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2015

**CITY OF COLUMBIA, MISSOURI
PERFORMANCE REPORT**



Dear Columbia Resident:

Welcome to the City of Columbia's third annual performance report. It reflects the end of a three-year planning cycle that started in 2012 and looks ahead to a new cycle for the next three years. The big questions are: Did we achieve the seven strategic priorities adopted by the City Council? Where do we go from here?

I believe that we reached all of the most important goals included in our strategic plan through a strong partnership including citizens and volunteers; City Council members; City staff; public and private agencies; schools; and community groups. Although we see progress, we also see troubling signs that not everyone in Columbia has an opportunity to thrive.

DONE Citizen satisfaction with local government service is much higher than regional and national averages.

TO DO Make it even easier for all types of people to reach us and get what they need.

DONE Columbia has a great climate for high-tech jobs and entrepreneurship.

TO DO Train more people in skills with high demand and increase the number of women and minority business owners.

DONE The budget is balanced.

TO DO Reduce the threat of non-taxed online purchases.

DONE Our comprehensive plan and new development code offer better tools for managing growth.

TO DO Increase affordable housing stock and reduce the cost burden of renting and ownership.

DONE Built recreation, arts, healthy living, compassionate service and safety into Columbia life.

TO DO Improve the odds that all families will have good health and feel secure.

DONE More citizens are satisfied with street conditions; voters support funds for infrastructure.

TO DO Keep service reliable with traditional and innovative funding strategies.

DONE Reduced employee turnover; hired and retained people with a strong public service ethic.

TO DO Keep employees engaged, fairly paid and motivated to provide service you can count on.

Over the next three years, we plan to bring more balance to our community with strategic investments and even stronger partnerships. I invite all of you to share your time and talent in this quest, to make Columbia a great place, for everyone.

Sincerely,

Mike Matthes
City Manager



participated directly in street and public safety planning by voting online for priority projects. Ideas generated through “SpeakUpCoMo” will be included in the capital improvement sales tax ballot issue scheduled for a vote this August.

- Citizens volunteered almost 35,260 hours, valued at more than \$795,000, in service to the community in FY 2014. Over the last three years, they contributed 128,560 hours valued at more than \$2.8 million. This personal investment includes membership on City boards and commissions and work with programs benefiting all residents.

What we see

Compared to benchmark cities, Columbia really sets the bar for customer satisfaction in almost all areas that we measure, such as knowledge; politeness; and timely response. It’s still not easy, however, for citizens to reach the right person to answer questions or get exactly the information they need.

What lies ahead

We’re going to set our customer satisfaction goals even higher. Fully engaged employees...who care about Columbia, the quality of their work and their work teams... are the bedrock of public service. They have the knowledge and local experience needed to reduce red tape and improve cost management. Supporting their development and reaching toward operational excellence will assure that each citizen, regardless of life situation, is respected and well-served.

CUSTOMER FOCUS

making YOU the center of service

OUR GOAL: Adopt innovative ways to engage all customers and improve services based on community values, priorities and expectations.

service has remained in the low 80s, increasing to 81% in 2014 from 80% in 2013. Satisfaction with Columbia City services is more than 20% higher than regional and national averages.

- The City’s contact center, launched in April 2014, has helped 30,859 callers with their solid waste, parking, transit, street and other concerns. Ninety-nine percent of those calls were successfully resolved.
- For the first time, citizens

What we’ve done

- Since 2011, overall satisfaction with customer service received from City employees increased to 74% from 69%. This is steady progress toward our 80% target. We’re beating the Missouri – Kansas and national average by 20%.
- During that same period, satisfaction with the overall quality of



Columbia Boone County, Missouri Welcomes



economic recovery we're seeing in Columbia. Even when it peaked in 2009 and 2010, Columbia's unemployment rate was about 6.5% and lower than the U.S. rate of about 9.5%. Looking more closely, the pain was not equally shared. In 2009, the white unemployment rate was 5.3%, and it improved to 4.4% in 2013. The 2009 black unemployment rate was 14.1%, and it's higher now – post-recession - at 15.7%. We're also seeing increased poverty, decreased per capita income and a growing gap between skills our employers need and skills our citizens possess.

What lies ahead

This imbalance is one of the greatest challenges we face in Columbia, our nation and across the globe. Over the next three years, we will determine what is within our control to help reduce economic despair and increase family aspirations. We want to add jobs, and prefer jobs that pay living wages. We want to reduce the wage gap to keep people moving toward the middle class with job skills that match our local labor market demand. We prefer to support a community where everyone cannot only live, but thrive.

ECONOMIC DEVELOPMENT

making Columbia a great place to work

OUR GOAL: Support and further stimulate our regional and local economy.

What we've done

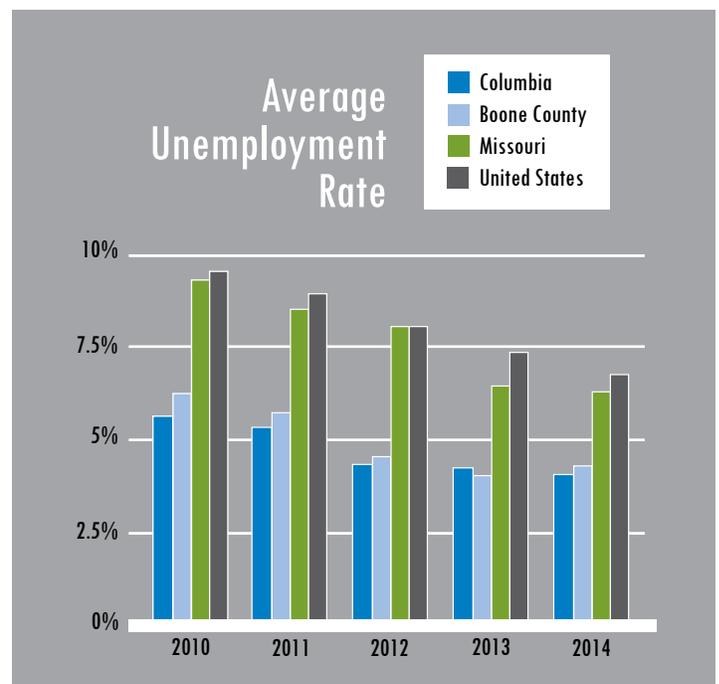
- Added jobs in retail and existing industries and attracted more than \$52 million in new investment and 115 new jobs in biotech products and services that will be exported outside of Columbia.
- Enhanced our entrepreneurial ecosystem through events such as Ignition, Idea Pitch and 1 Million Cups, served 28 clients in our small business incubator and provided resources to business start-ups.
- Attracted visitors who, from 2013 – 2014, increased hotel gross receipts by 9.6% in an industry that supports more than 11,145 jobs in Columbia and Boone County.
- Coordinated the Certified Work Ready Community Initiative in Boone County, allowing 679 individuals to

earn a National Career Readiness Certificate. The City of Columbia is one of 87 area employers matching people to jobs based on their skill levels through certification.

- Saw more than 106,000 passengers using Columbia Regional Airport in 2014, a 23% increase over 2013.
- Completed a Sports Feasibility Study suggesting how Columbia could bring in more visitors through sports events.
- Remembered Columbia's former Sharp End black business district with an historical marker and community celebration.

What we see

We feel generally positive, but there's another story running beneath the



Top five Citizen Priorities in 2014



close a \$3 million gap in FY 2011 and succeeded due to the excellent work of City staff.

What we see

The City of Columbia's long history of efficient cost management continues to assure that funds are available to meet citizen needs. Even so, trends reveal that City General Fund growth (13.4% constant dollars) has not kept up with inflation (21.2%) or population growth (24.6%) over the past ten years. The General Fund supports traditional services that citizens expect from local government, such as police, fire and health protection, streets and basic City administration. The General Fund is threatened by more online purchases that aren't subject to local sales tax. Online purchases made up about 6.6% of all retail sales in 2014. Over the last ten years, we estimate a General Fund loss of more than \$8 million and an overall loss of almost \$18 million.

FINANCIAL HEALTH

maintaining the City's fiscal fitness

OUR GOAL: Meet the critical financial needs of the City while maintaining a balanced budget through efficient use of resources, expenditure management and revenue growth.

What we've done

- Since 2011, saved more than \$20 million by refinancing the City's debt while maintaining a very favorable "AAA" rating for general obligation bonds and a "AA" rating for revenue and special obligation bonds.
- With improving economic conditions, booked \$1.6 million more in sales tax revenue in 2014
- Maintained 20% in financial reserves, ending fiscal year 2014 with \$27.1 million in General Fund cash-on-hand
- Through our innovative Incentive-

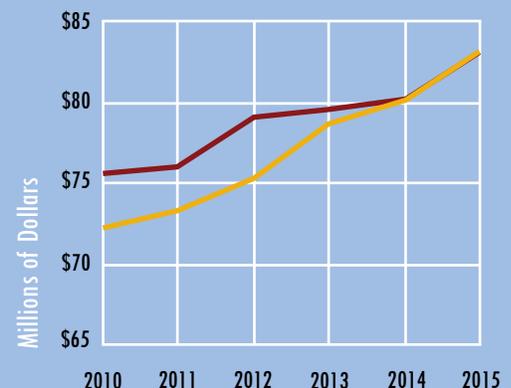
Based Budgeting plan, saved \$4 million to be plowed back into citizen priorities, such as street paving and police body cameras; accessibility improvements; items deferred during lean budget years; and energy efficiencies that will save even more money long-term.

- Steadily increased the health of City employee pension funds. At the end of FY 2014, actual investment income exceeded our recognized investment income by over \$3 million.
- Keeping General Fund spending growth in line with revenue growth and avoiding subsidies from the fund balance. We made a commitment to

What lies ahead

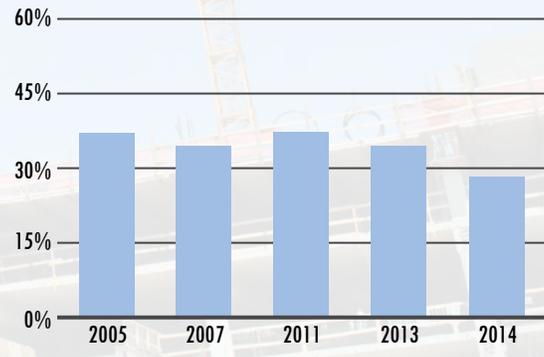
High citizen trust is critical if local government is to stay financially solvent and able to meet expectations as a safe place to live, work and raise families. As always, we will keep promises made to voters who approved ballot issues for electric and storm water system improvements. We are committed to keeping "the gap" closed; maintaining a responsible fund balance for "rainy days;" stretching and saving tax dollars, wherever possible; supporting City employees and retirees; and keeping our financial house clean and ethical.

Closing The Gap Between Expenditures And Revenue





Satisfaction With Growth Management



GROWTH MANAGEMENT

growing intelligently, protecting, preserving

OUR GOAL: Plan for cost-effective growth to ensure resources meet increased demands for protected natural spaces, sufficient and affordable housing, core services, preserved historical buildings and sufficient places to conduct business.

What we've done

- With other agencies and the Greenbelt Land Trust, completed a scoring system to identify and rank land preservation opportunities.
- Saved \$114,000 in annual rent by moving parks programs to the Waters-Moss Memorial Wildlife Area, dedicated the City/County-managed Jay Dix Station off Scott Blvd. and acquired 16 acres by donation for

a neighborhood park and trail in southwest Columbia.

- Made steady progress toward a unified development code that matches Columbia's comprehensive plan. Future subdivision and zoning ordinances will be streamlined and made user-friendly with reference tables, pictures and examples.
- From 2010-2014, invested more than \$2.1 million in federal dollars to help 63 homebuyers with down-payments, rehab or repair 94 owner-occupied homes and demolish 13 vacant and dilapidated properties for redevelopment, including affordable housing. Last year we worked with the community to build Columbia's first federally funded net-zero energy use home.
- Preserved Columbia's historic character by re-roofing the Maplewood home in Nifong Park, restoring the John W. "Blind" Boone home, getting a National Register designation for the Sigma Alpha Epsilon fraternity house, conducting walking tours and sponsoring home-preservation workshops.

What we see

At 28%, citizen satisfaction with how well the City plans for growth

has reached a new low. When these opinions are mapped, they appear in central Columbia, almost to its northern boundary and all the way to its southern, perhaps reflecting population density increases. Since 2010, our density has grown to about 1,800 persons per sq. mile from 1,715 persons per sq. mile. Building permits for close to 1,500 apartment units were issued over the last three years, but that supply has not reduced rents. In fact, almost half of Columbia's rental households are "cost-burdened" by rent and utilities, leaving less to spend on other basics like food, clothing and health care. And, despite low interest rates, it's getting more expensive to buy a home. Columbia's median home sales price rose to \$169,250 in 2014 from \$119,000 in 2000.

What lies ahead

Safe, affordable housing cannot be separated from the American dream, and we believe it's possible to help more families achieve that goal. We will manage the development process more efficiently and transparently when we adopt our new development code. We'll also maintain the current rate of acres of natural areas.



What we see

Continuing wide support for parks, the arts, health and human service programs and attention to neighborhoods keeps attracting people looking for a good place to spend a lifetime. While satisfaction with our quality of life remains stable and a bit higher than regional and national averages, there are some cracks in this foundation. In a place rich with services, good health is not a given for all Columbians. Each year, fewer citizens say they are satisfied with the quality of police service, and more say they feel unsafe even though the violent crime rate is at a 30-year low. We passed another year with no citizen fatalities caused by fire, and satisfaction with fire service remains high.

HEALTH, SAFETY & WELL-BEING

keeping the community safe & healthy

OUR GOAL: Create an inclusive, thriving, livable community that promotes health, safety and well-being.

What we've done

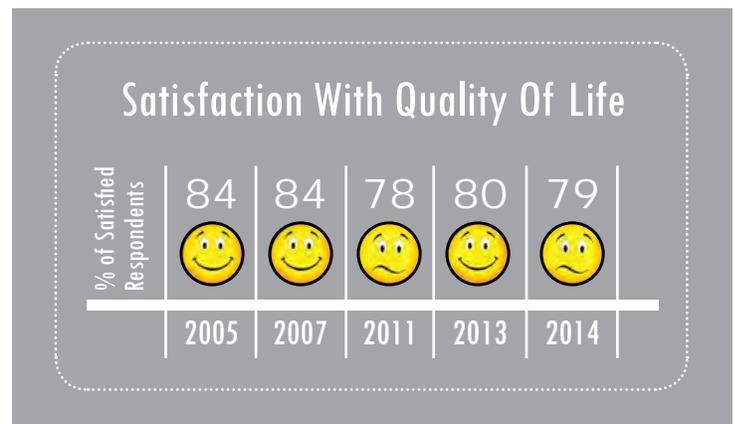
- Helped residents address health needs they identified...play equipment for child care centers helps kids be active; breast-feeding rooms in public schools and City buildings improve child health; and voluntary local restaurant menu options to promote healthy eating.
- Cleared 57% of violent crimes in Columbia in 2014, our highest level since 2010, and beating the national rate of 48%.
- Made progress on 21 of 23 projects approved by voters in the last parks ballot, including

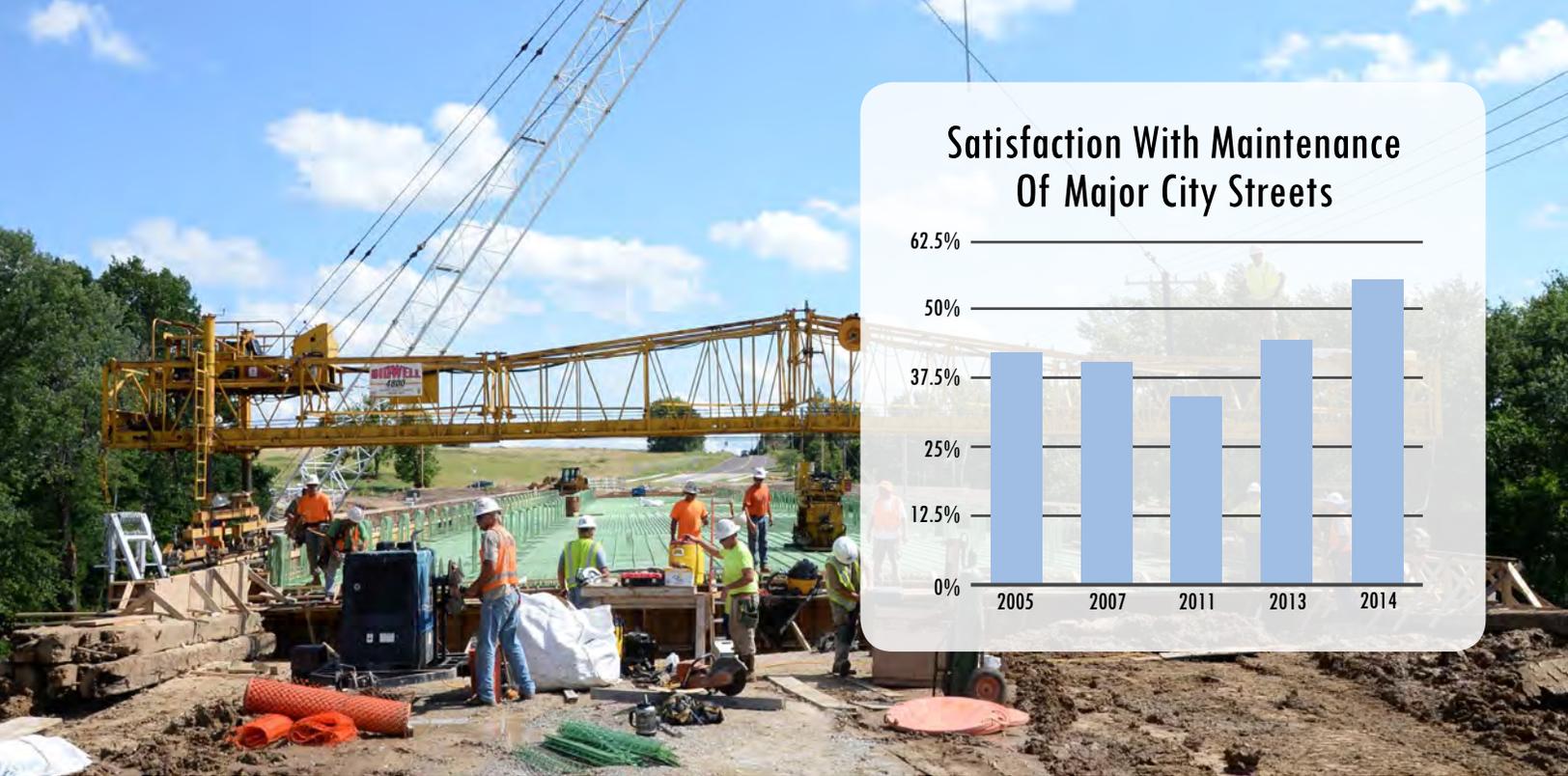
seven soccer fields at Gans Creek Recreation Area and two gym expansions and a new tennis court at Columbia schools.

- In FY 2014, residents and City staff initiated 3,930 code enforcement complaints in neighborhoods. About half were resolved voluntarily, with nuisance properties, weeds and property maintenance as the top three complaint types. At the end of last year, 9,849 buildings and 26,173 living units complied with rental ordinances.
- Grew the Columbia Arts Fund from \$20,000 in 2013 to \$99,000 in donations, with plans to support local arts and culture organizations next Spring.
- Established the Youth Advisory Council, composed of high school students, to advise the City Council on all youth-related issues.

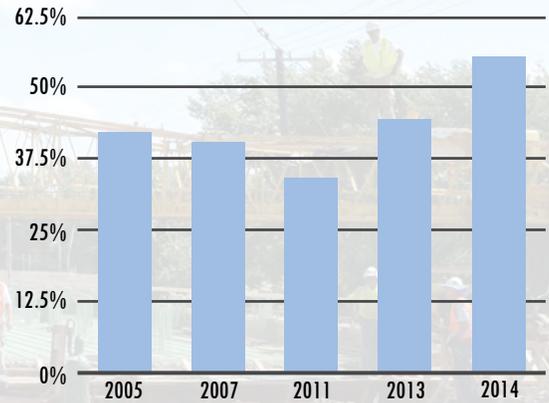
What lies ahead

Our feelings about "health" and "safety" are so personal that it's possible lose sight of other facts surrounding us. Over the next three years, we hope to build awareness of community health disparities and improve health outcomes. The story about falling crime rates in Columbia is an encouraging one, but we need to reassure citizens that they live in a very safe community. We'll work on re-building trust and putting more resources into public safety.





Satisfaction With Maintenance Of Major City Streets



INFRASTRUCTURE

keeping pace with demands for streets, sidewalks & utilities

OUR GOAL: Ensure that plans and resources meet existing and future demands for roads; water, electric, sewer and water systems; stormwater; public transit, airport and railroad; and parks and trails.

What we've done

- Added another \$500,000 for street resurfacing in FY 2014, bringing this total investment over three years to \$7.7 million.
- Resurfaced 360 miles of pavement; built 16,141 feet of new sidewalks and pedways and three miles of trails; and completed the

\$5.9 million Scott Boulevard Phase 2 improvements.

- Took down three miles of overhead distribution lines; added 14 miles of underground lines and 271 distribution transformers; and started work on new electric feeder circuits at the Perche Creek substation.
- Installed 7.24 miles of water mains; completed new transmission lines serving the east side; repaired 152 main breaks; installed 63 new hydrants and replaced 19.
- Replaced 1,743 feet of sewer pipe; rehabbed 190 manholes and 32,765 feet of sewer line; and launched work on many projects that will be funded by a voter-approved \$32 million bond issue
- As long as funding is available, all City facilities and programs that are scheduled to comply with accessibility requirements will go forward.

What we see

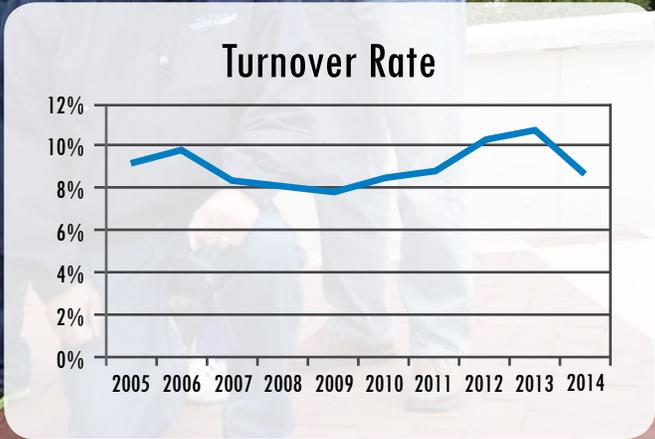
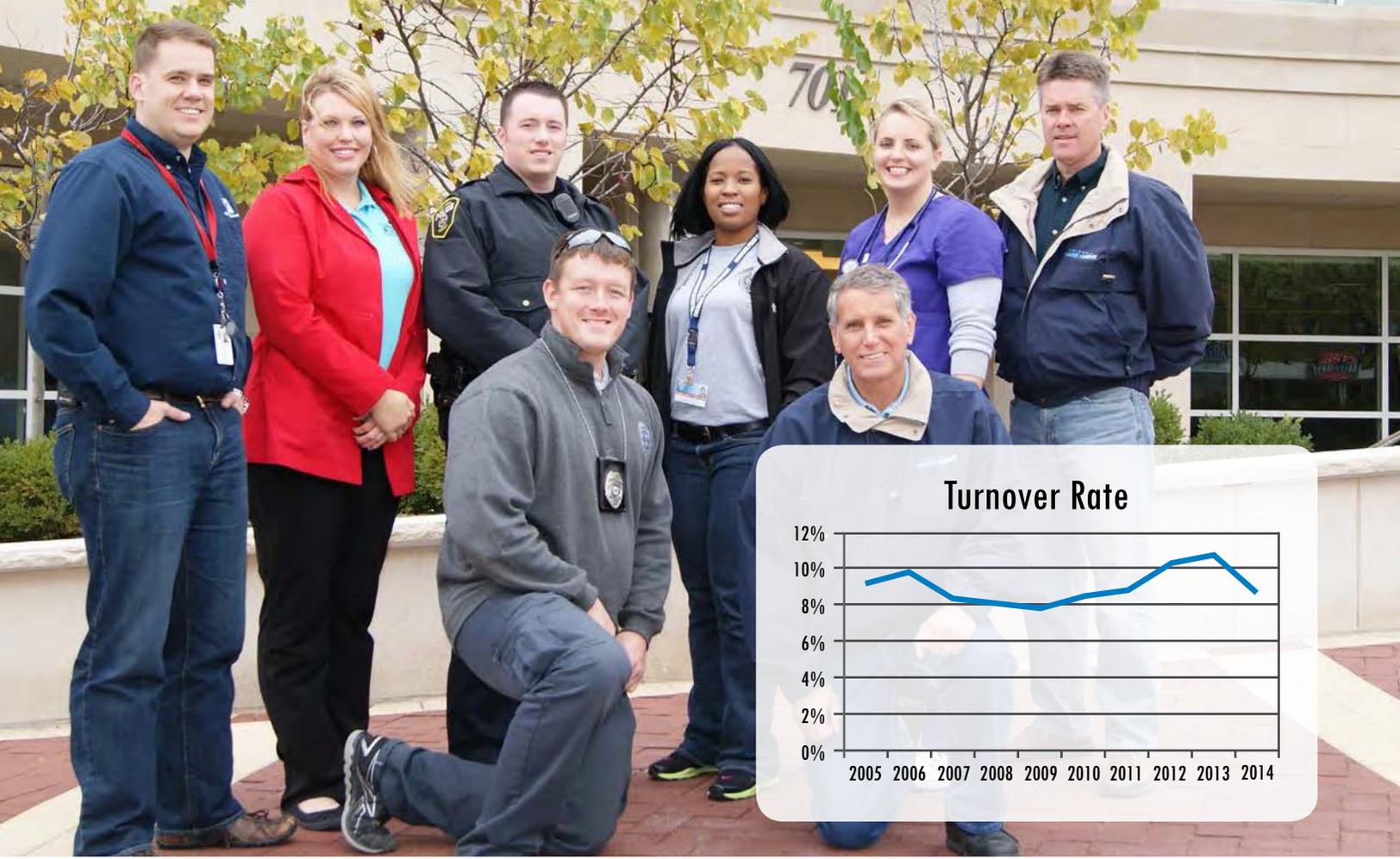
Satisfaction with maintenance of major streets increased to 54% in 2014 from 44% in 2013 and from 34% in 2011. This stunning turnaround, we believe, is directly related to

more dollars dedicated to street resurfacing.

Citizens continue to be highly satisfied with local utility service and support bond issues to keep our networks reliable and up-to-date. Voters approved sewer and electric ballot propositions by 80% and 69%, respectively. In July, however, punishing winds brought down electric lines and interrupted service for 14,000 customers. Most service was restored in five days, and storm recovery cost \$800,000. While less satisfied with stormwater management, 59% of voters approved fee increases for long-postponed improvements across Columbia.

What lies ahead

We have a multi-million dollar gap between projected funds available for streets and utilities and expected needs over the next ten years. If we can sustain citizen trust in our ability to deliver projects as promised, we look forward to voter support for future sales tax renewals that maintain and enhance critical infrastructure and other capital improvements.



WORKFORCE

supporting high-performing City employees

OUR GOAL: Create an environment that supports engaged, high-performing employees; enables the City to recruit, retain and compete for talent; and ensures institutional is knowledge retained.

What we've done

- In the last year, reduced employee turnover to 8.8% from 10.9% in all categories: resignations, retirements and discharges. This is the first decrease in four years.

- Consistent with our compensation philosophy, we're gradually moving City employees to pay levels that attract good talent and fit within our budget limits.
- The first group of supervisors enrolled in our internal City University is about to graduate, and two more groups are in-progress. At the end of a year-and-a-half of training, these employees will be better able to lead and support their work teams as they serve citizens. To sustain a qualified leadership pool for our organization, "City U" is preparing another tier of employees for management and increased responsibility.
- Trained employees to develop meaningful performance goals, aligned employee evaluations with strategic plans and strengthened review of supervisors in their supervisory roles.

What we see

In our 2014 citizen survey, 75% of those responding said it was important to hire and retain qualified City employees, and we received good marks for customer service. Inside City government, we see employees highly motivated by public service, but their engagement could improve. Like other employers, we are challenged to assure that all employees are paid at least a living wage.

What lies ahead

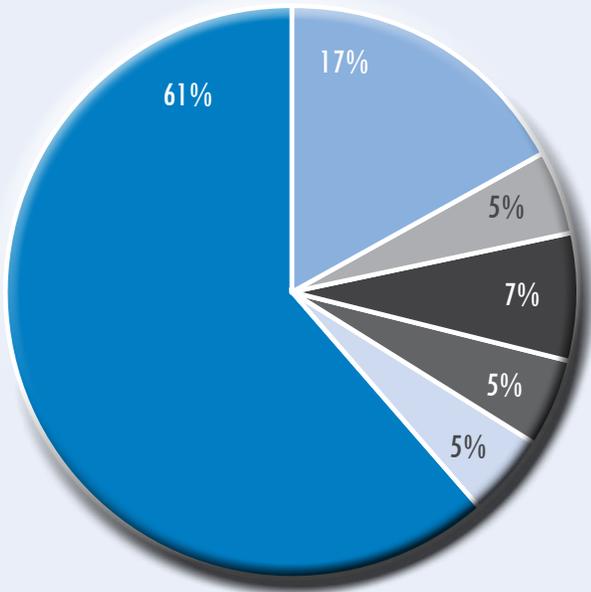
Our goal is to offer City employees meaningful work with better pay and reaffirm their role in making Columbia the best place to live, work, learn and play. We are committed to bringing more employees up to pay targets, increasing employee engagement and helping all generations in our workforce (ranging from teen-aged to 70+) find satisfaction in their jobs.

CITY OF COLUMBIA BUDGET

The annual budget is our tool for allocating City resources to deliver the highest level of service to you. The FY 2015 budget covers Oct. 1, 2014 through Sept. 30, 2015. The overall budget for FY 2015 is \$430,055,472 which is divided into 53 separate department and fund budgets.

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

Where The Money Comes From



FEES & SERVICE CHARGES -- Utility fees, application fees, building permits

TAXES -- Property tax, sales tax

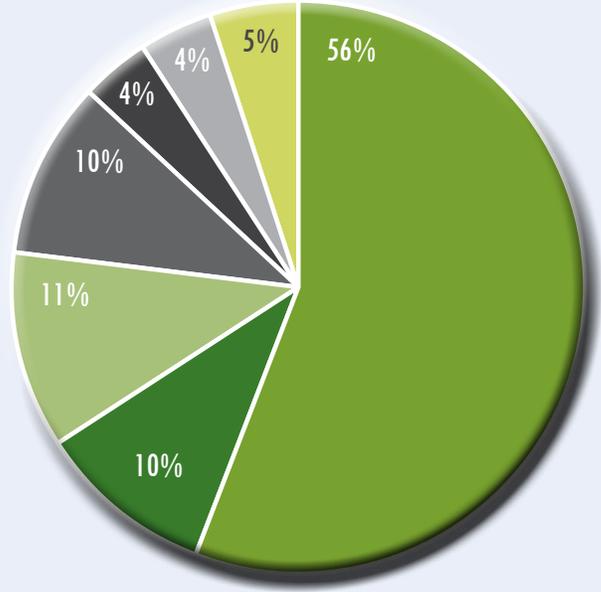
GRANTS -- Money from state, federal and other funding organizations

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

Where We Spend The Money



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