

State of the City of Columbia, Missouri:

Manager's Programs and Priorities for FY 2010

Presented by City Manager Bill Watkins

June 3, 2009

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

As required by our City Charter, the City Manager has a yearly duty to submit to the Council a statement of recommendations which he or she believes will be of benefit to the City and to let you, the citizens, know his or her opinion of the state of affairs in the community. This traditionally occurs immediately before the City Council's annual retreat.

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

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

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

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

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

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

Pressure on our stormwater system keeps building as the community grows and as environmental

standards get tougher. The current stormwater revenue system, set by voters almost 20 years ago, just is not adequate for what we must do today and tomorrow.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

These neighborhood-focused employees now are housed in six departments. They do their work well

but need a stronger, continuous unity of purpose. I'd like to provide some new organizational tools for them to work more effectively with citizens and property owners and to enforce the rules.

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

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

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

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

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

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

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

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

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

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

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

I am very pleased that Bernie has agreed to stay on with Mike as part of our Economic Development

staff. We are now at the same staffing level as when I had that position in 1988.

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

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

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

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

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

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

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

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