

## **State of the City of Columbia, Missouri:**

### *Manager's Programs and Priorities for FY 2011*

**Presented by City Manager Bill Watkins**

**June 2, 2010 – 9:30 a.m. – City Hall**

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 fifth "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 benefit 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.

This year's annual retreat will be held at the Country Club Hotel in Lake Ozark, Missouri. It will start at 6:30 p.m. on Thursday, June 3 and end around noon on Saturday, June 5. The retreat is an open, public meeting. The news media and other observers are welcome to attend.

In one word, my opinion of the state of city government is "stable." We are in the third year of a financial plan we set up in 2008, when local revenues started declining.

Because we took immediate action, and as we continue to curb our spending, we remain responsibly focused on delivering core services to citizens. We're where we expected to be.

Adding new City programs and staff, even though needed, probably is not possible without cutting other services. For the next few years, budgeting is likely to remain a zero-sum game.

Still, wherever possible, we've taken advantage of new partnerships, outside funding sources and internal reorganization to make our dollars go farther. Therefore, I believe that the City of Columbia is well-positioned to keep our community thriving.

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I don't know if you've met Larry Potterfield, the Chief Executive Officer of Midway Arms based here in Columbia. Last year his organization won the Malcolm Baldrige National Quality Award for small business. This is a huge honor, not just for Larry and his employees, but also for Columbia.

If you win a national quality award, it means that you are totally committed to excellence in every sense of the word. And, for Larry, it means challenging the rest of Columbia to create a community of excellence.

The City Council heard this call and last February set the goals of applying for and receiving both the Missouri Quality Award and the Baldrige national award. By October, City staff must recommend a time schedule to achieve these goals.

So, the City of Columbia joins a growing list of other local organizations and businesses preparing for this challenge. I like what this says about our community. If we're committed to excellence, we're

raising expectations. I believe that this signals a rising tide and hope for the future.

Attaining excellence is something the City of Columbia can do, even if resources are limited. The logical place to start is with our core services and obligations to citizens, including:

- Public safety - Police, Fire and Joint Communications services;
- City utilities;
- Job creation;
- Bus and air service; and
- Parks.

These are the most significant topics I will discuss with Council members during retreat. I have scheduled quality time for these subjects, because they deserve our attention now.

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Let's start with our public safety agencies. We know that Police, Fire and Joint Communications have different roles grounded in centuries past.

Wherever there were laws, there was a need for enforcement. Whenever people lived in close proximity, there was a need to keep fires from turning neighborhoods to ashes. Whenever danger threatened, a "town crier" warned people to take shelter or lend a hand.

Fast-forward a few centuries, and see how these roles have expanded and interlaced. All of our public safety agencies do much more to educate people, prevent problems and fill new needs. We have up-to-date technology that makes all of this easy...or do we?

Public Safety Joint Communications...our modern day town crier system...must meet a Federal Communications Commission mandate to move all our radio systems to "narrowband" channels by January 2013. The FCC has advised local governments that this is a more efficient use of the radio spectrum and that we must move aggressively to convert from our current system.

Without action, we risk losing our wideband FCC authorization and our ability to communicate effectively. We need to remove this threat to excellence.

Fortunately, we have computers busily and efficiently digesting data and turning it into knowledge for all of our safety and justice agencies. These computers help us make decisions and do our jobs better...or do they?

Our public safety records systems, and there are several of them, were designed to store data, not shape them into management tools. They are "friendly" only to users who already have specific information that allows them to retrieve data. NOT excellent.

What all of our City and partner public safety agencies need are ways to collect, store and use information to help prevent problems and improve accountability. Our collective records management systems should be easy to use and save time for those entering data. The information should be accurate and geographically-based. This is expensive, but it's a critical step toward excellence.

In the best of worlds, we would address this in an overall public safety strategic plan. We're not there yet, but both the Police Department and Public Safety Joint Communications departments are developing plans together with our many Boone County partners.

A modern records management system is an urgent task for the Columbia Police Department, which is seeking accreditation by the Commission on Accreditation of Law Enforcement Agencies (or CALEA). Several Missouri cities already have this designation.

The CALEA program has become the primary method for an agency to voluntarily demonstrate a commitment to excellence in law enforcement. CALEA accreditation for the Police Department is a goal that Chief Burton and I put on the front burner when he became Police Chief. We have “a ways to go.”

As we plan, it would be helpful if all our safety agencies first identified the shared values that reflect their history, tradition and their reasons for serving citizens. I think we would find many common values that reveal the bedrock for our core safety competencies.

How does each safety agency “live” those values, and what special role does each safety agency fill? What strengths, weaknesses, opportunities and threats affect each department’s ability to do this important work now...in five years...and 20 years from now? How do careful planning and collaboration increase value for citizens?

I will tell you that getting to excellence requires investment...in work space, training, technology, equipment and people. None of this is cheap, but doing it on-the-cheap is money down the drain. It is not a good way to manage risk or maintain trust.

During retreat, I will talk with Council members about these issues and get their guidance for short- and longer-term budget actions.

Just for the Fire Department, we’re looking at millions of dollars, over the next ten years, to keep our equipment in good shape and build a new fire station for our expanding community.

We estimate that we can build a station for about \$2 million, and that’s the cheap part. Operating a station costs about \$1 million annually, which we just cannot afford in today’s economy.

We need to add back the four firefighter positions not filled in this year’s budget and start hiring and training to staff a future Fire Station 10. And we must acknowledge and plan for the Fire Department’s growing role in advanced life support services.

Most of our fire calls involve emergency responses to hazards and accidents, not responses to fires. Nationally, the fire service is seeing a shift from fire calls to other kinds of emergencies.

We need to prepare with training, equipment and qualified personnel. We must plan for excellence.

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Let’s spend a few minutes with utilities, perhaps the most direct service that regularly touches each home, business and property. Utilities are more than an over- and underground spaghetti of pipes, cables and conduits.

They deliver lifeblood services, like energy and water. Or they take away noxious or possibly harmful things, like wastewater and stormwater.

The core values here are easy to state: safe, reliable, environmentally responsible and affordable service at a price that covers the cost of service and debt. They values, however, are not easy to do.

We have voter approval to maintain bond requirements for electric, water and wastewater services,

and I am committed to working with Council members to keep all utility rate increases as low as possible. I am equally set on reaching higher levels of customer service, performance and accountability.

All our utilities become more complex every year, with new regulations, growth and unanticipated challenges. Our operations no longer are the small-town type they were just a few years ago.

Our sewer rates have received a lot of scrutiny and criticism, some of it deserved. In my opinion, the guidance in our local sewer rate ordinance is out-of-date and off-the-mark. It's open to individual judgment and inconsistent application. NOT excellent, but we're working on a community solution.

Our stormwater utility needs even more attention. Stormwater essentially is water that drains quickly, over hard surfaces and un-paved areas, to streams. If unchecked, it can carry pollutants and sediment, causing property and environmental damage.

If you've seen water rushing or pooling in streets during a heavy rain, you've seen stormwater. If you notice that freshly-planted flowers abandoned your yard for the gulley, you've seen the effects of stormwater.

Again, we have an existing ordinance and rate structure, but not the horses to do the job. The stormwater utility now generates about \$1 million each year...far from what's needed to properly engineer and staff this function, and not enough to meet federal and state environmental standards.

We are working to rebalance our regulations, especially in already developed areas. I will discuss our consultant's options and recommendations with Council members.

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The recent announcements by IBM and Linen King to bring jobs to Columbia is good news for us. Between them, the two companies bring wide job diversity and will use buildings and facilities already in place. This is a good investment matched to current resources.

I am very proud of the united community that helped tip the balance to Columbia, including our Economic Development Director, Mike Brooks. But he's not done, and I don't want him to rest. People with good jobs is part of our quest for excellence.

There is too much energy and opportunity in this city to let any of it go untapped. I like to think that we are a city of solutions for employers and entrepreneurs, both home-grown and otherwise.

Some of our solutions are industrial sites in various stages of readiness for new tenants. Council members want to add a second Missouri-certified site to our inventory, and we are working to get our site at Waco Road and Route B to meet certification standards.

A certified site is at least ten acres with, at a minimum, water, sewer and electric service. It has proper zoning and site control and is marketed for business recruitment or expansion, not for retail. The State of Missouri holds standard data on all certified sites so that it's easily available when opportunities come up.

Forbes.com recently named Columbia as the eighth best place for business and careers. I find this one of the most exciting ratings we've received in a long time. It recognizes that our city has long-term solutions for innovators and entrepreneurs.

My take is, we're just getting started. It's all about good jobs.

We have an opportunity to relocate our regional economic development organization, or REDI, Inc., to downtown space at our new parking garage. It's been our plan, all along, to have street-level space for retail and other business tenants at that location.

REDI's current lease is expiring, and moving improves its access to City Hall services and to the University of Missouri campus. It opens the possibility of working with the University and the Small Business Development Center to create a place where students, graduates and other residents can cook up entrepreneurial partnerships.

The incubator set up by the University of South Carolina in their Columbia could be a model. The University has a new research district in a recently re-developed part of the city. It's designed to incorporate its surrounding "vibrant" community.

Can our incubator host student entrepreneurs who create jobs? Can it foster their interest in staying here to raise families and establish roots? I don't know, but I'd sure like to try. It's an important part of our future.

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Will better bus and air service be important to this growing population of employers and workers? It already is. One of IBM's requirements is bus service to its facility and the ability to transport customers and employees easily by air.

In the last fiscal year, Columbia Transit carried more than two million bus riders, even with a fare increase. That's a 250 percent increase over FY 2005. Numbers were up for fixed routes, campus shuttles and ParaTransit services.

This is encouraging, but it's not yet excellent service. Our largest soft spot is the orange bus line. Its current route is hard to cover in a 40-minute "headway."

The orange line is routinely late, and that frustrates riders. When the orange line is late, it delays people who are waiting to transfer at Wabash Station. To make up time, bus drivers are speeding.

As the orange line goes, so goes the transit system. NOT excellent.

At retreat I will discuss with Council some wholesale changes intended to make things run on time, reach areas we have not served before and make sure that buses go to workplaces and other key areas. We can do it piecemeal, but we have an opportunity to make a significant difference at what I believe is a reasonable cost.

We'll also talk about improving service and capacity at Columbia Regional Airport. Delta Air Lines has been a good partner with us since it came here in 2008, and I think the feeling is mutual.

Flights out of Columbia have been 70 percent full, on average, since Northwest started service. The airline switched all flights at Columbia to 50-seat regional jets. And Delta announced that, effective this September, it will serve Columbia Regional without a federal subsidy.

Getting off the Essential Air Service subsidy is something that very few communities are able to achieve and still maintain air service.

A lot of thanks are due to airport staff, to the Airport Advisory Board and to a supportive passenger community, but our work is far from done. Our master plan describes more than \$64 million in improvements over the next 20 years. And there are competing priorities.

We need new pavement and other improvements to meet Federal Aviation Administration standards and keep our runways safe. That means scheduling financing and construction in a way that lets us keep flying without serious disruptions.

These costs, if we meet federal regulations, can be 95 percent reimbursed with federal funds. But we still have to come up with a five percent match.

Our 30-year old terminal must be modernized and must meet significant federal air security standards. Terminals generally are not eligible for grants.

Passenger counts are key factors in keeping our current service and attracting new air carriers. And I would like to see flights to at least one more significant hub city.

As new employers and more workers come to the region, I think Columbia Regional will attract more business. It could be another center of excellence, if we do things right.

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Last December we started talking with Council members about their interest in asking voters to renew our capital sales tax for parks. Over the last ten years, revenue from this 1/8-cent sales tax has created one of the city's most admired and valued public assets...green space for play, for exploration and for pure enjoyment.

Voters first approved this tax in 2000 and renewed it five years later, when it was set to expire. We are at that five-year mark again and, in my opinion, the tax adds significant value to our quality of life.

As Council asked, we independently surveyed citizens to see if their thoughts about parks had changed. We'll discuss our findings and future options at retreat.

This ballot issue typically defines the amount of revenue to be raised, the time period, plans for acquiring land and the balance between creating new facilities and maintaining those we already have. Specific projects must be identified.

If Council members agree, the sales tax renewal question would go to voters this November, but there still is a lot of work to shape the ballot proposal.

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All of these retreat topics are connected by common threads:

- A City budget that challenges us to be smarter, more frugal and more focused on critical services;
- The City workforce, which has gone two years without raises, seen some decreases in employee benefits and which, because of expected retirements, needs to retain the knowledge that will walk out the door;
- The community's vision for Columbia's future, and our plans to carry out its goals and strategies; and
- The City's standing obligation to voters who, over the years, have supported bond issues to build and maintain our public works infrastructure.

The discussions we have with Council members at retreat will guide the budget I propose to them at the end of July. I expect that the FY 2011 budget will still be very tight and that we will continue to

stretch every dollar, even if it means considering some service cuts.

But I remain hopeful that, as our local economy picks up steam, new resources may be available for core services and other citizen obligations. I am committed to reaching for excellence. Columbia citizens deserve no less.

All Council retreat materials are online, and I encourage you to review them at [www.GoColumbiaMo.com](http://www.GoColumbiaMo.com) under the heading “Featured Information.” Thanks for your attention today. I look forward to working with all of you in the coming months.

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