City of Columbia

701 East Broadway, Columbia, Missouri 65201

Agenda Item Number: REP 57-15
Department Source: City Manager
To: City Council
From: City Manager & Staff
Council Meeting Date: 5/18/2015
Re: Response to the Downtown Leadership Council's Recommendations to Council.

Documents Included With This Agenda Item

Council memo
Supporting documentation includes: Attachment 1: Sewer Utility Planning Documents; Attachment 2: Stormwater Utility Planning Documents; Attachment 3: 2014 Annual Infrastructure Report; Attachment 3: Answers to DLC Questions Regarding Depreciation Funds for Utilities

Executive Summary

This report provides City staff's responses to the Downtown Leadership Council's recommendations to Council in their October 2014 Infrastructure Report. Responses are provided point by point (in italics) for each recommendation, but there are some general themes highlighted in this summary.

Many of the DLC's recommendations focus on providing additional planning and updating existing plans. Staff believes the City is not lacking plans, but rather lacks funds to keep pace with the existing plans.

The DLC recommends the creation of new boards, task forces, and consultants to address downtown infrastructure challenges. The City has employed task forces and commissions in these capacities in the past with mixed results. The feasible recommendations from the last infrastructure task force are still being implemented as plans, recommendations, and large projects for infrastructure take time and funding. The City also has engineers and other professionals dedicated to maintaining and growing our infrastructure, as well as, numerous consultants and 3rd party reports and plans.

The DLC proposes examining alternative revenue streams for infrastructure that do not include tax increases while also creating a depreciation fund for infrastructure. Staff is certainly open to any new funding streams that do not require additional taxes or rate increases. Developer fees can provide some funding for projects, but they are one-time funds which do not provide a reliable ongoing funding stream for future maintenance or large capital projects. A development fee increase was rejected by the voters in November of 2014. Funding depreciation would require setting aside current rate-payer funds for future construction. There are user equity issues as it asks current users to pay for a future upgrades they will not use and would likely require a voter approval of the fee increase under the Hancock amendment. The traditional method of funding utility infrastructure is to seek voter approval for the issuance of bonds which are paid off by revenue from user fees (users pay for the projects actually used by them over the life of the upgrade).

Discussion

DLC recommendations are in regular font.
City staff responses are in italics.

The following attachments are provided:

- ***Attachment 1: Sewer Utility Planning Documents***
- ***Attachment 2: Stormwater Utility Planning Documents***
- ***Attachment 3: 2014 Annual Infrastructure Report***
- ***Attachment 4: Answers to DLC Questions Regarding Depreciation Funds for Utilities***

DOWNTOWN LEADERSHIP COUNCIL: RECOMMENDATIONS TO RESTORE PUBLIC TRUST IN THE PLANNING PROCESS AND IDENTIFY POTENTIAL REVENUE SOURCES

1. The City Council should clarify the condition of downtown infrastructure.

The City Manager told the public, as early as December 2013, that the City's infrastructure was incapable of handling any new downtown or central City building. The public heard that the City's electric and sewer usage had already outstripped its capacity. The City told the public that no new projects could begin until the infrastructure was upgraded. [1]

Despite those comments, shortly thereafter the City authorized intensive new residential development in the downtown area. The disconnect between public procurements and subsequent actions created confusion for voters and taxpayers. The City Council should clarify its position to restore public trust.

In 2013-2014 an unprecedented number of large residential projects in the downtown area came forward at the same time, including a 24-story residential structure. The H3 Charrette predicted an increase of 1,000 students downtown over 10 years, the reality has been 3,000 over the last few years. Major projects under construction at that time included a seven story hotel at 1111 Broadway and residential housing projects at 1222 East Walnut (Brookside), 114 S. 9th Street (the Rome), and 1101 East Walnut (Orr Street Lofts). Residential housing projects under consideration for construction were: Opus Development Company, American Campus Communities, Collegiate Housing Partners, Park 7 (Elm Street), The Lofts at 10th and Broadway (BMT of Columbia), Delta Upsilon and The Lofts on 9th Street (404 South 9th Street).

The collective impact of these projects would have burdened the electric and sewer capacity for the downtown area to a sufficient degree that staff was uncomfortable moving forward without additional evaluation. Each development project is unique and places unique demands on public infrastructure which need to be evaluated by the City to determine if adequate infrastructure and services exist to support the proposed development project. Accordingly, staff put a temporary hold on the issuance of building permits until the infrastructure demands of the individual projects and existing resources could be evaluated and a plan for funding needed infrastructure could be formed. The initial temporary hold included ***any*** *building permit where the post-construction infrastructure demand would*

exceed the existing pre-construction conditions. The hold was modified to only include new construction projects with a significant impact on infrastructure as each project was evaluated on its individual merits and necessary infrastructure improvements identified.

Staff proposed the use of a TIF district to fund needed upgrades for proposed projects and future growth. The Council did not agree with staff recommendations and instead used a solution that involved private sector funds and a reprioritization of City projects to construct sufficient infrastructure improvements to meet the needs of some of the proposed projects. The City entered into public-private partnership agreements with American Campus Communities ($300,000 sewer; $52,000 transit), Collegiate Housing Partners ($150,000 sewer; payment for +/-50 off-site parking spaces), BMT of Columbia ($50,000 general utilities, 40 off-site parking spaces) and Opus Development Company ($250,000 water; $200,000 sewer;61,360 transit). The Opus Development Company agreement was repealed by the City Council at the request of citizens who circulated a referendum petition and additional funds were reallocated to make up for the lost Opus contribution to the planned infrastructure improvements.

The Park 7 project on Elm Street continues to be on hold due to concerns about the ability of the City to provide adequate infrastructure to support a project in the downtown area of the size and scope proposed. City staff will continue to evaluate the demands placed on the existing infrastructure by each individual project and will recommend infrastructure improvements when necessary to serve the project requirements. Staff will continue to explore public private partnerships to fund infrastructure improvements and will seek guidance from Council and the public on an increase in development fees.

2. Reinstate the Infrastructure Commission to monitor infrastructure capacity going forward.

In order for the City Council and City Manager to stay informed of the long range needs of the City infrastructure the Downtown Columbia Leadership Council recommends that the City Council re-establish an infrastructure commission charged with monitoring all existing capacity of hard and soft municipal infrastructure including water, electric, sewer, road, public safety, parking, etc. and issue a regular green light, yellow light, or red light infrastructure warning for city planners, Planning & Zoning Commission and City Council members.

The Infrastructure Task Force (not commission) was created in 2010 to, "establish guidelines for determining fair and balanced cost allocations and funding sources among stakeholders and to ensure infrastructure implementation is aligned with the comprehensive growth plan". The DLC report suggests creation of a new permanent commission which would provide ongoing oversight of all hard and soft municipal infrastructure, which is a function currently carried out by the City Council, staff and various boards and commissions.

The City currently maintains long range plans for infrastructure needs. This work requires input from numerous professionals ranging from engineers, planners, and financial personnel. In addition the City currently has several boards and commissions tasked with review, oversight, and recommendations regarding city infrastructure. The Planning and Zoning Commission reviews and

prepares the a comprehensive plan for existing and future development of the city (including the general location, character and extent of streets, bridges, parks, waterways, public buildings, and public utilities) and provides recommendations to the City Council on the City's capital improvement plan. The Water and Light Advisory Board oversees and provides recommendations related to safe and reliable operation of the water and light system. The Parks and Recreation Commission reviews and provides recommendations relating to the construction and programming of parks and recreation activities within the city. The Downtown Leadership Council has the duty to monitor current assets within the downtown study area that would assist in the area's redevelopment and create a comprehensive downtown strategic plan. The Bicycle/Pedestrian Commission is tasked with the duty to develop a master bike plan for the city and to advise the council on issue relating to city sidewalks, walkways and trails. The Columbia Area Transportation Study Organization (CATSO) is a metropolitan planning organization responsible for ensuring a coordinated transportation planning process within the Columbia metropolitan area, containing elements covering roadways, transit, bicycles and pedestrian facilities.

The City Council, City Manager, and community are updated on the financial and physical status of all City funds and infrastructure on a regular basis. Staff provides Council and the public with comprehensive updates on the health of City funds, infrastructure, and community indicators during Council Retreats, Mini-retreats, Council Orientations, and 1 year and 6 month financial updates. The Budget provides a one year look ahead for all City funds, the Comprehensive Annual Financial Report (CAFR) provides a one year look back at the previous year, the Capital Improvement Plan provides a 10+ year look ahead at needed capital and infrastructure improvements, and the Financial Trends report provides a 10 year look back at City funds as well as community indicators (with a green light, yellow light, and red light graphics). All of these documents are updated annually, are available at gocolumbiamo.com, and are reviewed at Council meetings. These documents and the processes for updating them insure the City's strong financial health and ability to plan for the future.

The City engages in comprehensive planning, but it is very difficult to predict with precision when and where development will occur. The development proposals for downtown during 2013-2014 were unprecedented in their number and scope. While the projects that came forward for downtown caused concern for existing infrastructure adequacy, the projects to address the concerns already existed in the Capital Improvement Plan. The timing of the development projects required extensive evaluation and created the challenge of reprioritizing some projects up while not having a negative impact on the overall existing Capital Improvement Plan. It is difficult to see how another layer would provide any additional expertise or analysis to assist with existing planning efforts.

3. Establish a Blue Ribbon Task Force.

The Downtown Columbia Leadership Council received conflicting testimony regarding the cause of infrastructure shortfalls and trouble spots. Members of the Downtown Columbia Leadership Council are not experts in engineering, sewer pipes, water lines, or electric generation and transmission. However, there are citizens within the City of Columbia who possess the expertise required.

The DCLC recommends the creation of a Blue Ribbon Task Force to:

§ Work with the City to create an 'Infrastructure Strategic Plan' for Columbia 2050 with established benchmarks.

§ Create an infrastructure development ordinance that would outline steps required including funding (as per Chapter 6 of this Infrastructure Report).

§ Review all forms of infrastructure to identify sustainable practices. This may include replacing streets with permeable pavement (www.citylab.com) or adopting high-efficiency LED lighting for streets, parking garages, and buildings. See also: www.tauranga.govt.nz

§ Develop a "smart streets" protocol that works hand-in-hand with the "complete streets" policy to integrate paving, landscape and underground infrastructure.

§ Monitor implementation of a 2050 build-out.

§ The Blue Ribbon Task Force could include retired members of city staff, employees and citizen appointees with interest and expertise in municipal infrastructure.

Staff has many of the same reservations about creating a Blue Ribbon Task Force as it does for creating an Infrastructure Commission. The City already has a Capital Improvement Plan that looks 10+ years into the future for infrastructure needs and is updated annually. The City already uses sustainable building designs and upgrades, especially for energy efficiency, in existing facilities and has an Environment and Energy Commission who who acts in an advisory capacity with respect to sustainable practices and changing technology. Water and Light is already in the process of converting street lighting to more efficient LED units. The City already has a complete streets policy (since 2004) and coordinates on street projects with all utilities to insure all needed upgrades and maintenance occur in conjunction with the project. Columbia already has experts for watching over our infrastructure and they work for the City as engineers, planners, and other professionals.

4.Retain an independent infrastructure consultant.

The City of Columbia should hire an independent infrastructure consultant to analyze Columbia's existing infrastructure capacity and make recommendations for expansion. An independent consultant will also answer constituents, ratepayers, and taxpayers questions regarding "Are we really out of infrastructure?" Are we "Closed for business..."? Or, is infrastructure indeed "flexible" as some have said?

Working with the DCLC or the Blue Ribbon Task Force, the consultant should provide the City of Columbia a brief written report on the infrastructure requirements for downtown Columbia now, and over 5-year steps going forward. The selected consultant must be familiar with the zoning of the DCLC Study Area (see DCLC Study Area map). Using these zoning regulations, the consultant will prepare a three-dimensional "build-out" diagram of the study area. The consultant will describe the range of possible occupancies, and expected demands on the electric services, water services,

sanitary services and stormwater services by 2020 and by 5-year increments going forward. The consultant will also show expected population growth by 2020 and by 5-year increments thereafter.

The selected consultant will be required to review related City of Columbia reports and plans. The selected consultant will be required to submit an illustrated report (10 copies), and make a final presentation to the DCLC/City Council.

The City uses numerous independent consultants when the work and timeframe required exceeds staff's current workload and when a 3rd party perspective is valuable. Attached is a list of consultant produced reports and plans used by the Public Works Sewer and Stormwater Utilities alone (Attachments 1 and 2). Studies and reports from consultants have been used for decades for helping determine rates, create master plans, and outline needed improvements.

Three dimensional modeling is great for some applications, but it is hard for staff to see the value of such a model for downtown especially considering the expense to create it and update it. Once again the issue at hand is not the lack of plans or forecasts, but the funding to keep up with the pace of needed projects.

5. Develop a Report Card on 2004 infrastructure plans.

As a minimum alternative to DCLC's recommendation #4 to hire an independent infrastructure consultant, the City should consider hiring a consultant to develop on ongoing report card on the recommendations of the 2004 Black & Veatch plan.

In 2004, the City of Columbia hired Black & Veatch to develop a Wastewater System Facilities Planning Report. The 305-page report includes historic flows and loads, population and per capita unit factors, future flows, and future peak loads. Black & Veatch also recommended System Development Charges to pay for necessary wastewater improvements that include:

§ Wastewater utility revenue and customer growth,
§ Cash financing,
§ Debt financing,
§ Connection fee sensitivity analysis, and
§ Equitability.

It has been 10 years since this report; the City should consider the advisability of asking Black & Veatch to develop a report card to gauge the City's progress towards completion. The report card should also evaluate whether the city's 2004 projections are still valid, is population growth occurring where anticipated, or whether the city needs to adjust its schedule of capital improvements.

The 2004 Black & Veatch Sewer Utility Master Plan recommendations are still in the process of being implemented within the context of current conditions. The available funding and Capital Improvement Plan is adjusted every year. The financial health of every fund is tracked every year. Our infrastructure is complex and requires a lot of expertise to understand. When consultants are brought

in they lean heavily on our professionals for data and advice. To help the public get a grasp on the state of our infrastructure the City produces an Annual Infrastructure Report (Attachment 3). This report was started in 2013 and will continue to be updated annually.

6. Maintenance vs. Growth

The DCLC heard clear public testimony during our monthly meetings and our infrastructure town hall meetings: The City should pay for maintenance of water, sewer infrastructure but developers should pay for increased and expanded capacity.

The DCLC recommends the City develop a clear, predictable formula which identifies the percentage of cost attributable to maintenance of aged infrastructure and the percentage of improvement cost attributable to increased capacity, as driven by demand. The formula should be transparent and applied equally to all proposed developments. The formula may also include a percentage of cost attributable to the City for building depending on the location and probability of future growth.

Developers already pay 100% for all the water, sewer, stormwater, roadway, sidewalk, etc. infrastructure in their developments. The City uses development agreements to insure that unique off-site infrastructure needs of each project are split fairly between the public and the developer. The City charges a host of connection fees to offset the need for increased utility system capacity and has an existing development fee dedicated to roadway infrastructure maintenance approved by the voters. The City has engaged cost of service studies for the various utilities and conducts an annual review during the budget cycle for the purpose of setting user fees. Each utility and infrastructure carries with it a different philosophy of who pays based on the way the infrastructure is used and built. In addition, there are some limitations on rate increases without a vote of the citizens. Ultimately, the City Council approves rate increases based on the cost of providing the service to the residents. New development surcharges, which are not a part of negotiated development agreement, would require voter approval.

7. Develop a formula to charge developer fees that accurately consider cost of infrastructure.
As the City of Columbia develops a predictable formula for cost-sharing of new infrastructure (as referenced in #6 Maintenance vs. Growth), developer fees should accurately consider the cost of infrastructure. A Historical Budget Analysis of New Development Charges compared to Infrastructure Capacity Expansion Costs is attached to this report.

There is no community consensus on this issue. A proposal to increase the development fees charged for new construction was studied and developed for submission to the voters in November 2014. The voters rejected the proposal by 55% to 45%. Reasonable minds differ on this issue and applying a single formula to all development is extremely difficult since the impact of each development varies depending on its size, impact of nearby development, existing infrastructure, use (residential, commercial, office, mixed, etc.) and the fact that use may change over time. As indicated in #6 above, developers are already charged fees for a number of impacts (sewer, water, roads) based on the the size of the development be it sq. ft. or tap size. The amount charged for these fees is set by Council except for certain fees that require a public vote.

8. Re-establish a Sufficiency of Services test.

Prior to 1988, the City of Columbia required a sufficiency of services test on all residential in C-2 zoning. Prior to November 1988, residential dwelling units in C-2 zoning required a Conditional Use Permit reviewed by the City's Board of Adjustment with consideration given to the following standards:

§ "conformance with the character of the adjacent area"
§ "the location, type and height of buildings or structures"
§ "the type and extent of landscaping and screening on the site"
§ "off-street parking and loading areas are provided"
§ "adequate utilities, drainage, and other such facilities"
§ "adequate access designed to prevent traffic hazards and minimize traffic congestion."
Code 1964, § 19.200; Ord. No. 9958, § 1, 10-3-83

The return to a strict standard for "adequate utilities, drainage, and other such facilities" along with "off-street parking and loading areas" city-wide and specifically particularly for residential developments downtown would provide a clear objective standard for city planners prior to approval of residential uses in C-2. The recently passed Interim C-2 Ordinance has reinstated some requirements for residential projects along the pre-1988 lines; additional evaluation of "Sufficiency of Services" should be considered during the redevelopment of the city's zoning code.

Every project currently undergoes a staff evaluation for provision of adequate City services to the site. The City abandoned the conditional use permit review process for residential housing within the C-2 district in 1988 and determined at that time that residential housing would be allowed as a matter of right in the C-2 district. The pre-1988 conditional use permit review process required standards of review be established as a basis for the Board of Zoning Adjustment to determine whether or not to issue the permit. When the zoning code changed in 1988 to allow residential within the C-2 zone as a matter of right, the duties of the Board of Zoning Adjustment were removed and the performance standards for residential structures were absorbed into the general requirements of the C-2 zone.

The City is in the process of working with a consultant to redraft the existing zoning code and is considering adoption of a form-based code (as recommend in the H3 Charrette) that may modify the C-2 zoning regulations significantly. If enhanced performance standards for residential units in the C-2 zone are desired, input should be provided to the consultant during the drafting process.

9. Eliminate Silos between Public Works and Community Development.

The DCLC's Infrastructure sub-committee heard testimony that communication silos between the Planning & Zoning Commission, Department of Public Works, Community Development Department, and the City Council may have contributed to a gap in existing infrastructure.

The City should adopt a policy that includes the calculation of needed utility resources, including the

calculation of additional square footage, housing units, toilets, etc, at the time a project is planned, and when a building permit is approved. This information would be shared with the Water and Light and Public Works staff for planning purposes and to communicate that calculation to Public Works to ensure approved construction matches capacity.

Development is complex and involves a lot of City departments, divisions, and offices. There are certainly challenges coordinating all the aspects of each unique development proposal. To address this, the City is looking to reorganize top leadership and try to mirror the good work of Community Development that brought Planning, Building and Site, Office of Neighborhood Services, and Code Enforcement under one roof. During the FY 2016 budget process the City Manager will propose the creation of a Deputy City Manager position that will oversee all aspects of development, and a single Director position to oversee and coordinate all utilities. This reorganization does not involve any layoffs or demotions nor does it rebrand or move any current City functions. It does create positions that are responsible for ensuring greater coordination around development and utility improvements.

10. Implement a fully-integrated GIS based decision making process for the City of Columbia.

The research for the infrastructure report should act as a catalyst for the development of a design and planning tool to calculate demands on the City's various infrastructure components. This parametric model will function as part of the data model. Most of the currently held data is focused on the existing conditions of the City and should focus on operational needs of the future. This recommendation will help implement recommendation #9.

The DCLC recommends that the city identify and purchase the needed GIS software capable of meeting these modeling needs and appropriately staff a GIS department to coordinate an effective planning tool for the City across all departments including Community Development--Planning, Public Safety, Water & Light, and Public Works including street, sewer, stormwater, and transportation.

The City currently has a centralized GIS Office that provides coordination and support to all City Departments. Many departments also have staff dedicated to the department's GIS needs. The City has been using data to model and plan for future projects and to add and reprioritize these projects annually in the Capital Improvement Plan. The City also provides an online GIS tool for all citizens that shows upcoming planning and zoning cases, special event permits, city projects, and building permits. The tool is called the Community Dashboard and can be found in the Map section at: gocolumbiamo.com. The City will continue to explore the acquisition of the software and data necessary for more intensive GIS modeling for the future and will balance the available resources to enable the acquisition and implementation of a dynamic modeling tool.

11. Update the H-3 Charrette.

In 2009, with the help of H-3 Studios, the DCLC completed a major review of downtown planning issues in two emerging areas of downtown. The public engagement process reflected in the H-3 Charrette report offers important guidelines as the city considers infrastructure investments in the downtown area. We encourage Council to revisit the Charrette's major recommendations that were

carefully vetted in a broad stakeholder process.

Several organic changes have occurred within Downtown Columbia since H-3's recommendations 5-years ago. H-3 should continue long-term study of downtown zoning, working in tandem with the city's Planning Department.

The DCLC recommends updating the H3 Charrette report to reflect rapid change occurring in the study area. We believe H-3 Studio's familiarity and knowledge of downtown Columbia could be an asset in creating a public discussion of the vision for downtown.

The H-3 Charrette is a great resource for guiding development downtown. It also has a lot of big ideas that will take time to implement. Many of the ideas also rely heavily on the private sector and other parties outside of the City. Staff and Council does consider the Charrette, and progress has been made with the opening of two hotels downtown, two public parking garages, and the clearing of the Ameren Site. Some recommendations are underway, such as the Downtown Community Improvement District's process for implementing gateways into The District and the City's current process to update the zoning code.

The plan provides a guideline, and its implementation needs to consider the realities of the current situation and the effect of unanticipated changes since the plan's adoption. Continually updating long term plans takes the emphasis away from implementation, as the goals would change too frequently to ever achieve them.

12. Explore CID sales tax revenues to bond ongoing District infrastructure costs.

The DCLC also considered the Mayor's recommendation to use sales tax revenue as a potential revenue source for downtown infrastructure needs.

In the Downtown Community Improvement District's (CID) Petition to Establish, which was adopted by the City Council, a majority of Downtown property owners asked the City to establish a community improvement district to fund "all or part of the cost" of improvements made within the District.

Chapter 67.1461 RSMO gives the CID authority to pay for utilities and sewer improvements. The Petition also gave the District authority to issue bonds to pay for the improvements with the proceeds from the sales and property tax. Per the property owner's petition, the bonds are secured with a lien against downtown property. (see appendix for further reference)

Before requesting additional tax, fee, or rate increases, the City Council should ask the CID to consider issuing bonds to pay for utility improvements attributable to downtown growth. The bonds would be repaid by future sales tax revenues collected by The District that are generated from growth in downtown Columbia.

While Council can certainly encourage the CID to use their funds towards downtown infrastructure needs, the decision to do so ultimately lies with the CID board. State statutes do enable the CID to

use their funds towards such projects; but the CID's stated purpose is to focus on beautification, streetscape enhancements, economic development, clean and safe programs, marketing, and communications.

13. Establish and appropriately fund a Depreciation Fund.

Columbia's City Charter Section 102 and Columbia's Code of Ordinances Section 27-44 requires the creation of an adequate depreciation fund for the purpose of making utility repairs and replacements. The DCLC heard conflicting testimony as to whether the City appropriately funds depreciation. The City should re-examine its budgetary policy in relation to capital renewal and replacement needs relative to the depreciation.

The City's Charter clearly requires a depreciation fund funded by a monthly revenue contribution. The DCLC recommends the City adapt its current practice to comply with the Charter by establishing and appropriately funding a Depreciation fund. Or, the city should amend the city charter and ordinance to reflect current practice. This will require a vote of council and a ballot measure and will give the City the opportunity to educate and persuade elected officials and constituents about municipal utility finance.

City Director of Finance, John Blattel, provided the DLC a detailed response to their questions regarding the Charter and depreciation funds for utilities (Attachment 4). His response explains that funding depreciation via a specific fund is not a requirement of the Charter. Funding depreciation is not a standard practice for utilities, instead bonds are used to fund projects and debt payments from user fees pay off the bond. There are a number of reasons why bonds are more effective for funding utility projects. If the City started funding depreciation there would be no funds for current projects for many years. It is very difficult for depreciation contributions to keep up with inflation and the rising costs of certain construction materials. By the time an asset is due to be replaced or upgraded, the funds in the depreciation fund would likely be insufficient. Using bond financing allows the utility to construct projects benefitting current users at a fixed cost to the system. The manner in which utility projects are funded is also an equity issue. Funding depreciation makes current users of the utility pay for future improvements they will mostly likely not use, while bond payments with user fees mean that current users pay for the improvement as they use it. A bond allows for the project to be built now and paid for by the current users over the life of the improvement. Financing a project with bonds also provides more flexibility for responding to current demands on the system and available efficiencies from new technologies.

14. Develop and budget for a long-range infrastructure fund now.

The city will likely require a new water treatment plant, sewer treatment plant and power plant in the next 30 years. The city should create an 'Infrastructure Master Plan' that anticipates the financial cost of replacement facilities and begins setting aside resources to offset the expected burden.

This recommendation is very similar to the previous one (13) and has many of the same issues. We don't know exactly what we will need in 30-50 years. Technology and regulations change each year

and what large infrastructure projects will look like and cost a few decades from now is hard to determine. Saving and financial planning for upcoming and known projects is wise, but for most major utility projects it makes more sense to use bonds (debt) for two reasons: we lock in a known rate of interest instead of keeping up with inflation and the rising costs of construction materials, and it is more equitable way to pay for the project as users pay for the system during the time in which it is in use. City utilities do use and update Master Plans that help them anticipate upcoming needs and improvements. The City also annually updates the Capital Improvement Plan which catalogs all the needed infrastructure improvements for 10+ years. The City does plan and save for projects. All City Departments keep at least 20% of their annual expenditures on reserve and some utilities build up large fund balances to pay for certain projects up front.

15. A tax increase should be a last resort.

Finally, the city should exhaust all potential sources of revenue before asking voters to approve a tax increase for infrastructure. There should be an ongoing dialogue regarding current and future infrastructure needs and a transparent public examination of all potential revenue sources. The DCLC recommends that voters be asked to approve a tax increase only after all other financing mechanisms have been considered.

The downtown infrastructure projects that will accommodate the most recent growth were able to be accomplished because of the City's sound fiscal policies that keep reserves for emergencies, Council's willingness to reprioritize projects, and private sector contributions. City leadership brought forward a funding mechanism that was recommended in the H3 Charrette, involved no tax increase, and would have tied the needed infrastructure improvements downtown to its own growth. The proposed TIF District did not find support from Council nor from the DLC. Funding the needed infrastructure and other public improvements downtown that will enable development and help us carry out the vision of numerous community and downtown plans like the H3 Charrette will require additional funding. The City cannot expect new developments to take on the entire burden for infrastructure projects that support existing development and future developments outside of their own. City staff is constantly looking for new sources of revenue that do not require fee or tax increases. If the DLC is aware of any funding mechanisms that would aid in the current situation, staff is more than willing to investigate their feasibility.

Fiscal Impact

Short-Term Impact: N/A
Long-Term Impact: N/A

Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Not Applicable
Strategic Plan Impact: Not Applicable
Comprehensive Plan Impact: Not Applicable

City of Columbia
701 East Broadway, Columbia, Missouri 65201

Suggested Council Action

Informational

Legislative History

N/A

Department Approved

City Manager Approved

City of Columbia
701 East Broadway, Columbia, Missouri 65201

SUPPORTING DOCUMENTS INCLUDED WITH THIS AGENDA ITEM ARE AS FOLLOWS:

Attachment 1: Sewer Reports, Attachment 2: Stormwater Reports, Attachment 3: 2014 Annual Infrastructure Report, Attachment 4: Answers to DLC Questions Regarding Depreciation Funds for Utilities

Columbia Sewer Utility Planning Documents

Year	Title
1973	**Planning Report on Wastewater Collection & Treatment for the City of Columbia, MO**
1974	Regional Water and Sewer Plan
1974	**Wastewater Load Allocation for the Perche and Hinkson Creeks – Water Quality Limited Stream Segments Boone County, MO**
1975	Addendum No. 1 to Planning Report (201 Facilities Plan) on Wastewater Collection & Treatment for the City of Columbia, MO
1975	**Report on Infiltration/Inflow Analysis Part a. Bear Creek – Perche Creek Subareas of the Sewer System for Columbia, MO**
1976	I/I Analysis for Columbia, MO B&V Project 6880
1976	**Addendum No. 3 to Planning Report (201 Facilities Plan) on Wastewater Collection & Treatment for the City of Columbia, MO**
1977	Sewer System Evaluation Survey – Bear Creek Drainage Basin Columbia, MO
1978	**Sewer System Evaluation Survey – Perche Creek Drainage Basin Columbia, MO**
1978	Sewer System Evaluation Survey – Hinkson-Flat Branch, Southwest and Meredith Drainage Basins Columbia, MO
1980	**Interim Report for a Municipal Pretreatment Program for City of Columbia, MO**
1980	Report on Revenue Requirements, Cost of Service, and Changes for Sewage Service – City of Columbia, MO
1981	**201 Area Plan of Study (Facility Plan)**
1981	Municipal Pretreatment Program for Columbia, MO
1983	**Addendum No. 4 to 201 Facility Plan & State Grant Application & Maps**
1985	Addendum No. 5 to Planning Report (201 Facility Plan) on Wastewater Collection & Treatment for the City of Columbia, MO
1986	**Sludge Management Plan for the Columbia Regional Wastewater Treatment Plant – Columbia, MO**
1988	201 Facility Plan Update – Wastewater Collection & Treatment for the City of Columbia, MO
1989	**201 Facility Plan Update Amendment No. 1 Public Hearing Agenda**
1989	Final Phase I Report on Advanced Wastewater Treatment Studies
1989	**Sewer System Maintenance Study**
1990	Columbia Wetlands Feasibility Study
1990	**I/A Assessment Analysis Report for Wastewater Treatment Improvements - City of Columbia, MO**
1990	Amendment No. 1 to 201 Facility Plan Update Wastewater Collection and Treatment
1990	**Wastewater Treatment Improvements – City of Columbia, MO**
1990	Hydrogeological Evaluation of Future Water Supply from the McBaine Aquifer
1990	**Preliminary Design Report: Wastewater Treatment Improvements for the City of Columbia, MO**
1992	Constructed Wetlands Pre-Operation Groundwater Monitoring Study
1993	**Columbia-90-431-1 Constructed Wetlands and Effluent Pipeline 1993 Flood**

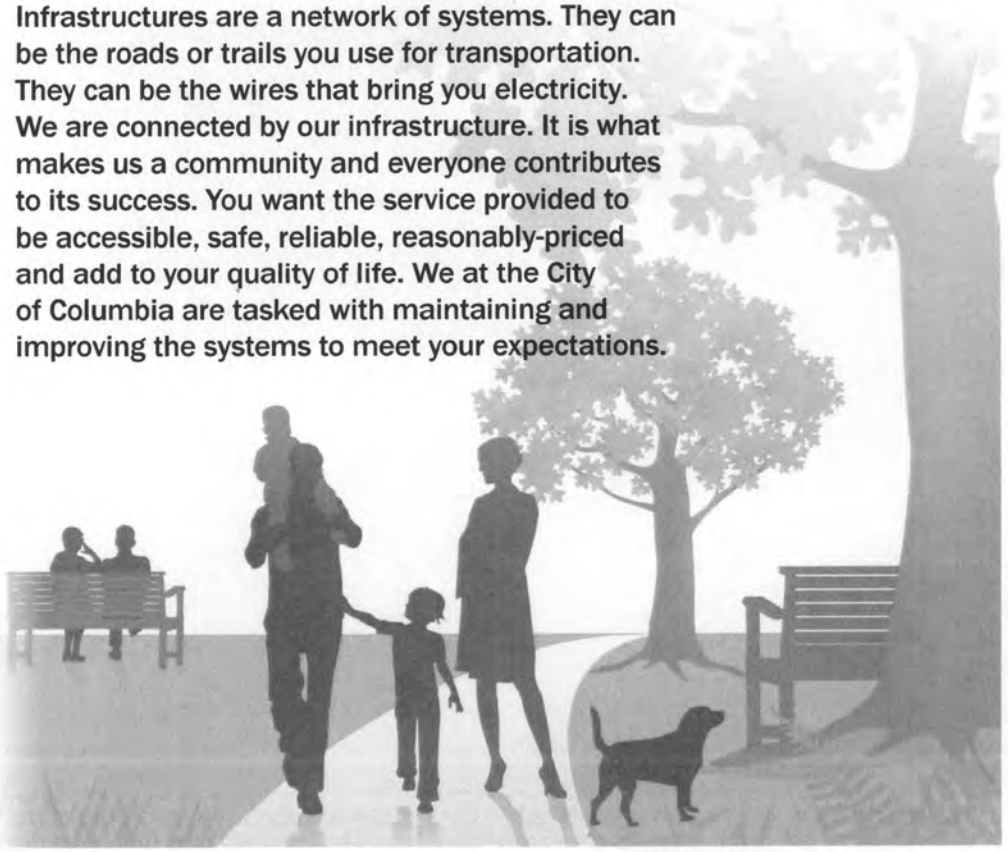
1995	Hydrologic Data for the Columbia/Eagle Bluffs Wetland Complex, Columbia, MO – 1992-93
1997	**Feasibility Study Wetland Treatment Unit No. 4**
1998	Amendment No. 2 to 201 Facility Plan Update Wastewater Collection and Treatment
1998	**Addendum No. 6 to Planning Report (201 Facilities Plan) on Wastewater Collection & Treatment for the City of Columbia, MO**
1999	Department of Public Works Construction of Wetland Treatment Unit No. 4
1999	**Surface Water Quality Data – Eagle Bluffs Conservation Area and Columbia Wetlands – 1993-98**
2000	Sanitary Sewer Flow Monitoring Study
2000	**Site Characterization Report for Columbia Regional Wastewater Treatment Plant Sludge Injection Fields SC-1 through SC-12**
2000	Evaluation of Biosolids Management Program and Alternatives
2000	**Construction of Repairs to WTU Flood Berms and Perche Creek Bank Stabilization (City PN WI-00-01) Design Memorandum**
2002	Water-Quality and Ground-Water Hydrology of the Columbia/Eagle Bluffs Wetland Complex, Columbia, MO – 1992-99
2004	**Simulation of Ground-Water Flow, Contributing Recharge Areas, and Ground-Water Travel Time in Missouri River Alluvial Aquifer near Ft. Leavenworth, Kansas**
2004	Wastewater System Facilities Planning Report for City of Columbia Sanitary Sewer Utility
2005	**Wastewater System Improvements – Addendum No. 9 to the 201 Facility Plan on Wastewater Collection and Treatment for the City of Columbia, MO**
2008	Wastewater Treatment Plan Phase I Improvements Design Memorandum for the City of Columbia, MO
2008	**Wastewater Treatment Facilities Conceptual Design Report for the City of Columbia, MO**
2008	Two Mile Prairie Stream Evaluation
2008	**Ground-Water Flow, 2004-07, and Water Quality, 1992-2007, in McBaine Bottoms, Columbia, MO**
2009	Addendum No. 1 to the 2004 Wastewater System Facilities Planning Report on Wastewater Collection and Treatment for City of Columbia
2014 revised	**Addendum No. 2 to the 2004 Wastewater System Facilities Planning Report on Wastewater Collection and Treatment for the City of Columbia**
2014	City of Columbia – Sewer Revenue Sufficiency Analaysis by Burton & Associates

Columbia Storm Utility Planning Documents

Year	Title
1970	**Storm Sewer Study – University of Missouri Columbia, MO**
1971	Flood Plain Information – Hinkson Creek and Tributaries and Bear Creek (#38)
1981	**Storm Water Study for the City of Columbia, MO**
1982	Storm Drainage Design Manual
1983	**Stormwater Management Plan Columbia, MO**
1983	Summary Report – Stormwater Management Plan Columbia, MO
1985	**Plan of Work Perche-Hinkson Creeks – Flood Plain Management Study Boone County, MO**
1991	Perche-Hinkson Creeks Flood Plain Management Study Boone, Randolph, and Howard Counties, MO
1993	**Storm Drainage Design Manual**
1996	Phase 1 Storm Water Management Plan
1997	**Phase 2 Storm Water Management Plan**
1998	Stormwater Management Plan, Phase 2 Master Copy for Department of Public Works Columbia, MO
2008	**City of Columbia Storm Water Utility Assessment by CH2MHill**
2011	Storm Water Utility Program Business Plan Development (Cost of service study by ERC)
2014	**City of Columbia – Storm water Revenue Sufficiency Analysis by Burton & Associates**

2014 ANNUAL *infrastructure report*

Infrastructures are a network of systems. They can be the roads or trails you use for transportation. They can be the wires that bring you electricity. We are connected by our infrastructure. It is what makes us a community and everyone contributes to its success. You want the service provided to be accessible, safe, reliable, reasonably-priced and add to your quality of life. We at the City of Columbia are tasked with maintaining and improving the systems to meet your expectations.



City of Columbia, Missouri

planning FOR INFRASTRUCTURE

City of Columbia departments have multiple plans to follow for development and maintenance of infrastructure. Guiding the direction of infrastructure comes from the City of Columbia Strategic Plan, Federal and state mandates and local planning resources such as CATSO and the Capital Improvement Program. In addition, most departments have plans in place for the infrastructure they develop and maintain. Examples of some of those include:

- Columbia Water & Light Integrated Resource Plan
- Parks & Recreation Parks, Recreation and Open Space Master Plan
- City of Columbia Sidewalk Master Plan

Guiding all departments' maintenance of their infrastructure are the ongoing evaluation of systems to determine improvements and existing system abilities, projected areas of growth and division managers' knowledge and expertise in their field.

WHAT IS A CAPITAL IMPROVEMENT PROGRAM?

The City of Columbia's Capital Improvement Program (CIP) is a five-year plan for investments in infrastructure. The CIP also includes facilities and equipment that supports future infrastructure needs. Projects within the CIP are intended to reflect the community's values and goals, the overall policy goals of the City Council including existing citywide long-range plans. City departments with infrastructure projects review the CIP throughout the year to plan work flow and make adjustments as needed for future needs. CIP projects and funding are reviewed by department staff members, the Finance Department and the City Manager's Office. In many cases, there are citizen advisory committees involved in the review process. The City Council has the final say on the CIP projects and budget after receiving feedback from the public at a series of public hearings.

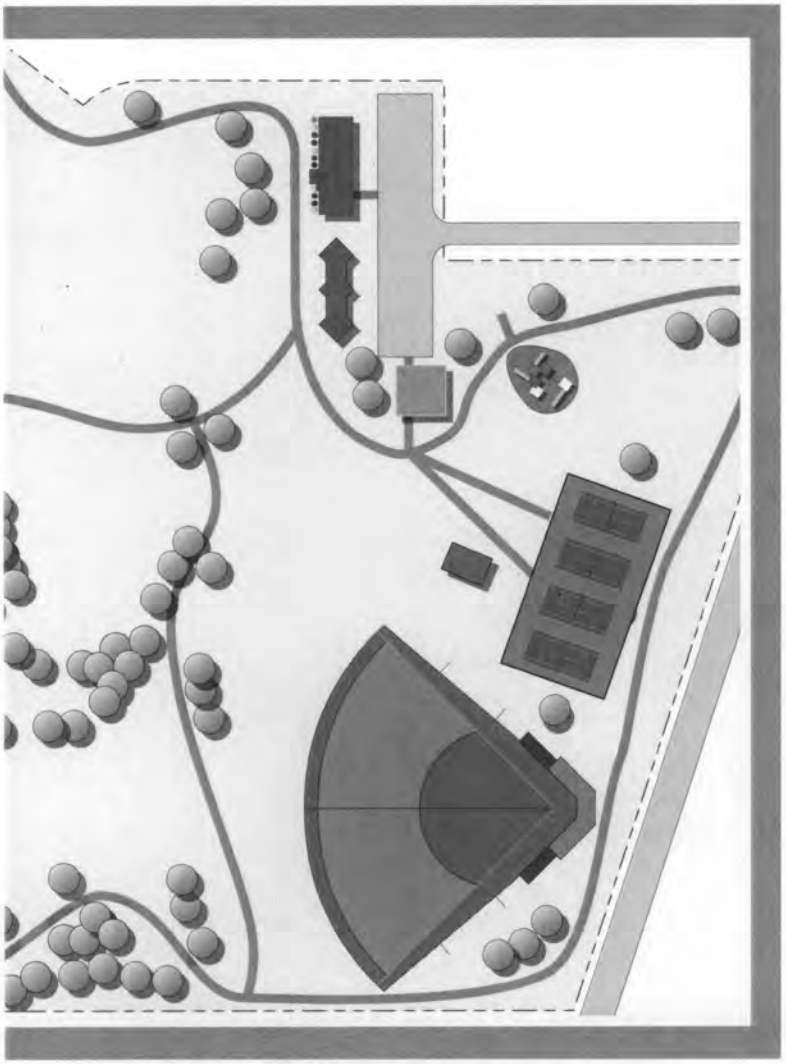
- Columbia Water & Light uses a combination of revenue collected through rates and from voter-approved bond funds to pay for CIP projects. No tax revenue is used for water or electric projects.

- Parks and Recreation projects are mainly funded through the one-eighth cent Park Sales Tax, which is presented to voters every five years for renewal. Other CIP funding sources may include Recreation Service User Fees and Golf Course Improvement Fees, which are comprised of recreation fees paid by users.

- Public Works infrastructure needs are financed in a number of ways. A dedicated sales tax funds road maintenance and minor projects, airport and COMO Connect (transit) needs. Development fees and utility fees help fund sanitary sewer and stormwater. Bonding funds large projects such as major roadway and major sewer.

parks

Eighty-seven percent of Columbia households use the park and trails system.



2014 HIGHLIGHTS

- Waters-Moss Memorial Wildlife Area phase one development including indoor recreational and rental space, a medium-sized shelter, playground, restroom and 20-car parking lot
- 3M Flat Branch-Hinkson Creek Wetlands development comprised of an urban wetland capable of storing 10,000,000 gallons of stormwater runoff
- Steinberg Playground improvements including six new play structures, new seating, boardwalk renovations and improved ADA accessibility
- Fairview Park improvements including construction of a medium-sized shelter, 20-car parking lot and ADA walkways
- American Legion Park improvements including the addition of athletic field lighting on the east field, renovations to the restroom/ concession facility and addition of a 55-car parking lot

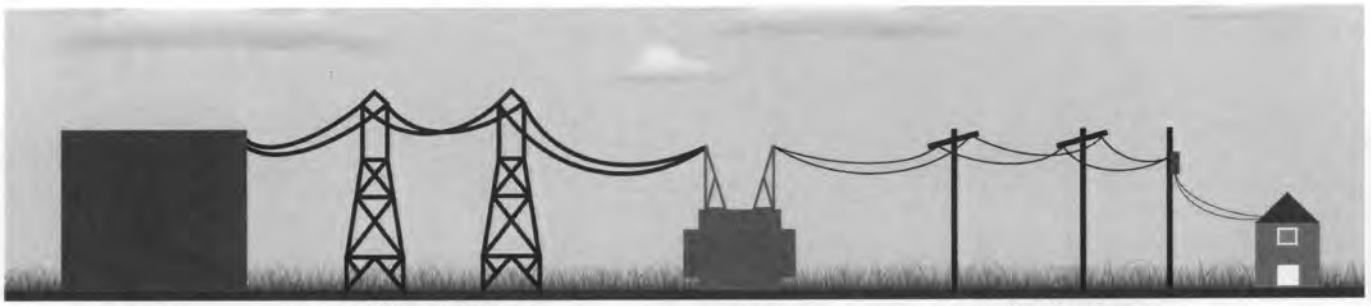
WHAT'S NEW IN 2015?

- Douglass Park phase one improvements including construction of a small shelter, stage, parking and internal walkways
- Strawn Park development including an 18-hole championship level disc golf course, 20-car parking lot and small shelter
- Gans Creek Recreation Area development including seven multipurpose athletic fields and parking and road infrastructure
- Barberry Park development including the addition of a small shelter, playground, basketball court, walking trail and fishing lake improvements

2014 IMPROVEMENTS

COSMO PARK ROLLER HOCKEY RINK Renovations include new asphalt, rink painting, fencing and hockey goals	**4** new pickleball courts at Albert-Oakland Park
AMERICAN LEGION PARK Installation of athletic field lighting on east field	**3** new park shelters at Jay Dix Station, Waters-Moss Memorial Wildlife Area and Fairview Park
3 new restrooms at Grindstone Nature Area, Garth Nature Area and Waters-Moss Memorial Wildlife Area	**ADA WALKWAY IMPROVEMENTS** Rock Bridge Park, Columbia Cosmopolitan Recreation Area and Albert-Oakland Park

electric system



The local electric generation facility assets include: the **power plant** – rated at 86 megawatts, this facility used coal, waste wood and natural gas to generate 5.1 percent of Columbia's electric needs; the **energy center** – rated at 144 megawatts, this facility used natural gas to generate 0.78 percent of Columbia's electric needs; **landfill gas** – rated at 3.1 megawatts, this facility used gas created from decomposing waste to generate 1.5 percent of Columbia's electric needs; and **diesel backup generators** – rated at 12.5 megawatts.

NOTE: External power sources (coal, natural gas, wind, landfill gas) help meet the rest of the 325 megawatts needed for the Columbia system electric load.

In 2014, the number of electric customers grew 1 percent for a total of 47,941. Customers used 1.17 million megawatt hours of electricity. The average monthly residential customer usage was 754 kilowatt hours.

HOW DOES THE ELECTRICITY GET TO ME?

99.876%	time electricity available (down from 99.989%)
70	miles of transmission lines (no change)
284	miles of overhead distribution lines (removed 3 miles)
523	miles of underground distribution lines (added 14 miles)
11,734	distribution transformers (added 271)

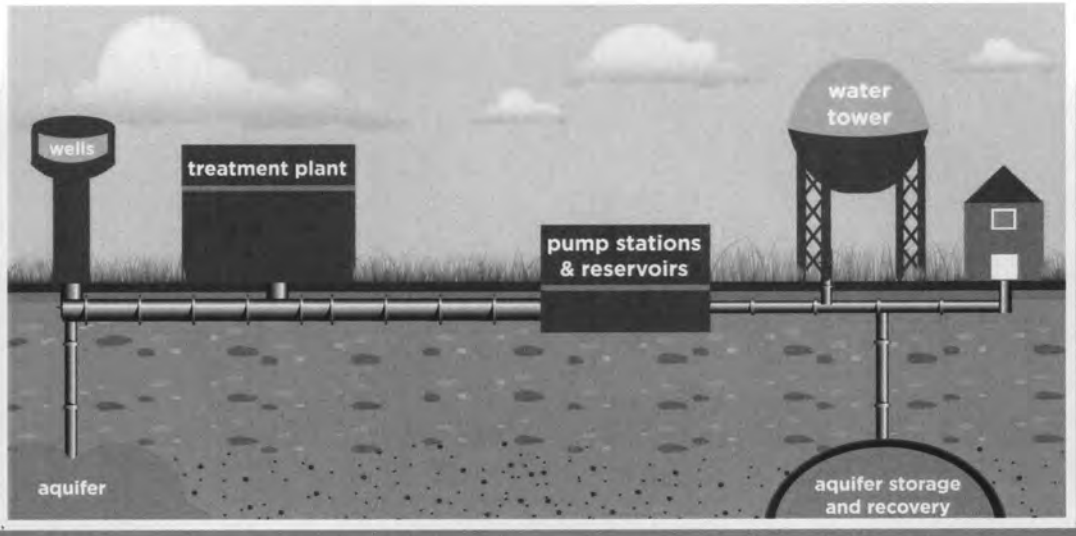
2014 HIGHLIGHTS

- Started adding new electric feeder circuit from Perche Creek substation on east side of town
- City Council increased future renewable energy requirements. Requirements have been surpassed the last five years
- Requested proposals to expand utility's solar electricity generation and added solar energy loan program for customers
- High winds in July brought down electric lines, causing 14,000 customers to lose power. Storm recovery efforts cost over $800,000 and took five days due to the amount of debris and rough terrain in areas. Twenty seven transformers, 37 poles and over 12,000 feet of wires were replaced. Service was restored at an average rate of 200 customers per hour.

WHAT'S NEW IN 2015?

- Finalizing transmission line design, easement acquisitions, cost estimates and construction timeline to City Council
- Possible April electric ballot issue to borrow money through bonds for infrastructure improvements
- Finalize plans for meeting future emission requirements at the local power plant and increasing the amount of renewable energy sources to meet city's ordinance

water system



Columbia's water is pumped from 15 wells that tap an alluvial aquifer in McBaine, Mo. Softened, filtered and disinfected water is pumped from the treatment plant to reservoirs at Columbia's three pump stations. The water is then pumped throughout the city to consumers. It is stored at towers and reservoirs for times of high demand or for fire fighting.

In 2014, 47,497 water customers used 4 billion gallons of water. The average monthly residential customer usage was 4,508 gallons in the winter and 5,431 gallons in the summer.

HOW DOES THE WATER GET TO ME?

689	miles of water pipes
7.24	miles of water mains installed in 2014
5,776	total hydrants, 63 new locations installed and 19 replaced
12 MILLION	gallons – average pumping rate
18.22 MILLION	gallons – peak pumping rate

2014 HIGHLIGHTS

- Started the process of adding three new wells to increase the water available for Columbia
- Added 4.2 miles of 24-inch pipes to complete a multi-year project of adding transmission lines to serve the eastern side of town
- Repaired 152 water main breaks, about half affected water service to customers

WHAT'S NEW IN 2015?

- Begin a water integrated resource plan and a condition assessment of the water treatment plant to determine whether the water treatment plant operations are expanded or if it should be delayed and summer irrigation restrictions are implemented
- Finish drilling new wells for additional water supply

streets, sidewalks & trails

Streets, sidewalks and trails are an integral part of the overall transportation network. In 2015, the final projects approved by voters in 2005 will be in construction. Future projects will be dependent upon future financing, with a project list and costs likely to be placed before voters in August.

IMPROVEMENTS

20	miles of streets "milled and overlayed" providing new asphalt driving surface and roadbed improvements
40	miles of streets maintained by "chip and seal," designed to extend the life of driving surfaces at 1/3 the cost of mill and overlay
3	miles of new trails constructed to provide connectivity for pedestrians and cyclists as part of Columbia's transportation plan
16,141	feet of new sidewalks and pedways
1,345	lane miles of roadway now maintained by Public Works

2014 HIGHLIGHTS

- Completed the $5.9 million Scott Boulevard Phase II as part of the Scott Boulevard Corridor Improvement Project
- Completed Non-Motorized Transportation Improvements to Clark Lane between Woodland Springs and Ballenger Lane, adding shoulders for cycling and pedestrian safety
- Completed Ashland Road sidewalk and intersection improvements, Providence Road bike lanes
- Completed the 1.76-mile Old 63 Grindstone Creek Pedway from Moon Valley to Grindstone Nature Area

WHAT'S NEW IN 2015?

- Scott Boulevard Phase III from Vawter School to State Route KK in final design and easement acquisition with construction projected to start in summer 2015
- Providence Road Improvement Project in final design and easement acquisition -- final project from the 2005 Capital Improvement Sales Tax Extension
- College Avenue Safety Enhancement Project construction to begin in summer 2015
- Avenue of the Columns streetscape improvements from Walnut to Cherry Street set for construction in 2015

transportation

IMPROVEMENTS

50,000+ enplanements at COU (highest since 1988)

100,000+ total passengers passed through COU

1.6 MILLION rides provided by COMO Connect

2014 HIGHLIGHTS

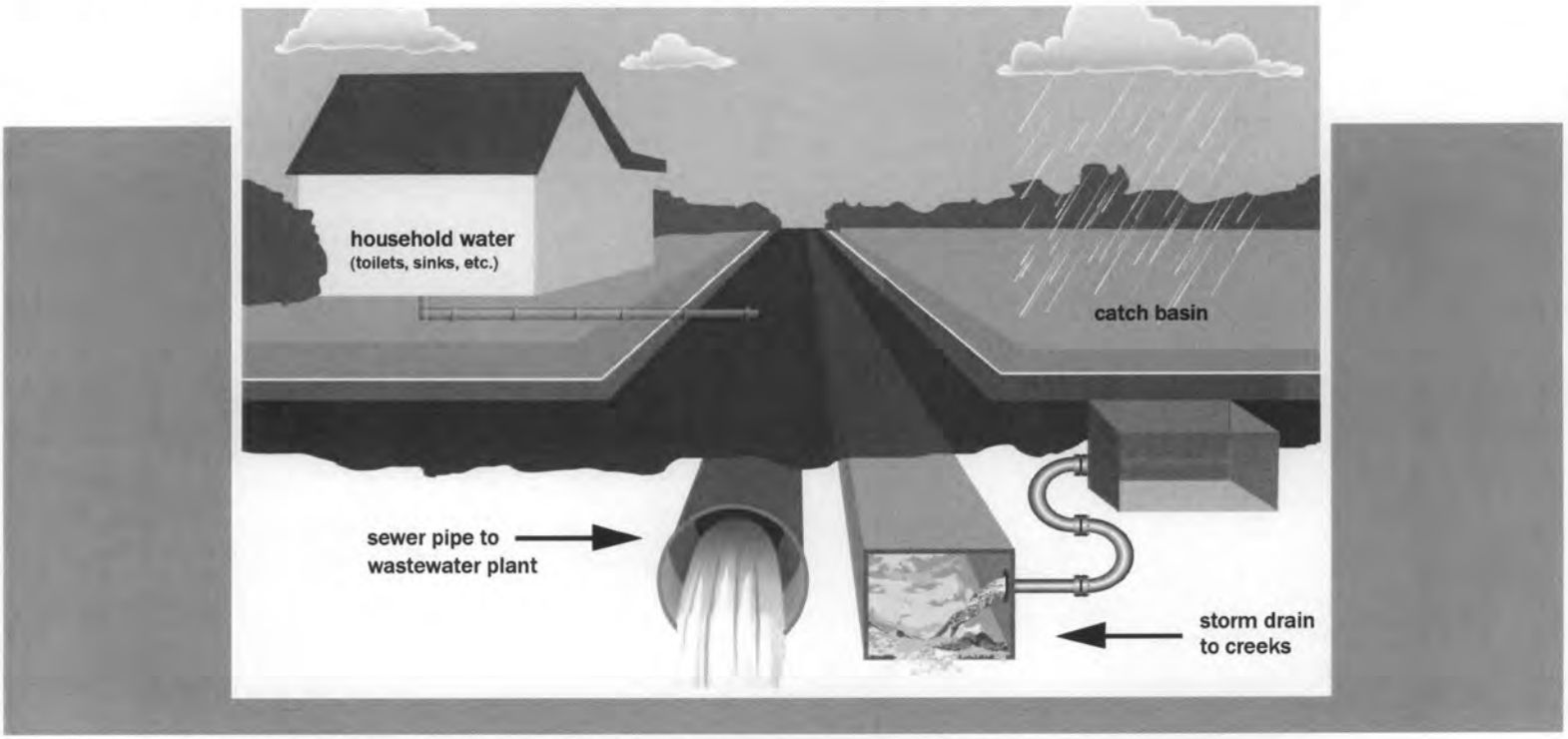
- Launch of COMO Connect Aug. 4, replacing old "hub and spoke" means of providing public transit; new branding and marketing campaign launched to enhance ridership
- American Airlines launched second daily nonstop flight to Chicago O'Hare -- load factors averaging above 83 percent for all flights
- COMO Connect installs passenger counters and stop enunciators on all transit vehicles
- City of Columbia, in partnership with Clean Energy, opens first Compressed Natural Gas (CNG) fueling station in central Missouri

COMO Connect was successfully launched and continues to improve passenger experiences and meet passenger needs. Columbia Regional Airport saw passenger numbers continue to climb, trending to over 100,000 passengers flying in or out of COU.

WHAT'S NEW IN 2015?

- Final design and construction of new restrooms and snack bar in secured passenger area at Columbia Regional Airport
- Runway intersection safety improvements set for construction in the summer 2015
- Design and installation of new-and-improved bus shelters with solar lighting and public art component (shelter design by MU students)
- American Airlines to begin second daily nonstop Chicago flight
- 65-passenger CRJ-700 aircraft will replace the current 44-50-passenger ERJ-145 aircraft beginning in January

sewer & stormwater



Challenges must be addressed regarding funding and constructing future critical sanitary sewer and stormwater infrastructure needs. Stormwater funding has remained stagnant since 1993. In 2008, it was estimated that there were $50-100 million of repairs and replacement needed for the stormwater system. Downtown sanitary sewer issues are beginning to be addressed with the Flatbranch Sewer Project #1, however, there are millions of dollars in unfunded CIP projects.

IMPROVEMENTS

1,743 feet of sanitary sewer pipe replaced

190 sanitary sewer manholes rehabilitated or adjusted

32,765 feet of sanitary sewer line rehabilitated

COST OF SERVICE STUDY COMPLETED

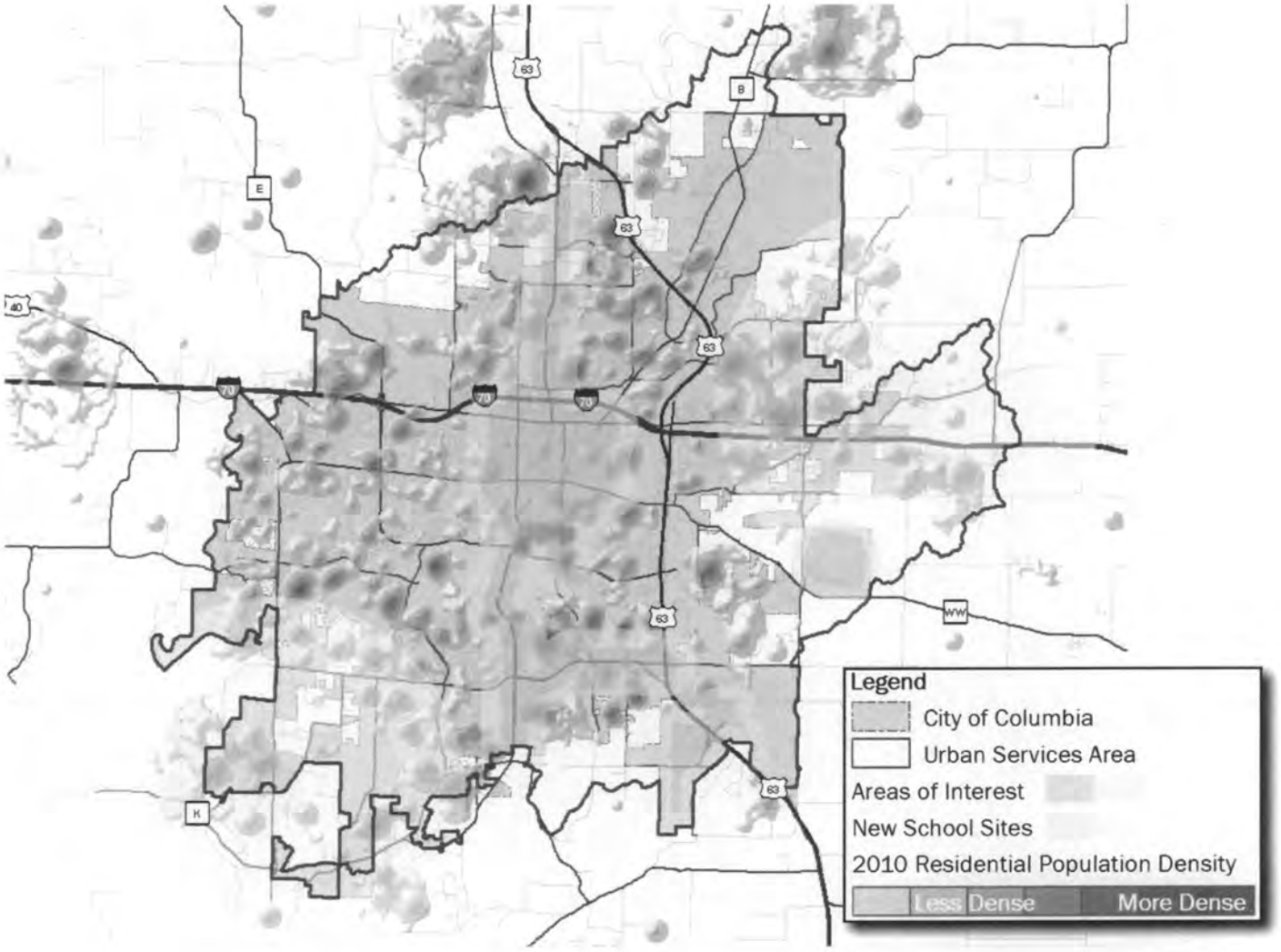
2014 HIGHLIGHTS

- Report from consultants at TREKK indicate efforts to reduce inflow and infiltration (I&I) are successful -- shows a 48 percent decrease volume in I&I in basins that have undergone improvements
- Design work began on many projects that will be funded with proceeds from voter-approved $32 million bond issue

WHAT'S NEW IN 2015?

- In 2015, the Sanitary Sewer Utility will begin projects aimed to improve functionality of older private sewer systems (known as private common collector elimination (PCCE) projects). These are shown to reduce I&I from stormwater sources, which reduces sewer backups.
  - Wilson/High Street, Cliff Drive, Thilly/Lathrop/ Westmont, Stewart Road/Medavista PCCE projects in design or construction phase
- In design, easement acquisition or construction phase: Flat Branch Relief Sewer projects; Hominy Branch Phase II Relief Sewer; West Broadway Sewer Improvement project; and Upper Meredith Branch stream bank stabilization project

projecting FUTURE INFRASTRUCTURE



In the next five years it is likely that the majority of the City's physical growth will occur within the existing city boundary, with the most active areas in the downtown, on major corridors and in expansion areas to the south and east.

Some of the southwest and northeast area growth will involve annexations, including properties along Scott Boulevard and Route K near the new elementary school and surrounding Battle High School and Battle Elementary School in the Lake of the Woods area. Continued commercial and mixed-use development is expected in the Grindstone Parkway (Route AC), Providence Road (MO 163) and Range Line Street (MO 763) corridors. Old Hawthorne in the east area will continue its residential and mixed-use build-out. The southeast will continue to emerge with the mixed-use Discovery Park, the research-oriented Discovery Ridge area and the emerging Philips Park and Gans Creek Recreation Area.

Visit the new Community Dashboard map to view current information about planning cases and construction.

As a follow-up to our conversation at yesterday's DLC meeting, I would like to have written clarification to the following questions so that the DLC's Infrastructure Committee can complete the analysis requested by City Council.

1. The City Charter and Ordinance requires a water and electric depreciation fund. Does the city of Columbia have a depreciation fund?

The third paragraph of Section 102 underlined below states payments from revenues of the Water and Light Department shall be made into the depreciation fund monthly in such amounts as may be required by standard accounting practices applicable to the operation of utilities by municipalities. Standard accounting practices do not require transfers to a depreciation fund. Standard accounting practices do require that we record depreciation expense which the city does. The current accounting practices is for revenue over(under) expenses to be recorded as a change in Net Position. The Net Position is broken down into Net Investment in Capital Assets, Restricted for Debt Service, Restricted for Capital Projects, Restricted for Statutory Restrictions and Unrestricted. The Restricted for Capital Assets and the Unrestricted accounts are used for the maintenance and repair of utility assets as well as the construction of new assets to the extent of the funds available in these accounts. When funds are needed in addition to the amounts in these accounts voter authorization is sought to issue bonds. Once bond issuance is authorized by voters bond debt is incurred to fund constructions projects. The bonds are repaid by the utilities. This is the current standard practice within the municipal utility industry.

Section 102. Rates and Finances.

The city council shall from time to time fix, establish, maintain and provide for the collection of such rates, fees or charges for water and electricity and water and electric service furnished by or through the water and electric light works of the city as will produce revenues sufficient to pay the cost of operation and the maintenance of said works in good repair and working order; to pay the principal of and interest on all revenue bonds of the city payable from the revenues of said works; to provide and maintain an adequate depreciation fund for the purpose of making renewals and replacements; to provide a fund for the extension, improvement, enlargement and betterment of said works; to pay the interest on and principal of any general obligation bonds issued by the city to extend or improve said works; and to pay into the general revenue fund of the city annually an amount substantially equivalent to that sum which would be paid in taxes if the water and electric light works were privately owned. Such revenues so produced shall be devoted to the purposes so enumerated. The provisions hereof shall be subject at all times to the performance by the city of all covenants and agreements made by it in connection with the issuance, sale or delivery of any revenue bonds of the city payable out of the revenues derived by the city from the operation of its water and electric light works, whether such revenue bonds be heretofore or hereafter issued.

In the fixing of such rates and charges it shall be the policy of the council, so far as feasible and consistent with the above requirements, to fix and maintain the same at a level not to exceed charges made for the same services by privately owned utilities similarly situated.

Payments from the revenues of said water and electric light works shall be made into the depreciation fund monthly in such amounts as may be required by standard engineering and accounting practices applicable to the operation of utilities by municipalities. Said depreciation fund shall be expended only for making renewals and replacements of said water and electric light works or making unusual and extraordinary repairs thereto.

Payments into the fund established for the making of extensions, improvements, enlargements and betterments of said works shall be made monthly in such sums as may be determined by the council, subject to the provisions of the next succeeding paragraph relating to surplus, and such fund shall be expended only for the purposes specified. Said depreciation fund and the fund established for the making of extensions, improvements, enlargements and betterments shall be kept invested as provided by law, or, in the discretion of the council, in bonds, certificates or other obligations of the United States of America.

If any surplus revenue be produced from the operation of said water and electric light works after meeting all of the requirements set forth above, there shall be paid into the fund established for the making of extensions, improvements, enlargements and betterments of said works not less than twenty (20) percent of such surplus, or an amount which, together with payments made into such fund under the above requirements, shall equal twenty (20) percent of said surplus. Provided, however, that such fund may be used for the redemption of any outstanding bonds issued by the city for the same purposes, and for the meeting of any extraordinary emergencies that may arise in the operation of said water and electric light works; and, provided further, that said payment from surplus shall not be required to be made cumulative on and in addition to the requirement in Section 7 of the Revenue Bond Ordinance of April 19, 1948, for the retention of twenty-five (25) percent of the surplus for extension, improvement and bond redemption purposes, so long as any of the revenue bonds of the city dated May 1, 1948, remain outstanding. The remainder of any surplus shall be paid into the general revenue fund of the city and budgeted like other revenues of the city for any proper municipal purpose, and expended through the regular appropriation process; or such surplus may, in the discretion of the council, be made the basis for reduction of rates in the future.

Section 27-44 Water and electric depreciation fund.

There is hereby created a fund known as the "water and electric depreciation fund." Into such fund there shall be transferred monthly, from the water and light fund, and deposited a sum equal to the depreciation chargeable against the properties from time to time constituting the water and electric light works of the city. The amount of depreciation and the amount to be transferred monthly into the fund hereby created shall be determined according to a formula heretofore or hereafter determined by the consulting engineers employed by the city. The sums so deposited into such fund shall be expended only for unusual and extraordinary repairs and replacements of the water and electric light works and for emergency expenses of such works.

Chapter 27-44 that is referred to in question 3 was passed at least 50 years ago. To our knowledge there has not been a "depreciation fund" for at least 30 years. Sections 27-42 and 27-43 are also outdated and reference bonds issued "under date of May 1, 1948.

The premise of 27-44 is that the W & L utility will set aside funds for future replacement and renewal. As referred to above current practice is that bonds have been issued and the funds that would have been set aside are used for debt service, achieving the same end.

W & L does appropriate millions of unrestricted dollars every year for capital projects with the amount determined by actual project needs. The city charter does not define "surplus". This annual appropriation of enterprise revenue could be construed to meet the charter provision.

I think the intent of the charter Sections102 and 27-44 is to plan for future capital needs and that is addressed with the capital improvement plan.

I am also attaching the Policy Resolution that was passed in 2013 for W & L cash, which also addresses some of these issues.

2. If the City has a depreciation fund, how much money is in the fund as of May 15, 2014?

See the answers to Questions 1.

3. Section 27-44 requires a monthly transfer from the water and light fund a "sum equal to the depreciation chargeable" according to a formula determined by the consulting engineers employed by the city.

   a. What is the amount of the monthly transfer?

   b. When was the amount determined?

   c. Please provide a history of amounts transferred monthly into the depreciation fund.

      i. That is, is the amount transferred a percentage?

      ii. Or is it a flat amount?

      iii. Has the percentage/amount ever been increased?

      iv. Has it ever been decreased?

See the answer to Questions 1.

4. If the City does not have a "water and electric depreciation fund", why not?

See the answer to Questions 1.

5. If the City does not currently have a "water and electric depreciation fund", did the City ever have a "water and electric depreciation fund"?

See the answer to Questions 1.

6. When was the last time the City had a water and electric depreciation fund"?

See the answer to Questions 1.

7. When was the "water and electric depreciation fund" discontinued?

See the answer to Questions 1.

8. If the City has a "water and electric depreciation fund" but does not transfer an amount monthly into the fund, when was the last time the City transferred funds to the depreciation fund?

See the answers to Questions 1.

9. The City Charter requires not less than 20% of any surplus revenue from water and light operations to be placed into a fund "established for the making of extensions, improvements, enlargements and betterments". Does the city have such a fund?

See the attached Water & Light Policy Resolution. Also see the answer to Question 1.

10. If the City has such a fund, how much money is in the fund as of May 15, 2014?

W & L does appropriate millions of unrestricted dollars every year for capital projects with the amount determined by actual project needs. The city charter does not define "surplus". This annual appropriation of enterprise revenue could be construed to meet the charter provision. Also please see the attached schedule of Water & Light Cash Balances.

11. If the City does not currently have a "fund established for the making of extensions, improvements, enlargements and betterments", did the City ever have such a fund?

Please see the Capital Improvements Plan located at

http://www.gocolumbiamo.com/Finance/Services/Financial_Reports/documents/DraftCIPDocument.pdf

and the attached spreadsheet of "Public Works Enterprise Funds Cash".

12. Does the Public Works Department have a "depreciation fund" by any name?

Please see the Capital Improvements Plan located at

http://www.gocolumbiamo.com/Finance/Services/Financial_Reports/documents/DraftCIPDocument.pdf

and the attached spreadsheet of "Public Works Enterprise Funds Cash".

13. What is the unrestricted cash fund balance of the Water & Light Department?

Please see the attached schedule.

14. For the previous 12-months, what is the unrestricted cash fund balance on the 15th of each month? (Or pick a day each month by which the balance can reasonably be established)

Please see the attached schedule.

15. For the previous 5-years, what is the unrestricted cash fund balance of the Water & Light Department on the last day of the city's fiscal year?

Please see the attached schedule.

16. What is the unrestricted cash fund balance the 15th of each month?

Please see the attached schedule.

18. For the previous 5-years, what is the unrestricted cash fund balance of the Public Works Department on the last day of the city's fiscal year?

Please see the attached schedule.

of the Public Works Department?

Please see the attached schedule.

17. For the previous 12-months, what is the unrestricted cash fund balance of the Public Works Department on