



2014 Performance Report



Dear Columbia Citizen:

Welcome to the City of Columbia's second annual performance report. As required by our Charter, the City Manager has a yearly duty to submit a statement of priorities and programs, which we call the State-of-the-City message. I'm pleased to report progress, but with much left to do to achieve seven strategic priorities adopted by the City Council in 2012.

We've used core measures that can be verified to show our current status. You might think of these as our vital signs as an organization. We report warts and all, meaning that even when those facts don't tell the most positive story, they point us toward opportunities for improvement.

Over the last year, we've taken important steps consistent with citizens' top priorities.

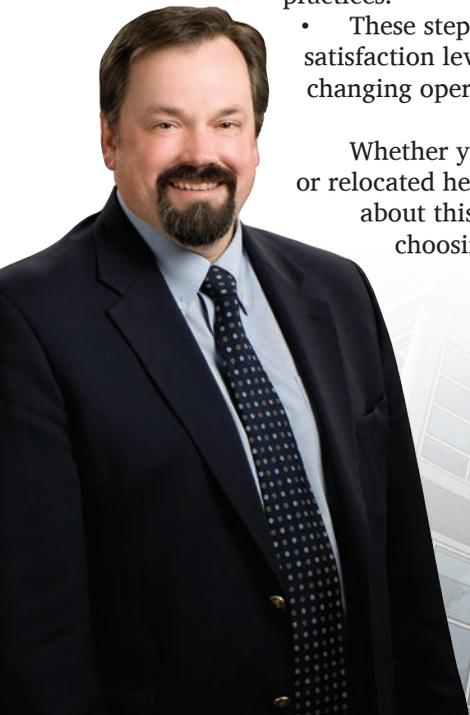
- Maintaining streets and infrastructure has been your top concern for years. We've doubled our budget for street paving but, with more than 650 miles of City roads, we still have a 47-year cycle time. This is down from 60 years, but does not meet citizen expectations.
- Our 2013 violent crime index is the lowest it's been in the last 20 years, but we are still under-staffed in Police, Fire and most other City services.
- As promised, we balanced the City's General Fund budget, which supports public safety, health and other core public programs. Instead of making up shortfalls from other City funds, we will continue to balance this budget with business-like approaches and fiscal practices.
- These steps and more add up to big differences. We are increasing citizen satisfaction levels, almost across the board, by listening to your concerns and changing operations.

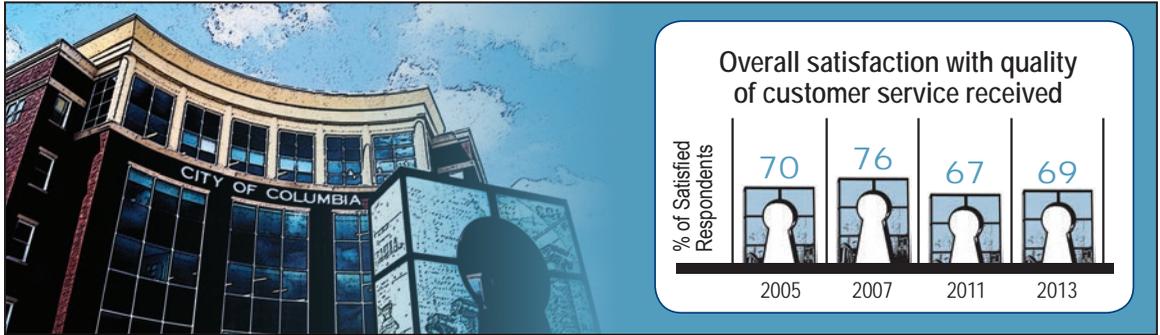
Whether you were born here...came as a college student and stayed... or relocated here because of work or retirement...we know you care deeply about this community. On behalf of the City of Columbia, I thank you for choosing to make this place your home.

Sincerely,



Mike Matthes
City Manager





Customer Focused Government

making YOU the center of service

What we see

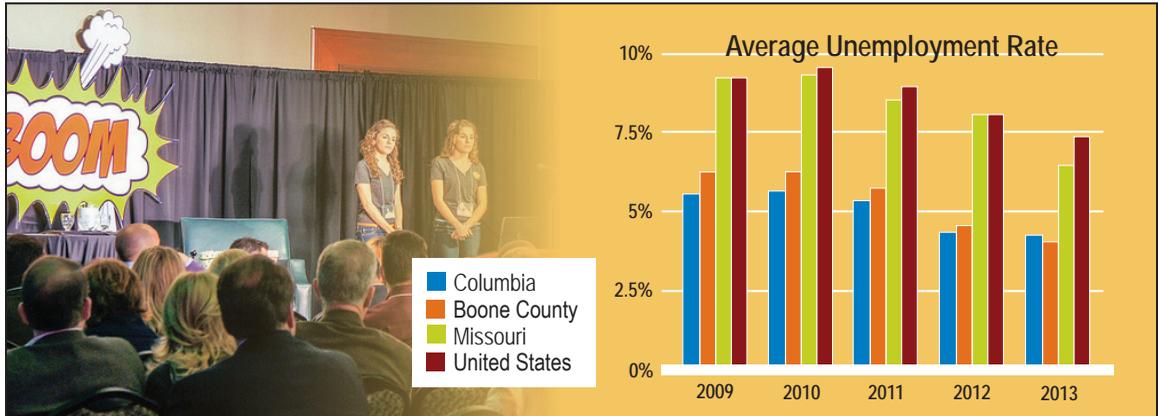
I am proud of City employees' commitment to excellent public service. That's what you expect and what we promise to deliver, building trust at each customer touch point. Since 2011, your satisfaction with the City's overall quality of customer service has increased from 67 percent to 69 percent. That's a higher satisfaction rate than both the national and Kansas – Missouri averages. Among the 10 broad service categories measured in our 2013 citizen survey, we saw higher satisfaction with utility services, stormwater drainage, code enforcement and streets. Services rated slightly lower since 2011 include parks, solid waste, public safety and public health.

What we've done

- Trained all current and every new City employee in “Service with Principles,” to build this core value permanently into our workforce.
- In the last two years, we also achieved higher marks for employee courtesy, prompt answers to citizen questions and the ability to reach the right person for help with problems.
- Building on this success, we launched the City's first customer contact center, starting with citizen calls about trash pickup. When fully implemented, the contact center will be the place to go for information and solutions to citizen problems.
- In 2013, the City hosted more than 580 public meetings to provide information or get citizen input. This includes Council and pre-Council meetings, board and commission meetings, interested party and public information sessions, retreats, work sessions and a new “Ward Check-In” series that brings together City Council representatives, constituents and City staff.
- Engaged with citizens who volunteered more than 43,000 hours of service to all of us through their work with City programs. Their service has a cash value of more than \$952,500, and their contributions are priceless. If you know these volunteers, please thank them.

What lies ahead

In the contact center's early weeks, we handled close to 1,400 calls and successfully resolved more than 70 percent of them. As it starts to handle calls about streets in the coming months, the contact center will contribute to growing satisfaction with streets and other services. By 2015, we're committed to increasing overall citizen satisfaction with City customer service to 80 percent; achieving 75 percent agreement that it's easy to reach the right person at City Hall; and achieving 70 percent agreement that it's easy for citizens to get the information they need.



Economic Development

making Columbia a great place to work

What we see

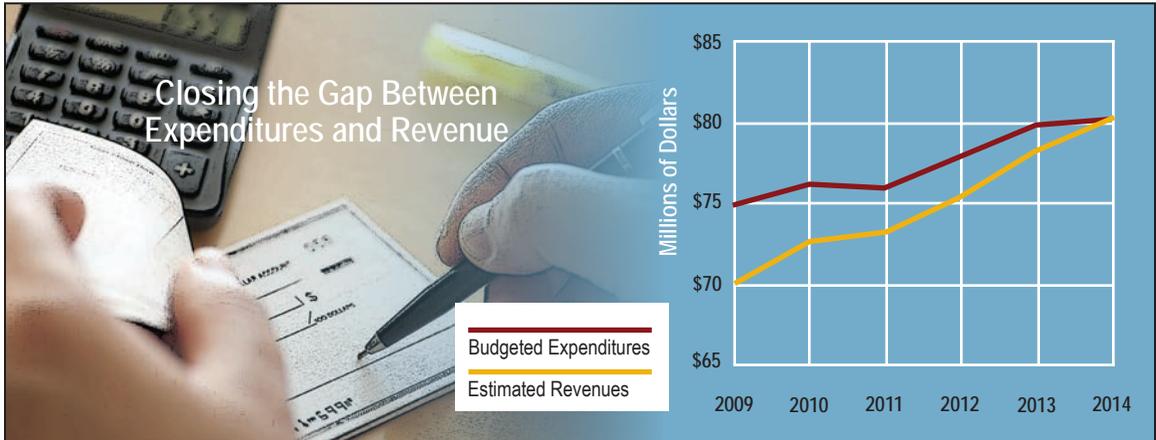
Columbia has a diverse set of employers, but the University of Missouri remains the economic engine that drives retail sales, research and high-tech jobs and rental building projects. That's what the Milken Institute recognized when it named Columbia the 2013 top-performing small city in the United States. Unemployment is down locally and at state and national levels, and the U.S. Bureau of Economic Analysis ranked Columbia as the fastest growing economy in Missouri. Even with this good news, Columbia's median household income is down slightly from last year. In our citizen satisfaction survey, the percent of those who said creating jobs was a high priority decreased from 77 percent in 2011 to 69 percent in 2013.

What we've done

- Added jobs in retail and existing industries and attracted more than \$7 million in new investment and 225 new jobs, including 25 in biotech products and services that will be exported outside Columbia
- Attracted visitors who, from 2012-2013, increased hotel gross receipts by 7.3 percent in an industry that supports more than 10,650 jobs in Columbia and Boone County
- Issued more business licenses in 2013, with small increases in light manufacturing facilities, locally-owned firms, retail shops and home occupations
- Supported entrepreneurship with 17 companies in the REDI business incubator, through weekly early stage startup presentations to the community and at the annual #BOOM conference, connecting 1,300 business leaders and people with big ideas
- Saw more than 87,000 non-charter passengers using Columbia Regional Airport in 2013, the best numbers since 1989. This surpassed the expectations of American Airlines and resulted in another daily flight to Chicago.

What lies ahead

Southern Business & Development Magazine named Columbia one of the "top ten shining examples of economic development that's working," but our job is not done. More than one-third of Missourians are experiencing long-term unemployment of 20 weeks or more, and some of those people live in our community. Support for new jobs and economic opportunities will continue. Our strategic goals include more attention to minority- and women-owned businesses and to jobs that support historic preservation, sustainability, arts and entertainment.



Financial Health

maintaining the City's fiscal fitness

What we see

Three years ago we said we would close a \$2.9 million gap between general fund revenues and spending. In 2013, we came within \$143,500 of meeting that goal. This reflects continuing financial stewardship by City Council members and City staff and moderate revenue growth. According to the National League of Cities, this is consistent with national trends. The economic recovery is improving our fiscal health, but Columbia and other cities are challenged by public employee health and pension costs, infrastructure needs, uncertainty about state and federal funding streams and sales tax revenue lost to online merchants. All cities have balanced budget mandates, and Columbia citizens ranked it as their third highest priority in our 2013 citizen satisfaction survey.

What we've done

- Since 2011, saved more than \$17 million by refinancing the City's debt while maintaining a very favorable "AA" bond rating
- With improving economic conditions, booked \$1.6 million more in sales tax revenue in 2013
- Improved earnings on investments in City employee pension funds
- Gained \$300,000 in federal funds for public transit operations by matching it with revenue from parking fees, and we reduced paratransit costs with technology advances
- Achieved 75 percent cost recovery for City building and site development services
- Maintained 20 percent in financial reserves, with more than \$31 million in cash and short-term investments as of March 31, 2014

What lies ahead

We'll continue our pursuit of good fiscal stewardship, including support of local, state and national solutions to capture online sales and use tax revenues. As a major employer, we estimate a potential \$438,000 cost to comply with the federal health care reform act. We will encourage employees to use the City's higher-deductible health plans with less expensive premiums than our traditional plan. Now that we've completed our job study, we'll budget for pay raises to lift selected employee groups up to the median compensation level for their positions in the competitive labor market.



Growth Management

growing intelligently, protecting, preserving

What we see

At 34 percent, citizen satisfaction with how well the City plans for growth remains steady but lower than we would like. When these opinions are mapped, they appear to reflect places inside the city where new development accelerated ahead of streets and other services and where problems persist. Since 2011, Columbia's land area has grown an average .17 square mile per year, while our population grew an average 2.3 percent per year, to an estimated 116,100. This includes 40,000 students living in dorms and homes that they rent or, in some cases, own. Between 2011 and 2012, residential and commercial building permits jumped almost 66 percent and 28 percent, respectively, but this growth rate slowed in 2013. Most permits were issued for home improvements and single-family housing; even so, new projects with more than five living units were permitted for more than 1,200 units.

What we've done

- In 2014, recognized five Most Notable Historic Properties, for a total of more than 130 honored since 1998
- Prepared "Our Natural Legacy," an innovative plan...subject to City Council approval...to conserve open space for future generations, in partnership with county, state and non-profit entities
- Acquired 35.5 acres of land for the Battle Avenue Park and the Waters – Moss Memorial Wildlife Area and budgeted \$375,000 to preserve land for parks, greenbelts, green space, wildlife corridors and nature areas
- Completed phase 1 development at Bonnie View Nature Sanctuary, including a shelter, restroom, parking and a trailhead for Scott's Branch Trail
- Identified \$20 million in water, sewer and electric system improvements needed to meet unprecedented demand for downtown infill development

What lies ahead

Growth management continues to test our ability to balance progress and preservation. We will work closely with citizens to ensure Columbia has core services, natural spaces, historic integrity, affordable housing and sufficient places to conduct business. Our goals include rewriting City zoning regulations; assessing the fiscal impact of new development; housing rehabilitation, home repairs and home accessibility improvements; opening 360 acres of Southeast Regional Park to active use; completing 24 projects approved by voters in the 2010 park sales tax ballot issue; and preparing the 2015 park sales tax proposal for a public vote.



Health, Safety & Well-Being

keeping the community safe and healthy

What we see

Citizen satisfaction with Columbia's quality of life increased since 2011. At 80 percent, it's slightly higher than the average score in other Missouri and Kansas cities, and it matches the average score nationwide. Violent crime went down from 476 incidents in 2012 to 416 in 2013, and there may be a connection between these trends. Citizen satisfaction with the quality of public health services is within the range of national and regional benchmarks and we've learned, through community conversations, that local priorities vary depending on where people live. People in some areas expressed very specific health-related needs and desires, while others focused on broad policies and incentives for action.

What we've done

- Responded to more than 75,000 calls for police service in 2013 – or 2,400 more than in 2012 – and added three police officers to the FY 2014 City budget
- Built community trust through informal conversations and “Coffee with Cops,” by directly connecting to citizens with Facebook and Twitter and with crime data posted and mapped online
- Continued as one of Missouri's top 10 healthy counties in a Robert Wood Johnson Foundation study, showing reduced adult obesity and more physical activity, among other measures
- Made progress on 19 of 23 projects approved by voters in the last parks ballot issues, including two gym expansions and a new tennis court at Columbia's public schools
- Initiated more than 68 percent of 6,063 complaints associated with code enforcement in neighborhoods – 85 percent were resolved voluntarily, with the top three complaint categories of nuisance properties, property maintenance and problem vehicles
- Earned 2013 state honors as the Local Human Rights Commission of the Year, with recognition of our volunteers' and staff advocacy for fair housing, disability and service animal rights, public education and diversity celebration

What lies ahead

So much of what we call “quality of life” depends on the character of our community and our connections to each other. We will help build stronger links through: “CoMo Connect,” a totally new route and scheduling system for City buses; cooperative work to tackle neighborhood health priorities; continuing to improve the financial future for local arts agencies; and developing a road map for becoming a recognized destination for youth and adult sports events.



Infrastructure

keeping pace with demands for streets, sidewalks and utilities

What we see

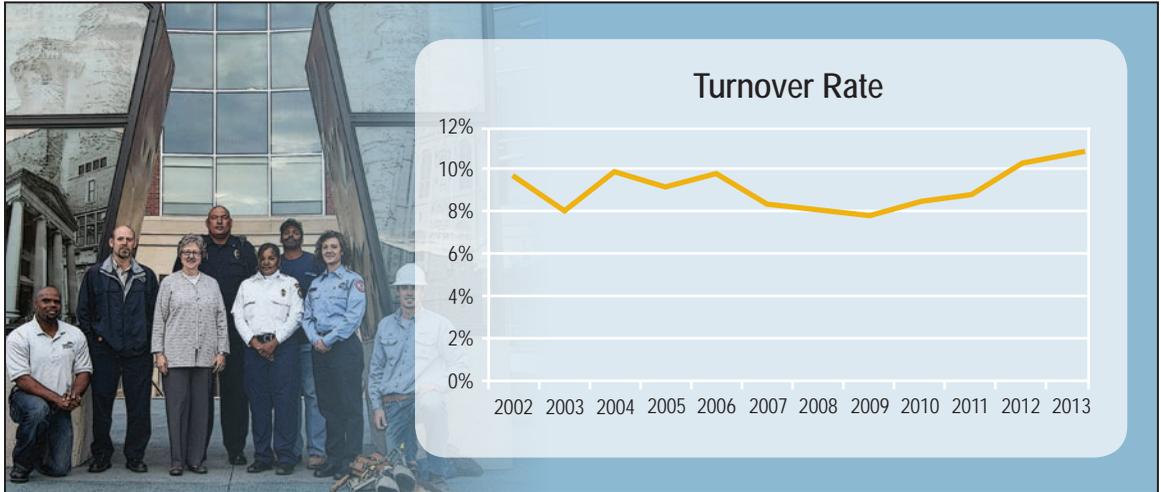
Citizens reported greater levels of satisfaction with almost all utility services, including streets and stormwater drainage, in 2013. Snow removal got higher marks, we believe, because of lessons learned from past snowstorms and because our use of social media kept people informed. Columbia Water and Light customers used 1.17 million megawatt hours of electricity and 4.32 billion gallons of water last year. This demand, plus the extraordinary interest in building apartments downtown, raised the profile of the \$20 million needed for infrastructure improvements.

What we've done

- Added another \$300,000 for street resurfacing, bringing this total investment to more than \$2 million for the fiscal year and reducing our resurfacing cycle time to 47 years
- Resurfaced 35 miles of pavement, built 8,451 feet of new sidewalks and pedways and completed portions of major street projects on Clark Lane and Rolling Hills Road
- Improved accessibility for disabled persons with audible signals at street intersections, more accessible parking, playground renovations, home ramps and other activities
- Exceeded the voter mandate for using renewable energy resources in 2013 while reducing greenhouse gas emissions and peak load electric generation through energy efficiency programs
- Replaced more than a half-mile of water distribution mains and completed the northern end of a water transmission line that will improve service and fire protection in eastern Columbia
- With proceeds from a voter-approved bond issue, continued replacing and “rehabbing” sewer pipes, lines and manholes to prevent sewer backups in homes

What lies ahead

Because streets and utility systems benefit all homes and businesses throughout Columbia, we must find fair methods to pay for them and keep service safe and reliable. This includes generating 15 percent of the City's electricity from renewable resources by 2018; creating a detailed plan to build a new electric transmission line in southern Columbia; adding new water wells, completing the eastern Columbia water transmission line and providing backup power generation for pumps; continuing improvements for Scott Boulevard, Clark Lane, neighborhood streets and for sidewalks that need to be more accessible for disabled persons; and agreeing to an overall plan to meet infrastructure needs in the central city.



Workforce

supporting high-performing City employees

What we see

In FY 2013, the City lost 1,386 years of experience and talent through employee retirements, resignations and discharges. At 10.93 percent, our turnover rate is higher than it's been since 2009. During each of the last three years, discharges have remained about the same and retirements grew slowly. Voluntary resignations increased at a higher rate, with average employee tenure in that group of four years on-the-job. The better news is that City employees are highly motivated and engaged to provide public service, a trend that also shows up in a national survey of state and local government employees. Surveys show that in public and private organizations, improving employee engagement can help reduce turnover, absenteeism and workplace injuries while improving customer ratings and service quality.

What we've done

- Adopted a new job classification system and, in tune with our compensation policy, identified positions scheduled for pay increases to help us keep and recruit top talent
- Through our new, in-house "City University," trained and engaged employees to prepare them for professional advancement and greater responsibility
- Empowered younger police officers to recruit new talent, allowing them to share their pride in working for citizens and bringing like minds into their organization
- Reduced employee recruitment costs with online applications

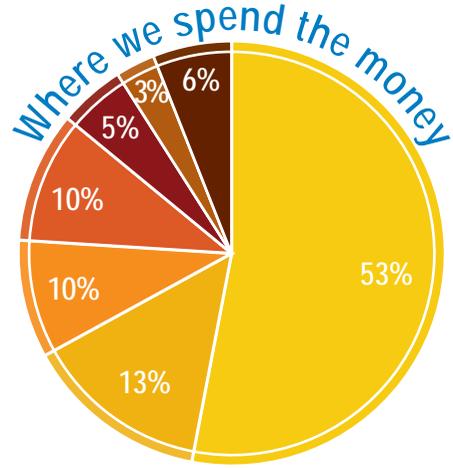
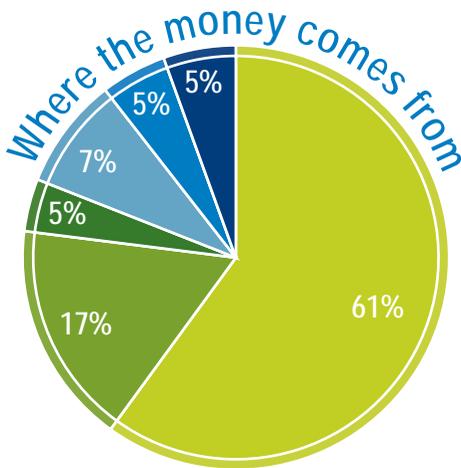
What lies ahead

Plans include addressing employee engagement with greater attention to the needs of individuals and their work units. We hope to reduce turnover, increase job tenure and reaffirm that employees are making a difference in the workplace and their community. We'll also continue actions to keep salary and benefits at levels that allow us to retain our talent and recruit the best new candidates when those needs arise.

City of Columbia Budget

View the City's budget online at GoColumbiaMo.com.

The annual budget is our tool for allocating City resources to departments to deliver the highest level of service to you. The FY 2014 budget covers Oct. 1, 2013, through Sept. 30, 2014. The overall budget for FY 2014 was \$414,221,731 which was divided into 53 separate department and fund budgets.



- FEES & SERVICE CHARGES -- Utility fees, application fees, building permits
- TAXES -- Property tax, sales tax
- GRANTS -- Money from state, federal and other funding organizations
- TRANSFERS -- Money from special City accounts that is moved to fund projects
- INTRAGOVERNMENTAL -- Money moved to general fund from other City funds
- MISCELLANEOUS -- Interest earned, use of "rainy day" fund, other taxes

- UTILITIES -- Water, Electric, Sewer, Solid Waste and Storm Water
- TRANSPORTATION -- Engineering, Streets and Sidewalks, Parking, Transit, Airport, Railroad
- SUPPORTING ACTIVITIES -- Fleet Maintenance, Building Maintenance, Public Communications, Information Technologies
- PUBLIC SAFETY -- Police, Fire, Municipal Court
- PARKS & RECREATION -- Parks and Recreation services
- HEALTH -- Health & Human Services, Community Development, REDI, Cultural Affairs, Convention & Visitors Bureau, Office of Sustainability
- ADMINISTRATION -- City Council, City Clerk, City Manager, Finance, Human Resources, Law