

City of Columbia, MO How to Use this Budget Document

A budget is a financial plan for a city. It includes both estimates of resources available, including revenues and fund balances, and appropriations, which are the authority to spend money for specific purposes. The budget is prepared by the City Manager and adopted by the City Council after extensive public input.

The document begins with the budget message from the City Manager. The message summarizes the contents of the budget and provides an explanation of the rationale used by the City Manager during the budget development process. The City Manager also outlines the administration's work program for the upcoming year.

The budget document is prepared to provide information about the city, both financial and operational, from a variety of perspectives and degree of detail. The reader should first review the Table of Contents, General Information section, the Appendix, and then read the City Manager's transmittal letter and Budget-In-Brief. The Summary sections should then be reviewed. In the Operating Budgets Section, the specific department budgets provide the detailed information as to what purposes the city's resources will be utilized during the fiscal year. Finally, the Capital Project and Debt Service sections provide further information. When reading this document, it is useful to remember that it has been developed based on both organizational structure and financial structure.

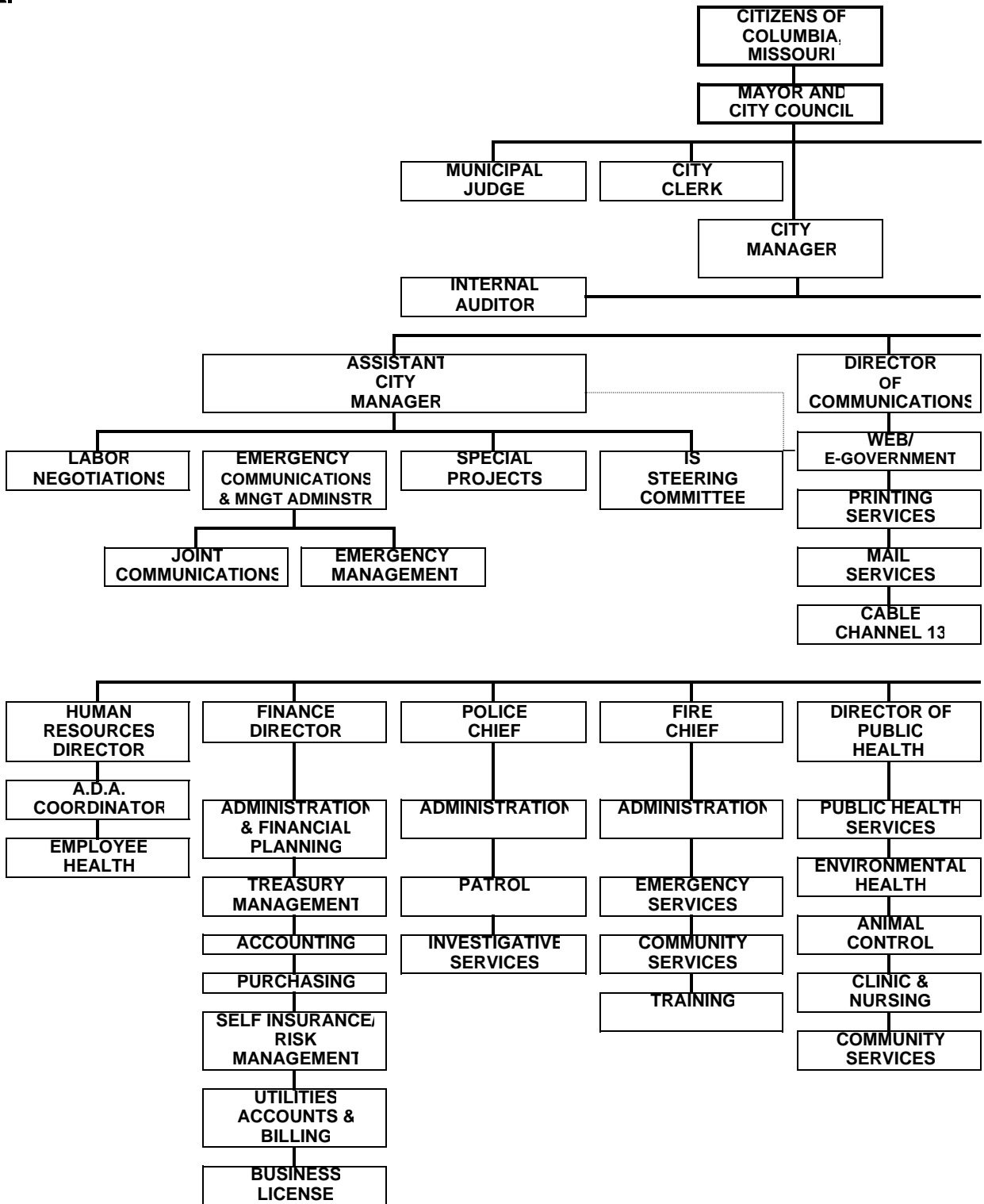
In separate sections, the following information is provided:

- **Budget Message** - Includes the Amendments to the City Manager's Budget Message, City Manager's Budget Message and the Ordinance Adopting the Budget.
- **Budget-In-Brief** – Provides an overview of the Budget at a glance. Highlights all the noteworthy changes that will take place in the upcoming budget year along with any changes in personnel, fees, capital projects and operating budgets
- **General Information** - How To Use This Budget Document, Organizational Chart, Demographic Statistics, Assessed Values of Taxable Property, Budget Calendar Process, Types of Funds Budgeted, Notes and Comments, Fiscal and Budget Policies, and City Manager's Priorities.
- **Expenditure Summaries** - Includes Overall Budget Summary, Graphs, and various types of expenditure summaries
- **Revenue Summaries** - Includes Overall Revenue Summary and other types of revenue summaries.
- **Fund Statements** - Summary of Operating Statement for All Funds, Revenue, Expense, and Operating Position Statements for each fund, Summary of Total Revenues and Total Expenses by Fund.
- **Operating Budgets** - The departmental budgets, which are subdivided into divisions to account for the costs associated with specific activities or to account for the use of funds received from specific revenue sources. Department Description, Objectives, Highlights/Significant Changes, Comparative Data, and Performance Measurements are also included in this section. Organizational charts are also located in this section.
- **Capital Projects** – Five-year Capital Improvement Program for the City and Operating impact of capital projects.
- **Debt Service** - Information on all outstanding debt and debt service requirements.
- **Appendix** - Community Development Block Grant, Personnel Position Summary Information, and a Glossary.

The organizational structure is reflected in the departmental budgets, which are subdivided into divisional budgets. The financial structure is reflected in the reporting of expenditures and revenues by fund. A fund is a self-balancing set of accounts designed to track specific revenues and the uses of those revenues. Each fund is independent of all other funds.

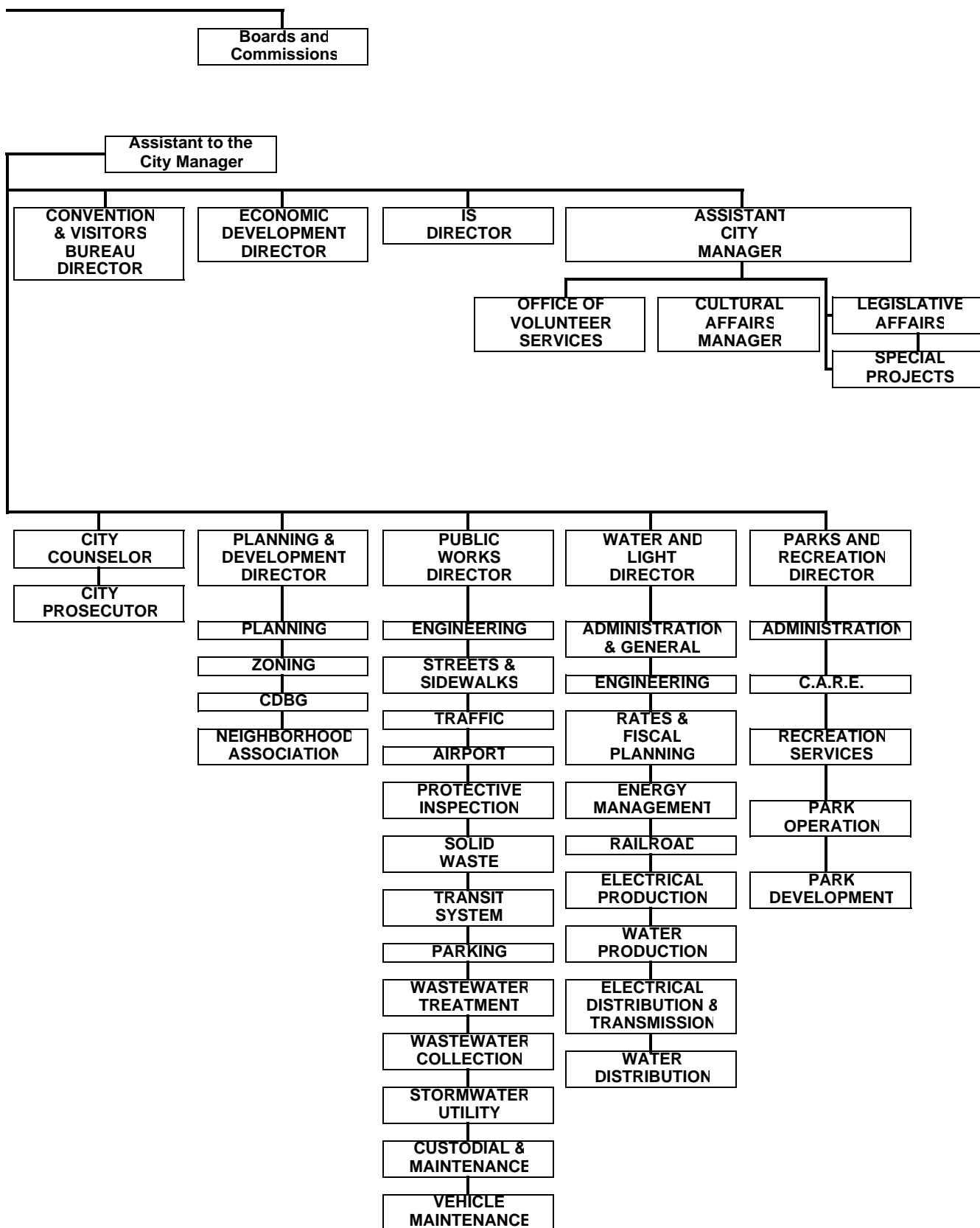


FUNCTIONAL ORGANIZATIONAL CHART



Approved _____
date

City Manager





Columbia Website Address: www.qocolumbiamo.com

"A Full Service City providing comprehensive services to our residents and customers"

City Clerk **573-874-7208**
Records and maintains all City records.
City Clerk: Sheela Amin

City Manager **573-874-7214**
Responsible for the general administration of the City of Columbia and all of its functions.
City Manager: Bill Watkins

Community Services **573-874-7488**
Assesses the community's social service needs.
Manager: Steve Hollis

Convention & Visitor's **573-875-1231**
Promotes Columbia as a tour destination.
Director: Lorah Steiner

Cultural Affairs **573-874-6386**
Enhances the vitality of the City through creative expression.
Manager: Marie Hunter

Economic Development **573-442-8303**
Supports and facilitates the growth of City's economy.
Director: Bernard Andrews

Finance **573-874-7111**
Administers, directs, and coordinates all financial services for the City of Columbia.
Director: Lori Fleming

Fire **573-874-7393**
Serves as the fire protection agency for the City of Columbia.
Fire Chief: Bill Markgraf

Health **573-874-7347**
Assists to prevent disease and injury by promoting better health in the community.
Director: Stephanie Browning

Human Resources **573-874-7235**
Coordinates all personnel issues regarding employment and benefits.
Director: Margrace Buckler

Information Technologies **573-874-7284**
Provides administration and support of the City of Columbia's computer network.
Director: Robert Simms

Public Safety, Joint Comm. and Office of Emergency Management **573-874-6328**
Emergency contact for all citizens to all public safety entities.
Director: Jim McNabb **573-874-7223**

Law
Manages all litigation and advises Council and all City-related personnel on legal matters.
City Counselor: Fred Boeckmann **573-874-7231**

Municipal Court
Processes violations of laws and City ordinances.
Judge: Robert Aulgur **573-874-7465**

Parks and Recreation
Oversees and maintains park lands and a variety of sports and leisure programs.
Director: Mike Hood **573-874-7239**

Planning
Provides planning, economic and community development support to the City of Columbia.
Director: Timothy Teddy **573-874-7404**

Police
Serves as the law enforcement agency for the City of Columbia.
Police Chief: Randy Boehm **573-874-7660**

Public Communications
Promotes the City of Columbia's public affairs.
Director: Toni Messina **573-874-7253**

Public Works
Encompasses public utilities including, refuse, transportation, parking, sewer, and other public works activities such as fleet, protective inspection, engineering and custodial and building maintenance.
Director: John Glascock **573-874-7499**

Volunteer Services
Manages donations made to the City in the form of volunteer time, cash, property and land.
Coordinator: Leigh Nutter **573-874-7316**

Water and Light
Provides safe and dependable drinking water and electricity and operates COLT railroad
Director: Dan Dasho



CITY OF COLUMBIA, MISSOURI DEMOGRAPHIC STATISTICS



Columbia is in the center of Boone County

History of Columbia:

Osage and Missouri Indians roamed parts of Missouri prior to Lewis and Clark's expedition which took place in the early 1800's.

The settlement currently named Columbia was called Smithton. However, due to a lack of water supply, the founders moved the settlement east across the Flat Branch and renamed it Columbia in 1821. The City of Columbia was incorporated in 1892 and became a charter city in 1949. Columbia is a growing city and currently takes up 60.395 square miles of land.

Government:

The City of Columbia has a council/manager form of government. The mayor and 6 council members are elected by the citizens of Columbia and serve as non-paid members for 3 years with staggered terms of service. The City Manager reports to the Mayor and is considered the chief administrator. Department heads for all municipal functions report to the City Manager.

Culture and Recreation:

Columbia has big city entertainment and a great appreciation for all the arts ranging from international opera and ballet companies to modern music superstars. For the sports minded person there are many fun activities and ways to keep in shape.

Recreation: (Parks and Recreation 874-7460)

Athletic and Health Clubs	13
Athletic Fields (w/ lights & irrigation).....	25
Community Activity and Recreation Center (ARC).....	1
Number of Pools (Private & Public)	9
Golf Courses (Municipal)	2
Golf Courses (College)	1
Golf Courses (Private)	5
Frisbee Golf Course.....	1
Parks (Total Acres 2,400).....	47
Bowling Alleys.....	2
State Parks	4
Roller Rinks	1
Roller Hockey Facilities	2
Skate Park	1
Soccer Fields	27
Tennis Courts	25
Volleyball Courts.....	22

Cultural Arts: (Cultural Affairs 874-7512)

Movie Theaters	(25 Screens)
Performing Arts Organizations/Companies	15*
Visual Art Venues, Museums & Galleries.....	16*
Arts Festivals	8*

*Estimated Numbers

Community:

For being a relatively small town, Columbia has "Big Town" amenities. There are a variety of local business, several hospitals, numerous radio stations and numerous hotels/motels and restaurants.

Community Facilities:

Hospitals	8
Hospital beds	1,354
Hotels/Motels	35
Hotel/Motel Rooms	3,677
Churches	150
Restaurants	260
Shopping Centers.....	19
Shopping Malls	1

Communications:

Print Media.....	10
Radio Stations (w/in 50 miles).....	40
TV Stations	4
Cable TV/Satellite	3

Education:

Columbia Public Schools have national reputations. They have earned the highest possible rating in Missouri and continue to receive national honors both from the students and teachers alike. The school district graduates one of the highest percentages of Merit Scholars in the country. Columbia also prides itself with having two private colleges and one university from which to receive extended education.

Total Public School (Number) & Enrollment:(30) 16,736

Elementary Schools.....	(20) 7,726
Middle Schools	(3) 2,428
Junior High Schools.....	(3) 2,602
Senior High Schools	(4) 3,980
Vocational Schools	1
Non-Public Schools	11
Stephens College Enrollment	967
Columbia College Enrollment (day, evening & ext)..	12,281
Univ. Of Missouri-Columbia Enrollment	28,184



Libraries:

Ellis Library..... 3 million volumes
Daniel Boone Library.....960,074 volumes
Columbia College.....80,000 volumes

City Streets: (Public Works 874-6230)

Paved (miles) 425
Unimproved (miles) 26

City Sewers: (Public Works 445-9427 or 874-6287)

Sewers (miles) 637

Fire Protection: (874-7391)

Number of Stations 8
Total number of employees 135
Number Fire Fighters/Engineer/Lieuts./Capts 120
Number of vehicles 34
Number of hydrants..... 4,900

Police Protection: (874-7506)

Number of stations 1
Number of sub-stations 7
Total number of employees 183
Number of Sworn Positions 149
Number of vehicles 101

Parking: (Public Works 874-7751)

Unmetered Off-Street
On-Street Meters..... 1,701
Off-Street Meters..... 436
Permit Spaces (lots/garages)..... 1,409
Hourly Garage Spaces..... 314

Airport: (Public Works 442-9770)

Airport Facilities..... 1
Airlines: Mesa Airlines 1

City Employees (FTE for FY 2008):..... 1,241.35

Local Economy: The cost of living for the City of Columbia is generally 5%-6% below the national average. For the first quarter in 2007 Columbia was at 92.4%. Columbia area has a median household income of \$37,051. According to the Bureau of Labor Statistics (BLS) the unemployment rate for the City of Columbia for the month of May 2007 was 3.1%.

<http://www.bls.gov/lau/lamtrk06.htm>

Unemployment Rate for 2006 for Columbia

Top 5 Employers in Columbia – Full-time FTE's:

(MERIC)
University of Missouri 8,002
University Hospital & Clinics 4,520
Columbia Public Schools 2,150
Boone Hospital Center 1,769
City of Columbia 1,220

Sales Tax:

Sales tax in Columbia is 7.55% except in TDD designated areas which have a tax rate of 8.05%. The tax amount includes the following:

State Sales Tax 4.225%
County General Revenue Tax..... 0.500%
County Road Tax 0.500%
Boone County Law Enforcement Tax 0.125%
Capital Improvement County Tax..... 0.200%
City General Revenue Tax..... 1.000%
City Transportation Tax 0.500%
City Capital Projects Tax 0.250%
Parks Sales Tax 0.250%

Climate:

Annual rainfall is approximately 39.43 inches per year.
Annual snowfall is approximately 20.7 inches per year.
Warmest month and average (August – 79.1 degrees)
Coolest month and average (January – 25.5 degrees)

Utilities:

The City of Columbia is a full-service city that provides a variety of services to the citizens of Columbia.

Electricity Water & Light Department (874-7380)
Recycling Public Works Department (874-6280)
Trash Collection Public Works (874-6291)
Water Water & Light Department (874-7380)
Sewer Public Works (445-9427 or 874-6287)

Office of Volunteer Services: (874-7499)

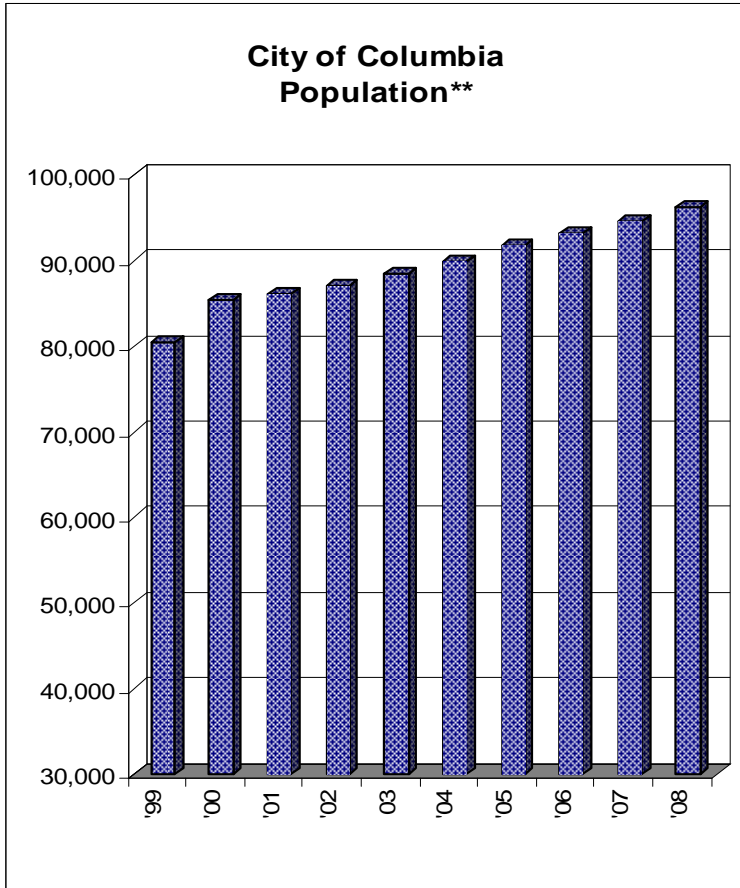
There are many ways and opportunities for citizens to get involved with the community. Columbia has numerous events throughout the year that require hundreds of volunteer hours in order for the events to be successful.

There are several departments within the City of Columbia that rely on the efforts of volunteer staff. In FY 2005, volunteers contributed more than 43,000 hours at a value of more than \$775,000.

Annual Unemployment Rates for Columbia	
Year	Rate
2002	2.2%
2003	2.3%
2004	2.6%
2005	3.9%
2006	3.3%



CITY OF COLUMBIA, MISSOURI
DEMOGRAPHIC STATISTICS



The city of Columbia has historically experienced a population growth rate of about 1.1%-2.0% over the course of the past 10 years. Columbia is a progressive city offering its citizens a wide variety of experiences from fine dining to theater to rides on the trail to exciting sporting events. Columbia offers it all. The City of Columbia works hard to help keep the city as one of the best places to live and raise a family!

Populations

1999	80,500	2004	89,803
2000*	85,292	2005	91,814
2001	86,081	2006	93,219
2002	87,003	2007	94,645
2003	88,423	2008	96,093

* 2000 is a revised census number

** Revised population numbers based on estimates from the Missouri Census Data Center. The estimates for 2006 - 2008 are based on the average five year growth rate of 1.53%.

The principal taxpayer table shows the top 10 tax payers in the Columbia area based on a commercial assessed value of approximately 32% of the estimated actual value of the property. These are only a few of the numerous businesses both large and small, corporate and independently owned that offer an outstanding working environment for anyone interested in moving or re-locating to Columbia.

Principle Taxpayers	Type of Business	Assessed Value	Percent of Total Assessed Valuation
The Kroenke Group	Property/Developer	\$ 8,828,656	0.64%
Columbia Mall Limited Partnership	Property/Developer	\$ 8,520,254	0.62%
Boone Electric Cooperative	Utility	\$ 8,395,296	0.61%
State Farm Insurance Company	Insurance	\$ 7,958,637	0.58%
Boone Crossing II	Property/Developer	\$ 7,864,177	0.57%
Shelter Mutual Insurance Company	Insurance	\$ 5,461,706	0.40%
Dan Hogan	Property/Developer	\$ 4,714,208	0.34%
AB Chance	Manufacturer	\$ 4,431,741	0.32%
Raymond Columbia Center Trust	Property/Developer	\$ 4,343,741	0.32%
Boone County National Bank	Banking/Finance	\$ 3,828,108	0.28%
Total		\$ 64,346,751	4.68%

Assessed Values of Taxable Property

Fiscal Year	State Assessed Value	Real Property	Personal Property	Total Assessed Value
1988	1,715,408	357,247,628	48,645,944	405,893,572
1989	1,990,592	339,117,887	48,953,208	418,071,095
1990	1,812,921	383,390,609	61,141,940	444,532,549
1991	1,887,977	411,766,611	83,468,559	495,235,170
1992	1,938,774	423,932,131	82,670,584	508,541,489
1993	1,770,555	434,873,990	93,568,896	530,213,441
1994	2,050,474	470,848,862	105,520,334	578,419,670
1995	2,310,679	488,789,899	118,940,751	610,041,329
1996	3,282,682	511,620,136	128,312,503	643,215,321
1997	4,519,144	538,800,795	153,771,094	697,091,033
1998	5,101,533	657,617,565	164,951,921	827,671,019
1999	4,755,062	688,923,971	176,474,738	870,153,771
2000	5,518,830	714,842,106	190,394,191	910,755,127
2001	5,072,034	739,345,179	204,214,788	948,632,001
2002	6,486,794	805,530,799	211,324,296	1,020,341,889
2003	6,486,398	854,784,262	206,788,704	1,068,059,364
2004	6,967,420	891,032,480	217,649,475	1,115,649,375
2005	6,625,558	938,654,305	219,486,364	1,164,766,227
2006	6,488,268	1,122,375,072	242,354,182	1,371,217,522
2007	6,123,442	1,208,710,221	251,256,488	1,466,090,151
2008 Prelim	5,843,391	1,292,362,474	266,759,066	1,564,964,931

Property Tax Rates (Per \$100 Assessed Value)

	General Fund	G.O. Bond Fund	Total Fund
1988	0.22	0.32	0.54
1989	0.22	0.32	0.54
1990	0.22	0.32	0.54
1991	0.22	0.32	0.54
1992	0.22	0.32	0.54
1993	0.22	0.32	0.54
1994	0.22	0.32	0.54
1995	0.22	0.26	0.48
1996	0.22	0.26	0.48
1997	0.22	0.26	0.48
1998	0.20	0.21	0.41
1999	0.20	0.21	0.41
2000	0.23	0.18	0.41
2001	0.31	0.10	0.41
2002	0.41	0.00	0.41
2003	0.41	0.00	0.41
2004	0.41	0.00	0.41
2005	0.41	0.00	0.41
2006	0.41	0.00	0.41
2007	0.41	0.00	0.41
2008	0.41	0.00	0.41

BUDGET CALENDAR

	1st & 2nd Qtr	April	May	June	July	August	Sept.	Oct.
Ten Year Financial Trend Data & CIP Prepared By Finance Dept.	█							
Intragovernmental Charges Calculated	█	█						
Departments Compile Comparative Data	█							
Financial Forecasts Prepared		█						
Budget Information Delivered To Departments		█	█					
Departments Prepare & Submit Budget Requests		█	█					
Council Retreat & Budget Information meetings held with Council to Set Guidelines				█				
City Manager Meets With Depts. & Reviews Requests			█	█	█			
Performance Measurements Updated By Departments				█				
City Manager's Annual Budget Document Prepared & Delivered					█			
Public Hearings/Department Work sessions Held						█	█	
City Council Adopts The Budget							█	
Appropriation Files Set Up for New Fiscal Year							█	
Annual Adopted Budget Document Prepared							█	█

Discussion of the various components of the Budget Process

Preparation for the budget process begins as soon as the books are closed for the previous fiscal year. At this time the Finance Department begins looking at past year trends and current projections to begin forecasting for the upcoming budget year.

Ten Year Trend Manual - includes financial information on general government funds, enterprise funds, internal service funds, and special revenue funds. This information is generally completed by January of each year. This information is used during the forecasting process to assess the revenue trends and determine what percentage growth estimates will be prudent for the upcoming fiscal year.

Computer Inventory Process – During the month of January budget staff works in conjunction with the Information Technologies Department to inventory, on a yearly basis, computer related equipment in each department's possession. This inventory provides input to the IT Steering committee to assist with making decisions on minimum standards for computers, printers and monitors for the upcoming budget year, determining a replacement schedule and allocated intragovernmental charges.

Equipment Replacement Process - The budget staff provides reports to the various departments that own rolling stock to determine which pieces need to be replaced. The need is based on year purchased, mileage, usage etc. Then departments prioritize those items needing replacement in the next fiscal year.

Optimistic and Conservative Forecasting - Budget staff reviews historical information in conjunction with the latest current year financial statement to prepare a set of forecasts. Assumptions are developed in a model which forecasts general government revenues and expenditures over the next three years. Both optimistic and conservative forecasts are prepared. These forecasts are presented to and reviewed with the City Manager so that general budget guidelines for the next year may be developed. This generally takes place beginning in March-April and is continually reviewed until the budget is adopted.

Intragovernmental Fee Process – During the months of January – April much time is spent working with internal service departments that charge out their functions to the other City departments. Budget staff prepares the fee assessments based on a model that takes into account the types of services provided. Departments are charged based on their usage of these services.

Capital Improvement Program Process – From January - April capital projects and improvements are identified and discussed between departments and management. Possible funding sources are identified. A preliminary document is prepared listing all project requests and location maps to better identify the project. A detailed discussion occurs at the Council retreat. Priority projects are identified based on citizen, council and staff input. The City Manager and Finance staff determines appropriate funding sources for the projects to be funded in the next year. A final CIP document is prepared after the budget is adopted.

Budget Instruction Process - In late April, guidelines are established by the City Manager and provided to the various City departments along with budget instructions.

Department access to the budgeting system is also provided at this time. Departments are responsible for preparing estimates budgets for the current year and projections for the next year as well as submission of supplemental requests. Actual inputting of data concludes in mid-May for all the departments.

Budget Guidelines – Prior to establishing guidelines for the upcoming budget year, the City Manager reviews forecasts (see Optimistic and Conservative Forecasting) with the Finance Director. Based upon this review, budget guidelines are established. For FY 2008 a 2.0% increase was used as a general guideline for operating costs, and any increases above this amount required additional justification. The City Manager also requests that departments be prepared to change the operating cost increase to 1.0% if current trends warrant the change. Merit and COLA projections are not established until much later in the budget process. This enables the City Manager and finance staff to monitor actual revenues near the end of the current fiscal year. The City has established expenditures levels for supplemental requests for each department. Supplemental requests (capital items, supplies over \$5,000 and computers) are reviewed and compared to the established department level and adjustments are made where appropriate. Personnel issues are decided upon late in the budget process based on citizen requests/concerns and department need.

Council Retreat - Fiscal and capital improvement issues start to merge with City policy in May and June. The City Manager briefs the Council on the status of the current budget, provides a fiscal outlook for the coming year and discusses short- and long-range capital improvement plans in detail. This background prepares the Council, City Manager and department heads for discussions held during a special retreat where Council members and City staff identify program and policy priorities. To the extent possible, continuing development of the Budget reflects those discussions.

In June, the City Manager continues meetings with Department heads. Final adjustments are made to balance the budget in early July. Comparative data and performance measurement information is updated in the Budget Document. The City Manager's budget document is prepared and distributed, and a press conference is held at the end of July.

Budget Amendment Process - In August and Sept. the City Council holds budget work sessions with the City Manager, Finance Director, Budget Officer, and Department Heads to review the City Manager's Budget, individual department budgets, revenues and expenditures, and issues for the upcoming fiscal year. Public hearings are televised on the Columbia Cable Channel. Both the public and press are welcome to attend the work sessions and public hearings. Television, radio, and newspaper reporters keep the public informed on the status of the budget during these work sessions.

Adopted Budget Process - In September, the City Council continues budget work sessions and public hearings on the budget. The budget is adopted during the month. The finance staff makes the necessary changes and appropriation files are set up for the new year. The Annual Budget document is prepared and distributed

In October, the new fiscal year begins.

This budget includes the three fund types

Governmental Funds

GENERAL FUND:

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

SPECIAL REVENUE FUNDS:

Cultural Affairs Fund – This department has been placed in the general fund starting in FY 2007.

Convention and Tourism Fund - used to account for the four percent tax levied on the gross daily rental receipts due from or paid by transient guests at hotels or motels. The revenues are used by the City for the purpose of promoting convention and tourism in the City of Columbia.

Capital Quarter Cent Sales Tax Fund - used to account for the specific projects approved by the voters for a ten year extension of the one quarter cent capital improvement sales tax. This tax will be effective January 1, 2005 to December 31, 2015.

Parks Sales Tax Fund - used to account for the Local Parks Sales Tax approved by the voters in November 2000. These funds must be used for parks purposes.

Transportation Sales Tax Fund - used to account for City-enacted sales tax and expenditures for transportation purposes which include financial support of the public mass transportation system, construction and maintenance of streets, roads, bridges and airports to the extent of tax revenues.

Public Improvement Fund - used to account for and disburse monies the City receives from the City sales tax. A portion of the tax is allocated for a wide range of public improvements to the City which includes streets, sidewalks and parks.

Special Road District Tax Fund - used to account for the road and bridge tax revenues. These revenues are used to improve, maintain, construct and repair certain streets and roads within the city limits.

Community Development Block Grant Fund (CDBG) - used to account for all federal monies received by the City and disbursed on Community Development Grant projects.

DEBT SERVICE FUNDS:

These funds are used to account for the accumulation of resources and payment of general obligation and special obligation bond principals and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

CAPITAL PROJECT FUNDS:

Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities or improvements.

EXPENDABLE TRUST FUND:

Contributions Fund - This fund is used to account for all gifts, bequests, or other funds derived from property which may have been purchased or held in trust by or for the City of Columbia Missouri.

Enterprise Funds

Railroad Fund - used to account for revenues and expenses resulting from the operation of a railroad branch line which runs from a Norfolk and Southern main line in Centralia, Missouri to the City of Columbia.

Water Utility Fund - used to account for the billing and collection of charges for water service for most City residents. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services.

Electric Utility Fund - used to account for the billing and collection of charges for electric service for most City residents. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services.

Recreation Services Fund - used to account for revenues and expenses for various recreational services provided by the Parks and Recreation Department for which participants are charged fees.

Public Transportation Fund - used to account for all expenses and revenues resulting from the provision of public transportation services by Columbia Transit.

Regional Airport Fund - used to account for all expenses incurred and revenues received by operations at the Columbia Regional Airport.

Sanitary Sewer Utility Fund - used to account for the provision of sanitary sewer services to the residents of the city and a limited number of customers outside the city limits. All activities necessary to provide such services are accounted for in this fund.

Parking Facilities Fund - used to account for revenues and expenses resulting from the operation and maintenance of city parking lots, municipal garages, and parking meters.

Solid Waste Collection Fund - used to account for the provision of solid waste collection and operation of the landfill and materials recovery facility.

Storm Water Utility Fund - used to account for storm water funding, implementation of storm water management projects and maintenance to existing drainage facilities.

Internal Service Funds

Employee Benefit Fund - used to account for the City of Columbia's self-insurance program for health, disability, life insurance and other employee benefits for covered city employees.

Information Technologies Fund - used to account for the provision of electronic data processing information services used by other city departments.

Self-Insurance Reserve Fund - used to account for the reserves established and held in trust for the Special Obligation Bonds (which were paid off in 2002) issued for the City's self insurance program and to account for the payment of property and casualty losses and uninsured workers' compensation claims.

Custodial and Maintenance Services Fund - used to account for the provision of custodial services and building maintenance used by other City departments.

Fleet Operations Fund - used to account for operating a maintenance facility for automotive equipment, and for fuel used by some City departments.

Public Communications Fund - used to account for the provision of printing press, copying, interdepartmental mail and postage services to other City departments; a telephone information system; cable television operations and web communications.

Utility Customer Services Fund - used to account for utility accounts receivable billing and customer services provided by the Finance Department to the Water and Electric, Sanitary Sewer, Solid Waste and Storm Water utilities.

Notes and Comments

The City of Columbia is considered to be a full-service city. Thus, the budget may be larger when compared to cities with a similar population. The City of Columbia submits budgets for seven types of funds: General Fund; Enterprise Funds; Internal Service Funds; Special Revenue Funds; Trust Funds; Debt Service Funds; and Capital Projects Fund. A description of the fund types is shown in the glossary as well as in the General Information Section, pages 11-12.

Basis of Accounting – Governmental Funds use the modified accrual basis of accounting. Internal Service Fund and Enterprise Fund revenues and expenses are recognized on the accrual basis. Under this method of accounting, revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred.

Basis of Budgeting - General Fund, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds are recognized on the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred. This basis measures resources available to the City. Proprietary Funds are budgeted on a full accrual basis except for capital expenditures, which must be included in total appropriations.

Budget Amendments – There are two means of amending the adopted budget, a transfer of funds and an increase in appropriations. A transfer of funds occurs when the City Manager, upon the recommendation of a department head, transfers any unencumbered appropriation from one classification of expenditure to another in the department. These transfers must be reported to the council at the next scheduled meeting. An increase in appropriation occurs when the City Manager, upon the recommendation of a department head, prepares an ordinance to be adopted by the City Council. Ordinances are required to be read at two council meetings and provide for an opportunity for public comment. Increases to appropriations must identify the

necessary funding source from which the appropriation will come.

The Comprehensive Annual Financial Report (CAFR) states the status of the City's finances in accordance with revised GASB standards. In most instances the Budget and the CAFR are prepared under similar guidelines with the exception of the accounting for capital expenditures.

In all funds, (Enterprise, Internal and General Governmental Funds) when goods and services are not received by year end, the amount already set aside to purchase those items are encumbered and rolled over to the next year.

The current budget document contains detailed information concerning the dollar commitments and personnel resources required to support the varied activities and services of the City of Columbia. The budgeted revenue and expenditure numbers appearing in this document include Appropriations, Transfers, and additional Revenues approved by the City Council from the start of the previous fiscal year until the first of June in the present year.

Following these notes and comments are the Summary sections, which provide a combined and broad overview of the City's operating funds. Next, the "Operating Budgets" section provides the reader more detailed information about individual departments. The Department Summary (colored pages) present the total operating budget for each department regardless of funding source. For example, if a department has both General Fund operations (Public Works-Streets) and Enterprise operations (Sanitary Sewer Utility), the operating costs of both activities will be presented on the colored summary page in order to present a total operating picture of the department. Department Description, Department Objectives, Highlights/Significant Changes, Comparative Data, and Performance Measurement information is also included on these pages. The white pages contain the budget detail for the divisions within the departments.

The Department Summary, on colored pages, contains the following sections:

- **Department Description** - A brief description of the department and the major divisions contained in the department. This will also include any purposes set forth by the department.
- **Department Objectives** - These include both the short-term and long-term goals/objectives set forth by the departments.
- **Department Highlights/Significant Changes** - This outlines the planning emphasis as well as any significant or operations changes for the coming year.
- **Organizational Charts** - These charts represent the authorized personnel in each department/division and exhibit the reporting hierarchy of each of those positions.
- **Authorized Personnel** – The Authorized Personnel presents the type and number of full-time and permanent part-time positions required in each department or division. The job code associated with these positions appears next to the position description.
- **Comparative Data** - Provides employees per 1,000 population and other comparative information between the City of Columbia and up to five other cities of comparable size and activities.
- **Performance Measurements/Service Indicators** - Provides performance information for the actual previous fiscal year, budgeted/estimated current fiscal year, and projected future fiscal year for each department.

The final section of the budget document is the Appendix. This section contains those activities, which are non-departmental in character such as the Community Development Block Grant. This section also includes the Personnel Position Summary information and a Glossary.

Fiscal and Budget Policies

The City of Columbia has a council-manager form of government. All powers of the City are vested in an elective Council, which enacts legislation, adopts budgets, determines policies, and appoints the City Manager.

The City Manager is the chief executive and administrative officer of the City and is responsible to the Council for the proper administration of all the City's affairs. The City Manager keeps the Council advised of the financial condition of the City and makes recommendations concerning its future needs.

The fiscal year of the City begins on the first day of October and ends on the last day of September each year. The fiscal year constitutes the budget and accounting year.

REVENUE POLICY

- The City will endeavor to maintain a diversified and stable revenue base to minimize the effects of economic fluctuations as well as eliminate an over dependence on any single revenue source.
- The City will project and update revenues annually. These revenue forecasts will be presented to the City Council prior to the beginning of the budget process.
- Departments submit their revenue estimates for the current year and projected revenue for the next year to the Finance Department.
- Revenue trends are to be examined monthly and incorporated into annual revenue forecasts.
- Revenue sources are not utilized by the City while legal action is pending.
- Monthly reports comparing actual to budgeted revenues will be prepared by the Finance Department and presented to the City Manager.
- Cash investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio.
- User fees and rates will be examined annually and adjusted as necessary to cover the costs of providing the services.
- The City will follow a policy of collecting, on a timely basis, all fees, charges, taxes, and other revenues properly due the City. The City will follow an aggressive policy of collecting all delinquencies due the City.

BUDGET POLICY

- Between 120 and 180 days prior to the adoption of the budget, the City Manager shall prepare and submit to the Council a statement of the policy recommendations for programs and priorities which, in the opinion of the City Manager, will be of benefit to the city.
- The City Manager shall submit a budget to Council at least 60 days prior to the beginning of each budget year.
- Expenditures proposed in the budget for each department, office, or agency shall be itemized by character, object, function, activity, and fund.
- In no event shall the total amount of the proposed expenditures exceed the estimated income of the City.
- The City Council shall hold public hearings on the budget as submitted, at which all interested persons shall be given an opportunity to be heard.
- The City Council shall adopt the budget, by majority vote, no later than the last Monday of the month preceding the first month of the budget year. If the City Council does not take final action by this date, the budget will be considered effective as it was submitted.
- The budget shall be on record in the City Clerk's office and open to public inspection. In addition, a copy of the budget is available for the citizens of Columbia to view at the Columbia Public Library. The budget is also available for viewing and/or printing on the City's website at www.gocolumbiamo.com
- A detailed listing of the budget calendar is found on page 9.
- The City will annually submit documentation to obtain the Government Finance Officials Association (GFOA) Distinguished Budget Presentation Award.
- After adoption of the budget, the budget can be amended via ordinance or resolution. The City Manager can submit ordinances and resolutions to the Council to increase expenditures or revenues. When the Council approves the ordinance or resolution, additional appropriations are made in the appropriate department.

- At the request of the City Manager and within the last six months of the fiscal year, the Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one office department or agency to another. No transfer shall be made of specified fixed appropriations.
- All appropriations shall lapse at the end of the budget year to the extent that they shall not have been expended or lawfully encumbered.

CAPITAL IMPROVEMENTS POLICY

- The City develops a five-year program for capital improvements and updates it annually for budgeting purposes. A Capital Improvement Plan (CIP) document is prepared which lists all project requests that go beyond the five year budget guideline.
- Estimated costs and potential funding sources for each capital improvement project proposal are identified before the document is submitted to the City Council for approval.
- The capital improvement program will be included in the Annual Budget. The Annual Budget will implement the first year of the capital improvement program.

FIXED ASSET POLICY

- The following fixed asset policy shall be in force commencing with fiscal year 2000. This policy is consistent with Government Financial Officers Association Recommended Practices and should be reviewed periodically and compared to recommended practices of the GFOA or other nationally recognized government finance organization.
- Fixed assets should be capitalized only if they have an estimated life of more than one year following the date of acquisition and have a purchase cost of \$5,000 or more. Items which cost less than \$5,000 and/or have a life of one year or less will be expensed upon acquisition
- Purchase cost of a fixed asset includes freight, installation charges, carrying cases, adaptors and other items which are connected to the fixed asset and necessary for its operation or use.
- Fixed assets' capitalization threshold should be applied to individual fixed assets rather than to groups of fixed assets.

- A small tag with a fixed asset number will be issued by the Finance Department for all items that can be reasonably tagged (physically). Said tag will be affixed to the fixed asset until such time it is declared surplus property and properly disposed through the Purchasing Agent as required by City ordinance.
- Departments will notify the Finance Department of any change in location or loss of a fixed asset.
- Departments should exercise control over their non-capitalized fixed assets by establishing and maintaining adequate control procedures at the departmental level.

ACCOUNTING POLICY

- An independent financial audit shall be made of all accounts of the City government at least annually and more frequently if deemed necessary by the City Council.
- The General Fund, Special Revenue, Debt Service, General Capital Projects, and Expendable Trust Funds will be accounted for under the modified accrual basis of accounting.
- Enterprise Funds, Internal Service Funds, and Non-Expendable Trust Funds will be accounted for under the accrual basis of accounting.
- Full disclosure will be provided in the financial statements and bond representations.
- The City will annually submit documentation to obtain the Certificate of Achievement for Excellence in Financial Reporting from GFOA.
- The Annual Financial Report will be prepared in accordance with revised GASB standards.

PURCHASING POLICY

- The Purchasing Division shall have responsibility for and authority to contract for, purchase, store and distribute all supplies, materials and equipment required for the operation and maintenance of offices, departments or agencies of the City.
- It shall be the policy of the City to encourage competitive business practices through public bidding or requests for proposals wherever possible and feasible.
- In evaluating bids and awarding contracts, the head of the Purchasing Division is authorized to give preference to recycled and environmentally preferable products according to prescribed guidelines.

DEBT POLICY

- The City may issue general obligation bonds, revenue bonds, special obligation bonds, and short-term notes and leases.
- The City may issue refunding bonds for the purpose of refunding, extending or unifying the whole or any part of its valid outstanding revenue bonds.
- The City will limit long-term debt to only those capital projects that cannot be financed from current revenue or other available sources.
- The City will follow a policy of full disclosure on every financial report and bond prospectus.
- When the City finances capital projects by issuing bonds, it will repay the bonds within a period not to exceed the expected useful life of the projects.
- The City's policy shall be to manage its budget and financial affairs in such a way so as to ensure continued high bond ratings.
- No bonds shall be issued without the assent of the requisite number of qualified electors of the City voting thereon.

RESERVE POLICY

- The City calculates an unreserved, undesignated fund balance equal to 16% of expenditures for the adopted budget. These funds will be used to avoid cash flow interruptions, generate interest income, reduce need for short-term borrowing and assist in maintaining what is considered an investment grade bond rating capacity.
- Self-Insurance Reserves shall be maintained at a level to protect the City against incurred and reported losses as well as those incurred but not reported and future losses within the retention.
- A contingency reserve account will be appropriated annually in the General Fund to provide for unanticipated expenditures of a nonrecurring nature and/or to meet unexpected increases in costs.
- At the direction of the Council and the oversight of the City Manager, the General Fund portion of the budget is to be balanced. Expenditures must equal revenues with the use of appropriated fund balance. The use of fund balance cannot reduce the ending projected balance below the Council's established guidelines of 16% of expenditures.

ENTERPRISE FUND POLICY

- Enterprise funds will be used to account for the acquisition, operation, and maintenance of City facilities and services which are intended to be entirely or predominately self-supporting from user charges or for which periodic net income measurement is desirable.
- The Water and Electric department will pay into the General Fund of the City annually an amount substantially equivalent to that sum which would be paid in taxes if the water and electric utilities were privately owned.
- Enterprise funds are required to establish rates that generate revenues sufficient to cover the cost of operations including debt expense and capital needs. In accordance with the City Charter, operating costs must include any intragovernmental charges. Rate calculations also take into consideration any approved subsidies from General Government Funds.

INTERNAL SERVICE FUND POLICY

- Internal service funds will be used to account for the provision of goods and services by one department of the City to the other departments.
- Internal service funds are to be self-supporting from user charges to the respective user departments.
- Internal service funds are to only recover the complete cost of operations without producing any significant amount of profit in excess of the fund's requirement. In computing revenue requirements for rate setting purposes, the rate base should include such items as debt expense, interest expense, operating expense, prorated reserves (for lease/purchase arrangements) and depreciation expense or estimated capital outlay, either of which are usually financed 100% internally through rates.
- If a large fund balance has occurred in excess of reasonable revenue requirements, rates should be adjusted in the next fiscal year based on a four-year average of net income/loss. This allows the City to maintain appropriate levels of retained earnings without large swings in the rates charged out to departments in any given year.

State of the City of Columbia, Missouri
Presented by City Manager Bill Watkins
June 6, 2007

Hello. I'm Bill Watkins, and it's my pleasure to serve as Columbia's City Manager. This morning's discussion will provide an update on the state of the City of Columbia.

As required by our City Charter, the City Manager has a yearly duty to submit to the Council a statement of recommendations which he or she believes will be of benefit to the City and to let you know his or her opinion of the state of affairs in the community.

This is my second "State of the City" address and, as last year, I'll take this opportunity to share my perspective on the City's progress and its possibilities. The bottom line is: I am "bullish" on the future of Columbia and our local economy.

But I've got to admit, this year I'm balancing my optimism with a big dose of prudence. When we discuss emerging issues with the City Council at its annual retreat later this week, we will be very focused on holding our own in the coming fiscal year.

Instead of proposing many new programs or initiatives, I will stress the importance of handling what already is on the City's plate. Be assured...it rivals anything you pile on at the all-you-can-eat buffet.

Last year, I made a commitment to improve City government's ability to communicate with citizens, plan for proper development and coordinate our work internally and externally. These still are my core values, and they guide my recommendations to the Council.

I also said that we would direct public resources to seven community assets:

- Our vision and planning processes;
- Energy;
- Basic infrastructure;
- The central city and downtown;
- City of Columbia employees;
- The environment; and
- The local economy.

The decisions and investments we've made are paying off. The people to thank for this progress include a courageous Council that chewed through issues; citizen volunteers who serve on City boards and commissions; a City workforce that responded to policy directions; and a passionate public that demanded the best outcomes for tax dollars.

Let's briefly review some of those investments...

Community Visioning and Planning Assets

Last summer, we launched "Imagine Columbia's Future," an ambitious visioning process to chart a flight path for this community. Because we need to be sure our collective ladder is leaning against the right wall before we head in any direction, we said we would prepare the data and reasonable forecasts needed to enhance the vision process.

Since then, I've learned that visioning is not a project or a process...it's a way of life! The hundreds of people who are participating are model citizens. Thanks to all of them for sharing their passion, knowledge and commitment.

Let me acknowledge Dianne Drainer, Jeff Williams and their talented committee of people who are facilitating discussions with 13 citizen topic groups. Those groups are made up of hundreds of citizen volunteers who care very deeply about Columbia's legacy for the next generations.

I look forward to reading their report and working with them and the City Council to make the community vision a reality. Implementing the vision should be one of our highest priorities in the coming years.

In September, our citizens will have one more opportunity to review the work of the topic groups and choose the priorities that best reflect their own visions. Remember...there is a direct link between this plan and the hopes and dreams in your household.

As we implement that plan as expeditiously as possible, we need to use the best data that we have. A technical advisory committee connected to visioning produced an extensive fact book and "snapshot" of Columbia that's now on our website.

New master plans for sewers and sidewalks were adopted this year, and we are working on master plans for transit and mixed refuse. At the Council retreat, we'll propose starting an update of our airport and transportation plans. All of this data will support implementation of the community vision.

Energy Assets

I am pleased to report that the value of our community energy assets keeps on growing. Much of this progress is driven directly by voters.

The City of Columbia already exceeds voter-approved targets for renewable energy resources. We're the first Missouri city to have part ownership in a wind farm. Assuming the Governor signs Senate Bill 54, our existing landfill gas capacity will increase as we compost yard waste in the landfill to produce more methane gas for "green" electric energy.

Last year, voters approved by a strong majority a \$60 million bond issue to upgrade the City's electric transmission and distribution system. These projects include poles, wires, transformers and other unattractive things, but they make our system more reliable.

Although I hoped we would have gotten farther with our public dialog on increasing our relative energy-independence, we have not. With the help of a consultant, the Water and Light Advisory Board and Water and Light Department are reviewing this issue to look at all our options, including energy conservation. This is a discussion that should continue even as we make advances, and it will be a topic at the Council's retreat.

Our energy goals continue to include reliable, safe, adequate, environmentally responsible electricity at competitive rates. We periodically conduct our own internal cost studies and rate designs, but this year we're using an independent consultant to give us a totally objective, professional view, open to public scrutiny.

Since every kilowatt counts in this game, we have forged partnerships in coal-fired plants that use new technology to minimize pollutants. We offer a number of energy conservation programs to the community, and we will start working with citizens who want to produce their own solar energy.

Basic Infrastructure Assets

Here, again, voters set the pace when they approve tax initiatives and bond issues. We made commitments to improve our water system, public safety, streets and sidewalks. I said last year that we would strengthen a coordinated planning process to bring these threads together.

Not only are projects rolling out on schedule. We also are developing a stronger internal culture that favors getting together to talk about things...together...before we start laying concrete or bricks or sod.

And we like these internal discussions so much, that we're talking to more people outside City Hall. We're even asking for input, in the form that's most convenient for you.

I feel that I can portray this a bit humorously now, because it's something that makes sense to most of the rest of the world. It took us awhile to fully see that communication, cooperation and coordination are in the public interest. Now that it's becoming a common practice at City Hall, we can demonstrate progress.

There are about 14 Columbia road projects and a salt storage facility in design, bidding, survey or construction stages. These include improvements in both established and developing areas.

We're also making headway in our construction partnerships with MODOT. Nothing will make me happier than to eventually see gardens of orange cones at West Stadium Boulevard, at the Gans Road interchange, on Highway 763, Scott Boulevard and at other key places where MODOT and the City work together.

Fire Station No. 9, approved by voters and located at Providence and Blue Ridge, will enhance public safety in north Columbia. The Council recently approved a design contract that will incorporate “green” features and LEED (Leaders in Energy and Environmental Design) certification.

And, even though our open house has been rescheduled a couple times, Columbia’s water treatment plant expansion project is complete and operating. This will provide the water supply capacity we need for the foreseeable future.

These are some of the big commitments we are fulfilling, in addition to continuing maintenance to roads, utilities and other pieces of basic infrastructure. Our future maintenance plans will include more capacity to remove snow and keep roads open across Columbia during snow events.

Central City and Downtown Assets

Two opportunities to add significant value to downtown presented themselves last year. The first was a set of decisions to address office space for City employees.

Previous Councils had considered major renovations to and expansion of the Daniel Boone Building. They faced two big issues: one economic and one philosophical. I felt for them.

The economics of renting office space all over town while also housing a core of employees in a big, aging, historic building tended to make sense for awhile.

The cost of the expansion and renovation needed to turn that policy around appeared to require more taxes and a public vote. Some believed, philosophically, that there could be no project without a vote. This tended to keep the rental option at the top of the list.

Last August, on the recommendation of a citizens’ task force on public buildings, the Council unanimously determined that the tipping point for City Hall had arrived.

Over the long run... considering City workforce growth and rent inflation...and treating part of the financing as an internal operating expense... the Council authorized a project that will transform 8th and Broadway and be a catalyst for downtown development.

Maybe this is old news, but I want to keep the context fresh for citizens.

- We are demolishing two unsafe, inadequate buildings to prepare the construction site.
- The Daniel Boone Building will be renovated inside and out...in fact, we’ve already started work in the lobby in a historic, sensitive manner.
- The new wing will be visually compatible with the Boone structure.
- The project will incorporate public art, inside and out.
- The project will be LEED-certified and as energy-efficient as we can make it.
- The finished structure and plaza will complement our fleet of restored, reused City buildings in the downtown area.

Last year we completed work on the Howard and Gentry buildings over the past year. They’re not just nice structures. They represent long-term relationships with the community.

The second downtown opportunity is frequently called the “Sasaki plan.” Last year at this time, it was an interesting idea for assessing cultural, residential and commercial development in downtown Columbia. Today, people are kind of excited about the proposals and eager to see what’s next.

The study is the result of a first-time planning partnership involving the City, the University of Missouri and Stephens College. We all have an interest because of common boundaries between campuses and public streets and sidewalks.

The planning partnership continues to involve businesses, residents and adjoining neighbors in public discussions. In a public meeting last month, we talked with state officials and economic development professionals from Springfield and Kansas City to learn how financial incentives might unlock the potential for some great projects.

To a person, those speakers said:

- You must clearly define development goals;
- You must include all stakeholders;
- You must be sure that everyone is going in the same direction;
- You must honestly assess risks and benefits; and
- You must do the research needed to attract enthusiastic investors and quality partners.

This work represents significant public investments in what some people might call “Wow!” projects...things that surprise you with their impact. But the central city is full of smaller-scale activity that is directly meaningful to the people who live in its neighborhoods.

Last March the Council adopted a sign and awning ordinance for the Special Business District. I applaud the downtown business owners who not only decided that it was time to dismantle the canopy. They also are working to cover the scars left by demolition.

After many months of negotiating, the business owners offered a balanced approach that, in my opinion, keeps downtown signs distinctive and lively. I am pleased that the City could help with this.

We also have memoranda of understanding with two organizations that want to locate next to the ARC, or the Activities and Recreation Center at Ash and Clinkscales.

Sustainable Farms and Communities and the Columbia Youth Basketball Association will be welcome neighbors. Each is involved in fund-raising to make this central city dream come true.

Finally, I want to talk about my personal definition of a “Wow!” project: the transformation of problem properties. This is the mandate of the City’s Neighborhood Response Team and part of my personal mission.

I drive these areas, and don’t like seeing broken windows. They’re slippery slopes leading to messy, unsafe and unsanitary structures. Empty run-down properties can attract people who just have no business being there and who may bring a criminal element with them.

Problem properties can emerge anywhere, but we’re concentrating most of our rehab and demolition resources into a defined “NRT area” in the central city.

Since January 1, 2006:

- We’ve spent about \$700,000 in federal funds there;
- Demolished nine structures;
- Completed 24 major housing rehab projects; and
- Finished reconstructing Hope, Hardin and Donnelly streets.

Promoting confidence and security in neighborhoods is one of the most important things we do. In my mind, it creates a sense of emotional ownership. It makes you want to keep raising your family there.

City Employees

Last year I said and continue to believe that our workforce is City government’s greatest asset. Consider these stand-out examples.

Mark Grindstaff, a supervisor in our Public Works Transit Division, responded to a call from an individual with a service dog who could not assist her at a bus stop. It was too close to a busy street, and the dog’s hearing was overpowered by traffic noise. Mark visited the site and, in a matter of minutes, agreed to move the bus stop 100 feet. Now the service dog can hear and help his companion use this City bus stop near Services for Independent Living.

The Columbia/Boone County Animal Control Division was recognized by their peers statewide for improving life for companion animals and excellence in meeting industry standards.

George Gering, a plant maintenance supervisor at the Columbia Regional Wastewater Treatment Plant, saved the public a half million dollars with his ideas for housing new centrifuge machines. Columbia Water and Light and public safety workers who helped southwest Missouri recover from last winter’s ice storms were heralded by many communities in the area as “angels.”

Off-duty Columbia Police Officer Mike Hestir received the Fire Department's Emergency Services Lifesaving Award for activating an emergency response and administering CPR, saving the life of a boy's mother.

These individual acts combined with the excellent service our employees provide every day create a huge public resource. A little later I will discuss our continuing attempts to add even more value.

Environmental Assets

In my opinion, actions over the past year significantly enhanced Columbia's environmental assets. Last March the Council authorized a contract for aerial photography and image analysis, using state-of-the-art technology, that will allow us to inventory local natural resources and finally factor that information into our planning processes.

More dramatically, I am extremely pleased that the City will close on the purchase of the Crane property in September. This achieves our goal of banking land for a southeast regional park that will be comparable, in many ways, to Cosmo Park. It is a true gem whose value will only increase in the coming years.

Other new environmental assets include:

- A partnership with Boone County and the Atkins family, to develop two long-needed baseball fields at the 80-acre Atkins tract, located north of the Boone County Fairgrounds;
- New ordinances regulating second-hand smoke, commercial lighting and nuisance properties; and
- A stream buffer ordinance aimed at reducing unfiltered run-off from bare ground and other sources.

This progress is the big reason that I'm bullish on Columbia. It tells me there is a collective optimism in this community that warrants continuing investment. People are convinced that Columbia will thrive and be a welcoming place for families, business and diverse outlooks.

As a "full-service city," Columbia will continue to provide what citizens want, within available financial resources. And this is where prudence enters the equation.

It's no secret that our General Fund revenues have not kept up with our expectations of a year ago. To meet this year's budget, we have postponed some major equipment purchases and are closely monitoring our spending.

Sales tax growth usually exceeds budget, but this year it's growing at a much slower rate. Building permits are down which reflects the slowing construction economy.

Overall General Fund spending is higher than planned, due mainly to costs associated with responding to last winter's record-breaking snow.

We used more supplies, burned more gasoline, paid staff overtime, repaired and outfitted vehicles and paid private contractors.

Because we traditionally budget and spend very conservatively, we usually carry funds over from one fiscal year to the next. That carried over money helps support continuing and new programs.

Compared to last year, I expect to see less revenue carried over to FY 2008 and possibly to 2009. This affects the major policy priorities I will be able to recommend at Council retreat this week.

First and foremost, the City must continue to develop strategies to attract, hire and retain a new generation of workers, with a very different set of expectations, into public service.

This includes providing competitive salaries and adding value through career ladders and other professional development opportunities.

This year we began laying the groundwork for meaningful performance evaluations because I felt our current system was broken beyond repair. Coupled with a new approach, I recommend that the Council allow us to reward exceptional performance with sensibly-administered merit increases.

The City can and should be a significant partner in the local economy.

To protect the public investment in downtown Columbia and encourage others to make commitments, I recommend that the Council:

- Formalize the City's current partnership with the University and Stephens College aimed at achieving common development goals;
- Participate in the legal entities needed to evaluate financial incentives for development;
- Enact zoning and development standards that facilitate common goals; and
- Begin planning two new parking structures that will anchor development projects.
- We should develop partnerships to insure we have appropriate acreage of prepared, "shovel-ready" industrial ground for new manufacturing employers.

The City should launch new partnerships to plan for critical local and regional infrastructure.

If we're ahead of the curve in our thinking and preparation, we can better guide our economic destiny. I recommend that the Council:

- Work closely with Boone County to extend, improve and share the costs of roads needed to accommodate continuing growth;
- In consultation with the Boone County Regional Sewer District, identify projects to include in a Spring 2008 ballot issue for water and wastewater facilities; and
- Push the envelope on airport planning and operations. I don't believe that we can be the captives of carriers that don't deliver. We must engage major stakeholders and demonstrate a commitment to improve the facility, its services and its employment base.

And I'm putting people on notice: this won't be cheap. Our airport did not reach its current state overnight, and it won't be fixed overnight.

While there are sensitivities in play, the City must engage the Boone County Fire Protection District in negotiating a new territorial agreement, and we must address local concerns relating to the Columbia Police Department.

These public safety professionals bring their hearts to their work everyday and sometimes leave a little blood and sweat behind. They depend on a high level of public trust and accountability.

I recommend that the Council start working now to assure that the territorial agreement is fair and representative of the public interest, that responsibilities are clearly defined and that goals reflect current policies.

Changes are needed. While the current agreement won't expire until January 31, 2009, it must be put on-notice in July,

Chief Randy Boehm and the Columbia Police Department are working on an internal reorganization and communications plan for both up and down the chain of command. Part of this will be implemented in next year's budget.

They are re-writing their internal affairs policies to reflect best management practices, with a public progress report to be made at the July 2 City Council meeting.

The department will update it's strategic plan this fall to assure that we are getting the maximum value from police resources and that they are appropriately directed to community priorities, such as traffic control.

In my opinion, the City of Columbia not only serves the public, it is an active, civic partner. Government does not do its work alone.

I think our future will only be as strong as the enduring partnerships we forge with others, and we can look to our citizens who are involved in community visioning as a model. They are imagining a Columbia where good partners make great things happen.