FY 2017 Budget Press Conference

Friday, July 22, 2016

Big Picture

- $440,902,994 Total Estimated Spending
  Departments outside of the General Fund are allowed to save up funds for several years and then spend down cash in one year for capital projects

- $419,958,053 Total Estimated Revenues

- 27 FTE Net Positions Added

- 1,481.40 Total City Permanent Employees

- 11.96 Employees Per Thousand Population
  Same as last year
Challenges for Our Community in FY 2017

- Historically Low Sales Tax Growth
  1% vs. 3% budgeted last year

- Rising Healthcare Costs and Affordable Care Act
  - Pharmaceuticals costs have skyrocketed
  - Claims up more than $1 million
  - Health Insurance offered to employees averaging 30 hours per week

- Overtime Expenses Will Increase
  *Federal Government changes to Fair Labor Standards Act*
  *December 1, 2016 - more employees will be eligible for overtime*

Challenges for Our Community in FY 2017

- Grants Ending
  - Federal Fire grant funding for 3 Firefighters ended - will cost City $200,000 in FY 2017
  - Mo. Dept of Transportation - loss of STP funding of $350,000 per year for street capital projects

- No General Fund Savings from FY 2015
  *Low revenue growth*
Goals Guiding the Creation of the FY 2017 Budget

- **Live Within Our Means** - Keep the General Fund balanced
- Avoid Laying Off Any Permanent Employees
- Provide Employees a Modest Raise
- Achieve Progress on the City Council's Strategic Plan Goals

How We Are Keeping the General Fund Budget Balanced for FY 2017

- No Fleet Replacement in FY 2017
  - $1.1 Million Deferred
- Continued 45-Day Hiring Delay Started in FY 2016
  - $200,000
- Refinanced Debt on City Hall
  - $260,707 Annually
- Departmental Budget Cuts
  - $1 Million
How We Are Keeping the General Fund Budget Balanced for FY 2017

- Increase Building Inspection Fees to Achieve 100% Cost Recovery
  $1 per Thousand Dollars of Value of the Construction

- Close the City’s Most Expensive Health Insurance Plan to New Enrollees

- Add Very Few Additional Positions in the General Fund
  - 3 Police Officers
  - Entrepreneur Coordinator Position in Economic Development - Budget Neutral (funds available from moving Airport under the purview of Economic Development)

Other Important Considerations

- Propositions 1 and 2
  August 2, 2016 ballot
  - Proposition 1 - Increase Lodging Tax 1% (from 4% to 5%) to help fund new Airport terminal
  - Proposition 2 - Continue charging sales tax on vehicles purchased outside the state of Missouri

- Strong Bond Ratings
  Remain steady at AA
Other Important Considerations

- Average Residential Utility Rate Impact $3.59 per month
  - Electric (2% operating rate increase)
  - Water (2% operating rate increase)

Other Important Considerations

- Average Residential Utility Rate Impact $3.59 per month
  - Sewer (4% voter-approved and 1% operating rate increase)
  - Storm Water (25% voter-approved rate)

*To serve the public through democratic, transparent and efficient government.*
Other Important Considerations

- Average Residential Utility Rate Impact $3.59 per month

Solid Waste - No residential rate increase

![Solid Waste Residential Rate Comparison Graph]

- Use $5 million of our excess General Fund balance to contribute to the Police and Fire pension plans
- 59% of our liabilities will be funded in each plan with this contribution. City’s goal is 80% funding

- LAGERS plans are above 80% funding level
- Police and Fire Pensions making progress
  - In FY 2015 utilized $5 million of General Fund excess balance for contribution to Police and Fire Pensions
  - Police increased from 56% to 60%
  - Fire pension increased from 57% to 60%
Other Important Considerations

- Continued Sales Tax Erosion Due to Online Sales

Sales Taxes pay for:

- Police
- Road and Sidewalk Repair
- Bus System
- Airport
- Parks and Recreation
- Fire
- Nearly everything else outside of City Utilities

The erosion of sales tax per capita amounts to $10 Million every year

Implementing the Strategic Plan in an Austere Year
Strategic Priority: Economy - Jobs that Support Families

- **Economic Development - Continued Funding for Innovation Hub** - collaborative co-work space which helps entrepreneurs start a business, and established businesses to grow

- **Widen Opportunities for Minority and Women-Owned Businesses** - reducing barriers for DBE businesses

- **Mechatronics Certificate and Degree Program** - partnership for locally targeted advanced job training

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Strategic Priority: Economy - Jobs that Support Families

- **CARE Program - Continue Funding of $493,474**
  
  Establish 3 two-year apprenticeships for CARE graduates from our strategic plan neighborhoods

- **Columbia Regional Airport** -
  
  In August, asking voters to approve 1% increase to lodging tax (from 4% to 5%) to help fund the new airport terminal project
Strategic Priority: Social Equity - Improving the Odds for Success

- Continue Funding for Glenn Cobbins and Judy Hubbard
  - Door to door assessments

- Continued Funding for Dr. Carl Kenney, Jr.
  - Identify the services our residents truly want and need

- Community Events
  - Increase sense of neighborhood in our three strategic plan areas

Strategic Priority: Social Equity - Improving the Odds for Success

- Continue Social Service Funding of $893,556
  - for emergency shelter, youth development Programs, Job Skills, and Substance Abuse Treatment

- Continue Summer Lunch Program at Douglass Park for Kids
  - Continue Partnership with Voluntary Action Center and Columbia Public Schools
Strategic Priority: Social Equity - Improving the Odds for Success

- Increase Sustainability Efforts in Plan Neighborhoods
  *Help people who struggle with very high utility bills*

- CAT (Columbia Access Television)
  - FY 2017 funding of $25,000

Strategic Priority: Public Safety - Safe Wherever You Live, Work, Learn and Play

- Public Safety Funding
  *Over $40 million of the $60 Million in Discretionary Funding goes to Public Safety*

- Community Policing
  *$700,000 investment*

- Add 3 Police Officers
  *to keep up with the population growth*
Strategic Priority: Public Safety - Safe Wherever You Live, Work, Learn and Play

- Decentralizing Community Access to Police Services
  - Boone Community Center Substation - Central Neighborhood
  - North Side Police Station - Design in FY 2017
  - Ward 3/East Neighborhood Substation - Lease

- Accreditation
  Fire and Police working towards this in FY 2017

Strategic Priority: Infrastructure - Connecting the Community

- Passage of 5 Infrastructure ballots in the past two years
  (Parks, Electric, Water, Storm Water, and Streets and Sidewalks)

- Electric
  - Transmission line to connect Perche Creek Substation
  - Construct Mill Creek Substation
  - Clean up More's Lake

- Sewer
  - 80% focus on maintenance of our existing system (sewer lining)
  - Flat Branch Relief Sewer Projects

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Strategic Priority: Infrastructure - Connecting the Community

- **Water**
  - Meter replacements
  - Relocating water mains in concert with road projects

- **Solid Waste**
  - Creation of Landfill Cell #6
  - Landfill wetlands to keep runoff from entering Hinkson Creek

Strategic Priority: Infrastructure - Connecting the Community

- **Parks**
  - Construction of sports field house using $1 million contribution from Convention and Visitors Bureau
  - Continue work on Clark Lane West Hinkson Pedway
  - Increase green space through 60-acre Gates Park addition
Strategic Priority: Infrastructure - Connecting the Community

- **Streets and Sidewalks**
  - Widening Project - Nifong from Providence to Forum
  - Intersection Improvement - Forum and Green Meadows
  - Oakland Gravel Road Sidewalk - Blue Ridge to Edris
  - Repairs to Greenbriar Trail

- **Public Transit**
  - Building Bus Shelters
  - Replacing 5 Diesel Buses with New, Leased, Electric Buses
  - Distribution of Bus Passes in Central, North, and East neighborhoods to introduce more residents to COMO Connect
  - Create 5 Full-Time Drivers by Reducing Temporary Budget
Strategic Priority: Infrastructure - Connecting the Community

- Parking
  - 6th and Cherry Garage Major Maintenance
  - Council Amendment to create Neighborhood Enforcement Program to alleviate parking congestion in neighborhoods surrounding downtown
  - Replacing a significant number of obsolete parking meters
  - Looking to expand Pay-by-App Only parking spaces
  - Evaluating gate arm systems for garages to make it easier to pay for parking in the garages

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Strategic Priority: Infrastructure - Connecting the Community

- Storm Water
  - Continue focusing efforts to alleviate flooding throughout the city

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“To serve the public through democratic, transparent and efficient government.”
Strategic Priority: Operational Excellence

- **City Employees are Engaged and Excel at Customer Service**
  - 72% Employee Engagement
  - Overall Citizen Satisfaction with Quality of Customer Service in 70% range for several years

- **Accreditation**
  - Public Works has been accredited since 2001 - longest in Missouri
  - Other Accredited Departments: Water, Sewer, Storm Water, Solid Waste, Community Development, Convention and Visitors Bureau, Columbia/Boone County Department of Public Health and Human Services
  - Focus on Police and Fire Accreditation in FY 2017

Strategic Priority: Operational Excellence

- **Recognizing and Eliminating Bias**
  - Public Health and Human Services is coordinating learning opportunities for departments
  - 140 City Employees to Attend Building Inclusive Communities Training
  - 140 City Managers and Supervisors to Attend Diversity Awareness Partnership workshop on diversity and inclusion
  - All sworn Columbia Police Officers will complete training relating to racial profiling and fair and impartial policing

Building Inclusive Communities Workshop
Strategic Priority: Operational Excellence

● Contact Center
  ○ Reduced the number of phone numbers from 154 to 70
  ○ Accelerating the Full Launch of the Contact Center

(573) 874-CITY

Strategic Priority: Operational Excellence

● Centralizing PIOs and GIS
  ○ Allows for back-up of positions across departments and mentoring

● Changing Our Approach on Mechanical, Plumbing, and Electric Licensing
  ○ Make our process faster and provide better service
  ○ Dissolve the three trade boards
  ○ Allow for licensing through administrative staff
  ○ Appeals to be handled by the Building Construction Codes Council

● Pay and Benefit Changes
  ○ $0.25 per hour across-the-board pay increase (Fire $0.1786 per hour)
  ○ Annual physicals for Fire and begin providing biennial physicals to all CDL positions
  ○ 13.8% increase in Health Insurance Costs
Where to find the Budget

On the Web - CoMo.gov
(under the Financial Reports section)

Printed Copy - available for review at City Hall
in the City Clerk's Office (2nd floor)
or in the Finance Department (5th floor)

Public Budget Sessions

- **Monday, August 15th** - first public hearing at regular City Council meeting
- **Saturday, August 20nd** - City Council budget work session
- **Tuesday, September 6th** - Public hearing during regular City Council meeting
- **Monday, September 19th** - Public hearing during regular City Council meeting