



City of Spokane—Media Release

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**MORE CITY EMPLOYEES ASSIST WITH
2010 BUDGET SOLUTION**

*Police Lieutenants & Captains, Prosecutors, and Firefighters
help cover shortfall*

With the City Council’s unanimous adoption of a new contract Monday night with Local 270-Prosecutors Association, the City of Spokane has taken another step toward meeting its 2010 budget. The new contract provides more than \$42,000 in permanent savings for the City.

Meanwhile, IAFF Local 29, which represents the City’s firefighters, has agreed to replace their medical plan with one that’s referred to as a “high-deductible” plan. The change will save more than \$300,000, and discussions continue on additional savings the firefighters might offer.

Early this year, the City identified a \$7 million shortfall in its General Fund budget for 2010, largely because of the national economic recession. The City has asked its employee groups to participate in solving half the shortfall. Savings goals were set for each bargaining unit based on the number of employees and total payroll in each unit

In addition to the Prosecutors and Firefighters, the Police Lieutenants and Captains Association earlier agreed to suspend City contributions to their deferred compensation accounts to meet their savings goal. This action saves nearly \$62,000.

“We have great employees who are dedicated to the important work of the City. I want to thank our employees for working with us to develop a solution to our budget challenges for 2010,” says Mayor Mary Verner. “My goal remains constant: I want to balance our budget without layoffs and service reductions. And our employees are stepping up to assist.”

Other bargaining units are in continued discussions with the City, and more savings from these groups are anticipated soon.

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In addition to working with the bargaining units, the City has taken other proactive steps to balance the 2010 General Fund budget. Under Mayor Verner's direction, the city has implemented short-term measures, including hiring and spending restrictions and additional controls on overtime and other expenses.

The City has created a Voluntary Retirement Incentive Program for employees. This program, designed for employees who would like to retire but need a bridge for medical expenses, would permanently eliminate or restructure positions to achieve substantial cost savings or service delivery efficiencies.

The City also has made some very difficult decisions. The City eliminated nine positions in its Building Enterprise Fund to respond to the dramatic downturn in construction, particularly new housing starts. Although not part of the General Fund, this action demonstrates the City's willingness to take tough actions as needed to balance the budget.

The City also began a program to implement efficiencies, called Employee-Led Innovation. We are using Lean Six Sigma techniques and other strategies to improve processes and find cost savings throughout the City organization. The City also is considering longer term efficiency initiatives, including regionalization of services or new service delivery models to bring long-term budget change.

The City's General Fund budget for 2009 totaled \$155.5 million and paid for critical services, including police, fire, parks, libraries, and streets. General Fund revenues include property, sales, and utility taxes.

"Working with our employees, we are making the tough decisions necessary to balance our budget while still providing our citizens with excellent services," Mayor Verner said.

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