



City Finances

Background Information for 2011 Budget

June 15, 2010

What we will cover

- Provide background on City Finances
- Where do your property taxes go?
- Comparison with other cities
- Weathering the current economic storm
- 2011 Budget Objectives

City of Spokane Valley Statistics

89,440 in population (90,210) - 2010 Office of Financial Management preliminary figure until 2010 Census verification

43,117 jobs (from LMEA- Labor Market & Economic Analysis)

6,601 registered businesses

38.5 sq miles service area

438 miles of city streets

172 acres in parks and open space

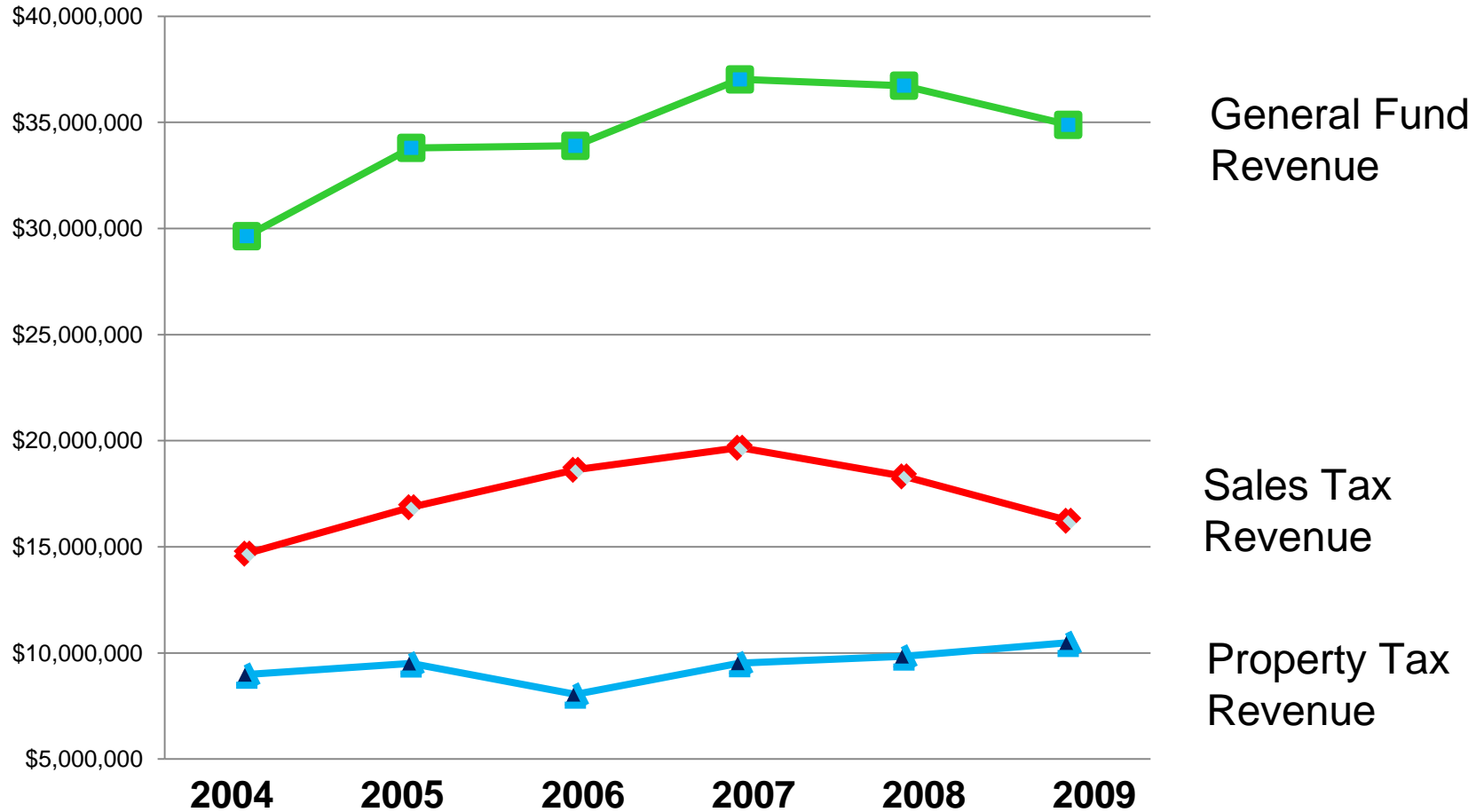
2nd largest community in Eastern Washington

7th largest city in Washington



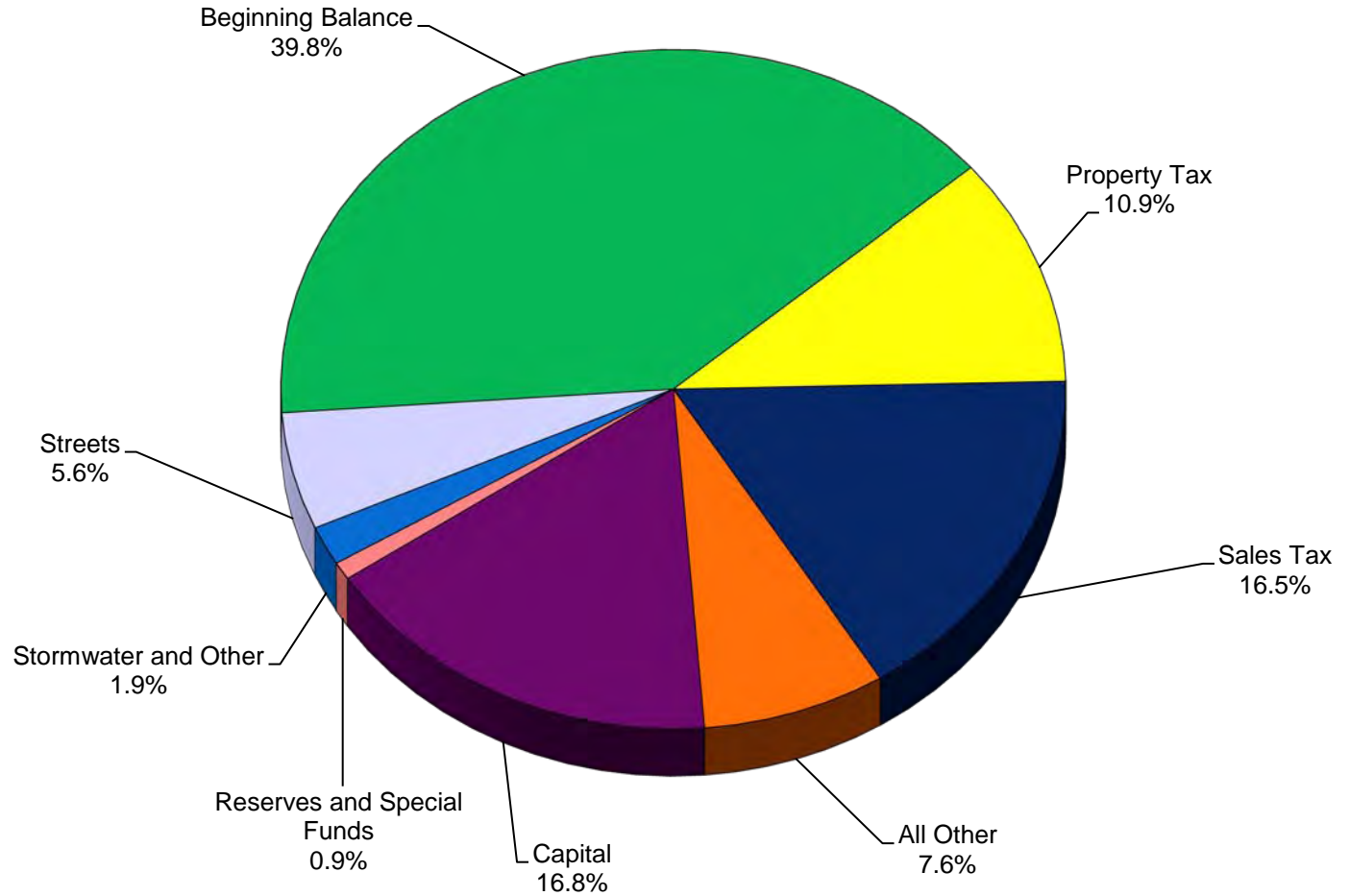
General Fund Revenues Since Incorporation

(2004 was first full year of operation)

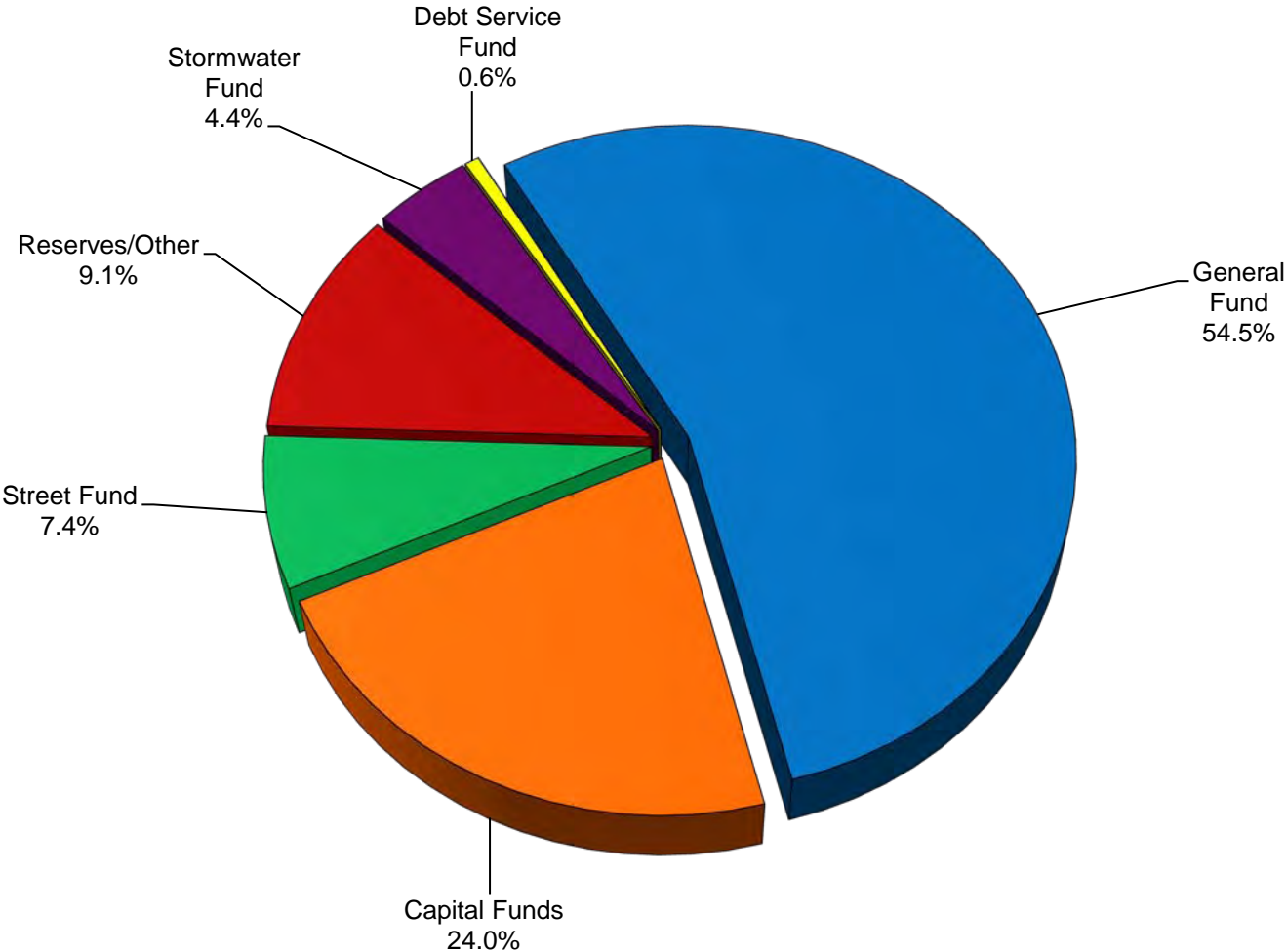


Includes the following fund revenues: Property Tax, Sales Tax, Gambling Tax, Franchise Fees & Business Registrations, State Shared Revenues, Service Revenues, Fines and Forfeitures, Recreation Program Fees, Miscellaneous and Investment Interest, and Transfers.

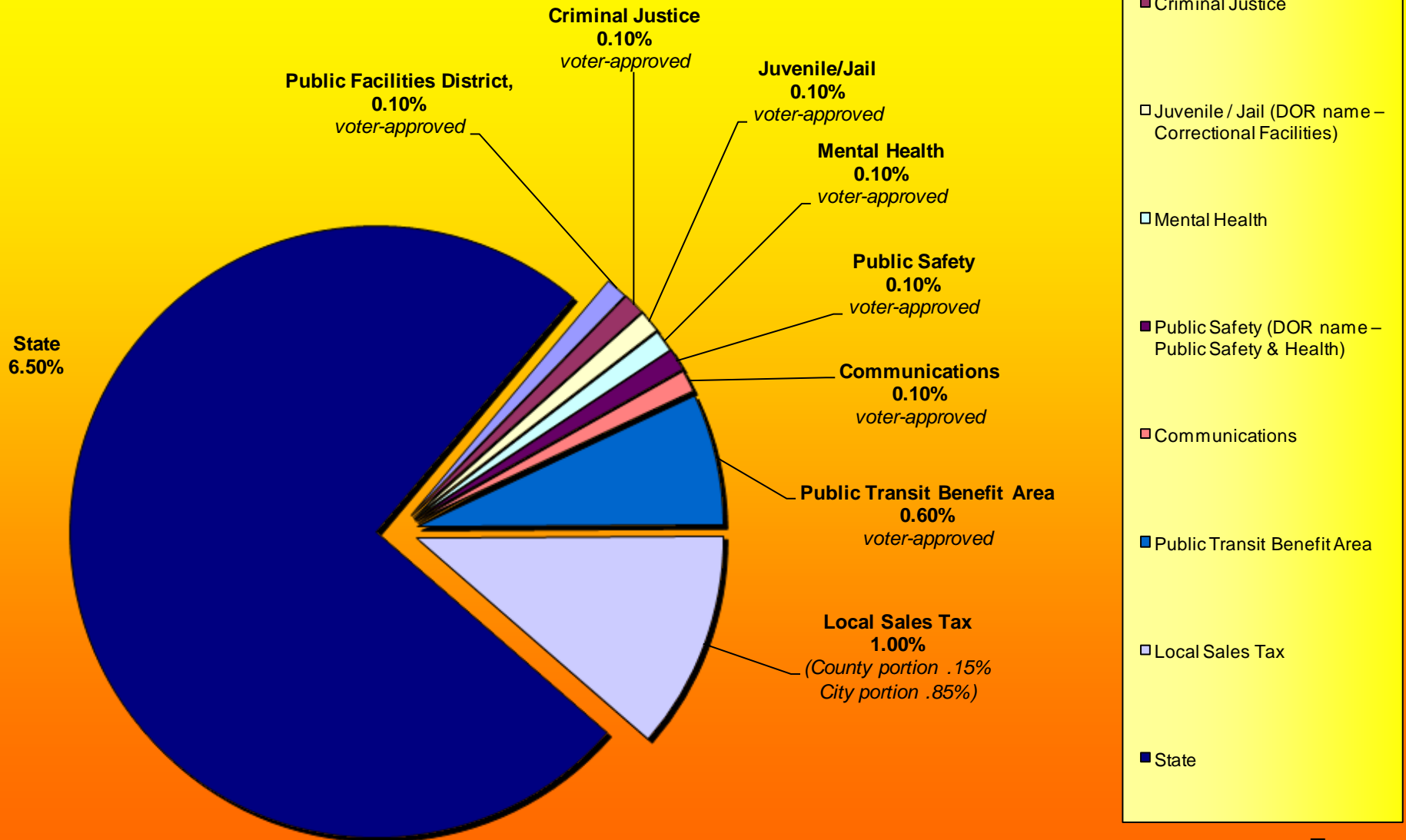
**City of Spokane Valley
2010 Budget Resources
\$100,378,915**



**City of Spokane Valley
2010 Estimated Expenditures
\$100,378,915**

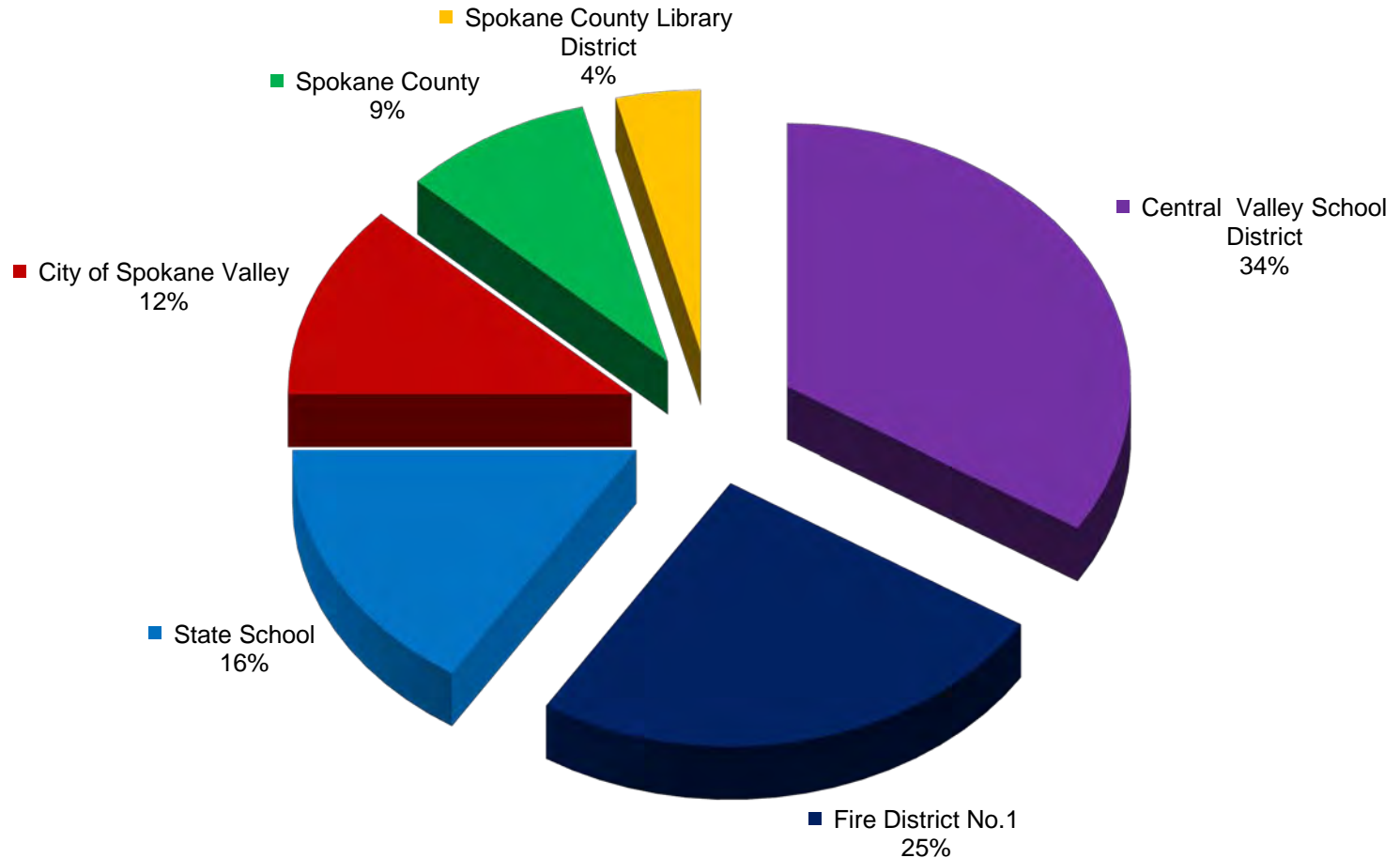


8.7% Sales Tax Allocation Tax Year 2010



Where Your Property Taxes Go

Example of a house in tax code #144



Property Tax Rates

Tax Code #144 within City of Spokane Valley

Central Valley School (General + B&I)	\$ 4.35
Fire District No. 1 (General + Special Levy)	\$ 3.10
State School	\$ 2.00
<i>City of Spokane Valley</i>	<i>\$ 1.51</i>
Spokane County (General +Conservation)	\$ 1.20
Spokane Co. Library District	\$ 0.45



\$168,113

Median House Value
in Spokane Valley

\$1.51

Property Tax Rate
per thousand of valuation

\$253.85

Annual homeowner cost
helps to provide police
protection, community
planning, building services,
parks and recreation, general
government and more



\$21.15

per month*

Spokane Valley 2010 city tax rate
per thousand of valuation:

\$1.51

* Median home value in Spokane Valley

\$168,113

OTHER CONSUMER SPENDING

Monthly Costs Compared to



***Monthly charges are after installation**

Comparisons

Police/Court/Jail Services

\$22,062,268

Property Tax Revenues

\$10,969,500



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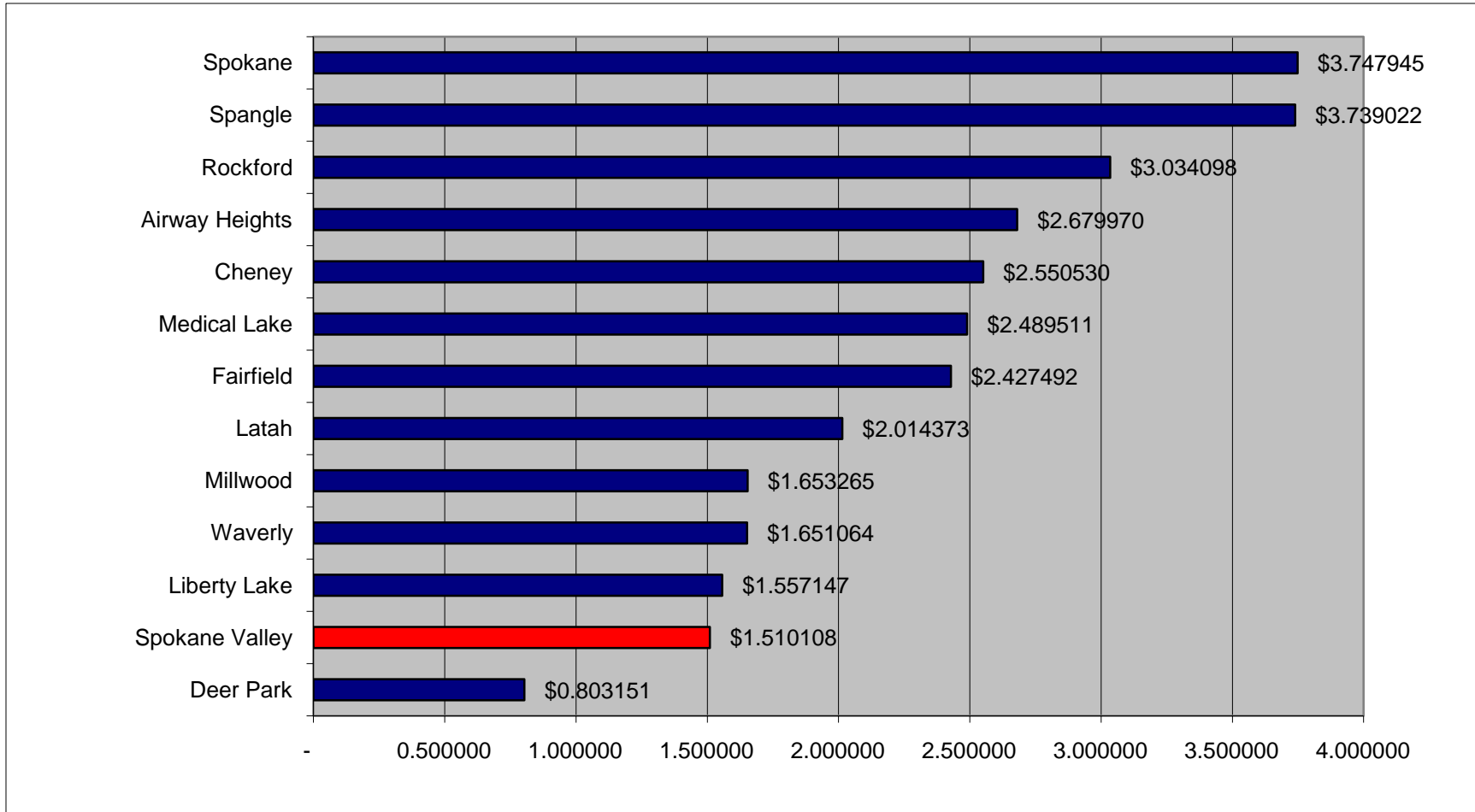
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Property Tax Rates

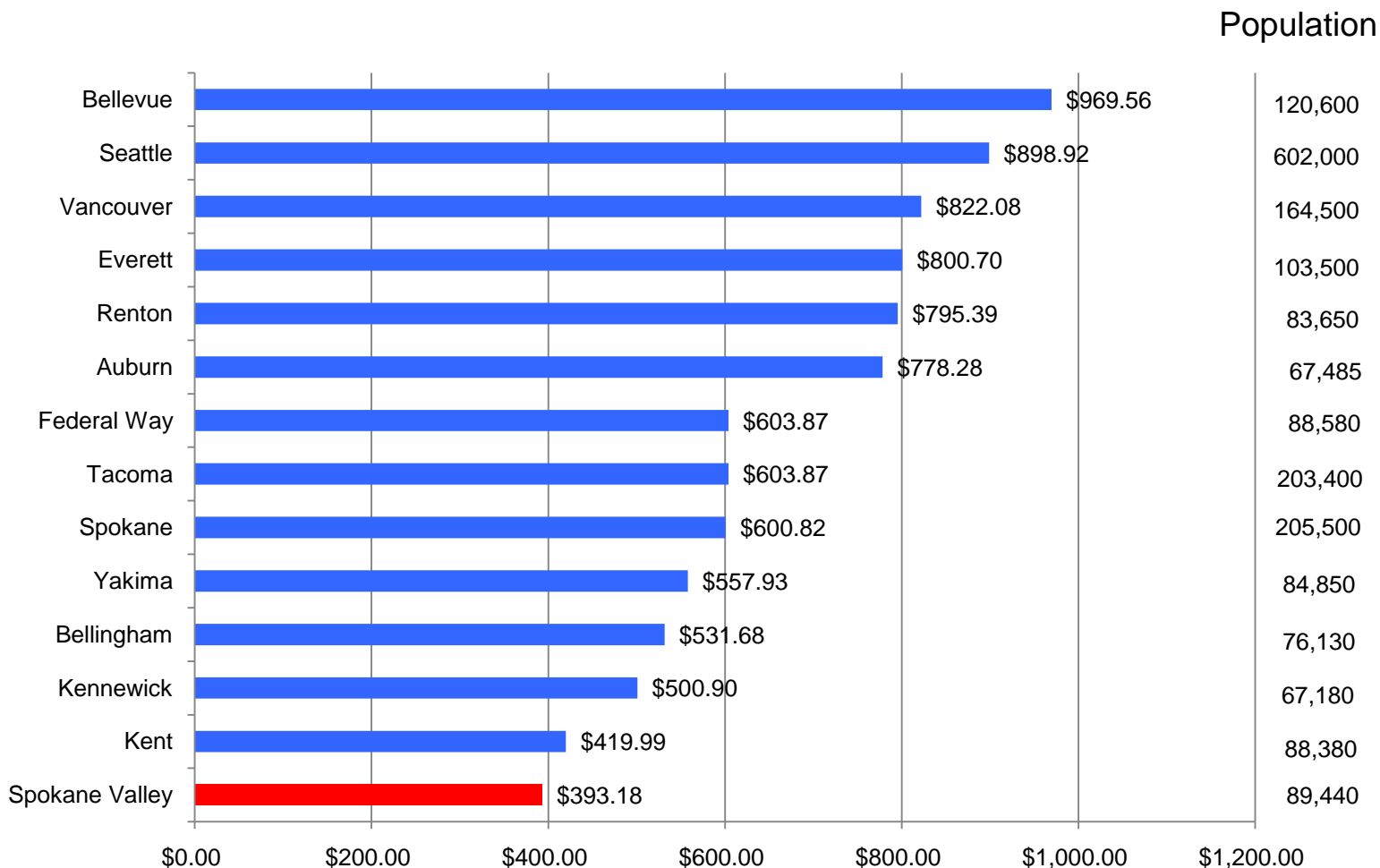
City Comparisons within Spokane County

Per \$1000 of Assessed Valuation

Tax Year 2010



2010 General Fund Revenue Per Capita



Each City's revenue totals were adjusted to be comparable to Spokane Valley revenue for services not provided by Spokane Valley.

Weathering the Current Economic Storm Through Sound Financial Management

Maintain basic service levels with reduced resources---

Minimize personnel overhead by contracting---

Six-year Business Plan --

Leverage city funds with grants---

Minimize debt (pay as you go)---

Maintain basic service levels with reduced resources



- By preparing now to operate with potential 3%, 6% or 9% reductions to the 2011 Budget (Based on direction from finance committee)
 - Reducing 2010 expenditures by 3%

Minimize personnel overhead by contracting

A Sampling of the City's Contracts

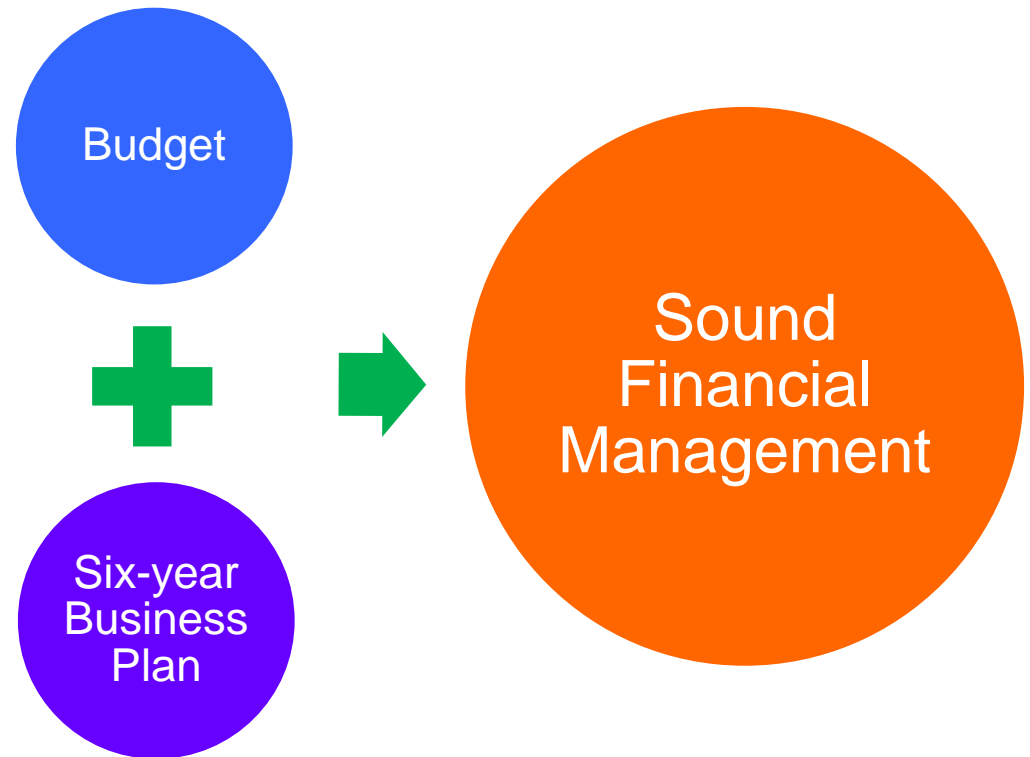
- Spokane County Contracts
 - Animal Control
 - Communications Maintenance
 - District Court
 - Emergency Management Services
 - Engineering Services
 - Geiger Incarceration & Work Release Services
 - Geographic Information Systems (GIS)
 - Hearing Examiner
 - Jail Services
 - Jury Management
 - Law Enforcement
 - Permit & Land Use Tracking (PLUS)
 - Pretrial
 - Probation
 - Prosecuting Services
 - Public Defender Services
 - Road Maintenance
- YMCA – Pool Facilities Maintenance
- Senske Lawn & Tree Care
- AAA Sweeping LLC
- Poe Asphalt Paving
- Acme Concrete & Paving
- Century West Engineering
- David Evans & Associates
- CH2M Hill, Inc.
- Red Rock Catering
- ISS Facility Services
- State Department of Licensing

2009 Work Force Comparison:				
The 15 Washington Communities with Population of				
50,000 & Over				
CITY	POPULATION	FULL-TIME	PART-TIME	
Seattle	592,800	10,419	894	
Tacoma	202,700	3,717	67	
Spokane	204,400	1,974	5	
Bellevue	119,200	1,294	47	
Everett	102,300	1,148	17	
Vancouver	162,400	1,079	40	
Bellingham	75,750	792	38	
Kent	86,980	781	40	
Renton	78,780	718	23	
Yakima	84,300	695	15	
Kennewick	65,860	354	8	
Federal Way	88,040	318	25	
Lakewood	58,780	269	8	
Shoreline	53,440	124	7	
Spokane Valley	88,920	90	19	
AVERAGE		1,585	84	



Weathering the Economic Storm with a Six-year Business Plan

- The Budget is designed to maintain the healthy, positive fund balance at year end that provides for the city's cash flow needs without costly borrowing
- The Business Plan prepares for the future by identifying and responding to future needs, reacting to future fiscal constraints, and providing continuity to the annual budgetary process





Leveraging City Funds With Grants

For each dollar budgeted* for capital projects, the City averages an additional \$4.71 in grant funding

*Street related projects only - 2006 through 2009

Minimize Debt – Pay As You Go

CALCULATION OF DEBT 12-31-09

ASSESSED VALUE	\$	7,150,000,000
STATE ALLOWED DEBT - % x Assessed Value		7.5%
MAXIMUM DEBT ALLOWED	\$	536,250,000
<hr/>		
ACTUAL DEBT OUTSTANDING	\$	8,759,234
ACTUAL DEBT AS A % OF ALLOWABLE		1.63%



2011 Budget Objectives

1. Achieve general fund budget reductions that:
 - a. Maintain a general fund ending balance of 15% through 2014
 - b. Maintain Service Level Stabilization Fund of \$5.4 Million intact through 2014



2011 Budget Objectives

How?

- a. Reduce 2010 general fund expenditures by 3%
- b. Cut future expenditures by at least 3%
- c. Look for efficiencies in all services and programs



Questions - Comments