

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.

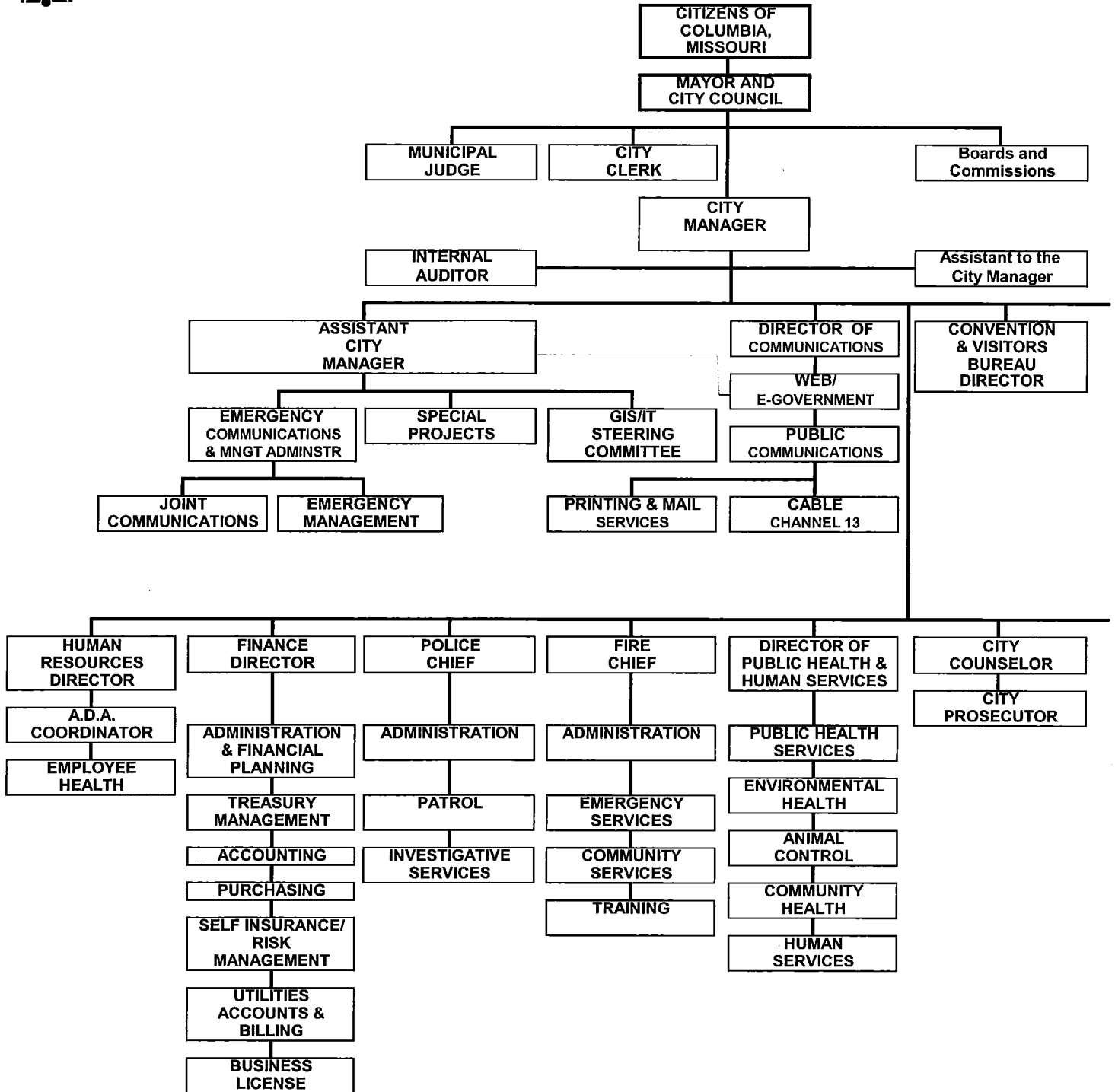
In separate sections, the following information is provided:

- **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 State-of-the-City address with the 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, Organizational charts are also located in this section.
- For FY 2010 Comparative Data and Performance Measurements are under construction. City staff is working to prepare information that is more aligned with council and citizen priorities.
- **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.

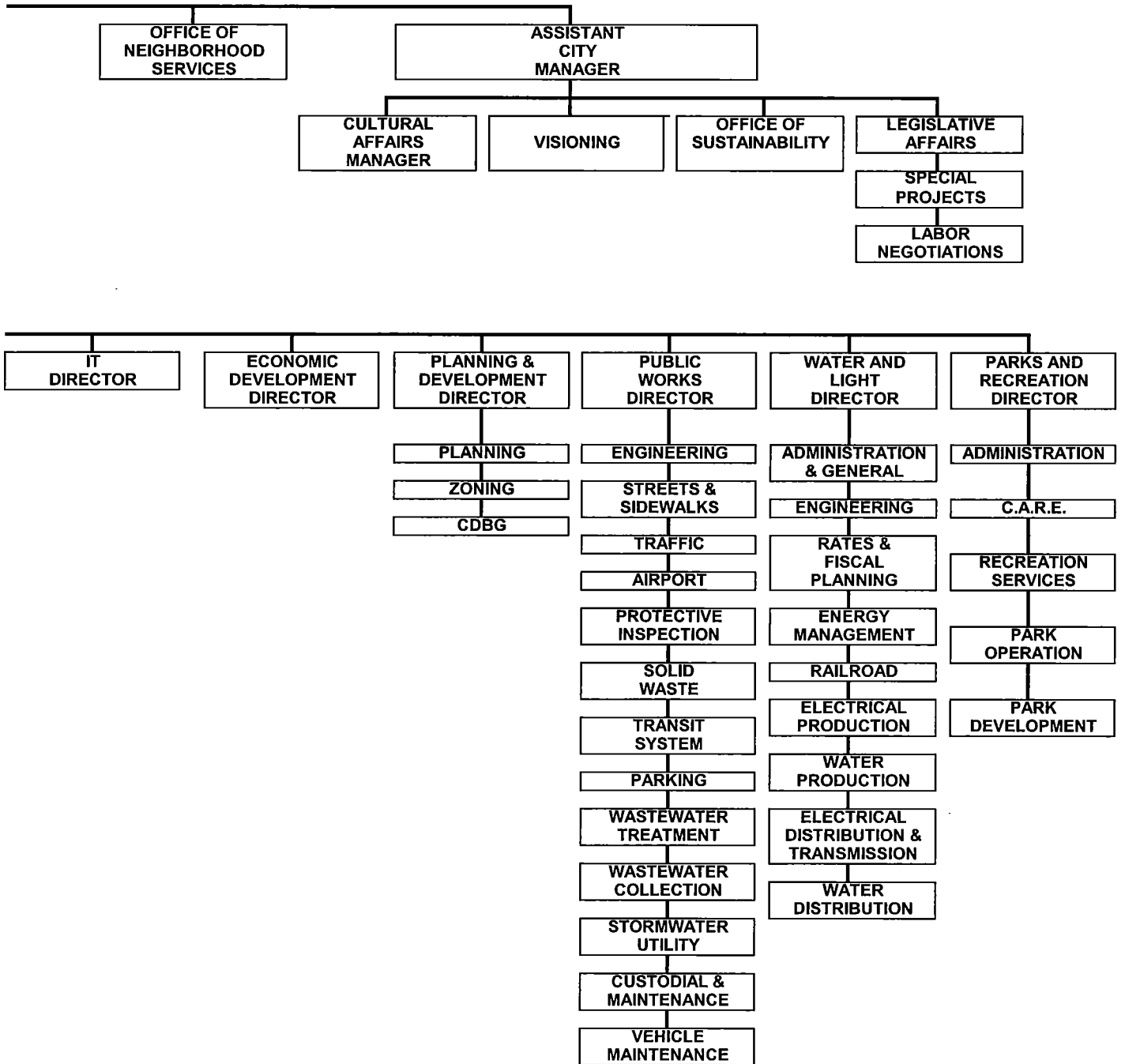


FUNCTIONAL ORGANIZATIONAL CHART



Approved 7/23/09
 date

 City Manager





Columbia Website Address: www.gocolumbiamo.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

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: James Michael (Mike) Brooks

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

Public Health & Human Services **573-874-7347**
Assists to prevent disease and injury by
promoting better health in the community.
Includes community and social services
programs.
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: Interim Director Zim Schwartze

Law **573-874-7223**
Manages all litigation and advises Council
and all City-related personnel on legal matters.
City Counselor: Fred Boeckmann

Municipal Court **573-874-7231**
Processes violations of laws and
City ordinances.
Judge: Robert Aulgur

Parks and Recreation **573-874-7465**
Oversees and maintains park lands
and a variety of sports and leisure programs.
Director: Mike Hood

Planning **573-874-7239**
Provides planning, economic and community
development support to the City of Columbia.
Director: Timothy Teddy

Police **573-874-7404**
Serves as the law enforcement
agency for the City of Columbia.
Police Chief: Ken Burton

Public Communications **573-874-7660**
Promotes the City of Columbia's public affairs.
Director: Toni Messina

Public Works **573-874-7253**
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

Neighborhood Services **573-874-7499**
Manages donations made to the City in the
form of volunteer time, cash, property and land.
Manager: Leigh Britt

Water and Light **573-874-7316**
Provides safe and dependable drinking
water and electricity and operates COLT railroad
Director: Interim Director Mike Schmitz



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 63.4 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 contemporary 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	3
Parks (Total Acres 2,984).....	65
Bowling Alleys	1
State Parks	4
Roller Rinks	1
Roller Hockey Facilities	2
Skate Park	1
Soccer Fields.....	19
Tennis Courts	25
Trails (miles).....	44
Volleyball Courts.....	18

Cultural Arts: (Cultural Affairs 874-7512)

Movie Theaters	(25 Screens)
Performing Arts Organizations/Companies	20*
Visual Art Venues, Museums & Galleries	15*
Arts Festivals	5*

*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	1,213
Hotels/Motels	39
Hotel/Motel Rooms	3,718
Restaurants.....	253
Shopping Centers	15
Shopping Malls	1

Communications:

Print Media.....	13
Boone County Radio Stations	11
TV Stations	7
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) 17,186

Elementary Schools	(20) 8,092
Middle Schools.....	(3) 2,385
Junior High Schools	(3) 2,536
Senior High Schools	(4) 4,146
Vocational Schools	1
Non-Public Schools.....	11
Stephens College Enrollment	1,147
Columbia College Enrollment (day, evening & ext) .	14,081
Univ. Of Missouri-Columbia Enrollment.....	30,130



Libraries:

Ellis Library.....2.6 million volumes
Daniel Boone Library.....1.9 million volumes

City Streets: (Public Works 874-6230)

Paved (miles) 489.66
Unimproved (miles)9.7

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

Sewers (miles)648

Fire Protection: (874-7391)

Number of Stations8
Total number of employees140
Number FF/Eng./Lieuts./Capts/Bat Chiefs.....131
Number of vehicles40
Number of hydrants..... 5,436

Police Protection: (874-7506)

Number of stations1
Number of sub-stations7
Total number of employees191
Number of Sworn Positions158
Number of vehicles103

Parking: (Public Works 874-7751)

Unmetered Off-Street
On-Street Meters..... 1,692
Off-Street Meters.....404
Permit Spaces (lots/garages)..... 1,275
Hourly Garage Spaces.....278

Airport: (Public Works 442-9770)

Airport Facilities.....1
Airlines: Mesaba (Northwest Airlines)1

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)

City Employees (FTE for FY 2010):..... 1,284.95

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)

Top 5 Employers in Columbia

Full-time FTE's (REDI Inc.)

University of Missouri8,491
University Hospital & Clinics4,014
Columbia Public Schools2,006
Boone Hospital Center1,527
MBS Textbook Exchange.....1,314

Unemployment Rate for 2008 for Columbia was 4.4%

Sales Tax:

Sales tax in Columbia is 7.35% except in TDD designated areas which have a tax rate of 7.85%. The tax amount includes the following:

State Sales Tax.....4.225%
County General Revenue Tax.....0.500%
County Road Tax0.500%
Boone County Law Enforcement Tax0.125%
City General Revenue Tax.....1.000%
City Transportation Tax.....0.500%
City Capital Projects Tax.....0.250%
Parks Sales Tax0.250%

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 2008, volunteers contributed more than 43,323 hours at a value of more than \$845,000.

Annual Unemployment Rates for Columbia	
Year	Rate
2004	2.5%
2005	3.0%
2006	2.9%
2007	3.6%
2008	4.4%

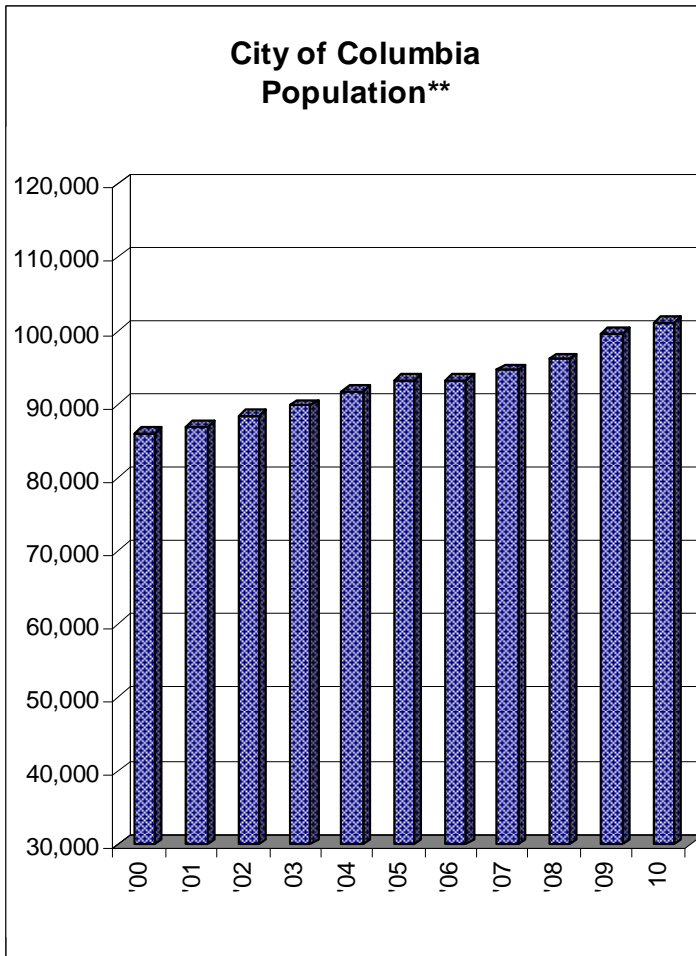
<http://www.bls.gov/lau/lamtrk08.htm>

Local Economy:

The cost of living for the City of Columbia is generally 8%-9% below the national average. For the first quarter in 2009 Columbia was at 91.0%. Columbia area has a median household income of \$33,928. According to the Bureau of Labor Statistics (BLS) the unemployment rate for the City of Columbia for the month of May 2009 was 5.7%.



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

2001	86,081	2006	93,219
2002	87,003	2007	94,645
2003	88,423	2008	96,093
2004	89,803	2009	99,619
2005	91,814	2010	101,143

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.

FY 2010 Taxpayer	Type of Business	Assessed Value	Percent of Total Assessed Valuation
Boone Electric Cooperative	Utility	\$ 10,739,264	0.73%
The Kronke Group	Property/Developer	\$ 9,318,675	0.63%
Columbia Mall Limited Partnership	Property/Developer	\$ 8,520,254	0.58%
State Farm Mutual Automobile Ins	Insurance	\$ 7,913,247	0.54%
Boone Crossing	Property/Developer	\$ 7,864,177	0.53%
Grindstone Plaza Development	Property/Developer	\$ 5,848,007	0.40%
Shelter Insurance	Insurance	\$ 5,461,706	0.37%
Hubbell Power Systems	Manufacturer	\$ 4,520,172	0.31%
Boone County National Bank	Banking/Finance	\$ 4,402,289	0.30%
Rayman Columbia Center Trust	Property/Developer	\$ 4,343,968	0.29%
Total		\$ 68,931,759	4.68%

Assessed Values of Taxable Property

Fiscal Year	State Assessed Value	Real Property	Personal Property	Total Assessed Value
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	6,122,350	1,207,930,492	260,021,334	1,474,074,176
2008	5,843,391	1,292,414,862	273,363,667	1,571,621,920
2009	5,522,897	1,347,522,235	275,394,049	1,628,439,181
2010 Prelim	5,451,561	1,381,925,237	252,878,909	1,640,255,707

Property Tax Rates (Per \$100 Assessed Value)

	General Fund	G.O. Bond Fund	Total Fund
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
2009	0.41	0.00	0.41
2010	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.

Vision Process - "Imagine Columbia's Future" is a vision process started in 2008. The process provides an opportunity for citizen input regarding the future of Columbia. This process is the starting point for the budget and is one of the driving forces behind establishing priorities. The Columbia Vision Commission seeks input of other city boards, commissions, and departments, recommends implementation tasks to be undertaken every two years and resources needed to accomplish such tasks.

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 but may change as current trends warrant. 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 Manger 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 was 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.

Office of Sustainability (OS) - used to account for and monitor all sustainability programs implemented by the City.

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 proceeding 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.



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State of the City of Columbia, Missouri:
Manager's Programs and Priorities for FY 2010
Presented by City Manager Bill Watkins
June 3, 2009

Hello. I'm Bill Watkins and, since my appointment in 2006, it's been an honor to serve as Columbia's City Manager. This is my fourth "State of the City" address to Columbia citizens.

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, the citizens, know his or her opinion of the state of affairs in the community. This traditionally occurs immediately before the City Council's annual retreat.

Retreat is a time to discuss ideas for new approaches to community issues. This year, as last, retreat will be held at the Lodge of the Four Seasons and will start at 6:30 p.m. on Thursday, June 4 and end around noon on Saturday, June 6. The retreat is an open, public meeting. The news media and other observers are welcome to, and usually do, attend.

The session also helps form the FY 2010 budget that I will be proposing to Council members in late July. This year I think all of us have put more – and more intense – focus on the budget. The 1980's was the last time there was a year of no revenue growth.

What I will be sharing with Council members at retreat are some of my recommendations for using City resources and tax dollars in a way that sustains what citizens have come to expect from their government.

"Sustainability" is about more than climate control and energy...it's about using all of our resources more wisely...about, perhaps, making choices that support our future while scaling back on those that reflect our past. It's a rebalancing time.

We have scheduled about 25 percent of our time at the retreat to discuss sustainable resource use. My recommendations to Council will include the following...

- Crafting an “SOS” strategy...one that “Seeks Opportunities to Save” City resources and use them more efficiently. Our challenge is to find a way to afford a new position, set efficiency benchmarks, be accountable for savings and get a return on our investment. We will actively seek community participation in City efforts.
- Creating an advisory task force to revise our stormwater utility funding structure. Our duties are to protect the public from flood damage and to keep our streams as clean as possible. We need adequate funds to inspect and maintain our stormwater drainage system, build projects and meet state and federal environmental protection standards.

Pressure on our stormwater system keeps building as the community grows and as environmental standards get tougher. The current stormwater revenue system, set by voters almost 20 years ago, just is not adequate for what we must do today and tomorrow.

- Modifying our land disturbance ordinances, based on Council’s specific guidance. Council has been discussing policy options for about four months.

For better or worse, I think that the unintended consequences associated with Cross Creek will dictate our planning and development future for many years.

We’ve talked with Council over the last two months about ways to avoid another scenario like Cross Creek and have prepared several options for them to consider. Each option has its own set of “pros” and “cons” and addresses things like permitting, zoning, steep slopes, tree preservation, stream buffers and other issues.

- Continuing to update Columbia’s comprehensive development plans, which we started earlier this year. This initiative will update our process, from our comprehensive plan through zoning and subdivision codes.

Council already has directed staff and the Planning and Zoning Commission to make this very thorough and inclusive, and has decided by resolution to appoint an advisory task force. We’ll discuss how to appoint this group and start the process.

- Implementing the demand-side management measures described in the City’s energy integrated resources plan, or “IRP.” On its face, this is a reasonable step. If customers use less energy, there is less demand that our utility has to supply through our own generation or through purchases from other energy suppliers.

This requires up-front spending, however, and the key is making sure that citizens and ratepayers get a return on their investment. In my book, we should not be spending electric utility funds without expecting a return on investment for the utility.

We are fortunate to have secured a little more than \$1 million start-up funds available through the federal Energy Efficiency and Conservation Block Grant. We’ll target four areas, including:

- An Energy Star assessment of all City buildings and Energy-efficiency retrofits for City buildings, places where I think we should lead by example;
 - A pilot project to create codes and incentives for energy-efficient building design; and
 - Partial funding for an “SOS” coordinator...the position that will seek opportunities for savings in City government
- As mentioned a little earlier, revising our building codes, which we typically do on a three-year cycle. Here and across the country, we will see more codes requiring structures built to reduce and conserve our use of resources.

Pushing this focus on “resources” a little further, we’ll spend time at retreat talking about the City government workforce. Since becoming City Manager, one of my most important goals has been to recruit, hire and retain the best possible employees with the funds available.

We will complete our internal review of all job descriptions this summer, an important first step to assure that the descriptions represent our actual work. FY 2010 is the fourth year in a four-year process.

This review also tells us how City pay scales compare to what others are earning in the open market.

Because Council values the men and women who provide City services, I’m proud to say that our pay scales are much closer to market levels than they were three years ago, primarily because we adjusted our lower and starting salaries. This year we’ll look at our professional and supervisory staff.

We’re also in the second year of an evaluation system that bases pay increases on employee performance. The former “merit” system did not adequately recognize our top performers, and employees believed it was not fair. Across-the-board raises probably are not in the cards this year.

Our total compensation package is reasonable, prudent, and the best we can do, considering our financial constraints. With each new retirement, however, we lose experience and knowledge. This affects our ability to “sustain” services at levels that citizens have come to expect.

I will propose to Council that we fund a three-year talent strategy to identify up-and-coming supervisors and assure that, when they get promoted, they have the skills and attitudes needed to make the transition.

I will ask an employee committee to identify core skills needed in our organization. I will ask them to design an application process for eligible employees and, when appropriate, to help teach the next generation.

We must invest, to the best of our ability, in a wide range of training using methods that fit employees' learning styles. We must pull as much knowledge as possible from our current workforce and preserve it as a reference for those coming up.

This is my workforce capital improvement plan, or "talent strategy"...the guide for building a human infrastructure for years to come. Every year we spend considerable resources looking at long-term capital needs. We should do likewise for our employees.

Consistent with Columbia's community vision, we'll also spend some time talking about ways that we're all connected, informed and engaged. As I see it, neighborhoods are the places where we choose to settle because of their look, feel, accessibility and other factors. This is where many people feel most engaged.

All taxpayers fund the networks that keep neighborhoods connected. Our streets, sidewalks, utilities, trails and public transit system bring services direct to your home and make it possible for you to travel from your neighborhood to work, shop, go to school, find leisure and meet other folks.

Taxpayers also support agencies that keep an eye on the networks...agencies like the Police and other departments that respond to citizen complaints and enforce the rules, set by Council, that we all must live by. This is another form of engagement that is unwelcome to a few but beneficial to the vast majority.

Council and staff will talk about making stronger and more effective connections and new opportunities for citizen engagement.

- I propose, as part of next year's budget, to merge functions associated with neighborhood relations and property code compliance into a single, more efficient unit.

These neighborhood-focused employees now are housed in six departments. They do their work well but need a stronger, continuous unity of purpose. I'd like to provide some new organizational tools for them to work more effectively with citizens and property owners and to enforce the rules.

- Police Chief Ken Burton intends to improve community connections and livable neighborhoods. He is reorganizing his command staff for greater accountability...improving the department's communication with citizens...and forming partnerships for better problem-solving.
- As outlined in the community vision plan and discussed by Council, I will suggest that Council move to appoint a Transit Advisory Committee, modeled after our Airport Advisory Committee, to focus on bus transportation. Public transportation is a critical link in Columbia.

In most American cities, transit is not self-supporting and must be subsidized by something besides passenger fares. We use over

\$1 million annually in transportation sales tax funding, in addition to federal subsidies. Rarely can buses run everywhere and at every time that people desire, due primarily to financial constraints.

Our bus ridership is climbing, even with recent fare increases, and I know that Council is committed to making this basic service accessible to more people. We need the good ideas of a citizen advisory committee and particularly their help in advocating for and helping the community understand the complex transit issues we are facing.

- By September 30, the end of our current fiscal year, we will have over \$100 million in local infrastructure projects under internal management. This represents a commitment to voters who approved ballot issue financing for roads, sewers, local streets and sidewalks, fire and police stations, water system and fire flow upgrades, electric system improvements and wastewater projects.

It is one of our biggest challenges to keep these assets current and in working order. They must be maintained if we're going to provide safe, reliable and reasonably priced services to citizens, in the long run. Just bringing all our sidewalks up-to-date has a price tag in the tens of millions of dollars.

Deferring maintenance to postpone spending is only a short-term strategy. We have much to do at our airport. Private common collector sewers in older neighborhoods must be replaced. We must do a better job maintaining some of our athletic facilities, like the American Legion Complex.

We can't forget maintenance as we scramble to add new assets.

Council members have consistently supported and exerted their leadership to maintain public infrastructure, and I can't remember a time in my 22 years of service when this was not on the retreat agenda.

Earlier this week I announced the appointment of Mike Brooks as our new Economic Development Director and President of REDI, Inc., our regional economic development partnership.

I want to thank Bernie Andrews and his staff for all they've done to attract and keep business here in both better times and worse times. They laid the groundwork for future partnerships that will harness the power of research at the University of Missouri and convert it into new products that bring great jobs.

I am very pleased that Bernie has agreed to stay on with Mike as part of our Economic Development staff. We are now at the same staffing level as when I had that position in 1988.

Like other communities, Columbia is well into the shift toward a technology- and knowledge-based economy. With our local and regional partners, we will continue to make long-term investments that sustain this area for years to come.

By the same token, we can't afford to leave behind those who are not yet technologically prepared. Our children and grandchildren should have the same career opportunities here as they might find in other places.

I know that Council members support this kind of job creation and appreciate the investments needed to get results. We'll discuss proposed economic development planning and strategies for the coming year, including progress with Downtown redevelopment.

The City's fiscal condition is sound, but not comfortable. It's fair to ask why we still prefer progress to re-trenching. On this point, I refer to former President Harry S Truman who said:

“I don't believe in little plans. I believe in plans big enough to meet a situation which we can't possibly foresee now.”

We are very fortunate to have the community vision guiding our future, and that is a very big plan. We're already implementing many of the strategies in that plan, and the actions I am proposing to Council take us even further.

Why think “small” if it puts Columbia at risk of missing opportunities? As City Manager, it is my duty to look at the horizon, and beyond, to advise Council members and then implement their decisions.

This year, for the first time, we have posted all Council retreat materials online, and I encourage you to review them at www.GoColumbiaMo.com . Thanks for your attention today. I look forward to working with all of you in the coming months.