

City of Columbia Financial Review

May 19, 2007

5/25/2007 4:50 PM

1

Awards List

- The Missouri Alliance for Historic Preservation awarded the City of Columbia with the "Preserve Missouri" award for its recent renovation of the Howard and Gentry Buildings. Ceremony was March 8th at the State Capital.
- "Storm Ready Community" for Columbia/Boone County--still current, renewable next year--awarded by the National Weather Service.
- City's website is among top in nation for cities our size.
- "Honorable Mention" 2006 City Livability Award presented by the U.S. Conference of Mayors.

5/25/2007 4:50 PM

2



Health Department

- Animal Control won the Agency of the Year award from the Missouri Animal Control Association.

5/25/2007 4:50 PM

3



Office of Cultural Affairs

- The Missouri Arts Council held its annual Arts Awards in the Rotunda of the State Capitol in Jefferson City as part of the annual “Citizens for the Arts Day.” During the ceremony, Columbia was honored with the “Creative Community Award.” We are the first city in the state to be given this designation.
- Merit Award for 2005 Commemorative Poster for the Columbia Festival of the

5/25/2007 4:50 PM

4

Fire Department

- The Life Safety Award by the Residential Fire Safety Institute (RFSI) in 2006 for zero fire deaths in structure fires in 2005, the latest year statistics were available. The Residential Fire Safety Institute is a public interest group created in 1982 to promote fire-safe homes through built-in fire protection and fire safety education. The Life Safety Achievement award recognizes fire departments that had zero deaths in structure fires in the previous calendar year. Nearly 800 awards were issued for 2005.
- Each year Walmart selects a public safety agency to recognize as a "Home Town Hero". In 2006 Walmart recognized the Columbia Fire Department and also awarded a cash award of \$3,000.00 towards fire safety education and fire investigations. These monies were used to obtain two (2) new digital camera's and flash kits to enhance fire investigations.

5/25/2007 4:50 PM

5

Water and Light Department

- Tree Line USA from Arbor Day Foundation
- ADDY award for marketing/ brochures from the Mid Missouri Ad federation.
- RP3 from APPA
- APPA Community Service Award - **This will be presented to us at the Annual APPA meeting in June.**

5/25/2007 4:50 PM

6



Parks and Recreation

- 2005 Tree Growth Award from the National Arbor Day Foundation
- Flat Branch Phase II Environmental Clean Up Project - Recognized by the Department of Natural Resources for being the 300th brownfield cleanup project completed in Missouri
- 2007 Gold Leaf Award from the International Society of Arboriculture

5/25/2007 4:50 PM

7



Police Department

- Police Department
 - CPD was honored as the Central Area Law Enforcement Agency of the Year by Special Olympics Missouri in 2003 and 2005.
 - Recognized in 2006 for 15 years as a Partner in Education with West Blvd. Elementary School.

5/25/2007 4:50 PM

8

REDI

- At the Annual Meeting of the Southern Economic Development Council (SEDC), REDI received an "Excellent" rating for the website, www.columbiaredi.com and a "Merit" rating for the 2006 Fact Book.
- At the Fall Conference of the Missouri Economic Development Council (MEDC), REDI won in the Advertising Category for an ad that appeared in Mizzou magazine.

5/25/2007 4:50 PM

9

Public Works Department

- The Sewer Utility was presented a plaque in recognition of receiving the MWEA (Missouri Water Environment Association) 2006 Collection System Safety Award for Large Facilities. We had previously been presented with this award in 1993, 1997 and 2001.

5/25/2007 4:50 PM

10



Greatness is an inherently dynamic process, not an end point. The moment you think of yourself as great, your slide toward mediocrity will have already begun.

-Jim Collins

5/25/2007 4:50 PM

Good to Great and the Social

11



True leadership only exists if people follow where they have the freedom not to. If people follow you because they have no choice, then you are not leading.

-George MacGregor Burns
"Leadership"

5/25/2007 4:50 PM

12



“In the struggle for survival, the fittest win out at the expense of their rivals because they succeed in adapting themselves best to their environment”

5/25/2007 4:50 PM

- Charles Darwin

13



Financial Review

- Review of Budget Process
- Six months FY 2007
- FY 2007 Estimates
- Projections for FY 2008
- Capital Improvement Plan

5/25/2007 4:50 PM

14

Budget/CIP Process

- October 06 – May 07 - Staff compiles budget & CIP data. P & Z reviews CIP.
- May 19 – Council work session to review financial statements for first half of FY 07, budget forecasts and draft CIP.
- May/June - Departments meet with City Manager to propose budget.
- June 18 - Proposed public hearing on CIP.

5/25/2007 4:50 PM

15

Budget/CIP Process (cont.)

- End of July – City Manager submits proposed budget to Council, as Charter requires.
- August – Council adopts property tax levy. Departments present budget proposals to Council in public work sessions.
- August 20 - Council holds first budget public hearing and introduces rate change ordinances at Council meeting.

5/25/2007 4:50 PM

16

Budget/CIP Process (cont.)

- Sept. 4 – Council holds second public hearing and introduces personnel package and budget sheet.
- Sept. 17 – Council holds third public hearing and approves budget.

NOTE: Charter states if budget is not adopted by fiscal year end, City Manager's proposed budget takes effect.

5/25/2007 4:50 PM

17

5/25/2007 4:50 PM

18



FY 2008 Budget Outlook

October 1, 2007 – September 30, 2008

People...our biggest asset...and about 57% of City operating expenditures, excluding power and intragovernmental charges.

Must be competitive to recruit, train and retain our future workforce

- Total compensation, including pay, benefits and retirement
- Rewards based on a meaningful merit system
- Employee satisfaction with our workplace

5/25/2007 4:50 PM

19



Compensation: Pay Issues

- Cost of implementing Phase 2 of our reclassification study
- Salary survey
- Bottom end of pay scale
- Career ladder
- Health benefits

5/25/2007 4:50 PM

20

Compensation: Health Benefits

For active employees...

- Reduce or eliminate the \$45,400 subsidy which was added when increased retiree rates were not implemented.
- Restructure premiums to accurately reflect cost of single coverage.
- Pay package should at least cover all employees' increased health coverage cost.

Retiree health benefits

5/25/2007 4:50 PM

21

Places and Programs...a convergence of cost-drivers

- Increase in leased space
- Self-Insurance cost increasing by 15%
- Fuel and energy costs
- Equipment replacement catch-up
- Street maintenance

5/25/2007 4:50 PM

22

General Fund Revenues

Revenue Source	Budgeted for FY 2007	Current Trend
Sales Tax	4.6% growth	3.5% through May
Property Tax from new construction	5% growth	Will receive data from County in June
PILOT (Payment In Lieu Of Taxes) Affected by weather	6.5%	6.1%
Construction permit revenue	\$795,020	\$775,000

5/25/2007 4:50 PM

23

General Fund Expenditures

- Evaluate staffing needs for new fire station and other departments
- Changes in City contribution rates
 - Police rate decreases from 30.56% to 30.08%
 - Fire increases from 41% to 41.99%
 - LAGERS increases from 13.9% to 14.1%
- “DROP” proposals (Deferred Retirement Option Plan)

5/25/2007 4:50 PM

24

**City Manager's Forecast
General Fund Preliminary Revenue Summary**

	2007		2008	
	Conservative	Optimistic	Conservative	Optimistic
Revenues				
Property Tax	\$ 6,094,500	\$ 6,094,500	\$ 5,865,600	\$ 6,375,350
Sales Tax	\$ 19,100,000	\$ 19,350,000	\$ 19,768,500	\$ 20,124,000
Other Taxes	\$ 14,215,000	\$ 14,914,000	\$ 14,538,400	\$ 15,269,590
PILOT	\$ 9,750,000	\$ 9,960,000	\$ 10,432,500	\$ 10,756,800
Building Permits	\$ 795,000	\$ 825,000	\$ 814,875	\$ 858,000
Fines	\$ 1,352,000	\$ 1,480,500	\$ 1,352,120	\$ 1,520,745
Other Revenues	\$ 12,206,140	\$ 12,467,017	\$ 12,151,505	\$ 12,844,015
Total Revenues	\$ 63,512,640	\$ 65,091,017	\$ 64,923,500	\$ 67,748,500
<i>Difference in Revenue Projections:</i>		\$ 1,578,377		\$ 2,825,000
Expenditures				
Personnel	\$ 43,625,900	\$ 43,180,700	\$ 44,961,500	\$ 47,985,200
Supplies & Materials	\$ 5,060,300	\$ 5,010,000	\$ 5,215,000	\$ 5,318,500
Travel & Training	\$ 392,000	\$ 388,000	\$ 400,000	\$ 412,185
Intragovernmental	\$ 3,855,300	\$ 3,855,300	\$ 4,335,102	\$ 4,335,102
Utilities, Service & Misc.	\$ 8,523,000	\$ 8,415,000	\$ 8,764,000	\$ 8,937,500
Capital	\$ 1,700,000	\$ 1,700,000	\$ 1,100,000	\$ 1,850,000
Other	\$ 3,162,500	\$ 3,162,500	\$ 3,201,000	\$ 3,258,500
Total Expenditures	\$ 66,319,000	\$ 65,711,500	\$ 67,976,602	\$ 72,096,987
<i>Difference in Expenditure Projections:</i>		\$ (607,500)		\$ 4,120,385
Budgeted "Carryforward"	\$ 3,773,196	\$ 3,773,196	-	-
Use of "Carryforward"	\$ 2,806,360	\$ 620,483	\$ 3,053,102	\$ 4,348,487
Variance in "Carryforward"	\$ 966,836	\$ 3,152,713	-	-
Projected Fund Balance %	21.02%	24.28%	16.02%	16.02%

5/25/2007 4:50 PM

25

City Enterprise Fund Projections

Utility	Customer Growth March 2006 – 2007	Rate Study Factors
Electric	1,036 – 2.5%	2008 power contract
Water	1,148 – 2.5%	Bonds and increased operating
Sanitary Sewer	1,313 – 3.5%	Debt coverage and operating costs
Solid Waste	1,491 – 3.9%	Increased fuel, operating and equipment costs
Storm Water	378 – 1%	Voter-approved rates

5/25/2007 4:50 PM

26

Internal Services Funds

- Lower the planned use of balances in most Internal Services Funds
- Employee Benefit Fund challenges
 - May need to continue subsidizing employee dependent coverage
 - Implement GASB 45 retiree subsidy without increasing overall cost to City
- Potential labor rate increase for “Fleet”
- 15% increase for Self-Insurance

5/25/2007 4:50 PM

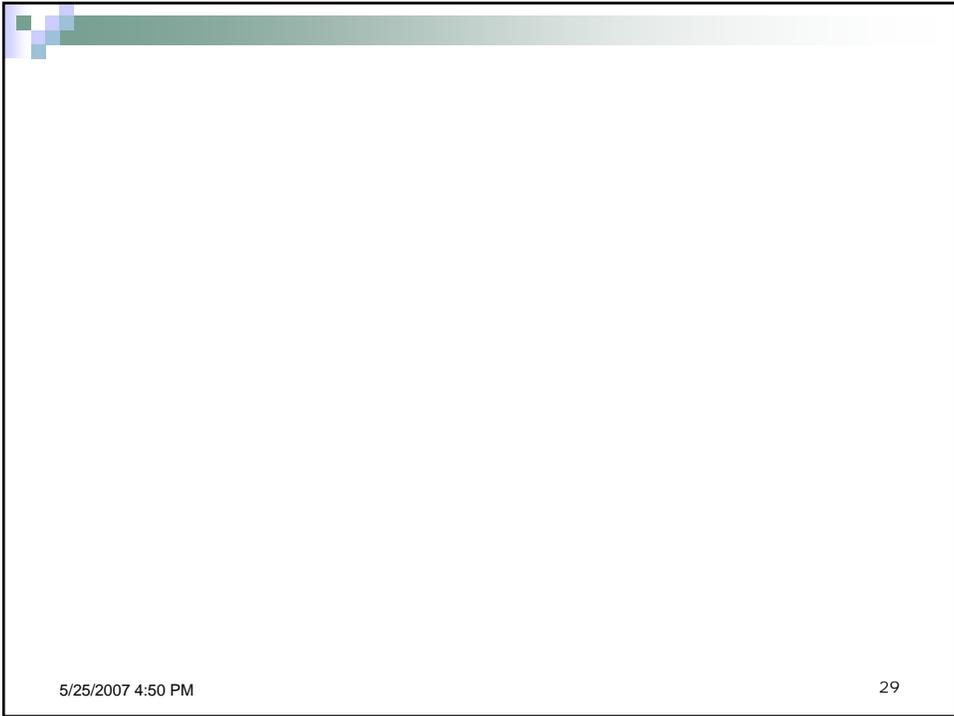
27

FY 2008 Budget Guideline: 2%

- Planned increase for most categories
- Planned increase for Arts contracts – use of Cultural Affairs Fund balance would allow \$100,000 to be budgeted for next few years
- Planned increase for Social Services

5/25/2007 4:50 PM

28



5/25/2007 4:50 PM

29