

CERTIFICATION

The undersigned hereby certify that the attached document is a true copy of the annual budget of the City of Columbia, Missouri for the Fiscal Year beginning on October 1, 2007 and ending on September 30, 2008, as finally adopted by the City Council on September 17, 2007.

IN WITNESS WHEREOF, I have executed this certification on this 4th day of October, 2007.

City Manager

IN WITNESS WHEREOF, I have executed this certification and affixed the corporate seal of the City on this 4th day of October, 2007.

Sheela Amin, City Clerk

**FY 2008 Budget Amendments
September 17, 2007**

Council Reserve Allocated

Amount of Reserve Available		\$75,000
Interpreting Services for Study Circles & Let's Talk Columbia	\$4,000	
Increase Options Care Program	\$10,000	
Roots and Blues Festival Seed money	\$10,000	
Total Allocated	<u>\$24,000</u>	
Balance Remaining		<u><u>\$51,000</u></u>

Administrative Issues:

Health Department

Training & Evaluation Cost Sharing for United Way - Revenues		\$10,000
Training & Evaluation Cost Sharing for United Way - Expenses		\$10,000
Net Change		<u>\$0</u>

Convention & Tourism Fund

Festival of Arts transfer to Cultural Affairs - Miscellaneous Contractual		(\$15,000)
Heritage Festival Transfer to Recreation Services - Miscellaneous Contractual		(\$15,000)
Festival of Arts transfer to Cultural Affairs - Transfers Out		\$15,000
Heritage Festival transfer to Recreation Services - Transfers Out		\$15,000
Total Expense Changes		<u>\$0</u>

Cultural Affairs Dept

Festival of Arts transfer from Convention & Tourism Fund - Revenues		\$15,000
Festival of Arts transfer from Convention & Tourism Fund - Expenses		\$15,000
Net Change		<u>\$0</u>

Recreation Services Fund

Heritage Festival transfer from Convention & Tourism Fund - Revenues		\$15,000
Heritage Festival transfer from Convention & Tourism Fund - Expenses		\$15,000
Net Change		<u>\$0</u>

Other Issues:

Move Mid-Mo Regional Planning Commission Dues

From Council's Budget		(\$27,544)
To Planning Department Budget		\$27,544
Net Change		<u>\$0</u>

Add Public WiFi at City Hall

Information Technologies Fund Expenses (report on security issues required)		\$2,099
Net Impact to Information Technologies Fund		<u>\$2,099</u>

Add Transit Service to Smiley Lane

Transit Expenses		\$9,500
Net Impact to Transit Fund		<u>\$9,500</u>

CIP Changes:

Funding Source

Streets and Sidewalks:

19. Route K Bridge over Hinkson Creek

<i>MoDOT BRM funding needs to be moved from 2009 to 2008</i>	2008)	MoDot BRM	\$900,000
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13. Highway 763 Widened - City's Contribution

<i>Additional costs needed to upfront the state's contribution</i>	2008)	CIP Sales Tax	\$2,000,000
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Storm Water:

New Project: Annual Water Quality Initiative

	2008)	Ent Rev	\$25,000
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1. Annual Projects - C49017

	2008)	Ent Rev	(\$25,000)
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July 30, 2007

Honorable Mayor and City Council
City of Columbia, Missouri

It is an honor to transmit the City Manager's FY 2008 budget proposal for your consideration. As required by our Charter, the document provides a complete financial plan for the City of Columbia for the period starting October 1, 2007 and ending September 30, 2008. It also officially launches the community decision-making process that allocates public resources for the benefit of citizens.

In this second year as City Manager, my core values remain unchanged. I believe that City government contributes to Columbia's success when we enhance our ability to plan for the future, stay committed to coordinating City procedures and continually improve communications with citizens. I also favor straight talk as a way to tell the story behind the numbers.

In FY 2008, there is adequate revenue budgeted to support City utilities, other City enterprises, internal services and capital improvements planned for this year. We expect sub-par growth, however, in sources that allow discretion in how dollars are spent. Within these limits, I recommend that City government invest in its workforce, take care of its ballot issue commitments and do its best to maintain current service levels. We must stay alert to changes in our revenues and be ready to adapt quickly. If you've worked with a household budget or a business balance sheet, you know what I'm talking about.

Revenues

Sales tax growth has lagged behind projections for several months, due to local and larger economic factors. This revenue source pays for many general government services that aren't supported by City enterprise funds or by other dedicated revenues. As the growth rate of sales tax declines, we tighten City government belts. Revenues are further pressured by increasing costs and, again, this will sound familiar. It costs more to buy energy, liquid fuels, equipment, construction materials and health insurance. You can't run a power plant, pave streets, douse a fire or walk a police beat without facing this reality.

Although this trend may linger for another year or two, I strongly agree with analysts who say that Columbia has a strong, growing and enviable economy. Meanwhile, we are taking prudent actions now and planning very conservatively for FY 2008. This year, we are spending some of the City's fund balances, leaving fewer dollars to carry over to support next year's budget. We continue to comply with all City policies relating to fund balances and reserves. Where we are confident that service levels will not suffer, we are postponing many equipment purchases and recommending that many new employees be funded for only part of the year, rather than for a full year.

Priorities: First Things First

City Workforce

Because they are City government's most valuable asset, investing in the men and women who serve citizens every day remains my highest priority. Some employees will earn closer to market-level salaries and, while the FY 2008 personnel package does not reflect the true worth of each employee, it moves in the right direction. The proposed across-the-board increase for all employees is lower than last year's. It's mostly aimed at keeping up with health insurance costs. However, with Council approval, we will build in financial rewards for exceptional performers, based on a new, more meaningful review of employee work.

This approach squares with what citizens and employees have told us in surveys during the last two years. Eighty-four percent of those responding to our 2007 citizen survey said they were satisfied with the quality of City services. Even though our employees find value in their work, most of them feel that more recognition, including financial rewards, would be positive motivators. So, why not keep pushing that citizen satisfaction level up, and why not reward those whose exceptional performance gets us to higher levels?

Putting resources into the personnel package is the most significant decision in any budget year. It determines what's left for equipment, supplies, materials and vehicles. Even considering the limited discretionary revenues projected for FY 2008, I believe that this budget proposal strikes a prudent, reasonable balance and recommend the actions listed below.

- An across-the-board pay raise of 1.5 percent or \$.30 per hour, whichever is greater, for our current workforce.
- Additional pay to recognize employees who demonstrate exceptional performance. Their work will be assessed using a new, meaningful performance review process, and successful candidates could get a pay bump that becomes part of their base salaries.
- As the second part of a five-year process to review all City jobs for proper descriptions and pay levels, position upgrades for around 50 employees in grades 8 - 11; salary upgrades to bring 71 positions closer to market-level compensation; and 20 reclassifications or reorganizations to enhance internal performance.
- Continued funding for voluntary employee health screenings and for the full cost of employee health insurance premiums.
- An increase for active employees in the cost of dependent health care, ranging from \$0.09 to \$0.26 per hour, *along with a continued City subsidy for those premiums.*
- A new financial incentive to encourage police officers and firefighters to postpone retirement and mentor new employees as they join those departments. Staff will explore similar options that could be extended to non-public safety employees in future years.

Our retirees will continue to benefit from fully-funded pension plans, and we will provide coverage for Medicare-eligible retirees through a City-organized private insurance plan. I commend those volunteer retiree advisors who are helping us restructure our health program to minimize City subsidies for those who are not yet eligible for Medicare.

Ballot Issue Commitments

In FY 2008, citizens will continue to see a full range of improvements to streets, sidewalks, parks and utility infrastructures consistent with ballot issues passed in 2003, 2005 and 2006. I am grateful for the Council's and the community's support for these projects. It is time to plan for a new sewage treatment plant and for upgrades to our existing water system, and I recommend, after we have significant public discussion, that the Council consider authorizing two ballot issues during FY 2008 for these purposes.

Equitable Service Levels

Even as Columbia grows and changes, City government has a continuing duty to equitably serve all parts of the community. Denying our basic menu of services, protection and opportunity to any part of Columbia is not an acceptable practice. Therefore, I recommend that the Council authorize 19.35 new positions (listed below) to keep up with this obligation and to address top priorities identified in our recent citizen survey. Please remember...the full fiscal impact of these positions will not be felt until the second half of FY 2008 and, if sales tax revenues continue to decline, some of those positions may not be filled at all.

- 7 FTE in Public Works, dedicated to improving community mobility through stepped-up street work, traffic flow, public transit, sidewalks and non-motorized transportation and also for more efficient sewer, storm water and solid waste services.
- 3 police Lieutenants whose management assignments will free-up other officers for law enforcement in Columbia's neighborhoods and allow creation of a Professional Standards Unit aimed at moving departmental performance to a higher level.
- 3 Firefighters to complete staffing of Fire Station #9, a new facility authorized through the 2005 ballot issue, in the Blue Ridge area of north Columbia, when construction is completed later next year.
- 6.35 FTE in our Parks, Water and Light and administrative departments to maintain City service levels.

Community Visioning

I recommend continued funding for community visioning to assure the successful end of the planning process and to launch the implementation phase. At this point, the vision plan is not complete, and I cannot predict its short-term fiscal impact. But the community-at-large owes a huge debt of thanks to the citizen volunteers who guided and participated in this process. I hope that everyone will attend the September 13 "Community Choices" meeting to decide which priorities Columbia should pursue.

Community Fiscal Impact

As in the past, it will not be necessary to raise any City taxes in FY 2008, and fee increases are limited to protective building inspection services and four recreational programs. Customers of City electric, water, sewer and refuse service will see higher rates. These increases cover climbing energy costs and other operating expenses and still result in rates that compare favorably with those in other communities.

Our ongoing rate studies, however, are expected to provide more information that will be part of the FY 2008 budget discussion. Rate proposals could change as independent consultants complete their review of appropriate customer cost allocations and as the Council sets rate objectives that reflect the values important to Columbia citizens.

I am confident that we can adapt to changing conditions and public expectations. We prepare our budget proposals consistent with several long-standing principles:

- Conservative estimates of costs and revenues;
- A City workforce that does not grow faster than the community-at-large;
- Cash reserves reflecting the Council's directive to preserve a 16% fund balance;
- No projects budgeted, including capital projects, without authorized funding; and
- A budget that at least maintains current service levels and adds other prudent expenditures, only where warranted.

Our sound financial planning and monitoring systems give us adequate time, during this economic transition, to avoid extreme adjustments. If needed, we can change our spending patterns over the next year to match available revenues.

I thank you for your support and for the opportunity to serve as your City Manager with an outstanding, hard-working cadre of public service professionals. Let me recognize, in particular, City Finance Director Lori Fleming, Budget Officer Laura Peveler and the rest of the Finance Department for again guiding this year's budget process. My thanks also go to our City department directors and to other staff members who contributed ideas and hours to this document.

More details are included in the Budget in Brief that follows and which is a part of my budget message. I look forward to discussing this proposal with you and the citizens of Columbia in the weeks ahead.

Sincerely,

Bill Watkins
City Manager

BUDGET IN BRIEF

Overall Expense Highlights

OPERATING EXPENSES				
	Budget FY 2007	Adopted FY 2008	Increase/ (Decrease)	Percent Change
General Government Funds	\$66,443,258	\$69,440,435	\$2,997,177	4.5%
Enterprise Funds	\$120,303,477	\$135,637,117	\$15,333,640	12.7%
Internal Service Funds	\$28,825,684	\$30,702,856	\$1,877,172	6.5%
Total Operating Expenses	\$215,572,419	\$235,780,408	\$20,207,989	9.4%
General Fund Oper. Expenses	\$64,042,202	\$67,188,218	\$3,146,016	4.9%

- General Government Funds reflect increases in personnel services and intragovernmental charges. A total of 12.03 permanent positions were added, however most will be added mid year to lessen the budget impact. Intragovernmental charges for self insurance, custodial, maintenance and information technology all increased as the use of accumulated balances to support operations is reduced.
- Enterprise Funds reflect a significant increase in power supply costs which account for most of this change. A total of 6.32 permanent positions were added. Increases in intragovernmental charges as well as funding for major maintenance work for the airport terminal also contribute to this change.
- Internal Service Funds have increases in both health insurance and self insurance costs. Intragovernmental charges also contribute to this increase. One permanent position was added.

CAPITAL ADDITIONS (Items Over \$5,000 - Rolling Stock Replacement, Major Equip, Etc.)				
	Budget FY 2007	Adopted FY 2008	Increase/ (Decrease)	Percent Change
General Government Funds	\$1,675,373	\$297,652	(\$1,377,721)	(82.2%)
Enterprise Funds	\$3,008,712	\$3,925,664	\$916,952	30.5%
Internal Service Funds	\$542,482	\$378,794	(\$163,688)	(30.2%)
Total Capital Additions	\$5,226,567	\$4,602,110	(\$460,769)	(8.8%)
General Fund	\$1,675,373	\$297,652	(\$1,377,721)	(82.2%)

- Significant reductions in the amount of fleet replacement were necessary due to budget constraints.
- Increased appropriation for Enterprise Funds capital additions are spread through out many different operations as the City works toward meeting its replacement schedules. Airport includes funding for terminal and HVAC improvements.
- Internal Service Funds reflect a decrease due to a lower amount budgeted in the Information Technologies Fund.

CAPITAL PROJECTS				
	Budget FY 2007	Adopted FY 2008	Increase/ (Decrease)	Percent Change
General Government Funds	\$11,255,425	\$39,521,280	\$28,265,855	251.1%
Enterprise Funds	\$36,189,099	\$22,504,275	(\$13,684,824)	(37.8%)
Total Capital Projects	\$47,444,524	\$62,025,555	\$14,581,031	30.7%

- Increase in General Government Funds for implementation of projects approved in the November 2005 ballot and Non-Motorized Grant. Both transportation and park projects have been accelerated from the original ballot proposal.
- Decrease in Enterprise Funds attributed to Water, Electric and Airport projects. Ballot issues to fund capital projects in Water and Sewer utilities are proposed for 2008.

TOTAL BUDGETED EXPENSES				
	Budget FY 2007	Adopted FY 2008	Increase/ (Decrease)	Percent Change
General Government Funds	\$105,484,838	\$139,220,679	\$33,735,841	32.0%
Enterprise Funds	\$192,768,626	\$197,001,498	\$4,232,872	2.2%
Internal Service Funds	\$29,776,352	\$31,489,758	\$1,713,406	5.8%
Total Expenses	\$328,029,816	\$367,711,935	\$39,682,119	12.1%
General Fund Total Expenses	\$68,546,467	\$70,258,112	\$1,711,645	2.5%

- Large increase in General Government Funds attributed to Capital Improvement Plan and acceleration of 2005 ballot projects.
- Increases in operations and capital additions for Enterprise Funds were mostly offset with decreases in the Capital Improvement Plan.
- Operational increases in most Internal Service Funds account for the overall increase.

Personnel Package

The overall increase in personnel services is 6.0%.

- 1.5% across-the-board increase or \$0.30/hour, whichever is greater.
- 2% performance recognition scheduled for this year with implementation of the new performance review system. All employees will be eligible for performance recognition pay; however, individual amounts will vary depending upon performance.
- Position reviews were completed on grades 8-11 (301 positions) and adjustments made accordingly to 45 classifications.
- Salary survey was conducted for 71 positions and resulted in 20 classifications recommended for pay grade upgrades.
- Fifty other department reclassification/reorganization requests were reviewed and 20 were approved.
- Continued funding for employee health screenings on a three year rotation.
- Full funding of pension requirements.
- The City will continue to pay the full cost of employee health insurance premiums and will subsidize dependent coverage premiums.
- Health insurance premiums for active employee dependent coverage and retirees will be increased by 10%.
- Health insurance premium rates for retirees will be subsidized at a fixed rate to limit the liability recognized by Governmental Accounting Standards Board (GASB) statement 45 on Other Post-Employment Benefits (OPEB). The budget includes fully funding the required contribution for the post-employment liability.
- Implement a Deferred Retirement Option (DROP) for both Police and Fire pension plans. The objective of the DROP provision is to allow employees who are eligible to retire to freeze their benefits and continue to work up to five additional years.
- During 2008 staff will explore options for similar DROP provisions for non-public safety employees.

19.35 New Positions Added

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e0ffe0;">Public Safety (6 positions)</td> </tr> <tr> <td>(3) Police Lieutenants (9 months)</td> </tr> <tr> <td>(3) Firefighters (1 month)</td> </tr> <tr> <td style="background-color: #e0ffe0;">Health and Environment (.35 position)</td> </tr> <tr> <td>(3) Permanent Part-time Position Increased Hours</td> </tr> <tr> <td style="background-color: #e0ffe0;">Parks and Recreation (1 position)</td> </tr> <tr> <td>(1) Engineering Aide IV (9 months)</td> </tr> <tr> <td style="background-color: #e0ffe0;">Electric (2 positions)</td> </tr> <tr> <td>(1) Rate Analyst - MISO Analyst</td> </tr> <tr> <td>(1) NERC Compliance Officer (6 months)</td> </tr> <tr> <td style="background-color: #e0ffe0;">Information Technology (1 position)</td> </tr> <tr> <td>(1) Programmer - GIS Address Maint. (6 months)</td> </tr> </table>	Public Safety (6 positions)	(3) Police Lieutenants (9 months)	(3) Firefighters (1 month)	Health and Environment (.35 position)	(3) Permanent Part-time Position Increased Hours	Parks and Recreation (1 position)	(1) Engineering Aide IV (9 months)	Electric (2 positions)	(1) Rate Analyst - MISO Analyst	(1) NERC Compliance Officer (6 months)	Information Technology (1 position)	(1) Programmer - GIS Address Maint. (6 months)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e0ffe0;">Public Works (7 Positions)</td> </tr> <tr> <td>(1) Engineering Aide III - Street Design</td> </tr> <tr> <td>(1) Engineering Aide IV - ROW Specialist</td> </tr> <tr> <td>(1) Engineering Specialist II - CIP Sidewalk/Streets</td> </tr> <tr> <td>(1) Engineering Supervisor - Traffic (6 months)</td> </tr> <tr> <td>(1) Administrative Support Assistant III - Public Transportation</td> </tr> <tr> <td>(1) Administrative Support Assistant I - Solid Waste</td> </tr> <tr> <td>(1) Refuse Collector III - Solid Waste</td> </tr> <tr> <td style="background-color: #e0ffe0;">Administrative and Other (2 positions)</td> </tr> <tr> <td>(1) Human Resources Specialist (6 months)</td> </tr> <tr> <td>(1) Assistant City Counselor III (6 months)</td> </tr> </table>	Public Works (7 Positions)	(1) Engineering Aide III - Street Design	(1) Engineering Aide IV - ROW Specialist	(1) Engineering Specialist II - CIP Sidewalk/Streets	(1) Engineering Supervisor - Traffic (6 months)	(1) Administrative Support Assistant III - Public Transportation	(1) Administrative Support Assistant I - Solid Waste	(1) Refuse Collector III - Solid Waste	Administrative and Other (2 positions)	(1) Human Resources Specialist (6 months)	(1) Assistant City Counselor III (6 months)
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- The City will be adding certain positions during the year as noted above. The effect of adding these positions is equivalent to funding 13.1 full-time positions.

Overall Revenue Highlights

TOTAL BUDGETED REVENUES				
	Estimated FY 2007	Adopted FY 2008	Increase/ (Decrease)	Percent Change
General Government Funds	\$131,009,562	\$139,150,148	\$8,140,586	6.2%
Enterprise Funds	\$162,675,076	\$169,487,247	\$6,812,171	4.2%
Internal Service Funds	\$26,986,281	\$29,425,301	\$2,439,020	9.0%
Total Revenues	\$320,670,919	\$338,062,696	\$17,391,777	5.4%
General Fund	\$68,959,148	\$70,258,112	\$1,298,964	1.9%

- General Government Funds increase in capital improvement plan funding includes \$12 million in grant funding for non-motorized transportation projects. Transfers increased over \$6.8 million which include transfers of special taxes into the Capital Project and Debt funds to implement projects associated with the ballot issues. No bond proceeds are budgeted for FY 2008. Most tax revenues only show a modest 2% to 5% growth.
- Enterprise Fund increases reflect utility rate increases of \$1.50/month for residential refuse customers, 6% for sewer, 9% for electric and 8% for water. The monthly impact on the average customer will be approximately \$10.69/month.
- Internal Service Funds increase is due to Self Insurance Fees increasing 15%, Information Technology Fees increasing 17.5% and Custodial & Maintenance Fees increasing 12.5%.
- General Fund change reflects moderate growth in property and sales taxes due to recent economic factors. PILOT and General & Administrative charges increased 7.8% and 6.7% respectively. Transfers and other local revenues are projected to decline.

MAJOR REVENUE SOURCES				
	Estimated FY 2007	Adopted FY 2008	Increase/ (Decrease)	Percent Change
Sales Taxes	\$39,264,000	\$40,457,610	\$1,193,610	3.0%
PILOT	\$9,875,000	\$10,647,750	\$772,750	7.8%
Grants & Capital Contributions	\$15,664,778	\$28,958,894	\$13,294,116	84.9%

- Projected growth in Sales Taxes is 3.0%. Estimated growth for FY 2007 is 2.5%. Staff continues to monitor sales taxes by major taxpayers each month to determine economic trends.
- PILOT increase reflects the rate changes and customer growth in water and electric, but is still highly dependent upon weather conditions.
- Increase in Non-Motorized Transportation Grant funding for sidewalk and trail projects.

Tax Rate Changes

There are no proposed City tax increases for FY 2008.

- Property Tax Rates (No increase over the current \$0.41 per \$100 assessed valuation)
- Sales Tax Rates (No City increase proposed) Current Total Sales Tax Rate = 7.55% in all areas of the City except those located in TDDs where the rate is higher. The City's portion is as follows:
 - * 1.000% - General Sales Taxes - funds basic government services
 - * 0.250% - Capital Sales Tax - restricted for capital related uses only - expires December 31, 2015
 - * 0.500% - Transportation Sales Tax - restricted for transportation use only
 - * 0.125% - Parks Sales Tax - restricted for park purposes (Permanent)
 - * 0.125% - Parks Sales Tax - restricted for park purposes - expires March 31, 2011
- Gross Receipts Tax Rates (No increase over the 7% current rate)

Utility Rate Changes - Average Monthly Customer Impact*

- Refuse Rate Increase (\$1.50/month - Residential Customers only)
- Sewer (6% Rate Increase)
- Water (8% Rate Increase) - increase in the per CCF charge
- Electric (9% Rate Increase)

Average Monthly Customer Impact
\$1.50
\$0.69
\$1.59
\$6.91
\$10.69

* Staff is currently in the process of reviewing rate studies conducted by an independent consultant which may result in changes to the proposed rate structure.

Monthly Utility Rate Comparisons (with proposed rate increases for Columbia)

Water Residential Rate Comparison <i>Based on average usage of 7 ccf</i>	
Consolidated # 1 (Boone County)	\$36.68
Water Dist. # 9 (Boone County)	\$25.02
St. Joseph, MO	\$23.32
Jefferson City, MO	\$21.19
Columbia, MO (FY 08-proposed)	\$19.58
Sedalia, MO	\$19.12
St. Louis Co., MO	\$16.83
City of Fulton, MO	\$16.74
Independence, MO*	\$13.73

Electric Residential Rate Comparison Residential Charges for 824 kWh		
Utility name	Summer	Non-Summer
Empire MO	\$83.52	\$77.16
Independence MO	\$81.69	\$76.11
Columbia W&L (FY 08-proposed)*	\$77.05	\$75.81
Kansas City Power & Light**	\$75.60	\$61.92
Boone Electric	\$72.91	\$72.91
Ameren UE	\$72.43	\$52.13
Springfield IL	\$71.65	\$61.50
Springfield MO	\$59.78	\$56.59

* Independence has an additional 3% increase scheduled for October 1, 2007 to complete a 5 year plan.

* Columbia rates do not include a summer discount for load management.

**KCP&L filed for an 8.3% increase for MO customers on February 1, 2007.

Sewer Residential Rate Comparison <i>Based on average usage of 7 ccf</i>	
Des Moines, IA	\$30.58
Boone County Regional Swr Dist.	\$24.92
Independence, MO	\$22.90
St. Louis, MO	\$20.57
Kansas City, MO	\$20.49
Norman, OK	\$17.28
Springfield, MO	\$14.86
Columbia, MO (FY 08-proposed)	\$12.25
Cedar Rapids, IA	\$12.15

Refuse Residential Rate Comparison	
Denton, TX *	\$18.50 - \$20.75
Veolia (Superior/Onyx) Columbia, MO +	\$14.65
Allied Waste (Mid State) Jeff City, MO +	\$13.86
Waco, TX **	\$13.70 - \$17.70
College Station, TX ++	\$14.40 - \$24.50
Columbia, MO (FY 08-proposed)	\$14.42
Lubbock, TX +	\$13.53
Fulton, MO ^	\$12.00

* Price varies depending on type of container and recycle option.

+ No recycling or yard waste options available.

** \$13.70 base fee, \$4 charge for additional charge for recycling, yard waste, and bulk items.

++ \$14.40 base fee, \$10.10 for additional cart for recycling and yard waste.

^ \$12 base fee for one can, \$12 for each additional can. Services include weekly pick-up of recycling and yard waste.

Proposed Fees and User Charge Changes

Protective Inspection

- Increase the fee for reinspections of rental property from \$15 to \$25 for the first reinspection and \$50 for any additional reinspections. This increase will be effective January 1, 2008.

Recreation Services

- Increase Kickball fee from \$12.50/game to \$14.50/game
- Increase Noon Club (20 passes) from \$40/pass to \$50/pass
- Increase Day Camp (2 week session) from \$190 to \$205
- Increase Escapade Week (1 week session) from \$97.50 to \$102.50

Department Budget Highlights

PUBLIC SAFETY DEPARTMENTS					
	Budget FY 2007	Adopted FY 2008	Increase/ (Decrease)	Percent Change	5 Year Avg. Inc.
Police	\$16,957,348	\$17,676,414	\$719,066	4.2%	5.4%
Fire	\$12,853,792	\$13,444,948	\$591,156	4.6%	6.2%
Municipal Court	\$691,070	\$698,840	\$7,770	1.1%	4.6%
Emer. Mgmt & Communications	\$2,590,927	\$2,625,315	\$34,388	1.3%	4.2%
Total Public Safety	\$33,093,137	\$34,445,517	\$1,352,380	4.1%	5.6%

Police Department

- Add (3) police lieutenants. Two will be assigned to the Patrol Division and one will be assigned to the newly created Professional Standards unit. These positions are approved for 9 months. This will enhance internal communications and allow for increased neighborhood patrol.
- Significant decrease in capital items due to budget constraints. The department will not be able to adhere to its replacement policy for vehicles and other equipment in 2008.

Fire Department

- Add (3) firefighters to complete staffing for a new fire station to be completed in 2008. They are authorized for hire for one month which is the latest time they can be hired and trained for the station opening.
- Significant increase in Self Insurance Fees based on claims experience.
- Reductions in Supplies & Materials and Miscellaneous Contractual due to a one-time Fire Prevention Grant received in FY 2007.
- Decrease in capital items due to budget constraints. The department will not be able to adhere to its replacement policy for vehicles and other equipment in 2008. However, capital projects approved in the 2005 ballot are not effected by the budget constraints.

Municipal Court

- Increase in Supplies & Materials due to purchase of office chairs.
- Decrease in Capital Additions due to a software purchase in 2007.

Emergency Management and Communications

- No major changes in the operating budget for Public Safety Joint Communications (PSJC).
- Decrease in Emergency Management division due to a mid year appropriation of funds in 2007 for Citizens Corp and TEAM 3 grants.

HEALTH AND ENVIRONMENT					
	Budget FY 2007	Adopted FY 2008	Increase/ (Decrease)	Percent Change	5 Year Avg. Inc.
Health	\$5,477,474	\$5,540,425	\$62,951	1.1%	6.2%
Community Services	\$1,339,824	\$1,255,081	(\$84,743)	(6.3%)	2.0%
Planning	\$1,182,547	\$1,303,948	\$121,401	10.3%	6.0%
Economic Development	\$366,290	\$384,970	\$18,680	5.1%	3.7%
Cultural Affairs	\$372,130	\$421,608	\$49,478	13.3%	
Total Health and Environment	\$8,738,265	\$8,906,032	\$167,767	1.9%	6.4%

Health Department

- Increase in FTE's by 0.05 by adding hours to the .85 FTE Nurse Practitioner's positions which will result in more hours for STD and Family Planning clinical services.
- Changes made to (2) existing part-time (.80 FTE and .90 FTE) Social Worker positions to increase them to 1.0 FTE each and there was an offset with a reduction in temporary salaries. This will allow the City to better assist the public with in-home health services and utility and medication assistance, dental pain relief referrals, and prenatal case management services.
- Reductions in Supplies & Materials, Travel & Training and Utilities, Services & Misc. are due to 2007 grants from the Missouri Foundation for Health that are not budgeted for 2008.

Community Services

- Decrease due to Title V grant funding for youth crime prevention that is not budgeted for 2008. Staff will reapply for the grant during 2008 and request a budget amendment if awarded.
- Funding for social service contracts increased by 2% to \$903,743 after adjusting for the \$20,000 one-time allocation for youth empowerment Council added in 2007.

Planning Department

- Increases reflect costs associated with implementation of new H.T.E. Planning and Development module that will allow for more automated tracking of applications and other requests.
- Increases in postage, printing and other costs related to zoning activity.

Economic Development

- No significant changes.

Cultural Affairs

- Moved to the General Fund for accounting/management purposes during 2007. The fund balance was restricted for arts contract funding. In FY 2008, a portion of this fund balance (\$13,000) will be utilized to increase funding for arts contracts to approximately \$100,000.

PARKS & RECREATION DEPARTMENT					
	Budget FY 2007	Adopted FY 2008	Increase/ (Decrease)	Percent Change	5 Year Avg. Inc.
Parks & Recreation	\$4,649,602	\$4,634,273	(\$15,329)	(0.3%)	5.5%
Recreation Services Fund	\$7,377,772	\$7,533,942	\$156,170	2.1%	2.7%
Total Excluding CIP Projects	\$12,027,374	\$12,168,215	\$140,841	1.2%	3.7%

Parks and Recreation General Fund Operations

- Decrease in Capital Outlays of approximately \$265,000 due to budget constraints. Transfer of Parks Sales Tax funds maintained at 2007 level, but used to support operations.
- Added (1) Engineering Aide IV to assist with planning and on-site project management for the increasing number of capital projects funded through the 2005 Ballot issue
- Increase in intragovernmental charges for Self Insurance Fees and Information Technology Fees.

Recreation Services Fund

- No new personnel, but temporary help was increased for athletic field crews and the Moonlight Hoops program.
- Intragovernmental charges increased due to General & Administrative and Information Technology Fees.
- Budgets the use of Capital Improvement Fees for the replacement of equipment at the Activity & Recreation Center (ARC).

PUBLIC WORKS DEPARTMENT:					
	Budget FY 2007	Adopted FY 2008	Increase/ (Decrease)	Percent Change	5 Year Avg. Inc.
Public Works - Gen. Fund Oper.	\$10,460,584	\$10,248,708	(\$211,876)	(2.0%)	8.4%
Public Transportation Fund	\$4,901,130	\$5,089,765	\$188,635	3.8%	9.2%
Airport Fund	\$2,148,155	\$2,489,601	\$341,446	15.9%	6.8%
Sanitary Sewer Utility Fund	\$11,246,975	\$11,625,700	\$378,725	3.4%	3.0%
Parking Utility Fund	\$1,688,099	\$1,619,589	(\$68,510)	(4.1%)	-1.7%
Solid Waste Utility Fund	\$15,182,435	\$16,135,447	\$953,012	6.3%	7.5%
Storm Water Utility Fund	\$1,660,037	\$1,919,510	\$259,473	15.6%	13.0%
Custodial / Maintenance Fund	\$1,184,796	\$1,179,965	(\$4,831)	(0.4%)	5.7%
Fleet Operations Fund	\$6,447,834	\$6,581,986	\$134,152	2.1%	14.3%
Total Public Works Dept. Excluding CIP Projects	\$54,920,045	\$56,890,271	\$1,970,226	3.6%	7.1%

Public Works - Overall

- Allocated funding of engineering staff directly to capital projects. This shifted funding in excess of \$500,000 to the Capital Improvement Plan and allowed for the addition of needed engineering staff to support the extensive plan.
- Added (1) Engineering Supervisor - Traffic for 6 months to address the increasing number of concerns by citizens and Council regarding traffic issues.
- Added (1) Engineering Aide IV - ROW Specialist that will be split between General Fund, Capital Projects, Sewer and Storm Water.
- Added (1) Engineering Specialist II funded with the Non-Motorized Grant to assist with the numerous projects added to the Capital Improvement Plan by this grant.
- Added (1) Engineering Aide III which will be split between Capital Projects, Sewer and Storm Water. This position will work on street design.

Public Works - General Fund Operations

- Operating budget includes \$947,385 for administration of Non-Motorized Grant program funded with the federal grant.
- Increase in milling and overlay budget by \$150,000 for a total of \$1 million for contractual street maintenance work.
- Increase in Supplies and Materials by \$100,000 for salt to be used during snow events and reduce the use of cinders.
- Funding to equip 25 street vehicles with GPS technology to improve information to staff and citizens.
- Continue adding permanent radar signs in school zones with the installation of one at Derby Ridge Elementary School.
- Decrease in capital additions by over \$400,000 due to budget constraints. The City will not meet the scheduled vehicle replacement needs for 2008.

Public Transportation

- Implement a new Medicaid/Non-Medical Transportation (NEMT) Program by obtaining state certification to get reimbursed for these services.
- Add (1) Administrative Support Assistant II to assist with the responsibility of administrating a new Medicaid/NEMT program and reduce the use of temporary help.

Airport

- Decrease in Travel & Training by \$10,000 which was added in 2007 for airline contract negotiations.
- Increase advertising budget by over \$35,000 to assist with improved marketing of the facility.
- Increase contractual services by \$25,000 for major maintenance crack sealing done every 4 - 5 years.
- Increase Intragovernmental Charges for self insurance due to litigation.
- Includes \$175,000 for airport terminal improvements and replacement of the HVAC unit.

Sanitary Sewer

- Funds portion of (2) Engineering Aide positions discussed on the previous page.
- Funds half of the cost of an additional sewer jet vacuum truck to be shared with the Storm Water utility to allow for more efficient cleaning of grit and debris from sewer mains and storm sewers.
- Increase in Intragovernmental Charges due to increases in Self Insurance Fees, Utility Billing Fees, General & Administrative Fees and Information Technology Fees.
- Staff is currently in the process of reviewing rate studies conducted by an independent consultant which may result in changes to the proposed rate structure.

Parking Utility

- No significant changes to operations.
- Increase in capital expenses for an epoxy covering to extend the life of parking structures, perform other major improvements to the Gentry Building lot.

Solid Waste Utility

- Add (1) Refuse Collector III and (1) Administrative Support Assistant I to continue the City's efforts to convert temporary positions to permanent positions.
- Increase capital equipment replacement by over \$170,000 to provide more timely replacement of the rolling stock and contain increasing costs of vehicle maintenance and repairs on the aging fleet.
- Increase in Intragovernmental Charges due to increases in Self Insurance Fees, Utility Billing Fees, General & Administrative Fees, and Information Technology Fees.
- Increase of over \$80,000 in state landfill fees for increases in tonnage.
- Increase of over \$100,000 for vehicle maintenance and repairs on the aging fleet.
- Staff is currently in the process of reviewing rate studies conducted by an independent consultant which may result in changes to the proposed rate structure.

Storm Water Utility

- Funds portion of (2) Engineering Aide positions discussed on the previous page.
- Funds half of the cost of an additional sewer jet vacuum truck to be shared with the Sewer utility to allow for more efficient cleaning of grit and debris from sewer mains and storm sewers.

Custodial and Building Maintenance

- Decrease in capital replacements due to budget constraints which will result in fewer vehicles being replaced.
- Increase in utility expenses due to rate increases and utilities for transitional buildings being rented.

Fleet Operations

- Decrease in capital additions by \$20,000 due to fewer vehicles scheduled to be replaced in 2008.
- Increase in labor rate charged to departments from \$42 to \$46/hour.
- No significant operational changes.

WATER AND ELECTRIC DEPARTMENT					
	Budget FY 2007	Adopted FY 2008	Increase/ (Decrease)	Percent Change	5 Year Avg. Inc.
Water & Electric Department					
Water Utility Fund	\$16,583,356	\$17,711,344	\$1,127,988	6.8%	8.6%
Electric Utility Fund	\$94,685,110	\$109,187,009	\$14,501,899	15.3%	9.9%
Tl. Water & Electric Dept. Excluding CIP Projects	\$111,268,466	\$126,898,353	\$15,629,887	14.0%	9.7%
Railroad Fund Excluding CIP Projects	\$1,106,458	\$1,185,316	\$78,858	7.1%	13.8%

Water Utility

- Increase of over \$1.1 million in non-operating expenses due to depreciation on the Water Treatment Plant expansion and a new 36" water transmission main.
- No significant changes in the operating budget.
- Staff is currently in the process of reviewing rate studies conducted by an independent consultant which may result in changes to the proposed rate structure.

Electric Utility

- Add (1) Rate Analyst to assist with the increasing amount of compliance and monitoring associated with the Midwest Independent System Operator (MISO) market.
- Add (1) NERC Compliance Officer to insure compliance with Federal Energy Regulatory Commission (FERC), North American Electric Reliability Corporation (NERC), and Southeastern Electric Reliability Council (SERC) regulations.
- Over \$13 million increase in the cost of purchased power due to changes in contracts.
- Increase in capital additions of over \$175,000 for major equipment based upon recommended replacement schedules.
- Expand Energy Star conservation program by adding \$55,000 for rebates and training for homeowners and builders to encourage conservation of electric resources and reduce the City's peak demand.
- Staff is currently in the process of reviewing rate studies conducted by an independent consultant which may result in changes to the proposed rate structure.

Railroad

- No significant changes to the operations budget.
- A \$5 charge on each ton of coal transported by rail was added during 2007. This fee will be restricted for repairs to crossings, ties, and rail systems.

ADMINISTRATIVE DEPARTMENTS					
	Budget FY 2007	Adopted FY 2008	Increase/ (Decrease)	Percent Change	5 Year Avg. Inc.
City Council	\$248,801	\$252,833	\$4,032	1.6%	7.2%
City Clerk	\$258,777	\$266,421	\$7,644	3.0%	6.6%
City Manager	\$1,050,152	\$1,042,994	(\$7,158)	(0.7%)	7.4%
Volunteer Services	\$191,156	\$209,747	\$18,591	9.7%	
Finance	\$3,255,859	\$3,408,686	\$152,827	4.7%	4.8%
Human Resources	\$821,708	\$923,319	\$101,611	12.4%	6.0%
Law	\$913,140	\$1,011,085	\$97,945	10.7%	6.3%
Total Administrative	\$6,739,593	\$7,115,085	\$375,492	5.6%	6.3%
General City (Nondepartmental)	\$5,212,098	\$5,281,044	\$68,946	1.3%	6.2%

City Council

- Additional funds (\$15,000) have been added in travel and training to allow our seven member council members to attend national conferences, to better enable themselves to address issues facing Columbia.

City Clerk

- No significant changes.

City Manager

- No significant changes.

Volunteer Services

- Addition of \$7,500 in funding from the 2005 Capital Improvement Sales Tax ballot to maintain landscaping in City right of way and perform back flow testing of irrigation systems as required by City ordinance.

Finance

- Includes equipment necessary to begin document imaging pilot project.
- Increase in Intragovernmental Charges of over \$50,000 due to Information Technology Fees.

Human Resources

- Add (1) Human Resource Specialist for 6 months to improve employee relation function of the department.
- Increase funding for an intern to address projects that are specific and short term that staff cannot complete due to time constraints with daily work requirements.

Law Department

- Add (1) Assistant City Counselor III for 6 months to begin training of personnel to prepare for departmental retirements.
- No significant changes in operations.

City General (Non-Departmental)

- Significant increase in payment to Boone County Fire District per terms of the Fire Territorial Agreement.
- Increase of over \$175,000 for street lighting costs due to rate increase and increase in number of street lights.
- Continues to include funding of \$100,000 contingency, \$51,000 Council Reserve and \$25,000 to complete visioning process.

OTHER DEPARTMENTS					
	Budget FY 2007	Adopted FY 2008	Increase/ (Decrease)	Percent Change	5 Year Avg. Inc.
Cultural Affairs Fund	\$145,456	\$0	(\$145,456)		
Convention & Tourism Fund	\$2,020,079	\$1,832,632	(\$187,447)	(9.3%)	3.9%
Employee Benefit Fund	\$11,301,448	\$11,802,145	\$500,697	4.4%	8.8%
Self Insurance Reserve Fund	\$3,111,271	\$3,809,805	\$698,534	22.5%	8.2%
Information Technologies Fund	\$4,429,819	\$4,445,084	\$15,265	0.3%	5.2%
Public Communications Fund	\$1,406,366	\$1,679,844	\$273,478	19.4%	15.4%
Utility Customer Services Fund	\$1,894,818	\$1,990,929	\$96,111	5.1%	8.5%
Contributions Fund	\$194,809	\$12,495	(\$182,314)	(93.6%)	(14.7%)
Total Other Funds	\$24,504,066	\$25,572,934	\$1,068,868	4.4%	7.1%

Cultural Affairs Fund

- Moved to the General Fund for accounting/management purposes.

Convention & Tourism

- Operations of Convention & Visitors Bureau increased 2%. No significant changes in operations.
- The 2007 Tourism Development division allocated accumulated balances, causing the 2008 amount to show a decrease.

Employee Benefit Fund

- The increase in this budget has been limited due to the change in coverage for Medicare-eligible retirees. City will sponsor separate plan through a private insurer for Medicare-eligible retirees.
- Includes full funding for the required contribution for post-employment benefit liability as defined by GASB statement 45.
- Medical cost for covered participants are projected to increase 10%.

Self Insurance Reserve Fund

- Increase budget to better reflect actual expenses in claims and administration costs.

Information Technologies Fund

- (1) Programmer for 6 months to assist with maintenance of GIS address database.
- Decrease in Capital additions by over \$200,000 due to budget constraints.

Public Communications Fund

- Increase reflects capital equipment purchase to upgrade City Channel to digital technology. This will allow higher quality programs to be produced in a more efficient manner.

Utility Customer Services Fund

- Intragovernmental charges increased over \$69,000 due to information technology fees.

Contributions Fund

- The Volunteer Services portion of this fund has been moved to the General Fund.

Capital Project Highlights - Major Projects Scheduled/Funded

Streets and Sidewalks

- Implementation of over \$7.3 million in non-motorized grant funds for 23 sidewalk projects
- Brown School Road: 763 to Providence
- Clark Lane - Route PP to St. Charles Road
- Highway 763 widened
- Vandiver Drive - Intersection Ramps East to Mexico Gravel Road
- Providence Road - Vandiver to Blue Ridge

Parks and Recreation

- Implementation of over \$5 million in Non-Motorized Grant funds for 14 trail projects.
- Cosmo Park Restroom Improvements
- Cosmo-Bethel Four Court Tennis Complex
- Cosmo-Bethel Shelter and Restroom Replacement
- Neighborhood Park Developments at Grasslands and Lake of the Woods South Neighborhoods
- Oakland Pool Water Slide
- Youth Athletic Field/Atkins Development Phase I-A

Public Safety

- Construction of Fire Station 9 on the north side of town and pumper truck to equip the station

Other General Government

- Funding for public building expansion and renovation projects
- Work with Special Business District to fund a portion of the downtown beautification projects.

Electric

Continued distribution system expansion approved by voters in August of 2006

- Annual commercial expansion
- Annual distribution transformers and capacitors
- Annual new electric connections
- Annual residential expansion
- Annual substation feeders
- Annual underground conversion
- Annual street light additions
- Undergrounding of Business Loop 70 - Phase 2

Water

- Annual new service connections
- Will require approval of a ballot issue to fund over \$11 million in system improvements in 2008. Future ballot projects are not included as an appropriation.

Sewer

- Annual sewer main and manhole rehabilitation
- Annual sewer system improvements
- Clear Creek pump station upgrade Phase I

Storm Water

- Harvard Drainage
- Royal Lytham - Fallwood
- Rustic Road RCB

Solid Waste

- Fueling station for the landfill

Parking

- Additional parking structure north of Broadway. This project cannot begin until Council takes official action to approve both the project and the financing.

Transit

- Replace (2) 40' transit buses
- Replace (5) 35' El Dorado buses
- (1) Additional 40' transit bus

Airport

- Master Plan update
- Rehabilitate commercial aircraft parking apron