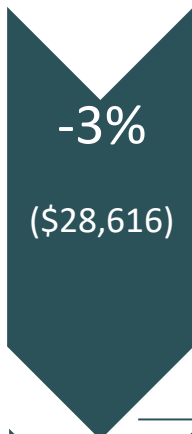

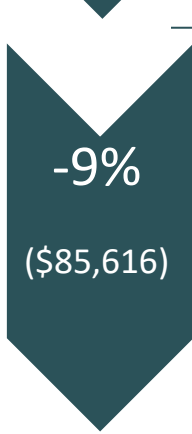
² The data in this field is based on November collections to coincide with the development of the Business Plan

Theoretical Budget Reduction Exercise

Hope for the best, prepare for the worst. The Business Plan also helps the City prepare for cyclical downturns in the economy. To meet this objective, each department prepares a theoretical set of 3%, 6% and 9% Budget reductions. These reductions are not Budget proposals, but tools to test the ability to provide a base level of services by the City in anticipation of potential future revenue shortfalls.

Economic Development 2018 Budget Impact Summary

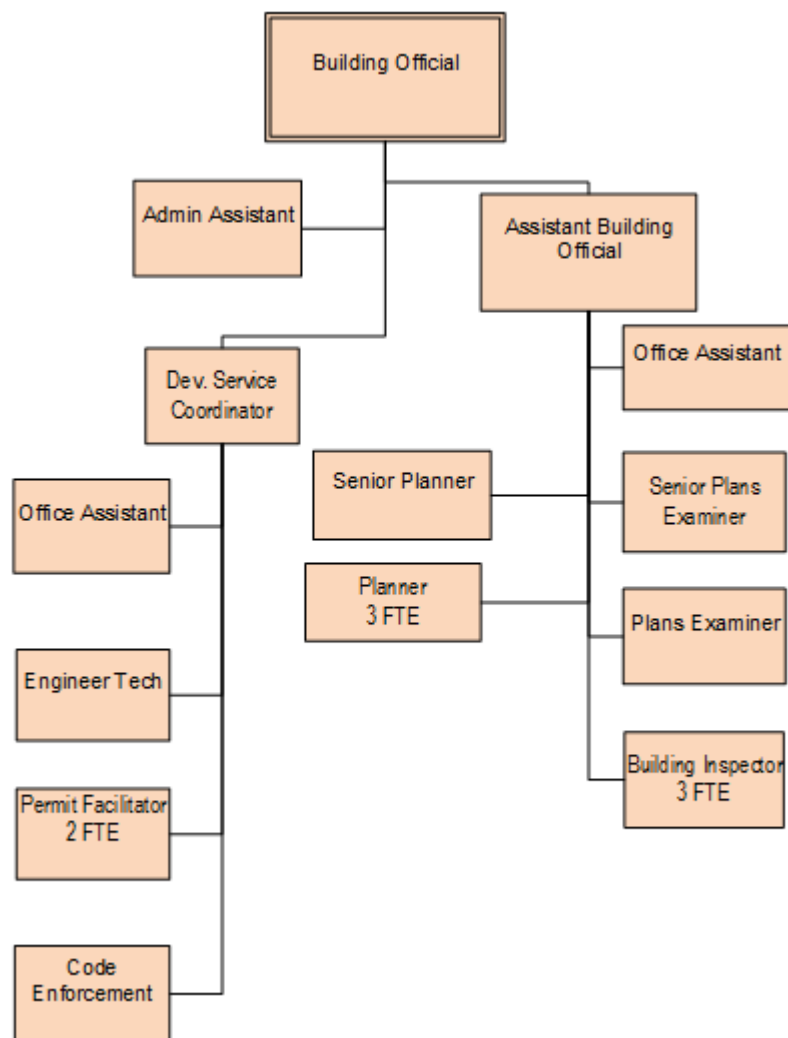
2018 Budget is \$950,348 which reflects an increase of \$257,516 or 37.17% over the 2017 Budget.

| | |
|--|--|
|  <p>-3% (\$28,616)</p> | <ul style="list-style-type: none">• Intern wages, payroll taxes and benefits are reduced from \$11,659 to \$0 for a total reduction of \$11,659 or 100%. The elimination of the intern position will result in the loss of assistance in updating and maintaining the City's website, special event planning support (Valleyfest), development and issuance of media releases, public notices and updates to the City's calendar.• City Economic Development is reduced from \$200,000 to \$184,000 for a total reduction of \$16,000 or 8%. Reduction of the implementation of our strategic marketing plan; eliminating website content development and support for the economic development website as well as the development of targeted marketing materials for industry recruitment. |
|  <p>-6% (\$57,616)</p> | <ul style="list-style-type: none">• Intern wages, payroll taxes and benefits are reduced from \$11,659 to \$0 for a total reduction of \$11,659 or 100%. The elimination of the intern position will result in the loss of assistance in updating and maintaining the City's website, special event planning support (Valleyfest), development and issuance of media releases, public notices and updates to the City's calendar.• City Economic Development is reduced from \$200,000 to \$155,000 for a total reduction of \$45,000 or 22.5%. Reduction of the implementation of our strategic marketing plan, reducing the development of print and digital advertising content and digital media ad buy and management. |
|  <p>-9% (\$85,616)</p> | <ul style="list-style-type: none">• Intern wages, payroll taxes and benefits are reduced from \$11,659 to \$0 for a total reduction of \$11,659 or 100%. The elimination of the intern position will result in the loss of assistance in updating and maintaining the City's website, special event planning support (Valleyfest), development and issuance of media releases, public notices and updates to the City's calendar.• City Economic Development is reduced from \$200,000 to \$127,000 for a total reduction of \$73,000 or 36.5%. Elimination of the implementation of our strategic marketing plan, eliminating development of print and digital advertising content and digital media ad buy and management. |

Building & Planning Division

The Building & Planning Division is responsible for implementing and enforcing the State Building Code as required by state law. The purpose of the International Codes, as adopted by the State of Washington and the City of Spokane Valley, is to promote the health, safety and welfare of the occupants or users of the building and structures and the general public by requiring minimum performance standard for structural strength, exit systems, stability, sanitation, light, ventilation, energy conservation and fire safety through the:

- ❖ International Building Code
- ❖ International Residential Code
- ❖ International Mechanical Code
- ❖ International Fuel Gas Code
- ❖ Uniform Plumbing Code
- ❖ International Fire Code
- ❖ International Existing Building Code
- ❖ ICC A117.1 Accessible & Usable Buildings and Facilities Standard
- ❖ Washington State Energy Code



Implementation of these regulations through plan review and inspection of construction projects assures that citizens can correctly assume that the buildings and structures in which they spend more than 80 percent of their time are safe. The Permit Center issued 4,763 permits during 2017 for a broad range of development projects including new homes, residential remodels, schools, multi-story office buildings, medical centers, apartment complexes, industrial/manufacturing uses and nationally-recognized retail developments. Each issued permit requires multiple inspections during the course of construction, typically between two and 15 site visits per project. Development Inspectors performed 16,419 inspections in 2017 as they assist builders, developers and trades people through the completion of their projects. This vast range and volume of projects represents countless hours of support to permit applicants and developers and heavily contributes to the economic development of the community in ways that are not necessarily reflected in permit revenues.

Essential Services:

- ❖ Commercial construction plan review;
- ❖ Residential construction plan review;
- ❖ Accessibility (handicap) plan review;
- ❖ Commercial and residential construction inspection;
- ❖ Permit intake, processing and issuance;
- ❖ Permit coordination;
- ❖ Business license coordination;
- ❖ Fire District coordination;
- ❖ Outside agency coordination (including Regional Health, Clean Air, utilities and water districts);
- ❖ Monitor building code legislation;
- ❖ Public assistance with code compliance;
- ❖ Issuance and maintenance of Certificates of Occupancy (required for every building/tenant space in multi-tenant structures); and
- ❖ Economic and business development coordination.

Building Official

The Building Official oversees the operations of all Building Division programs and supervises the Permit Center staff. The Building Official monitors bills before the state Legislature and provides technical testimony and/or input about the impacts of the legislation to our community. The Building Official is charged with the task of interpreting code requirements for proper implementation given regional characteristics such as snow load, seismic zone and soil classification.

Code Enforcement

During 2017, Code Enforcement responded to 522 cases regarding junk vehicles, garbage, unsafe structures, various zoning violations, traffic safety hazards and sign code violations while maintaining a pro-active enforcement model as directed by administration. Their work with neighborhoods helps to maintain both residential and commercial properties in a safe and clean condition. They regularly coordinate with police and fire to mitigate life and fire safety hazards as well as working with the Health Department and Department of Social and Health Services on issues related to seniors and families in distress. In addition, Code Enforcement acts as a community resource directing citizens to other agencies for help as appropriate.

Permit Center Coordination

Permit applications associated with pre-construction land development, fire protection systems, plumbing/HVAC installations, work within the City rights-of-way, as well as traditional building permits are all processed, routed, tracked, issued and maintained by Permit Center staff. Staff members also assist the public with general inquiries and ensure that they are directed to the appropriate review staff member or agency when seeking information.

Building/Planning

Building and Planning staff are cross-trained and work on various types of development projects including commercial developments, commercial re-developments, single- and multi-family residential developments, adaptive re-use of existing buildings and sites. This provides the City of Spokane Valley Community & Public Works Department with greater flexibility in completing the work program by having staff who understand the processes and procedures related to a variety of development categories.

The Building and Planning team is responsible for activities such as:

- Ensuring that the City's plans are consistent with Growth Management Act (RCW 36.70A);
- Ensuring that the City's plans are consistent with the Shoreline Management Act (RCW 90.58);
- Processing Comprehensive Plan amendments and annual updates;
- Ensuring compliance with the State Environmental Policy Act (SEPA RCW 43.21 C);
- Spokane Valley Municipal Code text amendments;
- Processing subdivisions/short subdivisions/binding site plan proposals;
- Preparing for and conducting public hearings;
- Conducting commercial and land-use related pre-application reviews;
- Building Permit processing including intake, routing, review, issuance, inspection and closure;
- Coordination of Building Permit review process with outside agencies such as Spokane Valley Fire Department and utility purveyors;
- Investigation of structure damage resulting from fire, flood, vehicular impact, etc.;
- Business license coordination;
- Providing information to US Census Bureau; and
- Customer assistance via phone, email and at the Permit Center front counter.

Goals & Strategies

1. Maintain an efficient permitting process.
 - Continue to implement enhancements to the permitting process.
 - Foster relationships with outside agencies to streamline permitting and encourage development.
 - Develop a multi-use construction plan program.
 - Implement customer satisfaction survey.
 - Examine code provisions for consistency with the Comprehensive Plan.
 - Implement a e-submittal process for plan review
2. Comply with City and State Records Management policies.
 - Finish scanning historical residential address files into Laserfiche.
 - Scan permit-related documents into SMARTGov.
 - Create electronic plan submittal acceptance guidelines.
 - Create a procedure for scanning commercial address files.
 - Begin scanning commercial address process.
 - Expand paperless permit submittal.
 - Begin clean-up of working files to clean out unnecessary items in project files.
3. Regional Special Inspection and fabricator process.
 - Expand coordination with regional building officials, local special inspection agencies and local fabricators.

- Coordinate regional consistency in implementation of the International Building Code, Chapter 17, Special Inspection, and Fabrication.
 - Incorporate consistency required for Special Inspection and Fabrication reporting and product certificates of compliance submittals to all participating jurisdictions.
4. Develop and provide training programs/presentations for outreach to local:
 - Special inspection agencies;
 - Steel/concrete fabricators;
 - Association of General Contractors (AGC);
 - Association Society of Civil Engineers (ASCE);
 - American Institute of Architects (AIA);
 - Structural Engineers Association of Washington; and
 - Implement cross-training program for administrative staff.
 5. Continue participation in Spokane Regional Code Group Meetings.
 - Take a regional leadership role amongst peers.
 - Discuss International Residential Codes.
 - Follow current trend by researching other Washington State adopted codes.
 - Continue to advocate for a regional all code group to incorporate regional consistency in interpretation and implementation of State adopted building codes.
 - Participate in regional code officials group.
 6. City Hall Facilities Maintenance
 - Monitor all contracts for appropriate charges and changes.
 - Create a work order system for City-owned facilities.

| Workload Indicators | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------|-------------|-------------|-------------|----------------|-------------|
| <i>Permit Center counter walk-ins</i> | 4,812 | 4,428 | 4,511 | 4,572 | 5,094 | 4,896 |
| <i>Pre-application meetings – commercial</i> | - | 85 | 79 | 88 | 74 | 89 |
| <i>Pre-application meetings – land use</i> | - | 25 | 30 | 32 | 41 | 63 |
| <i>Construction applications received</i> | - | 2,798 | 4,704 | 4,536 | 5,708 | 5,060 |
| <i>Land use applications received</i> | - | 624 | 719 | 660 | 681 | 792 |
| <i>Construction permits issued</i> | 4,010 | 3,431 | 3,961 | 3,993 | 5,159 | 4,473 |
| <i>Planning applications approved</i> | - | 33 | 659 | 561 | 595 | 652 |
| <i>Development inspections performed</i> | - | 10,736 | 13,534 | 13,848 | 15,848 | 16,419 |
| <i>Code Enforcement cases investigated</i> | 397 | 360 | 354 | 383 | 462 | 522 |
| <i>Number of online permits issued</i> | - | - | 1,314 | 1,582 | 2,449 | 2,582 |
| <i>Number of hearings conducted by the Hearing Examiner</i> | - | 33 | 7 | 6 | 8 | 11 |
| <i>Municipal Code text amendments processed</i> | - | 5 | 12 | 2 | - ¹ | 5 |
| <i>Planning Commission meetings participated in</i> | 23 | 23 | 20 | 21 | 22 | 12 |

¹Comprehensive Plan Update year, regulations updated.

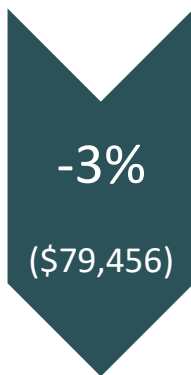
| Performance Measures | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Percent of construction permits issued in less than three days</i> | - | - | 79% | 85% | 85% | 85% |
| <i>Average number of days for new residential building permit review</i> | - | 5 | 5 | 5 | 5 | 5 |
| <i>Average number of days for tenant improvement permit review</i> | - | 10 | 10 | 10 | 10 | 10 |

Theoretical Budget Reduction Exercise

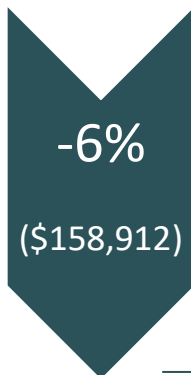
Hope for the best, prepare for the worst. The Business Plan also helps the City prepare for cyclical downturns in the economy. To meet this objective, each department prepares a theoretical set of 3%, 6% and 9% Budget reductions. These reductions are not Budget proposals, but tools to test the ability to provide a base level of services by the City in anticipation of potential future revenue shortfalls.

Building Division 2018 Budget Impact Summary

2018 Budget is \$2,261,214 which reflects a decrease of \$64,449 or -2.77% under the 2017 Budget.



- Wages, payroll taxes and benefits are reduced from \$1,879,064 to \$1,799,608 for a total reduction of \$79,456 or 4.3%. Resulting in the reduction of 1 FTE, 0.50 Planner and 0.50 Office Assistant. This reduction would impact planning duties as well as cashiering and customer service at the Permit Center front counter. Questions or calls regarding land use would not be answered immediately; calls would be returned within 24 hours. Other personnel would be needed to assist with cashiering duties at the front counter. This would limit the department's ability to be able to process permits, land actions and provide customer service to our citizens.



- Wages, payroll taxes and benefits are reduced from \$1,879,064 to \$1,720,152 for a total reduction of \$158,912 or 8.46%. Resulting in the elimination of 1 FTE Planner and 1 FTE Office Assistant. This reduction would impact planning duties, Office Assistant duties and customer service in the Permit Center. Loss of these FTE's would increase workload for remaining staff, causing an increase in response time for planning inquiries, land use and development projects. This would significantly limit the department's ability to be able to process permits, land actions and provide customer service to our citizens.



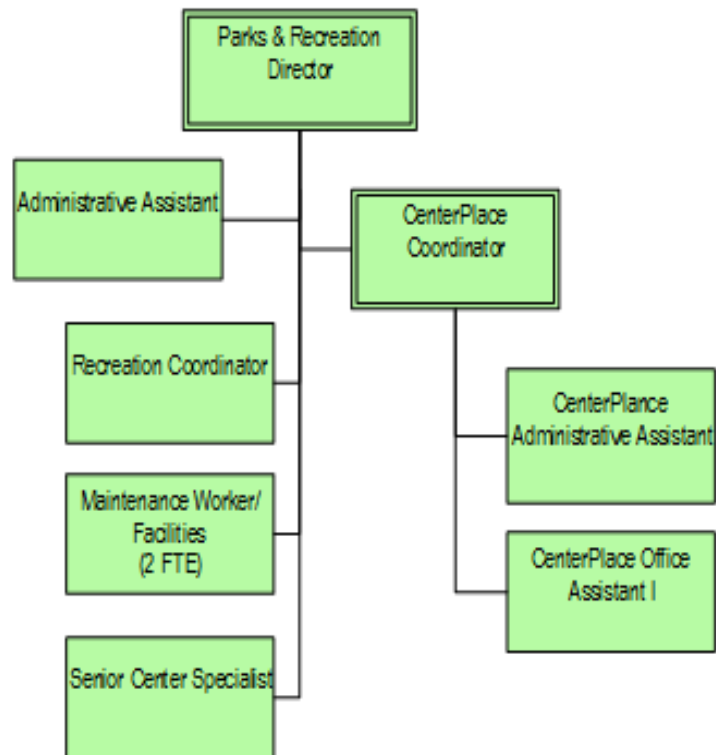
- Wages, payroll taxes and benefits are reduced from \$1,879,064 to \$1,666,532 for a total reduction of \$212,532 or 11.31%. Resulting in a reduction of 2.5 FTE. This would be a loss of 1.5 FTE Planners and 1.0 FTE Office Assistant. This reduction would continue to increase response time for planning inquiries, land use and development projects, reduce support for the planning commission. This would substantially limit the department's ability to be able to process permits, land actions and provide customer service to our citizens.

Parks & Recreation

Mission

To enrich the quality of life for everyone who lives, works in or visits Spokane Valley through quality programs, parks and events.

With offices located in the CenterPlace Regional Event Center, the Parks & Recreation Department consists of six divisions: Parks Administration, Parks Maintenance, Recreation, Aquatics, Senior Center and CenterPlace. The Department is comprised of nine FTEs. Parks Maintenance and Aquatics services are contracted with external businesses or agencies. The Parks & Recreation Department also maintains a database of local recreation programs and services to help match citizens with existing services.



Parks Administration and Maintenance Vision

To provide and maintain quality parks that offer a diverse range of experiences in a safe and beautiful environment; to provide enjoyable, restorative and memorable places to spend time; and to provide physical amenities that support and enhance active living and social interaction opportunities.

Essential services:

- ❖ Implements the goals and objectives of the City Council;
- ❖ Develops policies and procedures;
- ❖ Facilitates the upkeep and use of parks and public areas including the Appleway and Centennial Trails;
- ❖ Manages the private park maintenance, aquatic operation and janitorial contracts;
- ❖ Works to acquire and develop new park facilities;
- ❖ Provides facility maintenance at the Police Precinct; and
- ❖ Administers City Special Event permits.

Recreation Vision

To deliver a diversified recreational and educational experiences for all ages; while fostering vigorous community partnerships; and advocating health, wellness and physical activity.

Essential services:

- ❖ Provides summer day camp, winter break camp, summer park program and outdoor movies;
- ❖ Designs and publishes the Recreation Program brochure twice a year;
- ❖ Coordinates and offers over 21 different recreation programs year round;
- ❖ Partners with YMCA, East Valley School District, Liberty Lake, Spokane Valley Partners, City of Spokane and Spokane County; and
- ❖ Maintains database of local recreation programs and services to help match citizens with existing services.

Aquatics

The City of Spokane Valley owns three outdoor swimming pools which offer open swim opportunities, swim lessons, swim team and facility rentals. In addition the City leases a portion of Valley Mission Park to Splash Down, a privately-operated water park.

Goals & Strategies

1. Implement recommendations of the newly-updated Parks and Recreation Master Plan, including the continued development of aquatic and recreation programs that serve the needs of our citizens.
 - Construct Phase 1 of CenterPlace West Lawn Master Plan.
 - Pursue park acquisitions and development.
 - Explore adding additional recreation programs to meet customer need.
 - Add perimeter path and lighting to Browns Park.
 - Continue to contract for park maintenance and aquatic operation services.
 - Add Valley Mission Dog Park amenities.
 - Construct Appleway Trail Sullivan to Corbin.
2. Work with Centennial Trail Partners to implement new maintenance agreement.
 - Seek grant opportunities for capital repairs.
 - Implement a six-year maintenance plan.

| Workload Indicators | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Developed acres maintained</i> | 126 | 133.6 | 133.6 | 133.6 | 133.6 | 133.6 |
| <i>Trees planted</i> | 17 | 10 | 10 | 10 | 4 | 25 |
| <i>Overall number of park facility reservations per year</i> | 407 | 399 | 428 | 425 | 431 | 511 |
| <i>Number of recreation classes offered</i> | 100 | 129 | 158 | 189 | 189 | 165 |
| <i>Number of open swim hours available/season</i> | 1,326 | 1,221 | 1,251.5 | 1,465 | 1,465 | 1,112 |

| | | | | | | |
|--|-------|-------|-------|-------|-------|-------|
| <i>Number of swim lesson/team registrations</i> | 1,351 | 1,547 | 1,510 | 1,582 | 1,582 | 1,647 |
| <i>Miles of Centennial Trail maintained</i> | 6.78 | 6.78 | 6.78 | 6.78 | 6.78 | 6.78 |
| <i>Number hours to maintain Centennial Trail</i> | 900 | 900 | 900 | 900 | 900 | 900 |

| <i>Performance Measures</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> | <i>2015</i> | <i>2016</i> | <i>2017</i> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <i>Developed park acres per 1000 population</i> | 1.5 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| <i>Recreation program recovery vs. direct cost¹</i> | 92% | 99.9% | 104% | 104% | 108% | 103% |
| <i>Parks & Recreation recurring budget per capita</i> | \$29.08 | \$29.14 | \$29.43 | \$29.69 | \$29.67 | \$29.77 |
| <i>Cost to maintain Centennial Trail Trail mile/per capita</i> | \$0.05 | \$0.05 | \$0.05 | \$0.05 | \$0.05 | \$0.05 |
| <i>Miles of trail per 1,000 households</i> | .076 | .076 | .076 | .076 | .076 | .076 |

¹Calculated expenditures divided by revenue

The six-year average Parks & Recreation recurring budget per capita is \$24.17. The City has increased the budget to remain consistent with population growth.

- Population increase from 2011 to 2016 is 4.5% (90,110 to 94,179) per State of Washington Office of Financial Management
- Per capita recurring budget increase from 2012-2017 is 7.10% (\$27.68 to \$29.67)

CenterPlace Regional Event Center

CenterPlace Regional Event Center Vision

To promote corporate and private events which will help stimulate our local economy; to produce customized, high quality events; and to provide an experience that showcases the values of Spokane Valley. Facility Maintenance is to maintain this facility through sustainability, energy efficiency and maintaining building integrity.

Essential Services:

- ❖ Regional focal point for Northeastern Washington, Northern Idaho and Western Montana;
- ❖ 54,000 square foot facility located in Mirabeau Point Park;
- ❖ Open seven days a week, this is the home of the Parks & Recreation Department and the Valley Senior Center;
- ❖ Reserves and rents to over 900 educational, corporate and social events annually;
- ❖ Provides set up and take downs for all activities;
- ❖ Manages long-term leases of space;
- ❖ Manages food services and marketing contract;
- ❖ Partners with Spokane Community College and Central Valley School District; and
- ❖ Manage rooms including a great room, commercial kitchen, fireside lounge, auditorium and numerous meeting rooms.

Goals & Strategies

1. Implement the updated CenterPlace Regional Marketing and Communications Plan.
 - Increase seasonal staffing to accommodate a higher level of service.
 - Develop “CenterPlace’s Partner Services” with local event planners.
 - Explore new marketing services to help implement marketing plan.
 - Work to add new signature events to the Mirabeau campus.
 - Expand catering involvement in events.
2. Make facility improvements to CenterPlace.
 - Make parking lot improvements for safety.
 - Schedule preventative maintenance and facility updates to maintain CenterPlace in good condition.
 - Add infrastructure on CenterPlace west lawn to improve event venue. Continue to seek funding to complete construction of master plan.
 - Continue to repair roof leaks.
 - Continue to replace flooring and furniture throughout building.

| Workload Indicators | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Number of area businesses/hotels contacted for use of CenterPlace¹</i> | 21,650 | 14,651 | 7,300 | 5,617 | 5,617 | 4,167 |
| <i>Number of reservations per year</i> | 950 | 815 | 844 | 919 | 923 | 1,041 |
| <i>Number of operating hours per year</i> | 4,633 | 4,633 | 4,633 | 4,633 | 4,633 | 4,633 |
| <i>Number of room use hours booked per year</i> | 6,119 | 6,120 | 4,040 | 6,503 | 7,767 | 8,321 |

¹ Area businesses were contacted by CenterPlace from a list developed by our marketing consultant.

| Performance Measures | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Percentage of facility capacity per Great Room reserved¹</i> | 21.7% | 27% | 23.7% | 27% | 22% | 30% |
| <i>Percentage cost recovery per CenterPlace²</i> | 53% | 45% | 54% | 52% | 47% | 56% |
| <i>Percentage of area businesses utilizing CenterPlace³</i> | .0215% | 3% | 5% | 3.7% | 5% | 5% |
| <i>Percentage of facility capacity per Lounge reserved⁴</i> | 23% | 10% | 9% | 22% | 20% | 11% |
| <i>Percentage of regional use of facility</i> | 18% | 5% | 9.1% | 4.2% | 4% | 7% |

¹ Number of total hours (5158) available in the Great Room divided by the actual hours used.

² CenterPlace revenues covered percentage of the expenses. Expenditures do not include building replacement funds. The six-year average of percentage of cost recovery for CenterPlace is 50.33%. While there was a decrease over a few years, there was an increase in 2014 due to added events and growth in catering revenues. As the recession subsided, events increased with a dramatic growth in business and corporate events. (In 2011, the cost recovery was 51%; this decreased to a low of 45% in 2013 and was up again in 2014 at 54%. The downward trend that occurred for a few years coincided with the recession we experienced.)

³ Number of area businesses divided by the number of businesses using CenterPlace. The business list was developed by our marketing consultant. Noteworthy to mention is the percentage of businesses registered with the City of Spokane Valley who utilize CenterPlace have remained steady and then have started to increase in the past three years.

⁴This is the number of total hours (2809) available in the Lounge divided by actual hours used.

Senior Center

Senior Center Vision

To empower adults 50+ for personal independence, healthy aging, social connection and life-long learning experiences; to serve as a hub and focal point, to complement existing services and provided programs, activities and opportunities for the aging population; and to operate as a multi-purpose senior center to provide health, social, educational, referral and recreational services.

Essential Services:

- ❖ Manages the Senior and Wellness Center at CenterPlace from 8-4 Monday through Friday;
- ❖ Coordinates all activities and programming – over 50 different programs;
- ❖ Utilizes over 75 volunteers;
- ❖ Facilitates Meals on Wheels program; and
- ❖ Maintains an active membership of over 1,000.

Goals & Strategies

1. Expand senior services to serve changing needs and expectations of the senior population.
 - Challenge to serve current age demographics and to attract new participants.
 - Add new, active programming.
 - Increase involvement with neighboring retirement communities.
 - Educate the community at-large about the purpose and potential of the Senior Center.

| Workload Indicators | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Number of participants in senior programs or workshops per year</i> | 35,678 | 36,343 | 34,193 | 26,329 | 28,003 | 25,396 |
| <i>Average age of senior participating in programs</i> | 74.50 | 75.5 | 74.7 | 75.5 | 74.5 | 74.5 |
| <i>Number of senior programs offered per year</i> | 50 | 50 | 50 | 39 | 39 | 35 |


| Performance Measures | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Percentage of Spokane Valley seniors who participate in programs attend health and wellness programs</i> | 40% | 45% | 56% | 30% | 33% | 30% |

Theoretical Budget Reduction Exercise

Hope for the best, prepare for the worst. The Business Plan also helps the City prepare for cyclical downturns in the economy. To meet this objective, each department prepares a theoretical set of 3%, 6% and 9% Budget reductions. These reductions are not Budget proposals, but tools to test the ability to provide a base level of services by the City in anticipation of potential future revenue shortfalls.

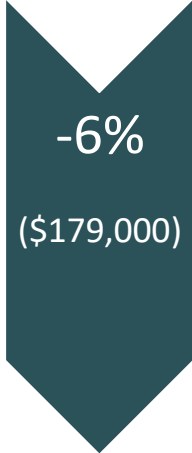
Parks & Recreation 2018 Budget Impact Summary

2018 Budget is \$2,956,954 which reflects an increase of \$72,321 or 2.51% over the 2017 Budget.



-3%
(\$92,500)

- Park Maintenance Contract under Maintenance is reduced from \$816,500 to \$786,000 for a total reduction of \$30,000 or 3.6%. This will eliminate the maintenance of the City gateway, new Balfour Park and the University to Pines section of the Appleway Trail.
- Professional Services under Aquatics is reduced from \$415,000 to \$365,000 for a total reduction of \$50,000 or 10.55%. This will eliminate one week of the summer pools season at all three outdoor pools.
- Electricity under Aquatics is reduced from \$32,500 to \$31,500 for a total reduction of \$1,000 or 3%. This is based upon the elimination of one week of the summer pools season at all three outdoor pools.
- Water under Aquatics is reduced from \$13,500 to \$12,500 for a total reduction of \$1,000 or 7.4%. This is based upon the elimination of one week of the summer pools season at all three outdoor pools.
- Advertising under CenterPlace is reduced from \$60,000 to \$50,000 for a total reduction of \$10,000 or 16.6%. This will negatively impact our ability to market CenterPlace.
- Equipment Rental under CenterPlace is reduced from \$500 to \$0 for a total reduction of \$500 or 100%. Equipment rental will be eliminated.



-6%
(\$179,000)

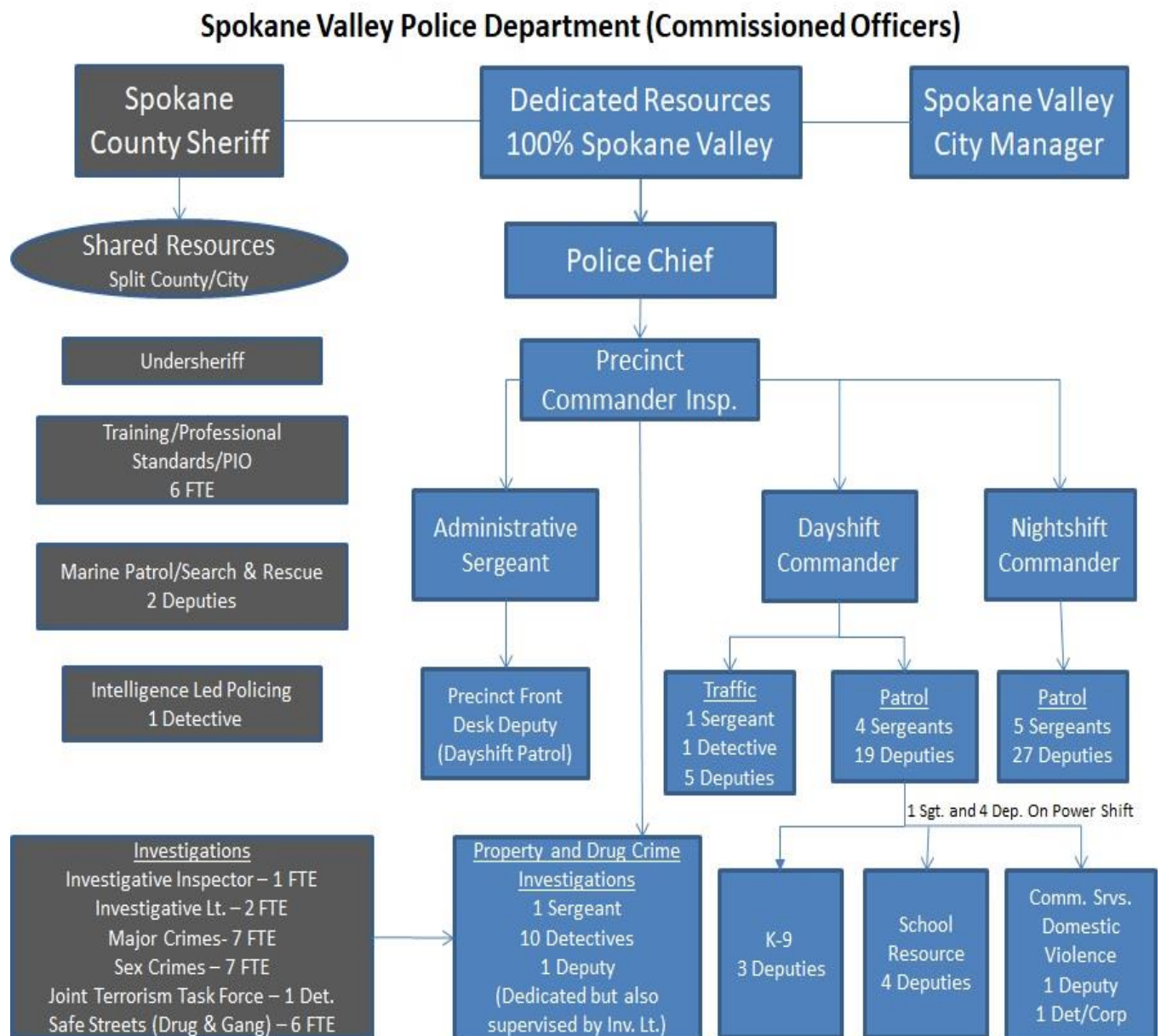
- Professional Services under Administration is reduced from \$10,000 to \$5,000 for a total reduction of \$5,000 or 50%. This will negatively impact our ability to hire any consultants for projects or emergencies.
- Parks Maintenance Contract under Maintenance is reduced from \$786,500 to \$771,500 for a total reduction of \$15,000 or 1.9%. This will reduce the summer park season by one week for access to water, restrooms, mowing, etc.
- Small Tools & Minor Equipment under Aquatics is reduced from \$2,500 to \$500 for a total reduction of \$2,000 or 80%. Eliminating the ability to purchase any repair items.
- Professional Services under Aquatics is reduced from \$365,000 to \$315,000 for a total reduction of \$50,000 or 13.6%. This will eliminate one week of the summer pools season at all three outdoor pools.

- Electricity under Aquatics is reduced from \$31,500 to \$30,500 for a total reduction of \$1,000 or 3.1%. This is based upon the elimination of one week of the summer pools season at all three outdoor pools.
- Water under Aquatics is reduced from \$12,500 to \$11,500 for a total reduction of \$1,000 or 8%. This is based upon the elimination of one week of the summer pools season at all three outdoor pools.
- Advertising under CenterPlace is reduced from \$50,000 to \$40,000 for a total reduction of \$10,000 or 20.6%. This will negatively impact our ability to market CenterPlace.

-9%
(\$262,836)

- Professional Services under Administration is reduced from \$5,000 to \$0 for a total reduction of \$5,000 or 100%. This will eliminate our ability to hire any consultants for projects or emergencies.
- Professional Services under Recreation is reduced from \$32,800 to \$27,264 for a total reduction of \$5,536 or 16.8%. This will reduce one of the three free Summer Movies.
- Miscellaneous Services under Recreation is reduced from \$16,500 to \$15,200 for a total reduction of \$1,300 or 7.8%. This will eliminate one of the Summer Day Camp trips.
- Professional Services under Aquatics is reduced from \$315,000 to \$265,000 for a total reduction of \$50,000 or 15.8%. This will eliminate one week of the summer pools season at all three outdoor pools.
- Electricity under Aquatics is reduced from \$30,500 to \$29,500 for a total reduction of \$1,000 or 3.2%. This is based upon the elimination of one week of the summer pools season at all three outdoor pools.
- Water under Aquatics is reduced from \$11,500 to \$10,500 for a total reduction of \$1,000 or 8.6%. This is based upon the elimination of one week of the summer pools season at all three outdoor pools.
- Advertising under CenterPlace is reduced from \$40,000 to \$30,000 for a total reduction of \$10,000 or 25%. This will significantly reduce our ability to market CenterPlace.
- Repair & Maintenance Supplies under CenterPlace is reduced from \$11,600 to \$9,100 for a total reduction of \$2,500 or 21.5%. This will reduce our ability to make necessary repairs.

Addendum A: Spokane Valley Police Department Contract Services



The Spokane Valley Police Department (SVPD) is included as an Addendum to the Business Plan because their services are provided by contract with the Spokane County Sheriff's Office (SCSO). Spokane Valley Police Chief Mark Werner reports to the City Manager and to the Spokane County Sheriff.

The SVPD information in the Business Plan is important to:

- Provide information as to the Police Department's structure and how that translates into services to the City's citizens.
- Gain an understanding of the costs involved in providing these services.

In reviewing the Police Department Business Plan, it is important to note that the Interlocal Agreement for Law Enforcement Services specifies the type and timing of budgetary changes that the City can make to law enforcement.

Spokane Valley Police Department Staffing

Administrative Staffing Level:

Chief-1
Precinct Commander-1
Administrative Sergeant-1

Patrol Staffing Level:

Lieutenants-2
Sergeants-8
Deputies-47*
Canine-3 Spokane Valley of - 5-Shared
Marine Deputies-2-Shared

*Of the 47 deputies, one of those positions is used to staff the front desk Monday through Friday from 8 a.m. to 5 p.m.

Patrol Division

Our Patrol Division operates under a broad philosophy that embraces a whole-hearted determination to protect and support individual rights, while at all times providing for the security of persons and property within the community. This division is the backbone of an organization whose very existence is justified solely on the basis of community service.

In general, Patrol's function is to respond to calls for assistance, act as a deterrent to crime, enforce state and local laws, and respond to emergencies 24 hours per day, seven days per week. Specifically, this division provides the following services within the limits of available resources:

- Monitor, report and investigate suspicious persons and situations, safety hazards, and unusual or illegal activity in the patrol area, to include vigilant observations of suspicious activity that may be tied to domestic or international terrorism;
- Use Intelligence-Led Policing (ILP) methods, working in concert with Investigations and the RIG 9 Intelligence Group, to implement an operational strategy to reduce crime through the combined use of analysis and criminal intelligence, focusing on active and recidivist offenders. The goal with ILP is to identify crime patterns, groups and linked crimes to anticipate the crime in an effort to reduce criminal opportunities through directed patrolling;
- Maintain order, respond to emergencies, and conduct criminal investigations in an effort to identify, pursue and arrest suspects and perpetrators of criminal acts; this also includes the collection of evidence, written reports, issuance of citations or warnings and testifying in court, when applicable;
- Build relationships between Patrol, SCOPE members and neighborhood citizens in an effort to provide a safe living environment for the community and increase citizen awareness and involvement in community-oriented services; and
- Inspect public establishments to ensure compliance with state law and jurisdictional ordinances.

Impact of Staffing

Patrol deputies are the primary responders with respect to calls for service, and are the backbone of the agency. It is imperative that response times be as short as possible, as increased response times only causes more risk to both the public as well as officer safety. Staffing levels can have a severe impact on response times and the ability to answer lower priority calls. Population growth has been slowly but

steadily increasing. Citizen-initiated calls for service have been increasing at a more rapid pace and have experienced a significant jump recently. Calls for service have increased 10.1% since 2015.

Best practice for law enforcement identifies Patrol deputies spending one-third of their time on proactive policing, initiating service incidents, interacting with the public, and providing deterrent patrolling. Spokane Valley Police have always had a high standard as nearly half of their calls were officer-initiated in the first couple of years of the City's existence. As Spokane Valley deputies have faced a higher call load, their ability to be proactive has steadily decreased. Additionally, because of the increased call load, the number of lower priority calls without an officer response has increased.

The City of Spokane Valley is split into six Patrol districts. There are four Patrol platoons comprised of 10 deputies each, two day platoons and two night platoons, each working 12-hour shifts. Each night shift platoon works when the other platoon is off and the same is true of day platoons. The deputies in each platoon have staggered start times so that approximately half start an hour and a half later than the others. This insures that there is no transition gap when the day shift is over and the night shift begins. In addition, Power Shift covers the period of peak call load and the transition from day to night shift. Power Shift was partially implemented in March 2015.

Further, specialty units such as SWAT and EDU (Bomb Squad) are made up of deputies assigned to Patrol as well as detectives assigned to the Investigative Unit. Many hours are invested in the training of these individuals in specialty fields.

Current Staffing

Current vacancies within SVPD include one Traffic Unit sergeant, two detectives, one traffic deputy and one investigative deputy.

SCSO has recognized that the pool of qualified law enforcement applicants has become very shallow and that competition with other agencies for quality applicants is fierce. To meet hiring needs, SCSO has implemented a number of changes in order to attract and identify quality applicants. First, SCSO has entered into contract with Public Safety Testing (PST) for the initial application process and the proctoring of the civil service examination. The primary advantage of the relationship with PST is that applicants from other areas of the country are able to take SCSO's exam without having to travel to Spokane. While the relationship is young, it appears that it will be fruitful. SCSO has recently hired individuals from outside the area that likely would not otherwise have traveled to Spokane to apply.

Additionally, SCSO has created a recruitment team consisting of an SVPD lieutenant, sergeant and deputies. This team has established relationships with all of the regional colleges and universities that have a criminal justice program including: SCC, EWU, WSU, MSU and NIC. This effort continues to expand. The recruitment team has also partnered with the Washington National Guard to assist each other in finding applicants and has connected with the Joint Base Lewis-McChord career placement program for soldiers and airmen leaving active duty.

Currently, plans are being explored to use school resource deputies to recruit more Law Enforcement Explorers and then to restart the Law Enforcement Cadet Program that allows the Sheriff's Office to retain a relationship with Explorers during the interim between when they turn 21 and leave the program and when they complete their education and apply. The ultimate goal of these efforts is to fill all vacancies among commissioned ranks as rapidly as possible without compromising the quality of the applicants hired.

Crime Prevention

Function

The Spokane Valley Crime Prevention program is a proactive effort to educate the public and provide material and training that will reduce opportunities for crime in our City. One deputy is assigned to the Spokane Valley Police Department and provides, at no cost to the community:

- Security surveys on request for commercial, residential and multi-family housing sites;
- Training to the public on a wide variety of topics including: personal safety, internet safety, drug awareness, fraud and identity theft, terrorism awareness, workplace violence prevention and crime prevention through environmental design (CPTED);
- Information to citizens of community services and recommends options to facilitate long-term problem resolution;
- Support Neighborhood Watch; and
- Resource to City department heads.

Other Education Programs:

- Child-Stranger Danger and Safety;
- Residential and Commercial Security;
- Robbery Prevention and Procedures;
- Crime Free Multi-housing;
- Nuisance/Safe Streets;
- Firearms Safety;
- Disaster Preparedness/ Emergency Response;
- Rural Crime Prevention;
- Bicycle Safety/Safety on the Centennial Trail;
- DUI Aggressive Driving;
- Active Shooter Survival Training; and
- Personal Safety Training.

Impact of Staffing

This is one of the most important pro-active, crime-fighting assets provided to the community by the Spokane Valley Police Department. The performance of these functions requires a level of expertise that could not easily be replaced. Other positions within the Spokane Valley Police Department do not have the time to adequately address these issues.

Traffic Unit

Function

- Promote safe and efficient movement of vehicles and pedestrians through Education, Enforcement and Engineering;
- Monitor traffic flow to ensure public safety and enforce motor vehicle and criminal law through the issuance of citations and/or warnings to those persons not adhering to the law;
- Investigate motor vehicle crash scenes as well as provide expertise to other investigators, including but not limited to major crime scenes for Total Station services;
- Direct traffic flow, reroute traffic and evaluate in case of emergencies;
- Assist local agencies in emergency situations by providing traffic control; and
- Reduce serious injuries and fatalities by using increased traffic enforcement; statistics show that increased citations in high-travel areas throughout the City reduce serious collisions/fatalities.

Traffic Staffing Level

Sergeant - 1

Corporal/Detective - 1

Deputies - 5

Impact of Staffing

A tremendous amount of specialized training is invested in the officers assigned to the Traffic Division. With that training, they are able to effectively investigate a variety of collisions to include fatal, pedestrian, and motorcycle, often taking days and weeks to analyze the collision and complete a thorough investigation. The loss of a trained collision detective would not easily be replaced by any other deputy or investigator who would have none of the specialized training held by a traffic detective.

Washington State Traffic Commission grants pay for extra traffic enforcement in the City of Spokane Valley for DUI and pedestrian safety.

Although grant funds pay for these emphasis patrols, a portion of the revenue generated comes back to the City of Spokane Valley.

Most importantly, without deputies on the streets writing tickets for collision violations and putting an emphasis on safety, our fatalities may increase.

Traffic School for drivers cited in the City of Spokane Valley began in 2012. The primary goal was to reduce collisions through education and is an example of how law enforcement can work with the public toward a safer community. Education and interaction with the citizens is one of the best ways for this to happen. What seems to be commonly noted from people who have gone through Traffic School is they don't mind spending their time and money when they get more out of the experience than paying a fine. This type of program not only educates, it builds trust, changes perceptions and provides an invaluable service to the community.

School Resource Deputies

School Resource Deputies (SRDs) are an invaluable resource to Spokane Valley school districts by providing a uniformed presence within the schools, responding to crimes and other non-criminal related situations within the district, and providing assistance to include, but not limited to, criminal arrests, notice of infractions, informational reports, assisting with trespass order service, student education and awareness, and answering all other crime or non-crime related questions asked by district employees. SRDs often attend district meetings at various schools and buildings to provide expert advice on security and safety, give presentations to staff and students covering various subjects related to law enforcement, and act as a liaison and a source of information for the Patrol Division or any other law enforcement agency and the schools.

One of a school administrator's goals in handling situations at each school is to return to a normal atmosphere as soon as possible to minimize the distraction to the educational environment. Because the SRD is at the school, there is no waiting on a response from a deputy, and the issue can be dealt with immediately.

SRD Staffing Level

Deputies - 4

Impact of Staffing

Early intervention benefits younger students who engage in activity that does not amount to criminal activity. The SRDs are often called to speak with students at the middle and elementary schools for this purpose, which is key to preventing potential criminal activity.

This creates a “feeling of security” in the school that comes from having a marked patrol car at the various locations within the district, and a police presence with the contract-based school and alternative school in the district.

SRDs provide input to the safety and security policies and practices that are discussed and developed at monthly security meetings within the school districts. This helps keep school policies on safety and security in line with law enforcement and helps aid with emergency response to situations affecting the schools.

The SRDs are working with the schools to develop a school discipline policy and a set of standards for the students to assist them with handling issues ranging from drug and gang intervention, criminal activity at school and welfare checks at home. These efforts by the SRDs provide the tools for this unique group of students to become successful adults and not fall prey to criminal activities. The proactive efforts of our SRDs to deter such incidents as the “Columbine shooting” is a critical function for the safety of our children, citizens and officers.

Training Unit

Impact of Staffing — Training Provided by Spokane County Sheriff’s Department

The Spokane Sheriff’s Regional Training Center is located at the former Mountainview Middle School in Newman Lake.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Total Students Trained | 118 | 1074 | 2516 | 2521 | 3096 | 3220 | 3163 | 3365 | 3190 | 1119 | 1905 | 2458 |
| Total Hotel Rooms Booked* | 84 | 1254 | 3252 | 2911 | 4084 | 3217 | 3065 | 2823 | 2872 | 961 | N/A | N/A |

*Total number of hotel rooms booked (i.e. students attend a three-day class, counts as three hotel rooms booked). Numbers were figured conservatively, assuming that the student leaves Spokane area the day of the last class. However, some students may elect to stay another night and travel back the next day.

The Regional Training Center has spent the last decade establishing itself as a law enforcement training establishment, building itself up to the level where students travel from around the world to attend classes here. There was a total of 252 training days, most of which were for week-long training courses. Students attending were not only from local law enforcement, but also included students from all over the United States as well as foreign countries. One student was from Brisbane, Queensland who attended an FBI LEEDA Course. In addition to 393 Sheriff’s Office students and 1,109 students from local law enforcement agencies (Spokane PD, Kootenai Co. Sheriff’s Office, Liberty Lake PD and Airway Heights PD), training was provided to 956 out-of-country students.

Often times, if there are enough attendees paying for attendance at a scheduled training class, members of the Sheriff’s Office are provided the opportunity to attend at no cost. Investment in the Training Unit results in a win-win situation for the citizens and law enforcement of Spokane County and surrounding areas.

In addition, the Sheriff's Office has realized significant savings by providing training locally for its officers instead of sending them out of town. It is extremely likely that our officers would not have been afforded the opportunity to attend the same amount of training due to the cost of travel, lodging and food, if the training was not provided locally.

Investigative Division

The Investigative Division serving the City of Spokane Valley consists of the dedicated Spokane Valley Investigative Unit that has traditionally been responsible for investigating Spokane Valley property crimes. Organizational changes approved by The City of Spokane Valley City Council in 2014 added additional investigative personnel and the responsibility for investigating Spokane Valley drug crimes.

The Investigative Division also includes other units that are shared with the Spokane County Sheriff's Office. The primary function of the Investigative Division is to provide investigative services and support that cannot be wholly accomplished by the Patrol Division. The Investigative Division is comprised of the following Units:

Major Crimes Unit - Shared

- Responsible for investigating crimes against persons to include homicides, robberies, felony assaults and officer-involved fatal or near-fatal incidents.
- This unit is comprised of:
 - Inspector – 1 (Supervises all Investigative Division units)
 - Lieutenant – 1 (Supervises Major Crimes, Sex Crimes, and Forensics)
 - Sergeant - 1
 - Detectives - 6
 - Domestic Violence Detective (Dedicated Spokane Valley) - 1

Sexual Assault/Sex Offender Registration Unit - Shared

- Responsible for investigating assaults that are sexual in nature, crimes against young children and the registration of sex offenders as well as insuring the sex offender's compliance with registration requirements.
- This unit is comprised of:
 - Sergeant - 1
 - Detectives - 6
- Five detectives are primarily responsible for investigations, one detective is primarily responsible for registering sex offenders, and the responsibility for address verification of those registered is shared between members in the unit by working overtime. The cost and services of the sergeant and six detectives are shared between the City of Spokane Valley and the Spokane County Sheriff's Office.
- Partnerships in this unit are the Child Sexual Predator Task Force and the Internet Crimes Against Children Task Force.

Spokane Valley Investigative Unit (SVIU) - Dedicated

- Responsible for property and drug investigations. SVIU, in collaboration with the Patrol Division and the RIG 9 Intelligence Group, has been operating effectively under the Intelligence Led Policing (ILP) philosophy. As the name implies, the ILP concept involves focusing investigative and enforcement efforts on targets that are identified through statistical analysis and intelligence gathering so that subsequent enforcement efforts are more fruitful with regard to a reduction in crime. This allows us to use our investigative resources more effectively and efficiently.
- From 2010 forward, SVIU successfully implemented the ILP principles recognizing a substantial increase in solvability over the years. Detectives have forwarded numerous cases to the

Prosecutor's Office where they have been able to connect a suspect to as many as 100 crimes, in some cases, more, and often charge them with leading organized crime, trafficking in stolen property, etc. The pawn database has also been an invaluable tool to detectives as they track down items of stolen property being pawned and connect the suspects to the crime. In addition, SVPD's use of Facebook has been a benefit as a way of communicating with the community to identify the owners of recovered stolen property. SVIU also enjoys the assistance of two SCOPE volunteers who have assumed many tasks that save our detectives countless hours, enabling them to work more cases and solve more crimes.

- Partnered with ATF, Department of Corrections, Secret Service, U.S. Postal Inspection Service, Social Security Administration, and U.S. Marshall Service working joint cases.
- Participate in two state grant-funded task forces: Washington Auto Theft Prevention Authority (WATPA) and the Financial Fraud Identify Theft (FFIT) task forces.

SVPD Personnel Funded:

Sergeant - 1
Detectives - 10
Deputy - 1

Joint Terrorism Task Force (JTTF) – Shared

- One detective is assigned to the JTTF, which is a collection of federal, state and local officers primarily responsible for matters relating to Domestic and International Terrorism. The funding for this detective is shared between Spokane County Sheriff's Office and the City of Spokane Valley.

SO/SVPD Personnel Funded:

Detective - 1

Spokane Regional Safe Streets Task Force - Shared

- Formerly the Spokane Violent Crime/Gang Enforcement Team (SVGET) and Spokane Regional Drug Task Force (SRDTF)
- At the beginning of 2015, these two units formally merged into one unit. The new unit continued their now-joint missions in regard to middle and upper-level narcotics investigations, gang-related criminal investigations, intelligence collection and dissemination, investigative support and prevention/intervention efforts.
- Partners with FBI, SPD, WSP, DOC and ATF working joint investigations. Those sworn in as Federal Task Force Officers are provided a vehicle, cell phone, fuel and overtime funded by the FBI.

SO/SVPD Personnel Funded:

Sergeant - 1
Detectives - 4
Deputy - 1
Support Staff (100% funded by grant and seizure funds) - 1

Spokane Criminal Analysts Team (RIG 9 Intelligence Group) - Shared

- Responsible for providing research and analytical support to all our investigative functions and are a critical component to ILP efforts.
- Operates our Regional Intelligence Group where information sharing occurs with other law enforcement agencies and with the Washington State Fusion Center.
- Produces most of the statistical data for the Sheriff's Office and the Spokane Valley Police Department.

SO/SVPD Personnel Funded:

Lieutenant – 1
Detective (Shared ILP Detective) - 1

2 Civilian Analysts

- Partnerships intimately supported by this unit are the Financial Fraud/Identity Theft Task Force and the Washington Auto Theft Prevention Authority.
- The impact of insufficient staffing on this team deprives Patrol and Investigative Units dependent on that intelligence in identifying suspects and solving crimes.

Goals & Strategies

1. To provide a professional and trustworthy police department.
 - Maintain professionalism in Spokane Valley Police Department's interaction with our citizens.
 - Track data to determine the effectiveness in meeting this goal.
2. To respond to citizen calls for service as promptly as call volume and staffing levels permit.
 - Collect and examine data to determine the effectiveness of Spokane Valley Police Department's response times.
3. To control crime rates within the City of Spokane Valley.
 - Promptly recognize anomalous increases in crime.
 - Identify and eliminate causes within Spokane Valley Police Department's control.
 - Track data to determine the effectiveness in meeting this goal.
4. To investigate and work traffic-related issues and respond to citizen traffic requests as call load and staffing levels permit, to minimize traffic collisions within our City.
 - Work to reduce traffic collisions by identifying areas within our control through the use of statistical analysis, enforcement, education and collaboration with City of Spokane Valley traffic engineers.
 - Track data to determine the progress in meeting this goal.

| Workload Indicators | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------------|---------------------|-------------------|
| <i>Total incidents per deputy per shift</i> | 8.63 | 8.70 | 9.18 | 9.01 ¹ | 8.32 ¹ | 8.82 ¹ |
| <i>Total deputy-initiated incidents</i> | 22,716 | 20,815 | 22,333 | 22,624 | 18,786 | 18,931 |
| <i>Total deputy-involved incidents</i> | 45,004 | 43,880 | 46,308 | 48,186 | 44,928 ² | 46,033 |
| <i>Average patrol staffing per shift</i> | 7.14 | 6.91 | 6.91 | 7.33 ¹ | 7.38 ¹ | 7.15 ¹ |
| <i>Total incidents requiring written documentation</i> | 16,382 | 15,171 | 15,727 | 15,122 | 13,920 | 11,933 |
| <i>Total property crimes³</i> | 7,883 | 8,304 | 8,336 | 8,068 | -- | 7,838 |
| <i>Total crimes against persons⁴</i> | 1,170 | 1,140 | 1,374 | 1,318 | -- | 1,343 |
| <i>Total incidents resulting in custodial arrest⁵</i> | 1,833 | 1,970 | 2,213 | 2,354 | 2,274 | 2,104 |
| <i>Total traffic infractions/citations issued</i> | 12,462 | 10,950 | 11,279 | 11,310 | -- | -- |
| <i>Traffic infractions/citations from citizen complaints</i> | 184 | 24 | 32 | 98 | 112 | -- |
| <i>Total reported collisions</i> | 2,203 | 2,141 | 2,210 | 2,560 | 2,338 | 2,168 |

¹Mathematically adjusted to include power shift.

² The trend line for deputy-initiated incidents for the first nine months of 2016 indicated that the year would end with a total in excess of 20,000; however, the learning curve required by the transition to the New World CAD and field reporting systems along with new NIBRS reporting requirements (beginning October 3, 2016) put a large drain on the time patrol personnel had for self-initiated activity.

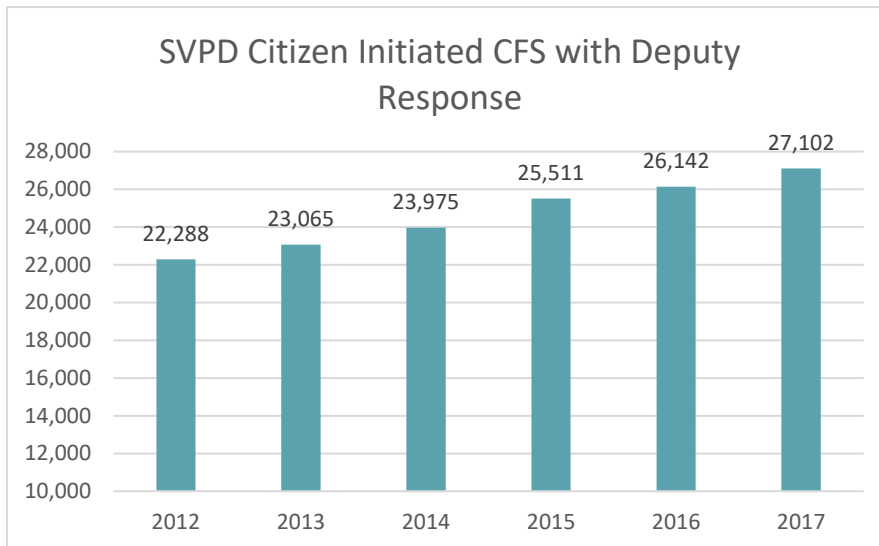
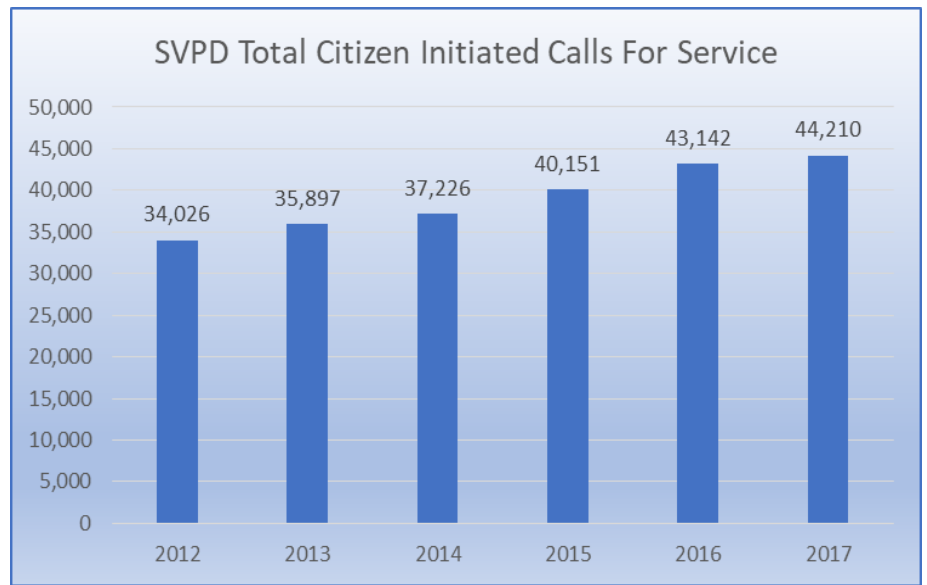
³ Includes: burglary, forgery, theft, vehicle theft, vehicle prowling, malicious mischief.

⁴ Includes: homicide, assault, kidnap, robbery, rape, child abuse, stalking.

⁵ This figure includes the number of incidents resolved by custodial arrest; it does not include the total number of charges.

Calls for Service

This metric includes only citizen initiated calls for police service. Deputy initiated incidents and fire/medics calls are not counted, nor are Crime Check report calls and cancelled calls. About 39% of these calls for service do not receive deputy response. For the majority of these calls police response was not appropriate; however, there are many where response would have been appropriate, but due to high call volume and call prioritization no one was available for dispatch.

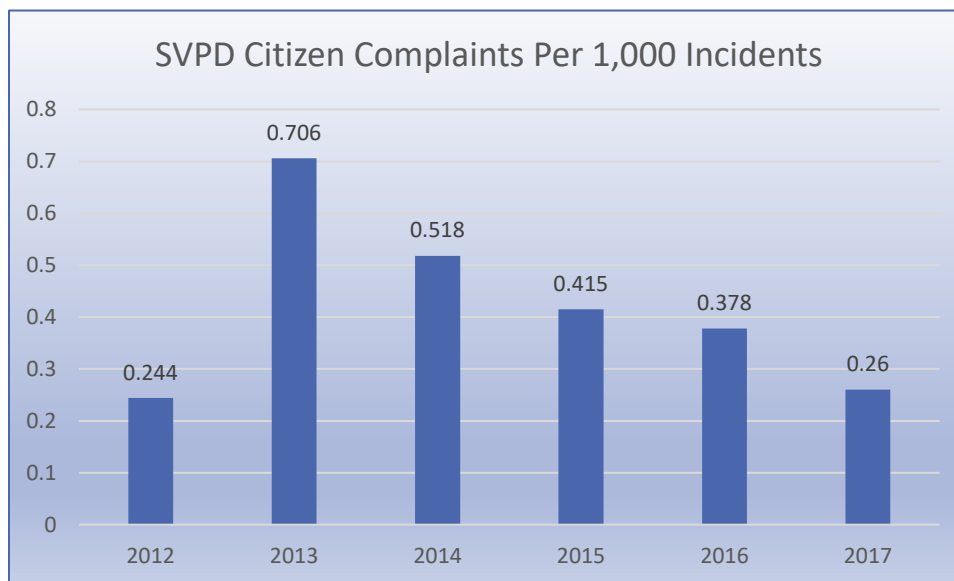


This graph represents the total number of citizen initiated CFS to which at least one deputy responded.

| Performance Measures | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Percentage of use of force not within policy</i> | 0.0% | 0.0% | 0.68% | 0.58% | 1.09% | 0.0% |
| <i>Average response time to priority 1 CFS¹</i> | - | 3-6min | 3-6min | N/A | 4.65 min | -- |
| <i>Percentage of CFS with deputy response</i> | 65.50% | 64.25% | 64.40% | 63.33% | 60.60% | 61.30% |
| <i>Percentage of incidents that were deputy-initiated</i> | 50.48% | 47.44% | 48.23% | 46.95% | 41.81% | 41.12% |
| <i>Percentage of assigned cases solved</i> | 87.92% | 95.09% | 79.69% | 88.44% | 80.53% | 62.66% |
| <i>Total unassigned cases</i> | 245 | 495 | 211 | 190 | 168 | 577 |
| <i>Cases inactivated due to lack of evidence or leads</i> | 58 | 65 | 34 | 65 | 50 | 104 |
| <i>Collisions per capita</i> | 0.024 | 0.023 | 0.024 | 0.027 | 0.025 | 0.023 |
| <i>Percentage of traffic complaints worked</i> | 100% | 100% | 100% | 100% | 100% | -- |

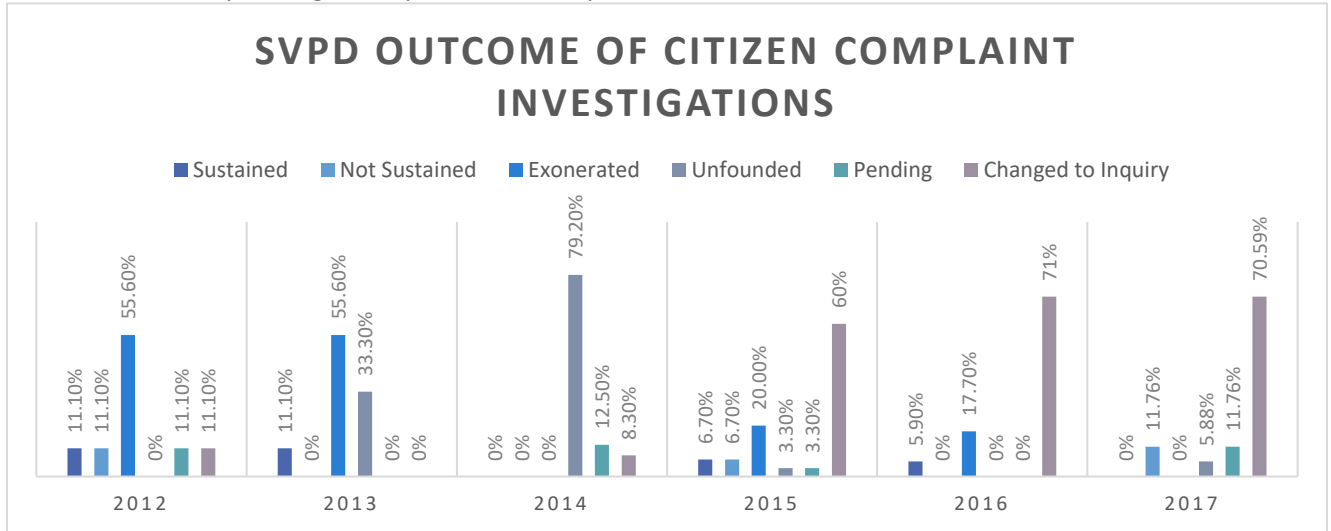
¹The current CAD system does not facilitate extracting an accurate number.

Citizen Complaints

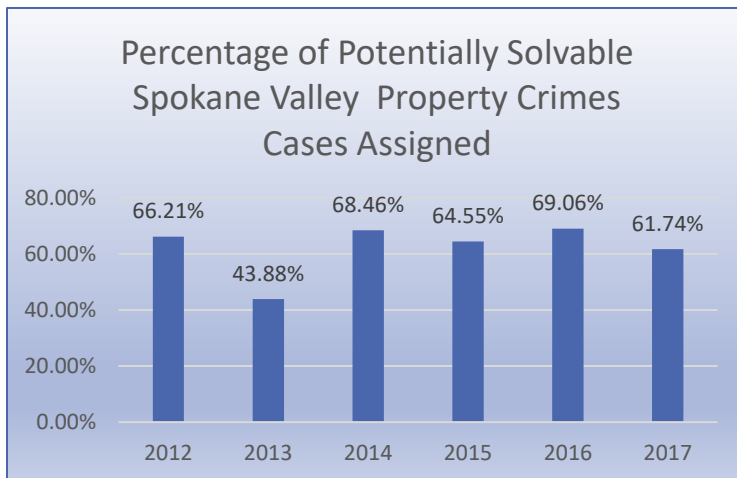


Changing methodology in 2013 resulted in what appears to be a large increase in complaints.

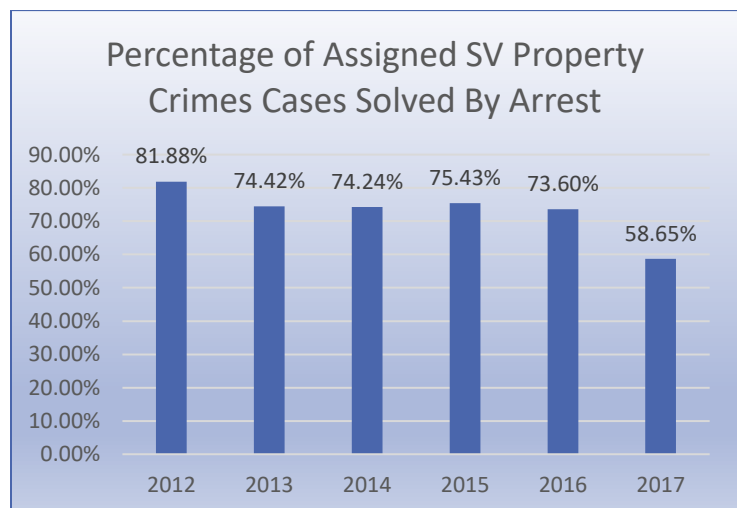
For 2017 there were only 12 citizen complaints against SVPD deputies. These complaints included 17 allegations. The allegations were disposed as shown. Please note that there can be multiple allegations per citizen complaint.



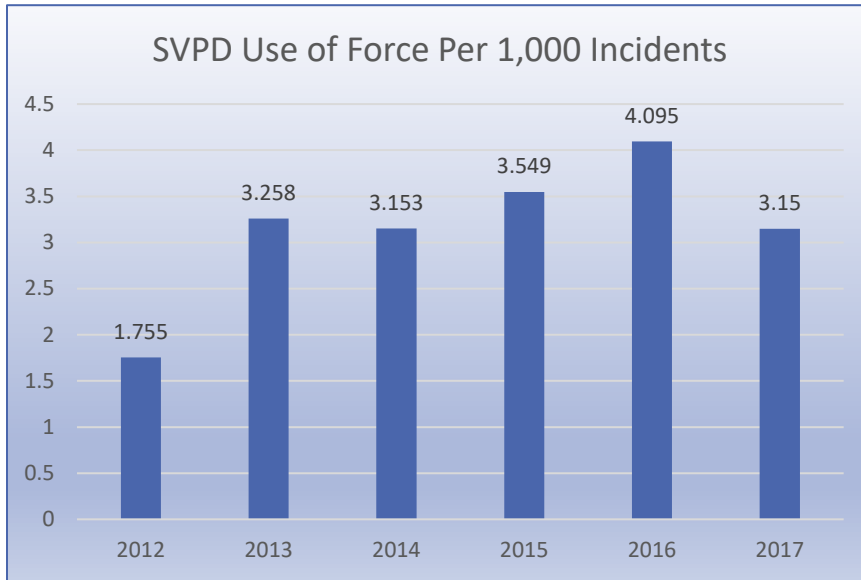
Property Crimes



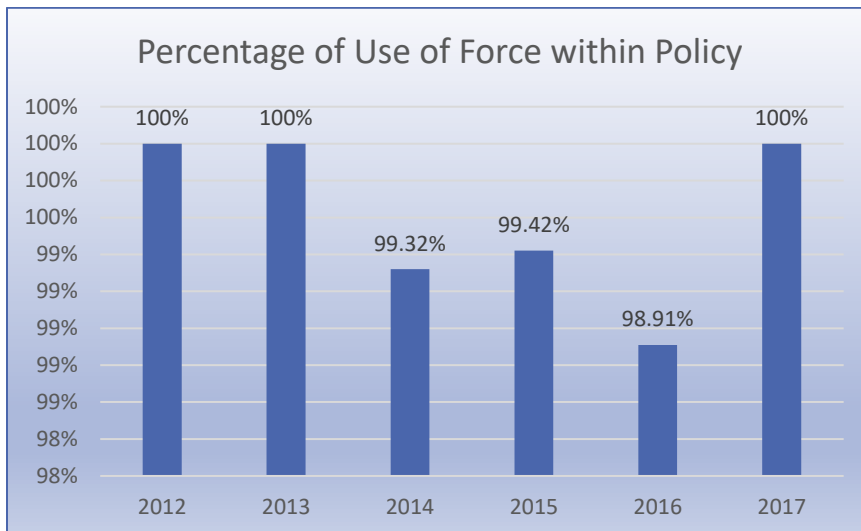
The Spokane Valley Investigative Unit reviewed 5,557 property crime incidents in 2017. Of these, 4,049 were determined to have insufficient evidence or leads to merit follow up. The remaining 1,508 potentially solvable cases were assigned to SVIU detectives. Unfortunately, 577 of these potentially workable cases were not investigated due to a lack of sufficient resources. The 931 cases that were assigned and worked were disposed as shown in the graph.



Use of Force



This graphic illustrates the number of times that some form of force was used per 1,000 deputy involved incidents. For 2017 fully 100% of these use of force incidents were reviewed by subject matter experts and determined to be within law and policy. Note that the large increase in use of force seen in 2013 was the result of a change in methodology. For example, prior to 2013 the mere display of a weapon (firearm, TASER, baton, etc.) was not counted as a use of force.



Theoretical Budget Reduction Exercise — Submitted by Chief Mark Werner

In the event of actual reductions, City of Spokane Valley staff will work to identify cost-saving measures with the least amount of impact to delivery of police services.

Spokane Valley Police Department/Spokane County Sheriff's Office Impact of Potential Budget Decrease

"The ultimate priority for the Spokane Valley Police Department is Public Safety."

At the request of the City of Spokane Valley, SVPD has again been asked to evaluate the impact of 3%, 6% and 9% budget cuts for Fiscal Year 2018.

It is important when considering budget reductions (i.e. personnel reductions) to keep in mind that the demand for law enforcement services by the citizens of Spokane Valley has greatly outpaced Spokane Valley's population growth which has averaged a little over 1% per annum since incorporation. In contrast, citizen-initiated calls for police service (CFS) have increased at a much greater rate. Since 2008, CFS has increased nearly 46.2%.

Law enforcement services are required 24 hours a day, 365 days a year and are manpower intensive. Few opportunities exist to realize significant law enforcement cost savings that do not involve a reduction in personnel. Therefore, budget reduction directly translates into a reduction in personnel. The reduction in personnel then equates to a reduction in law enforcement services to the citizens of Spokane Valley.

Impact of 3% Budget Cut:

A 3% cut equates to the loss of four deputies. This reduction would leave SVPD assigned staffing at a level lower than at any point in City history. These deputies could be removed from any one of a number of functional units, each with its own negative outcome. Numerous competing factors were considered when determining where to cut personnel.

- To meet a 3% budget reduction, three deputy positions would be removed from Power Shift and one investigative position would be removed from the Spokane Valley Investigative Unit. The primary impacts of these reductions are significant:
 - o Removing three positions from Power Shift eliminates Power Shift coverage Sunday through Tuesday and reduces Power Shift coverage on Saturday. Power Shift has been shown to reduce response times by over 65% during the period of peak call load (3:00 p.m. to 7:30 a.m.).
 - o Reducing Power Shift will result in an increase in day shift overtime.
 - o Reducing Power Shift will have a negative impact on morale primarily because dayshift deputies will be forced to work a significant amount of unpredictable "late call" overtime and because additional workload will be shifted to the remaining deputies.
- A fourth deputy position will be removed from the Spokane Valley Investigative Unit.
- This position represents nearly 10% of the total property crime and drug crime investigative capacity of SVPD's dedicated investigative unit.
- Elimination of this position will negatively impact morale. The investigative deputy position is one of very few positions available to deputies to move laterally within the department.

Impact of 6% Budget Cut:

Absorbing a 6% budget reduction would require the elimination of eight commissioned positions. This would be accomplished by eliminating the investigative deputy position and completely eliminating Power Shift. This would result in the elimination of six patrol deputy positions and the Power Shift sergeant position. The remaining Power Shift deputy position would be assigned to a platoon to equalize platoon staffing at 10 deputies per platoon. In addition to the negative impacts listed above, this reduction would deliver another blow to morale by forcing a demotion of a sergeant and eliminating a promotional position.

Impact of 9% Budget Cut:

A 9% budget reduction eliminates 11 positions leaving SVPD with a commissioned strength of only 93 personnel resulting in an officer per thousand rate of one. To meet a 9% reduction would require the elimination of the following positions:

- 6 Power Shift deputies
- 1 Power Shift sergeant
- 1 Investigative deputy
- 2 Traffic Unit deputies
- 1 SVIU detective

It is difficult to overstate the magnitude of the detrimental impact to law enforcement services in the City of Spokane Valley that these reductions would cause; however, the following list summarizes what would be expected.

- Reactive Policing — Personnel reductions increase the individual workload placed on SVPD personnel. SVPD patrol deputies currently have a high call per officer ratio. The high demand for police services leaves little time for proactive police work and reducing commissioned personnel exacerbates this problem. Policing within the City of Spokane Valley would be predominantly reactive, documenting crime rather than taking a proactive approach to reduce it.
- Officer/Citizen Safety — A consequence of an impractical call per officer ratio is a reduction in officer and citizen safety. A number of factors contribute to this. First, excessive response times to violent in-progress calls for service or to urgent back-up requirements increases the potential for tragic results. Second, a high call per officer ratio pressures deputies to respond to calls for service alone which again increases the potential for a tragic outcome. Finally, the excessive call per officer ratio creates an environment where deputies are forced to rush from call to call. A 40% reduction in traffic unit deputies will decrease overall traffic enforcement in the City of Spokane Valley by an estimated 17% resulting in increased collision rates.
- Quality of Service — A further consequence of an impractical call per officer ratio is a reduction in the quality of service. Deputies simply will not be given sufficient time to resolve problems or to completely investigate and document criminal activity. In addition, investigative capacity will be reduced by nearly 30% decreasing investigative follow-up on reported crimes and reducing the ability to identify and address chronic offenders.
- Recruitment and Retention — Spokane County Sheriff's Office is currently struggling with recruitment and retention of quality personnel. A quality working environment is a powerful recruiting and retention tool. Personnel reductions would eliminate this tool and make it more difficult to compete for the scarce number of quality officers and officer candidates.