We Are Columbia

FY 2016-2017

Budget In Brief

cityofcolumbia
southcarolina

Dear Mayor, City Council, Citizens, Customers, Employees and Visitors,

It is my pleasure to present to you the City of Columbia's FY 2016-2017 Operating and Capital Budget. Columbia is positioned for progress in the new fiscal year that begins July 1. The total operating budget is $318928,887 and a capital budget of $146,733,500. The budget process is a time for City management and staff to take time to evaluate the services and activities of the City and to make a decision on the future of those services and activities. The budget process is itself a management tool used for shaping and developing policies and setting the level of service delivery that the citizens of Columbia will receive. This must be done while balancing the community's needs, City Council budget goals and the needs of City departments to deliver quality services with limited resources available to us. Another very important component of this process is the setting of priorities that will help to define where and how resources are applied to achieve the goals set by City Council. I am very excited about the work that City Council is doing to develop a vision statement and priorities that will guide Columbia for the next twenty years. The City of Columbia Vision Statement and Work Plan outline City Council's vision for the future and how City government can achieve this vision. Through this process, City Council has established the following priorities:

1. Provide high quality municipal services efficiently, effectively and responsively.
2. Foster a healthy and environmentally clean quality of life focusing on safety, culture and recreation.
3. Grow opportunities for entrepreneurship, business retention and expansion, new development and a skilled workforce to achieve a healthy economy.
4. Connect the City's neighborhoods and business districts through cohesive land use, infrastructure development and transportation planning.
5. Collaborate and partner with entities within the Midlands region to become the state's prime destination for residents, visitors and business.

These priorities will guide future budget processes and serve as the foundation for annual work planning by City Council, management and staff. The 2016-2017 budget focuses on phase two of implementation of a competitive city compensation plan; public safety and neighborhood improvement initiatives; and investments in infrastructure need.

As we developed the FY 16/17 Budget, we could not proceed without discussing the impact that the historic October 2015 Floods had on both our community and our infrastructure, the greatest of which was the water and sewer system. We are still rebuilding and will continue to rebuild for months to come, but we will recover. If there is one lesson learned through this event, we have witnessed the need to be a resilient community. Until the flood recovery process is completed with federal and state agencies, we will not know the full impact on the City's finances. The City, (our residents and customers included), benefited from financial management of setting aside reserves, capital projects and programs geared at stability and resiliency. It is important we continue that focus and as we rebuild, we do so in a manner than surpasses pre-flood condition of critical infrastructure. The City's ability to build and retain emergency reserves has financially prepared us for situations like this and therefore there is little to no impact on the budget in this fiscal year related to the flood. As those impacted by the flood rebuild, we are making sure that the City's infrastructure is restored so that citizens, customers and businesses that rely on our services can focus their attention on rebuilding their lives.

BUILD COLUMBIA
Run. Grow. Transform.

Respectfully,

Teresa Wilson
City Manager

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Understanding The Budget

South Carolina state law requires that municipalities must adopt by ordinance, a balanced budget. Budgeting is the allocation of scarce resources and is one of the most important actions taken by any government. It says what will be done and what level of service will be provided, and thus becomes the government's plan for action during the next fiscal year. It represents a policy making process which determines the quality and quantity of services to be furnished to the community. Under the Council-Manager form of government, City Council sets policy and establishes priorities. The preparation of the budget is the responsibility of the City Manager who has a duty to present a budget that reflects the priorities set by City Council.

Through the Budget process, the City demonstrates its accountability to its residents, customers, and the community-at-large. Additionally, the Annual Budget provides the legal authority for expenditures and a means for control of municipal operations throughout the fiscal year. Accordingly, the City Charter mandates a budget be adopted prior to the beginning of the fiscal year.

Budget Calendar	
November	Departments prepare operational plans.
December	Budget preparation materials distributed to departments.
February	Budgets are submitted and reviewed by staff.
March	Budget review continued.
April	Begin budget presentations to city council.
May	Advertise and hold public hearings.
June	First & second reading of budget.
July	Start of fiscal year.

Fund Definitions

Governmental budgeting differs from private sector budgeting because of the nature of the services provided and the need to be equitable in the distribution of services. Whereas private businesses track their financial transactions as a single, unified entity; virtually all governments (local, state, federal) use fund accounting which breaks transactions into separate funds. A fund is an accounting entity with self-balancing accounts, with its own revenues, expenditures and financial reports. Private companies have generally one single bottom line; governments must have multiple bottom lines, one for each fund. To simplify, a fund is a way to separate activities by the way revenues are generated and expenditures are to be used. The type of fund also determines the type of financial reporting requirements and the fiscal control that governs the relationship among the funds

Fund Type - Governmental Funds

General Fund: The General Fund is the City's general operating fund and is used to accounts for all financial resources of the general government, except those required by law or other designation to be accounted for in another fund. Primary sources of revenue include property taxes, business license, permit fee and charges for services.

Capital Project Funds: used to account for financial resources appropriated for the acquisition of or major improvements to land, facilities or infrastructure. The source of funding may be based on the particular project.

Special Revenue Funds: established to account for the proceeds of revenue sources that are earmarked or restricted by law for particular purposes. Examples include grants, Hospitality Tax and Accommodations Tax.

Fund Type - Proprietary Funds (Business Type)

Enterprise Funds: a proprietary fund used to account for a business-like service provided to the public on a fee for service basis. The City's enterprise funds include Water & Sewer, Storm Water and Parking.

Internal Service Funds: are similar to enterprise funds except that they account for the activities of government departments that do work for internal departments rather than the public. Examples include fleet services, purchasing, records management and risk management

Budget Categories

The following is a brief explanation of some of the terms and the type of expenditure that would fall under each category.

A. Personnel Services are employees' salaries, benefits and taxes paid by the City. Fringes are approximately 30% of the personnel cost

- Base salary & Overtime (where applicable)
- FICA & Medicare taxes 7.65% of base salary & overtime
- South Carolina Retirement Systems, 11.06% of salary & overtime
- Sworn personnel participate in the Police & Fire Retirement System, 13.94% of Salary & overtime. The City participates in the State of S.C. Retirement system for retirement benefits.
- Workers Compensation per employee – rate varies by job functions
- State Unemployment Insurance (SUI)
- Accidental Death & Dismemberment per full time employee
- Hospital Insurance Premium per full time employee
- Dental insurance premium per full time employee

B. Operating expenses are supplies, materials and other consumable items that are often, purchases related to duties or function of the division. Examples include gasoline, asphalt, small tools, office materials, and chemicals used to treat water.

C. Services expenses are items that are provided from services. Examples include: electricity, vehicle repairs, postage, contracts for outside services and outsourcing.

D. Capital Outlays are items that are over $5,000 and are likely to become a fixed asset or part of our inventory. Examples include vehicles and heavy equipment.

E. Risk Management the liability related for our annual required contribution towards Other Post Employment Benefits (OPEB) in each department's budget with personnel, also known as GASB 45 liability. The calculation for this contribution is 3.5% of salaries and overtime.

OTHER BUDGET TERMS

Non-departmental are line items that are not assigned to a specific function or division. This would include items such as Community Promotions, Detention Center Per Diem, Homeless Services and budgeted reserves.

Debt Service is the required annual principal and interest payment on debt for the fund in which the debt was issued.

Transfers is the transfer of revenues or financial resources from one fund to another.

Unreserved (un-appropriated) surplus This is also referred to as un-appropriated surplus. When revenues come in higher than projected and/or the budget expenditures are less than projected, we will end the year in a surplus. The surplus from each fund remains in the fund and becomes part of the fund balance. Surplus funds are subject to the same spending limitations as the original source of the funds.

2016/2017 Budget Focus

The following objectives were guidelines used for the preparation of the proposed budget:

1. **Investments in public safety and neighborhood improvement initiatives.**

   This budget includes funding for expanded code enforcement operations that will allow staff to focus on being proactive instead of reactive in response to code enforcement issues. Being proactive means that staff is able to address code violations before they become public safety problems. With the adoption of the new Rental Property ordinance, additional staffing is needed to better address enforcement of rental properties to be in compliance with City property maintenance codes. Other initiatives include funding to support operations of the City's Animal Shelter as it becomes a No Kill Shelter over the next 3 years with a live release rate of 70%. Part of this effort includes expanding the City's animal adoption program and the start of a trap – neuter – release program aimed at decreasing the number of stray animals.

2. **Address infrastructure needs.**

   Investments in capital improvements and fixed assets are key to our community's economic and social well-being. Investing in city owned infrastructure is one of the City's primary responsibilities. The budget includes increased investments in the water and sewer system, storm drains and park facilities. The October 2015 floods had considerable impact on many of the City's assets. Prior investments in the capital improvement program helped to lessen the impact of the devastating floods. Continued investments in the capital program are critical to prepare the City for future events.

3. **Restore the competitiveness of the city's compensation plan.**

   The budget includes the 2nd year of the phased-in implementation of the 2015 Compensation and Classification Study. The City's ability to attract and retain competent and capable employees is a critical part of providing quality city services. Having a qualified workforce allows the City to better provide the services expected by our citizens and visitors.

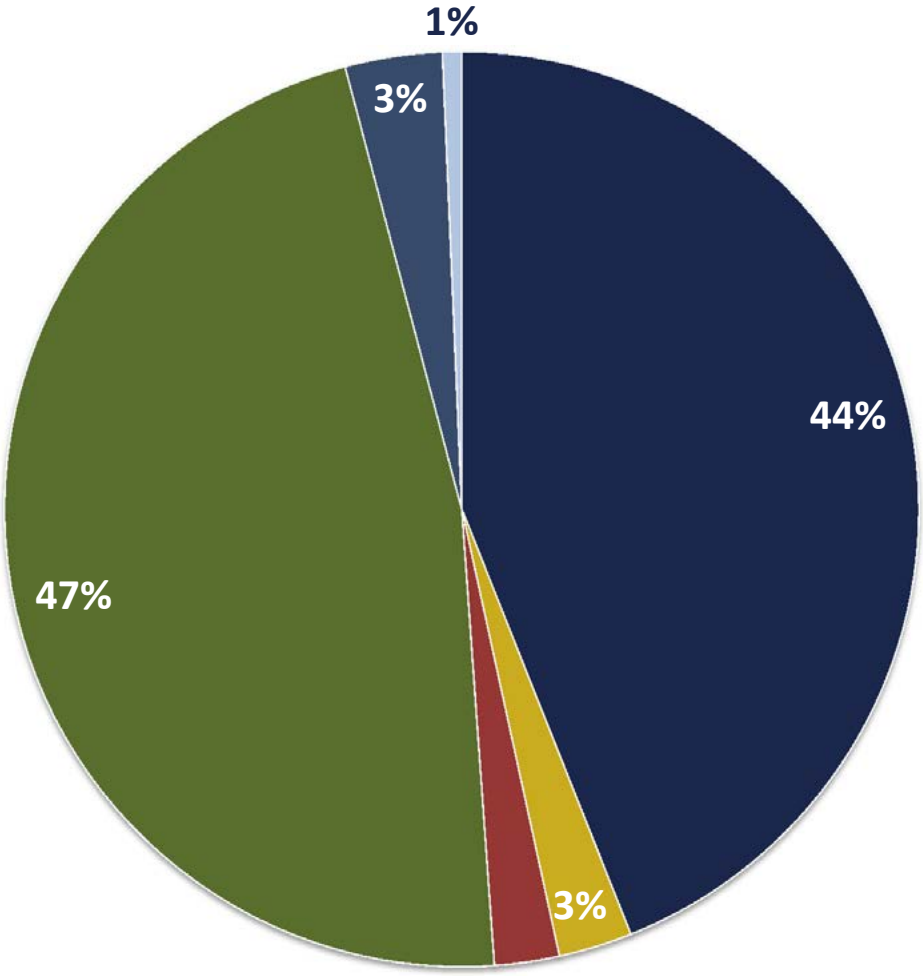
Budget Focus

1. Public safety and neighborhood improvements

2. Address infrastructure needs

3. Restore competitiveness of City's compensation plan

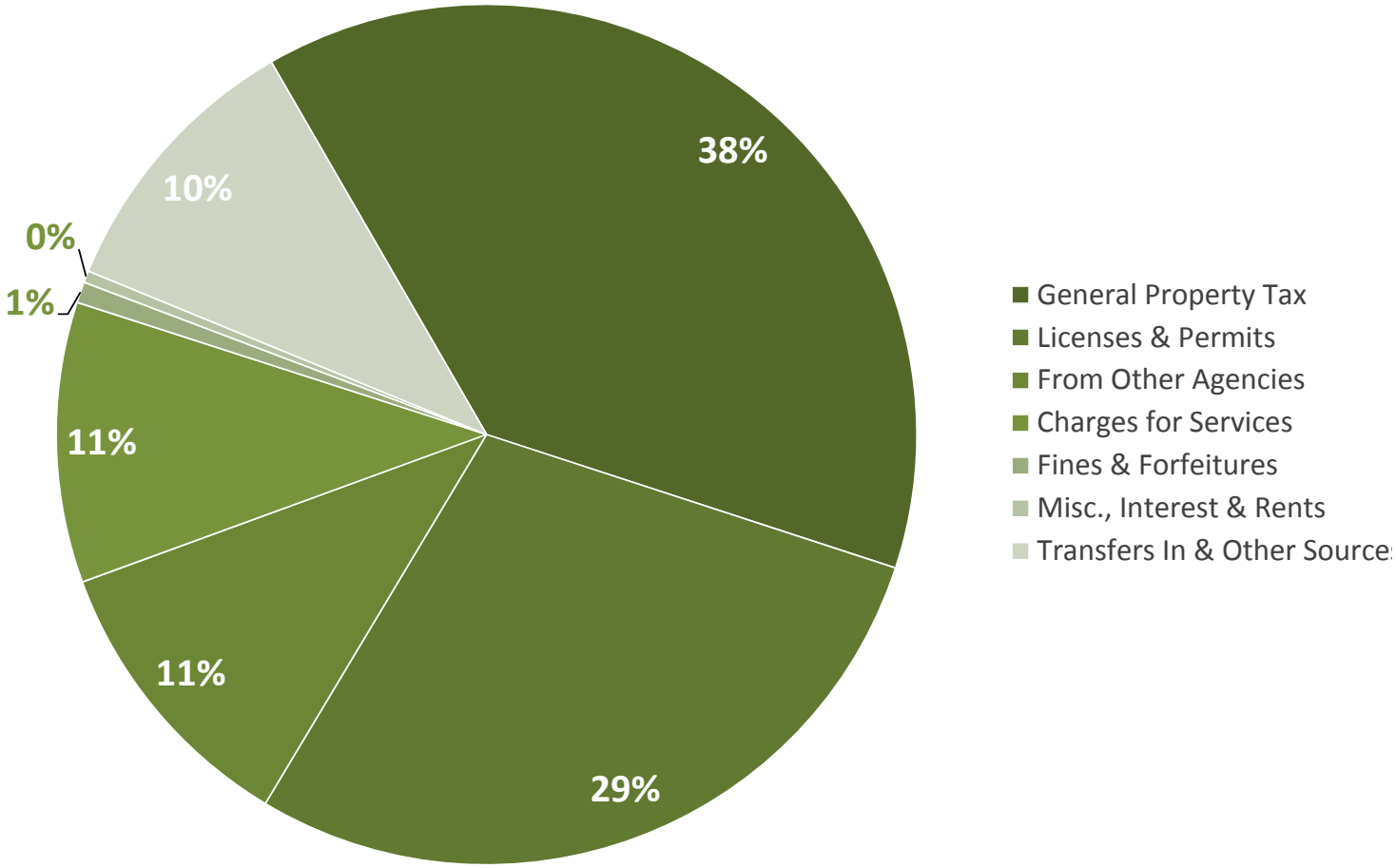
FY 16/17 Operating Funds Summary



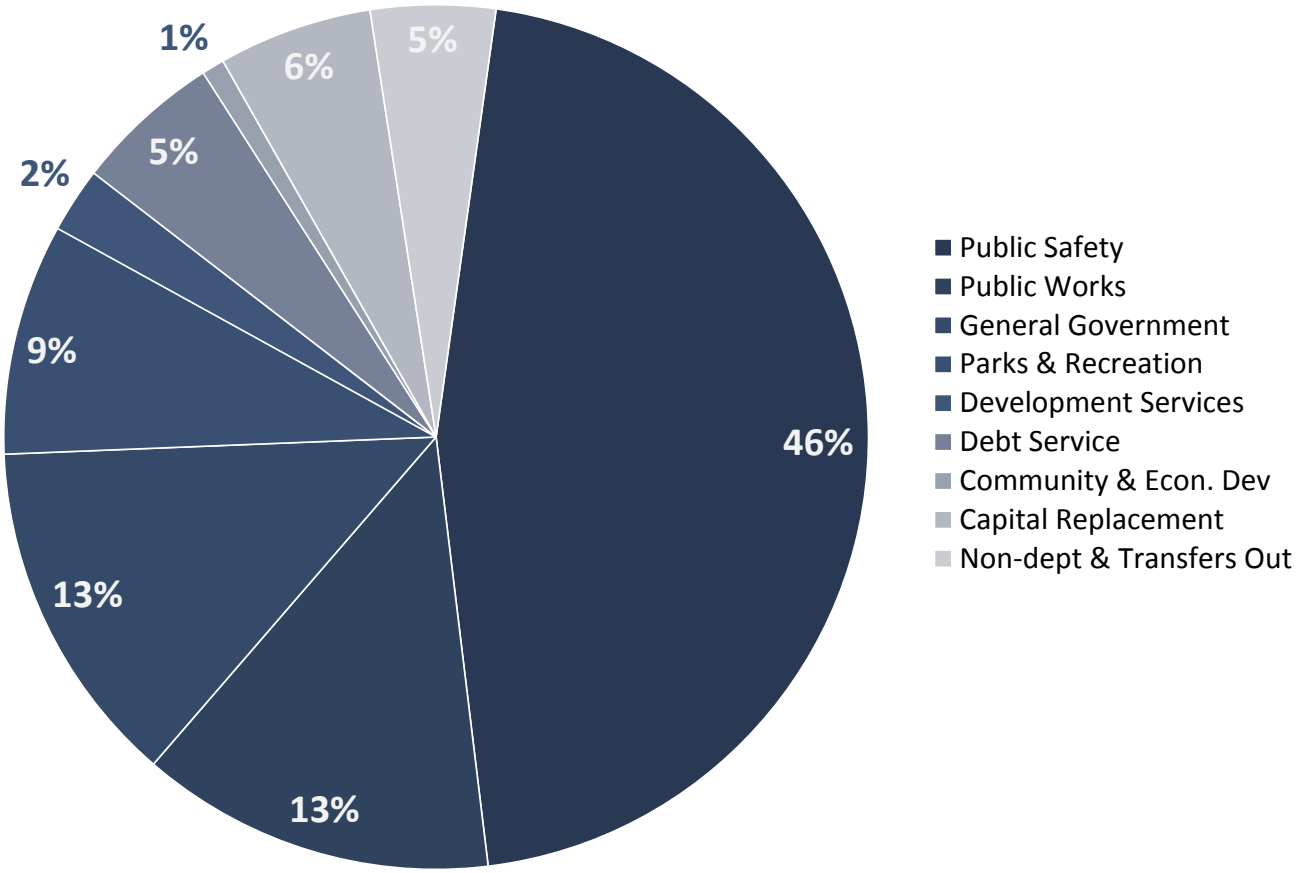
General Fund	$138,800,368
Parking Fund	$8,221,505
Storm Water	$7,235,000
Water & Sewer	$148,467,000
Hospitality Fund	$10,839,000
Accomodations	$2,135,302

16/17 General Fund Budget

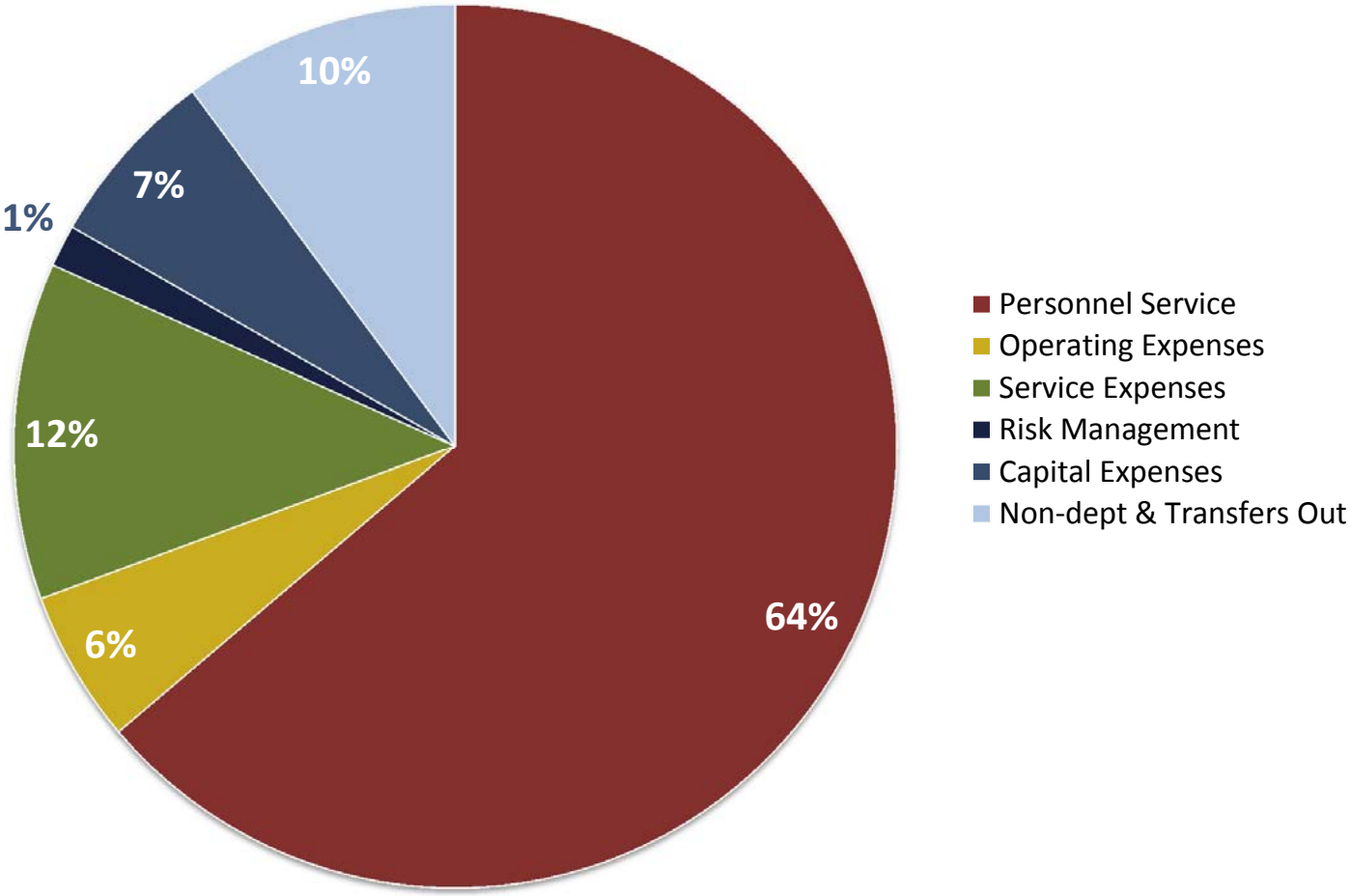
General Fund Revenue					
Revenue Type		FY 15/16 Budget		FY 16/17 Proposed	% Change
General Property Tax	$	51,826,115	$	53,241,097	2.7%
Licenses & Permits	$	36,197,981	$	39,654,866	8.7%
Fines & Forfeitures	$	1,102,000	$	1,102,000	0.0%
From Other Agencies	$	13,086,467	$	15,037,877	13.0%
Current Service Charges	$	14,389,990	$	14,629,628	1.6%
Misc Rev, Interest & Use of Prop	$	484,400	$	609,900	20.6%
Transfers In & Other Sources	$	13,640,605	$	14,525,000	6.1%
Total	**$**	**130,727,558**	**$**	**138,800,368**	**5.8%**



General Fund Expenditures					
Expenditure Type		FY 15/16 Budget		FY 16/17 Proposed	% Change
Public Safety	$	61,695,304	$	63,644,467	3.1%
Public Works	$	18,078,099	$	18,416,743	1.8%
General Government	$	17,445,680	$	18,075,180	3.5%
Parks & Recreation	$	11,148,765	$	12,008,575	7.2%
Non-dept & Transfers Out	$	6,328,868	$	6,479,140	2.3%
Debt Service	$	6,577,973	$	7,617,306	13.6%
Capital Replacement	$	5,000,000	$	8,000,000	37.5%
Development Srvc & Planning	$	3,337,127	$	3,381,638	1.3%
Community & Econ Dev	$	1,115,742	$	1,177,319	5.2%
Total	**$**	**130,727,558**	**$**	**138,800,368**	**5.8%**



General Fund Budget		
Expense Type		**FY 16/17 Proposed**
Personnel Services & GASB 45	$	90,696,059
Operating Expenses	$	7,746,142
Service Expenses	$	17,142,453
Capital Outlays	$	9,119,268
Non-dept & Transfers Out	$	14,096,446
Total	**$**	**138,800,368**



General Fund Highlights

- **The FY 16/17 General Fund budget is $138,800,368; increase of $8,072,368, 5.8%.**
- **No property tax mileage increase.**
- **Eliminated Public Safety transfer from Water & Sewer; $2,675,605.**
- **Enhanced Code Enforcement**
- **Efforts to shift operations of the City's Animal Shelter to No-Kill.**

Revenues and Transfers In

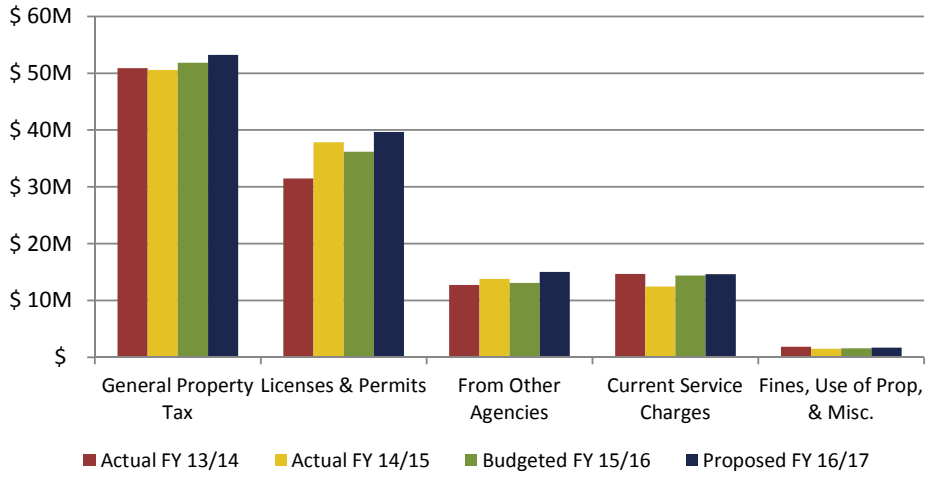
The total General Fund Revenues and Transfers-In are estimated at $138,800,368; an overall increase of $8,072,810; 5.8%. The General Fund is supported 90% with operating revenues and 10% from Transfers In and Other Financing Sources.

Overall, General Fund revenues are estimated at $124,275,368; an increase approximately $7,188,415, 5.8% over the current year budget and is approximately $7,800,000, 6.75% increase over FY 14/15 actual collections. Revenue projections are aggressive and are based on a variety of factors and trends in the various sources of revenues. The City has a history of having a variety of revenue sources for the General Fund which helps to keep revenue projections a little more stable than if we were to rely solely on a single source. Property Taxes and Business Licenses and Permits, which represent 75% of revenues are the primary source of revenue for the General Fund, followed by revenues from Other Governmental Agencies and Charges for Services.

- **Property taxes** are budgeted at $3,241,097; a net increase of $1,414,982, 2.7%. No property tax millage increase is included. This will be the 8th straight year without a millage increase and continues the 2 mil reduction that was approved in FY 15/16. We are more aggressive in revenue projections than in previous years. Property tax assessments for the past 5 years have averaged less than a 1% increase; however this year's estimates are showing more positive signs of moderate growth which is why we are projecting a 3% increase. We are excited about this positive projection and hope to see more growth as new developments come on line.
- **Revenue from Licenses and Permits** continue to improve as the City grows and the economy grows. We have budgeted $39,654,866; which is an increase of approximately $3.4 million, 8.7% over current year budget. The majority of this revenue is from business licenses and franchise fees.
- **Inter-governmental revenues from Other Agencies** are projected at $15,037,877; an increase of $1,951,410, 13%. This revenue source includes State Shared/Aid to Local Government revenue which has remained flat. Other sources include fire rebate from Richland County which is showing consistent growth as the County grows.

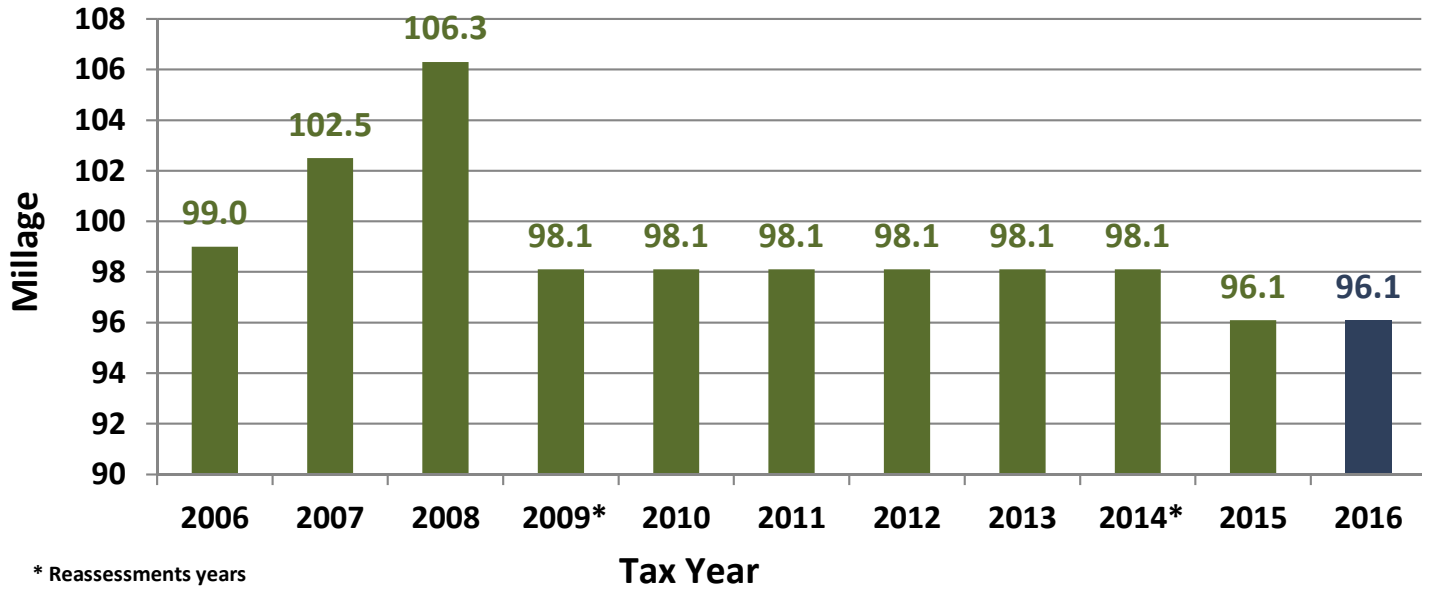
General Fund Revenues By Category Over Time*

** Does not include transfers in and fund balance.*



- **Service Charges and Fees** are projected at $14,629,628; an increase of $239,638, 1.6% above current year projections. Part of the increase is due to the City's three (3) pools being back in operations this coming year. This will be the first year all of the City's pools are in operation in three (3) years.
- **Fines and Forfeitures** are projected at $1,102,000 and reflect no change from the current year as there is rarely any growth in this area. Court revenues can fluctuate for a variety of reasons and we seldom make aggressive projections.

City of Columbia's Property Tax Millage Rates By Tax Year



This graph shows the City of Columbia's property tax millage rates from 2006, including no increase for 2016.

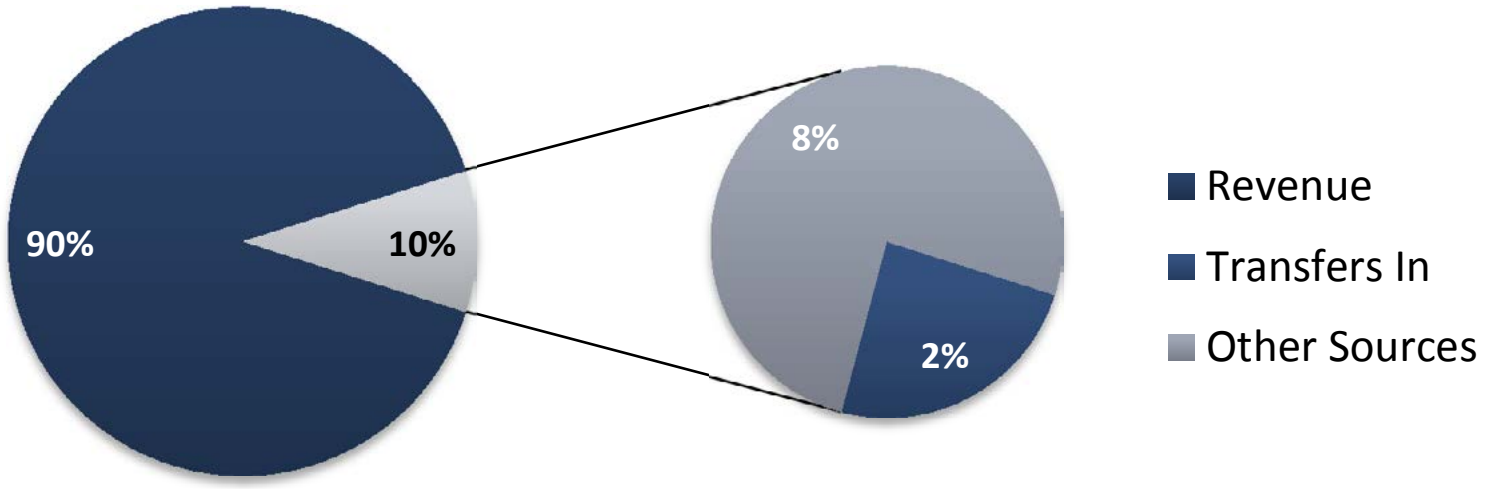
Transfers In and Other Financing Sources

Transfers In and other Financing Sources total $14,525,000; a combined net increase of $884,395 or 6% above the current year budget. Overall, Transfers and Other Financing Sources account for 10% of the total General Fund budget in FY 16/17. Of the total $14.5 million, Transfers In total $3,525,000 and reflect 24% of the total and Other Financing Sources total $11,000,000 for the remaining 76% of the total.

Transfers In reflect a net reduction of approximately 50% due to the elimination of the Public Safety Transfer from Water and Sewer in the amount of $2,675,605. It is important that we continue to seek ways to reduce our use of transfers to the General Fund; however, it is important to point out that Transfers In are a benefit to our tax payers in that they help to keep property taxes and other rates low that support the General Fund activities. Many governments utilize transfers from other funds as a rate of return to the tax payers and allowed by State law. Therefore, we seek to keep Transfers In and Other Sources to no more than 10-15% of the overall General Fund budget so that rates and taxes are not artificially low or not adjusted according to the cost to provide services. There is a desire by City Council and staff to keep the use of Transfers low. In order to do this, we will we have to see either growth in revenues, increases in tax rates or charges for services or reductions in expenditures either through maintaining or reducing service levels. This coming year, staff will look for opportunities to achieve this goal, hopefully with a phased in approach to allow for little to no disruption of City services.

The largest portion of the total Transfers In and Other Financing sources is the Capital Lease proceeds of $8,000,000, reflecting an increase of $3,000,000. The Lease program is the financing method used to fund the General Fund annual replacement program for vehicles, heavy equipment and technology. The Capital Replacement Program includes fire trucks and pumpers, police cars, solid waste and recycling trucks as well as parks and recreation equipment and major computer systems upgrades. In FY 15/16, only $5,000,000 was reflected in the use of Lease proceeds as we utilized savings from prior years to fund the capital replacement program. The FY 16/17 amount budgeted from lease proceeds is more reflective of the required annual funding for the capital replacement program. Despite reference to a lease, Capital Lease is a term used to reference the borrowing of funds for capital purchases. The equipment purchased with the lease proceeds are owned by the City and the financing institution maintains title until the lease is paid off, generally in about five (5) years. The lease replaces the former use of General Obligation (GO) bonds for the financing of the capital replacement program and generally has favorable borrowing rates. Another advantage of using the lease program instead of GO debt is that the lease does not count against the City's 8% legal debt limit and allows us to reserve GO debt for significant projects such as new buildings and infrastructure. However, while the lease does not count towards the debt limit, the budget limits how much we are able to borrow from any financing source based on how much we can fund in annual debt service.

General Fund By Percentage of Revenues, Transfers In and Other Sources



Other Highlights:

- Elimination of Public Safety Transfer from Water & Sewer Fund; $2,675,605.
- Transfer from Hospitality Tax Fund, $3,000,000; same as current year.
- Transfer from Parking Fund, $500,000; same as current year.
- Transfer from Accommodations Tax, $25,000 same as current year and reflects the amount indicated by State law as a required transfer to the General Fund.
- Other Financing Sources includes Un-Appropriated Surplus which is the use of fund balance that is budgeted at $3,000,000, an increase of $560,000, 23% over the current year budget. This is a fairly significant increase, especially when revenue projections are aggressive. However, this amount of fund balance used is reflective of the funds needed to balance the budget. As we move to reduce the use of Transfers and Other Sources, the use of fund balance will need to be the primary area we seek to reduce in order to maintain the General Fund reserves.

Expenditures

General Fund Department budgets are proposed at $116,703,922; an increase of $3,939,496 or 3%. The majority of the increases in department operating budgets are due to second year of the Compensation and Classification phased in implementation and a significant increase in health care cost. Other increases are service enhancements for Code Enforcement and funding to support the City's Animal Shelter towards the designation of No-Kill and increase live release rate to 70% over the next three (3) years.

Expanded and New Programs

Code Enforcement. The Police Department Code Enforcement Division's budget includes two (2) Commercial Code Inspectors, one (1) Housing Inspector and one (1) Customer Service Representative. These positions are added so that Code Enforcement staff can continue to focus efforts on being proactive instead of reactive to code enforcement issues; to provide adequate staffing for enforcement of the recently adopted Rental Property Ordinance and continuation of the Neighborhood Improvement Initiative Plan. When the Police Department took over Residential and Commercial Code Enforcement, no staffing was included with the transfer. In 2015, over 500 commercial code enforcement cases were opened. With the additional resources, staff anticipates that over time, there will be a reduction in the number of cases and fewer issues of code violations. Better code enforcement and reductions in code violations can mean a safer community. The additional cost of the four (4) new positions, associated equipment and supplies, reflects total cost of $350,000.

No Kill Animal Shelter. Last fall, City Council created a Blue Ribbon Committee to study the possibility of the City shifting the existing Animal Shelter operations to become a No-Kill Shelter. The Committee's recommendations focused primarily on expanding the City's adoption and foster programs and adding a trap-neuter-release program for stray animals. Both programs are aimed at reducing the number of stray animals being captured and increasing the live release rate of the City's Animal Shelter, in three years following approval of recommended ordinance changes in 3 years from 50% to 70%. The budget includes the addition of five (5) new positions that will be gradually phased in over the FY 16/17 budget cycle. The additional staff plus operating costs are included in the Public Work's budget in the amount of $150,000 for the first year of the phased in approach. Other efforts include increasing operating hours of the Animal Shelter so that the Adoption and Foster Programs are more accessible to the public. The Committee's recommendation also included working with Richland County to adopt ordinance changes that mirror the City's ordinances. Staff will be working in collaboration with the County on these efforts over the next fiscal year.

Greenview Family Aquatic Center. In May 2016, Parks & Recreation re-opened the Greenview Pools as the newly constructed Greenview Family Aquatic Center. The new facility features a competition sized pool with lap lanes, water slide, splash pad, picnic area, and rebuilt bathhouses. The Parks & Recreation budget includes an additional $200,000 for 21 part time lifeguards, plus operating costs such as pool chemicals, electricity and other supplies.

5th Circuit Public Defender Funding. The FY 16/17 includes $100,000 in funding for the 5th Circuit Public Defender. While originally funded in FY 15/16 using existing budget, this will be the first year the funding has been added to

Photo Credit: Sean Rayford/ Getty Images

the budget. City Council originally approved adding this finding during the FY 15/16 budget cycle. At the end of the 2015 session, the SC Legislature required that municipalities allocate funds to the Public Defender. The City currently funds the 5th Circuit Solicitor in the amount of $215,817 and the Alvin S. Glenn Detention Center for Richland County in the amount of $500,000 which has approved a rate increase that will be phased in over the next two years. The FY 16/17 budget includes $1,149,789 in funding for external, tax supported operations. While the City certainly is a high volume user of these funds, City residents pay property taxes to both the City and the counties in which they reside, therefore funding these programs by multiple methods.

Back-Office Operations. The Finance Department budget includes the addition of 1 Accounting Tech needed for the expanded use of fleet fuel cards for the Police Department and broader use of purchasing cards by City departments. The fleet fuel cards will allow police cars to get fuel at locations other than City fueling sites that are located in limited areas of the City. Purchasing cards allows departments quicker access to needed materials and supplies. While increasing efficiency of departments to provide services, both the fleet cards and purchasing cards require additional reporting needs and reconciliation requirements to better ensure accountability. Other back-office operations include a reorganization of procurement functions that will allow for a review of citywide procurement procedures and lead to more standardization and consistency in the procurement process. In particular, the focus on standardization is to improve capacity for issuing bids and contracts, especially for construction projects. This activity is not limited to just the General Fund and no impacts are reflected in the General Fund budget, but it is a reflection of operations throughout the City and is scheduled to begin on July 1.

Other General Fund Highlights:

- **Façade Improvement Program** The Office of Business Opportunities includes $100,000 for the Two Notch Road corridor for the façade improvement program that provides an 80/20 match for a forgivable loan program that provides funding for exterior renovations to program participants in targeted areas.
- **Capital Replacement Program** is reflected in the amount of $8,000,000; an increase of $3,000,000 because the FY 15/16 budget included only $5,000,000 due to use of prior year program savings to fund the program. The $8,000,000 budgeted in FY 16/17 is more reflective of the funding needed for the replacement program. The Capital Replacement Program is based on the General Fund's replacement schedule for heavy equipment such as garbage and recycling trucks, bucket trucks, fire trucks, fire engines, police patrol cars, police investigator cars and parks and recreation equipment. The associated Debt Service reflects an increase of $1,039,333.
- **Community Promotions** funding is budgeted at $433,972.

General Capital Projects. The FY 16/17 General Fund Budget does not include funding for the General Capital Improvement Program (CIP); however City Council took action during budget deliberations to reallocate funding from existing projects and use of fund balance in order to fund and complete various construction projects at city facilities as well as stay on schedule for replacement of safety equipment upgrades needed for the Fire Department. These projects will help improve and enhance these facilities and/or provide additional amenities to citizens.

Some of the re-allocated funding for city projects includes allocation of an additional $350,000 from fund balance for a total budget of $777, 374 to construct a new community building at Hampton Park. Funds that were previously set aside in the amount of $85,000 were combined with an allocation of $90,000 from fund balance for new playground equipment for Finlay Park. This will be a smaller part of a larger master plan slated for Finlay Park.

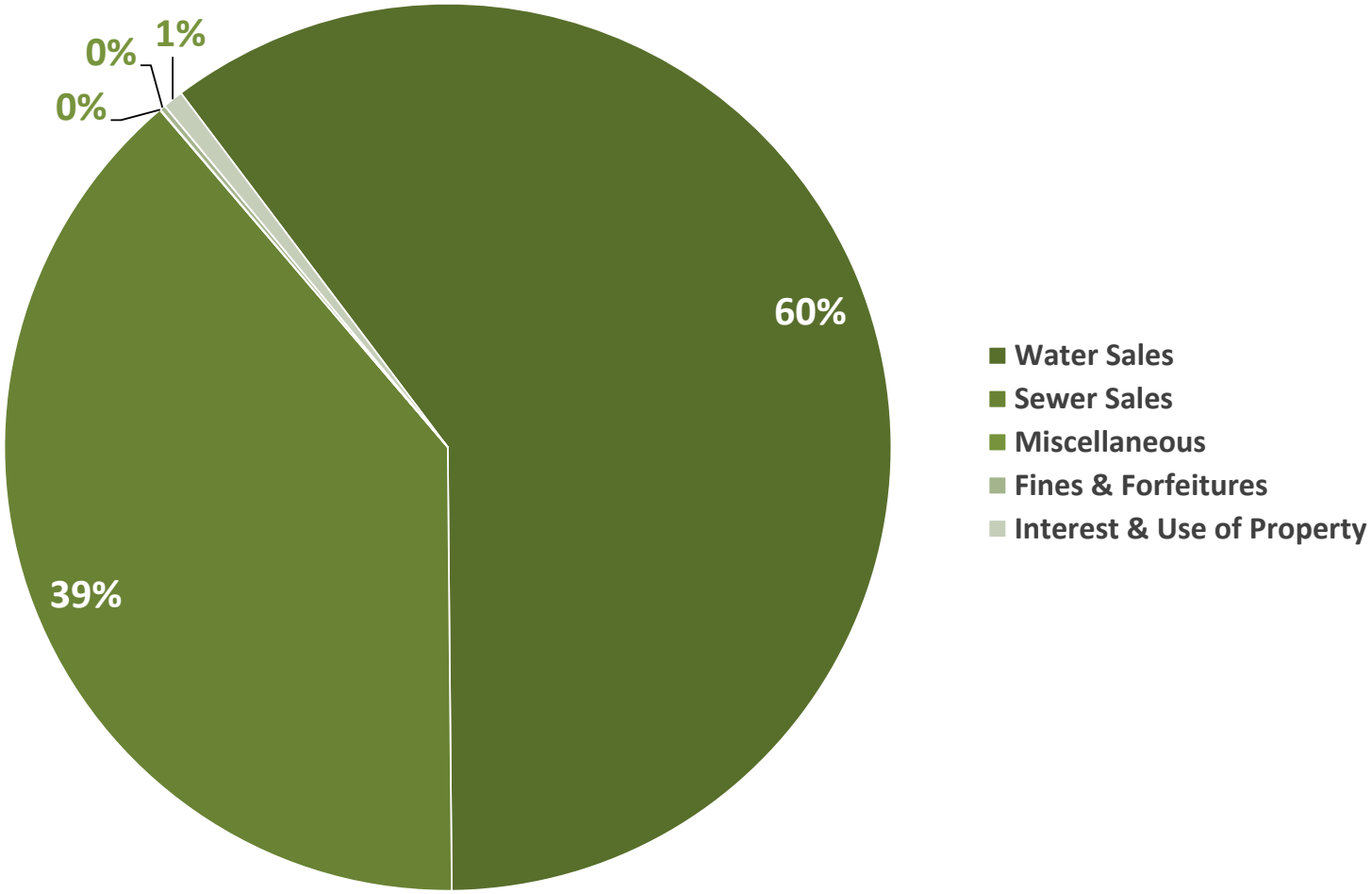
City Council moved forward with additional funding in the amount of $800,000 for almost the City's entire portion of the Fire Department's self-contained breathing apparatus replacements. The total approved funding for this program is now $1,100.000. This will ensure that Columbia's first responders have the equipment they need to safely carry out their duties in their roles as everyday heroes.

Project	Approved Funding	FY 16/17 Allocation	Total Funding
Hampton Park – New Building	$ 427,374	$ 350,000	$ 777,374
Southeast Park – Bathrooms (project scaled to move forward with addition of bathrooms)	$ 492,000	$ -	$ 492,000
Finlay Park Playground equipment	$ -	$ 150,000	$ 150,000
Fire Department Self Contained Breathing Apparatus replacements	$ 300,000	$ 800,000	$ 1,100,000

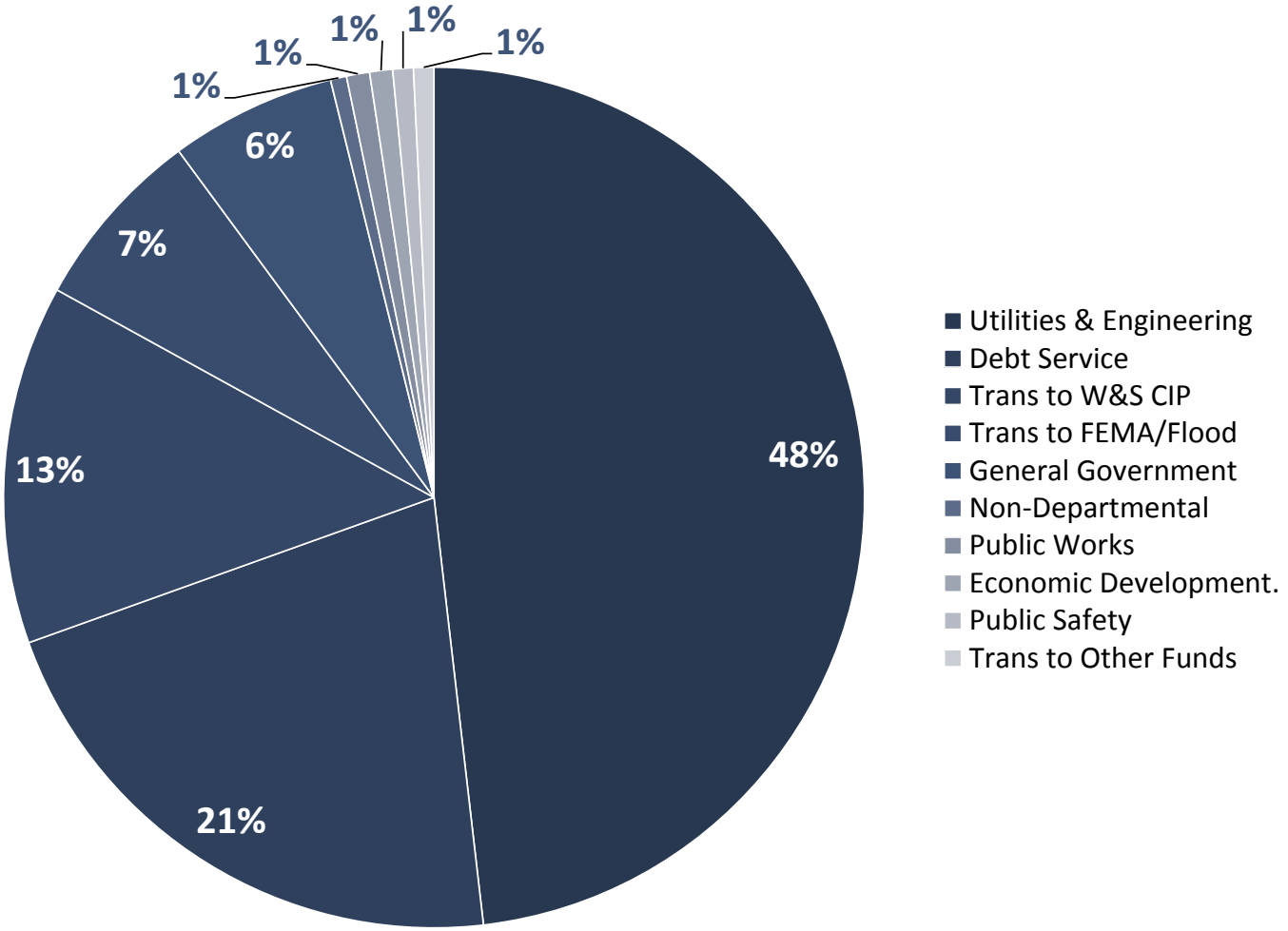
General Fund Expenditures	FY 15/16 Budg	FY 16/17 Pros	% Change
Legislative - Mayor & City Council	$ 784,692	$ 774,607	-1%
Administration - City Manager	$ 494,920	$ 487,993	-1%
Governmental Affairs	$ 458,207	$ 468,026	2%
Administration - ACM Operations	$ 373,923	$ 353,870	-5%
Administration - Chief Financial Officer	$ 191,253	$ 194,760	2%
Administration - Sr Assistant CM	$ 321,177	$ 331,245	3%
Human Resources	$ 357,293	$ 381,080	7%
Budget & Program Management Office	$ 998,051	$ 1,067,335	7%
Public Relations	$ 577,453	$ 587,038	2%
Council Support Services	$ 577,453	$ 448,543	-19%
Legal	$ 1,954,070	$ 1,975,142	1%
Municipal Court	$ 2,686,611	$ 2,809,503	5%
Finance	$ 1,878,234	$ 2,025,261	8%
Office of Business Opportunities	$ 783,223	$ 919,591	17%
Community Development	$ 332,519	$ 257,728	-22%
Development Services	$ 3,337,127	$ 3,381,638	1%
Police	$ 37,040,887	$ 37,965,244	2%
911 Emergency Communications	$ 3,002,239	$ 3,062,829	2%
Fire	$ 21,652,178	$ 22,616,394	4%
Parks & Recreation	$ 11,148,765	$ 12,008,575	8%
Public Works	$ 18,078,099	$ 18,416,743	2%
General Services	$ 2,223,543	$ 2,273,219	2%
Information Technology	$ 3,591,213	$ 3,897,558	-3%
Public Defender	$ -	$ 100,000	100%
Community Promotions	$ 475,000	$ 433,972	-8%
Solicitor's Office	$ 215,817	$ 215,817	0%
Homeless Services	$ 1,000,000	$ 1,000,000	0%
Security Cameras / Body Cameras- *Initial purchase, annual operations reflected in Police budget*	$ 275,000	$ -	-100%
Economic Development Special Projects	$ 75,000	$ -	-100%
Detention Center Per Diem	$ 225,000	$ 500,000	122%
Non-Departmental & Misc	$ 71,361	$ 40,000	-44%
Office Space Lease - 1225 Lady Street	$ 505,000	$ 505,000	0%
To Internal Service Funds	$ 2,093,285	$ 2,206,798	5%
To Debt Service	$ 6,577,973	$ 7,617,306	16%
To Component Units	$ 1,390,405	$ 1,477,553	6%
To Capital Replacements	$ 5,000,000	$ 8,000,000	60%
Total	**$ 130,727,558**	**$ 138,800,368**	**6%**

FY 16/17 Water & Sewer Fund Budget

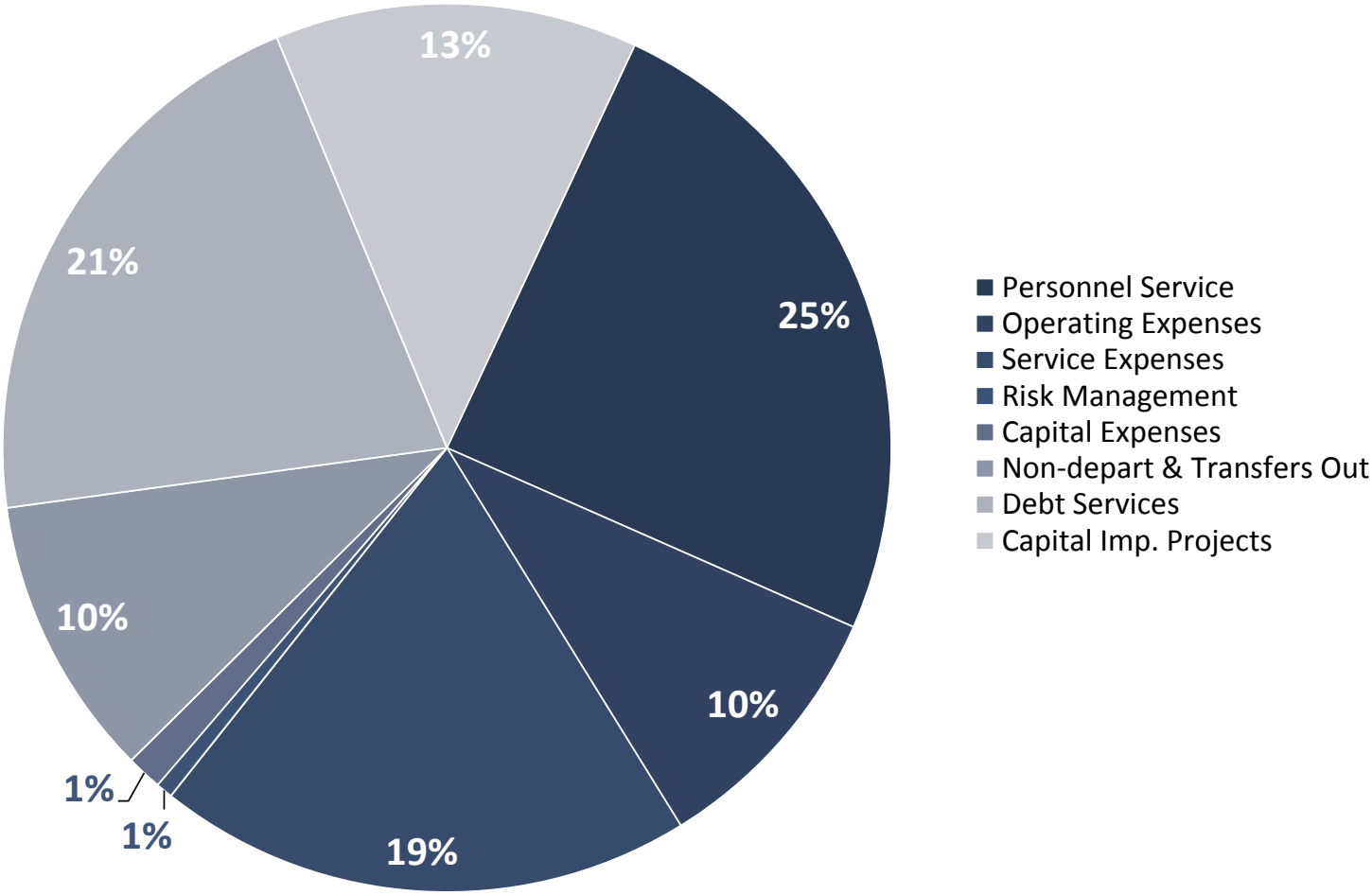
Water & Sewer Fund Revenue					
Revenue Type		FY 15/16 Budget		FY 16/17 Proposed	% Change
Water Sales	$	82,735,395	$	89,279,960	7.9%
Sewer Sales	$	49,644,750	$	57,747,040	16.3%
Fines & Forfeitures	$	300,000	$	300,000	0%
Misc., Interest & Use of Prop	$	1,100,000	$	1,140,000	3.6%
Total	**$**	**133,780,145**	**$**	**148,467,000**	**11.0%**



Water & Sewer Fund Expenditures					
Expenditure Type		FY 15/16 Budget		FY 16/17 Proposed	% Change
Utilities & Engineering	$	67,877,526	$	69,985,858	3.1%
Debt Service	$	29,006,859	$	31,030,000	7.0%
Transfer to W&S CIP	$	19,659,367	$	19,600,000	-0.3%
General Government	$	8,595,958	$	9,062,140	5.4%
Trans to Other Funds	$	3,780,338	$	14,274,000	277.6%
Non-departmental	$	966,000	$	881,149	-8.8%
Public Works	$	1,492,071	$	1,253,984	-15.6%
Economic Development	$	1,290,713	$	1,253,984	-2.8%
Public Safety	$	1,111,313	$	1,119,985	0.8%
Total	**$**	**133,780,145**	**$**	**148,467,000**	**11.0%**



Water & Sewer Budget		
Expense Type	**FY 16/17 Proposed**	
Personnel Services & GASB 45	$	37,526,402
Operating Expenses	$	14,204,975
Service Expenses	$	28,951,123
Capital Outlays	$	1,920,851
Non-dept & Transfers Out	$	15,233,649
Debt Service	$	31,030,000
Trans to Capital Imp Program	$	19,600,000
Total	**$**	**148,467,000**



Water & Sewer Fund Highlights

- **The FY 16/17 Water & Sewer budget is $148,467,000; an increase of $14,686,855, 11% over the current year budget.**
- **Reflects a rate increase of 4.2%**
- **Includes $19,600,000 transfer to Water & Sewer Capital Improvement Program and $10,000,000 transfer to flood recovery funding for water and sewer system repairs.**
- **Priority of funding focuses on Clean Water 2020 programs to meet the EPA Consent Decree requirements; additional funding for water quality projects and funding for a phased in implementation of an automated meter reading system.**
- **Eliminates the transfer the Public Safety transfer to the General fund; $2,675,605**

Growth in revenues is primarily due to normal customer growth, revenues generated from contract customers and from the 4.2% rate increase. The rate increase is anticipated to generate an additional $5.3 million. The projected revenues generated by the rate increase are allocated entirely to the Water and Sewer Capital Improvement Program. Operating increases driven by staff additions, additional debt service, the second year of compensation and classification study, increases in health care costs as well as increases in electricity and chemical costs.

Last year, staff recommended that the water and sewer rate study be updated annually in order to more accurately reflect the adjustments and fluctuations that can occur with revenues and operating costs. The rate study includes a thorough analysis of revenues, expenses, operating parameters and future demands on the system. The proposed rate increase is based on projections that a modest rate increase this year would reduce or eliminate the need for significant rate increase the following and subsequent years. Knowing the tolerance of City Council and of the City's customer base, staff has proposed the 4.2% rate increase for this fiscal year. Staff continues to focus effort on efficiencies, improvements and customer service as a whole. Through the Clean Water 2020 program, the City has been preparing for the commitments related to the EPA Consent Decree for the past several years. Through this initiative, we have identified the programs and projects related to the operation of the sewer system that will meet the requirements of the EPA Consent Decree.

Revenues

Revenues from Water Sales are projected at $89,279,960; an increase of $6,544,656 or 7.9% over the current year budget and Sewer Sales are projected at $57,747,040; an increase of $8,102,290, 16.3%. Combined system revenues total $148,467,000 for a total increase of 14,686,855, 11% over the current year budget. The budget reflects a 4.2% water and sewer rate increase and 100% of the projected revenue generated by the rate increase is allocated entirely to water and sewer capital improvement projects.

Expenditures

Expenditures for operating departments, non-operating departments and non-departmental budgets total $117,762,000; an increase of $7,421,560, 6.7% from the current year budget. The increases are due primarily to new water and sewer system positions, second year of the phased in compensation and classification study, increase in debt service and the addition of a budgeted reserve to meet cash requirements.

Department Budgets reflects a total of $81,427,867; an increase of $2,350,999, 3%. Utilities and Engineering's budget in the amount of $69,985,858 is the largest of the departments funded in the Water and Sewer Fund.

This budget includes operations of 2 water treatment plants, 1 wastewater treatment plant, engineering services, water maintenance and distribution, meter reading services, wastewater maintenance and distribution, real estate, construction management and administration. Over $10,000,000 of the Utilities & Engineering budget is funding for non-capital projects related to requirement maintenance of the water and sewer system.

Other departments include Finance for water and sewer system financial administration and Customer Care Center; a portion of the Police Department that provides security at various water and sewer facilities; Fire for hydrant maintenance of the water system; General Services for facilities maintenance at water and sewer facilities; GIS (geographic information systems) for mapping and asset management of the water and sewer system and Public Works Street Division for repairs to streets following water and sewer repairs.

Department Budget Highlights

The following are highlights of budget additions and reflects costs for added staff and operating costs:

- Utilities & Engineering - CleanWater 2020 Program Additions
  - Two (2) GIS Mapping Technicians for enhancement of mapping activities to meet requirements of and overall management of the City's water/sewer assets; staffing and operating costs $150,000.
  - Wastewater Maintenance Division includes nine (9) new positions that will be assigned for utility cut repairs & implementation of a RAT (Rapid Assessment Tool) Inspection Team; staffing and operating costs, $700,000.
  - Procurement staffing increase includes 1 Assistant Contracts Administrator, 1 Assistant Bid Coordinator; staffing and operating costs $150,000.
  - 1 Assist Wastewater Engineering for enhanced wastewater collection and maintenance activities; staffing and operating costs $150,000.
  - 1 Fats, Oils & Grease (FOG) Inspector to better ensure regulatory compliance with FOG program; staffing and operating cost $75,000
  - 1 Wastewater Scheduler that will assist with management of maintenance activities at the Metro Wastewater Treatment Plant; staffing and operating costs $75,000
- Finance
  - 1 Treasurer position for banking and treasury duties; staffing and operating costs $150,000. This position was previously eliminated during budget reduction efforts; however this position is critical in monitoring banking operations and making sure that bank accounts are reconciled timely.

Office of Economic Development budget is $1,175,484; a decrease of $36,729 or 3% from the current year budget. Economic Development assists the water and sewer system by helping to recruit industrial and commercial customers in order to help grow and expand the system.

Non-Departmental is budgeted at $35,158,649; an increase of $5,107,290, 17.2%. The increase is for the added debt service of $2,023,141, (7%) and the addition of $3,217,000 in budgeted reserves. The budgeted reserve is based on the cash needed to meet the 137% cash requirements. Total debt service is $31,030,000 and includes the debt service for the anticipated water and sewer bond for the capital improvement program.

Transfers Out

Transfers Out totals $30,705,000 which is a net increase of $7,265,000 or 11%. While the Public Safety Transfer to the General fund in the amount of $2,675,605 is eliminated in FY 16/17, other Transfer Out includes $10,000,000 for water and sewer system flood recovery projects. In total, we have set aside $20,000,000 from the Water and

Sewer fund towards water and sewer system flood repairs. This represents the City's portion of the federal match for repairs. The largest flood related repair is the breach at the Canal and damages to the head gates at the Canal which is estimated at over $40,000,000. The total repairs to the entire water and sewer system are estimated at $60,000,000. In addition to the transfer for the flood recovery program is the transfer for the budgeted cash portion of the Water and Sewer Capital Improvement Program (CIP). The total transfer for CIP in this budget is $19,600,000 and is same as the current year. The water and sewer rate increase is estimated to generate $5,300,000 of which that projected increase is allocated as part of transfer to the CIP in FY 16/17.

Water & Sewer Capital Improvement Program

The Water & Sewer CIP totals $140,000,000 of which $60,000,000 is for Water projects and $80,000,000 is for sewer related projects. The CIP is increased $20,000,000 for additional $8,000,000 in water quality projects and to begin the conversion of an automated meter reading system which will start with a feasibility study. The total project is estimated at $60,000,000 to convert to automatic meter reading system; however we anticipate a phased-in implementation of $12,000,000 per year. City Council and staff has expressed the need for these additions as a priority for the water and sewer system. The Water & Sewer operating fund includes the transfer of approximately $19,600,000 in budgeted cash for the CIP. The remaining $120,000,000 will be funded from proposed bond proceeds and from fund balance. The issuance of the bond and the ability to fund the CIP is dependent upon the approval of the 4.2% water & sewer rate increase. Without the proposed rate increase, the CIP will be drastically reduced.

Photo Credit: Sean Rayford/ Getty Images

Crews work into the night filling sand bags in an effort to seal the breach in the Columbia Canal. A temporary dam would eventually be built to protect the raw water source for the Columbia Canal Water Treatment Plant.

Water Projects			
Project	**Description**	**Type of Improvement**	**Proposed**
WMXXXX	AMR/AMI (5 Annual Phases)	Operations	$ 12,000,000
WM3355	Utility Conflicts (Annual)	System Expansion	$ 1,500,000
WM3358	Pay Difference Agreements Various Subdivisions (Annual)	System Expansion	$ 150,000
WM363702	10,000 LF of 16 inch and 5000 LF of 12 inch from Stonewall Court to Proposed New Chapin Tank at Broom Straw	System Expansion	$ 2,300,000
WM3767	2,000 LF of 18" WM from Rimer Pond Rd along Longtown Rd & 9,800 LF of 12" along Longtown Rd	System Expansion	$ 2,000,000
WM3870	3,000 LF 16" WM & 4,500 LF of 12" along Longtown Road West	System Expansion	$ 1,000,000
WM4140	Horseshoe BPS Improvements	System Expansion	$ 4,500,000
WM4281	Hardscrabble Road Widening Waterline Relocation	System Expansion	$ 6,900,000
WM4315	Bull Street Water System Improvements	System Expansion	$ 2,000,000
WM4323	Unforeseen Projects	System Expansion	$ 1,300,000
WM4348	16" Water Main Along Shop Road Extension	System Expansion	$ 1,500,000
WMXXXX	Water Main Improvements Along Woodthrush (Chapin Area)	System Expansion	$ 400,000
WM3001	Water Quality Projects City Wide (Services & 2-inch water line replacement) (Annual)	Water Quality	$ 2,800,000
WM307702 & WM3924	Sumter Street (Cottontown Area) Water System Improvements	Water Quality	$ 2,500,000
WM3078	Washington Park Subdivision Waterline Replacement	Water Quality	$ 750,000
WM3906	Satchel Ford (Including work from WM3043)	Water Quality	$ 1,500,000
WM3923	Earlwood Area Water System Improvements (Engineering Only)	Water Quality	$ 800,000
WM3993	Covenant Road and Harrison Road Area Water System Improvements	Water Quality	$ 2,500,000
WM4000-02	Lake Katherine Waterline Improvements Phase 2(Annual Rehab)	Water Quality	$ 3,500,000
WM409203	Lincolnshire III	Water Quality	$ 800,000
WM4375	Booker Washington Heights (Engineering Only)	Water Quality	$500,000
WM3774 & WM4231	Canal Clearwell and High Service Rooms 2 & 3 Improvements	Water Treatment Plant	$8,000,000
WM4373	Canal WTP West Filter Building Repairs	Water Treatment Plant	$800,000
		Total Water	**$ 60,000,000**

Sewer Projects				
Project	Description	Type of Improvement	CD Related	Proposed
SS695401	I-20 Crane Creek Sewer Improvements (Ongoing)	Capacity	N/A	$ 3,000,000
SS7301	Bull Street	Capacity	No	$ 2,000,000
SS733702	East Rocky Branch Improvements Phase II	Capacity	Yes	$ 200,000
SS7338	Lower Crane Creek Storage - Phase 1	Capacity	Yes	$ 11,000,000
SS7347	Shop Road Sewer Extension for Industrial Dev	Capacity	No	$ 2,000,000
SS7383	Lower Crane Creek Storage - Phase 2 PS and Access Bridge	Capacity	Yes	$ 1,000,000
SS6000	Sewer Service for City Annexations	Extension	No	$ 200,000
SS7274	Richard Street - Phase II	Extension	No	$ 800,000
SS7236	CD Program Management	Operations	Yes	$ 5,300,000
SS7286	CE Projects not yet Defined	Operations	No	$ 3,000,000
SS7288	Unforeseen & Miscellaneous Projects	Operations	No	$ 3,000,000
SS6786	Annual Gravity Sewer MH Lining and Replacement	Rehab	Yes	$ 1,850,000
SS6857	Olympia Subdivision (SSES Study)	Rehab	N/A	$ 3,000,000
SS6966	Annual Rehab on lines less than 15"	Rehab	Yes	$ 4,500,000
SS7172	Rehabilitation/Replacement Harbison #2, Mallard Point and Animal Shelter Pump Station	Rehab	N/A	$ 1,800,000
SS7229	Annual Phase I SSES Assessment	Rehab	N/A	$ 750,000
SS7262	Flow Study/Rehabilitation/Replacement of Three Rivers and Colonial Life Pump Station	Rehab	Yes	$ 300,000
SS7279	Smith Branch 02 SSES	Rehab	Yes	$ 6,000,000
SS7287	Identification of future SSES areas and Implementation	Rehab	Yes	$ 1,500,000
SS7292	Zoom Camera Rapid Assessment	Rehab	Yes	$ 750,000
SS7293	Trunk Sewer Lining & Replacement (Projects Not Defined)	Rehab	Yes	$ 600,000
SS7323	Food Lion Pump Station Improvements	Rehab	Yes	$ 1,000,000
SS7324	Bendale Pump Station Improvements	Rehab	Yes	$ 500,000
SS7325	Starlite Pump Station Improvements	Rehab	Yes	$ 1,300,000
SS7384	Pumping Station Upgrades not yet Defined	Rehab	Yes	$ 700,000
SS717101	Construct and Upgrade Metro Dike	Structure	N/A	$ 1,600,000
SS7381	Metro WWTP Operations Center Building	Structure	No	$ 250,000
SS7382	Wastewater Maintenance and Storage Building	Structure	No	$ 250,000
SS6099	Sewer Utility Conflicts	Upgrade	N/A	$ 1,200,000
SS728401	Liquid Treatment Train 1 Upgrades (Phase 1 - Aeration)	Upgrade	N/A	$ 18,000,000
SS7285	Thickening & Dewatering Improvements - Biosolids MP	Upgrade	No	$ 1,000,000
SS7333	Force Main Condition Assessment	Upgrade	Yes	$ 1,050,000
SS7333	SCADA Upgrades Required at Pump Stations per TSOMP	Upgrade	Yes	$ 600,000
Total Wastewater				**$80,000,000**

Why a rate increase on water and sewer fees?

When asked why we are increasing rates, we believe there are many reasons, which are explained below.

1. **Basic Services and Public Safety**

   As a utility, we have a responsibility to provide our customers with clean drinking water while keeping the environment safe and clean, complying with all regulations related to the treatment of water and sewer, providing for fire protection as well as providing good customer service. The recommended rate schedule moves the City's rates toward a cost-based approach, reflecting the demand and service characteristics of the City's customers

2. **Upgrades, Regulatory Requirements and Expansions.**

   Columbia's Water and Sewer system is aging. More than 2/3s of our system is over 50 years old. The rehabilitation and upgrading of the system, regulatory requirements and expansion requires significant resources to fund the capital improvement program.

Why the City's bond rating should matter to you

It is the City's responsibility to our customers and bondholders to ensure that we keep the utility system financially strong. This is achieved in part by striving for the best bond ratings possible. Much like individual consumers rely on their credit scores from Equifax, Experian and Trans Union to allow them to borrow money for the financing of essential needs (i.e., homes, durable goods such as cars and appliances, and even college tuition for themselves or their children), the ability of local governments (such as the City) to borrow on favorable terms for the funding of infrastructure (such as improvements to the utility system) is largely dependent upon how we are rated or "scored" by Moody's, Standard & Poor's, and/or Fitch Ratings. Where high credit ratings can be secured by the City prior to the issuance of bonds, there is significant associated interest cost savings. This savings ultimately flows through to the citizens of Columbia and consumers of our services (such as water and sewer) in the form of lower user fees and less significant future rate increases.

City of Columbia's Bond ratings for Water & Sewer issued debt:

- ***Moody's- Aa1***
- ***S&P's - AA***

An important factor used by rating agencies to evaluate our credit strength is our ratio of annual revenues to annual debt service (commonly referred to as our debt service coverage ratio). To maintain our current high ratings of Aa1 (Moody's) and AA (S&P) on the water and sewer system, the debt service coverage ratio that we strive for is 2.0 times our annual debt payment obligation to bondholders. This is certainly not the only factor that the rating agencies evaluate, but it is among the most frequently cited and carefully watched. Another factor the rating agencies consider is our demonstrated willingness and ability to enact incremental rate increases in an effort to sustain debt service coverage levels and avoid significant one-time spikes in rates.

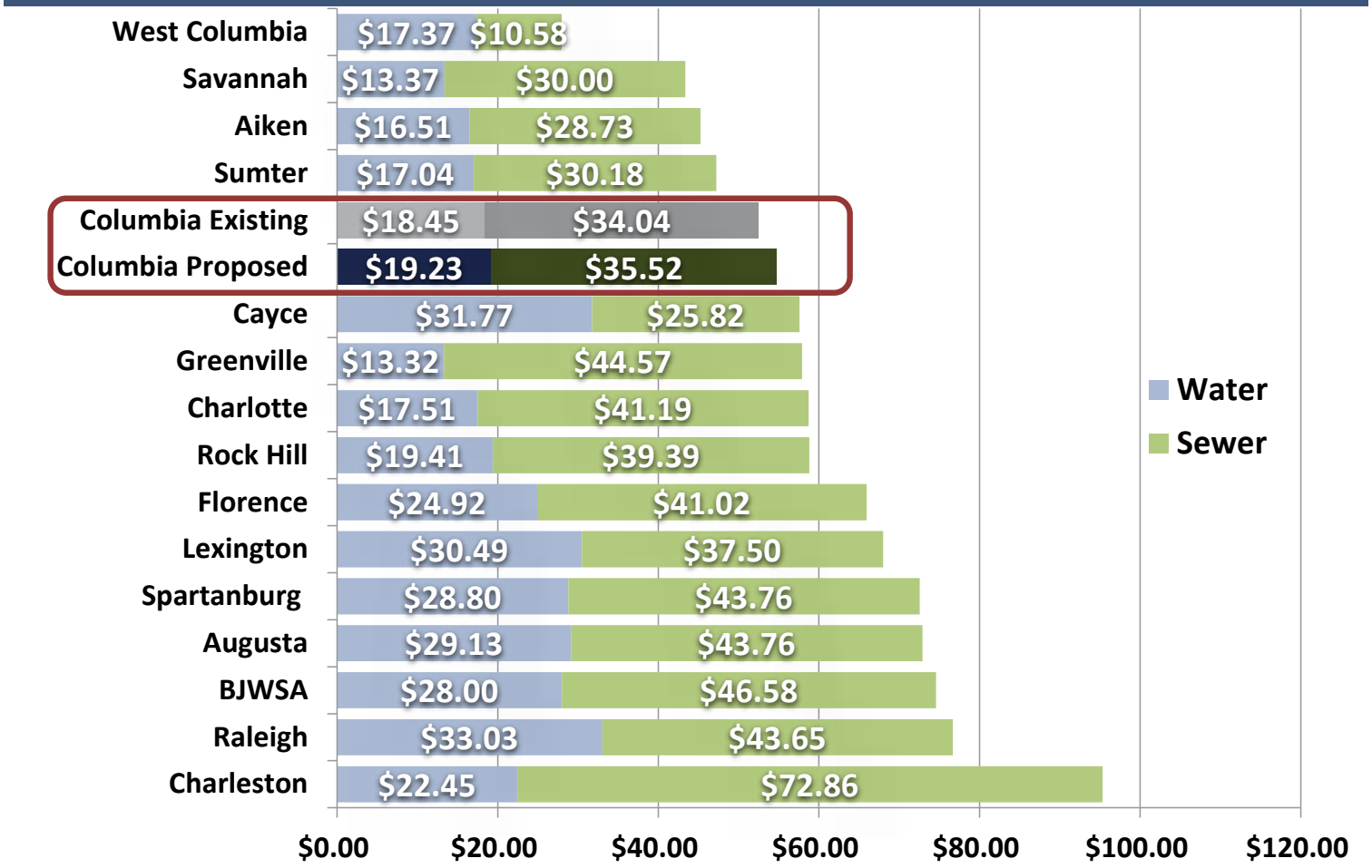
In addition to bonds, public utility systems (including the City's) typically utilize operating revenues, and cash reserves to provide the funding needed for upgrades, capital improvements, and system expansions. For Columbia's water and sewer system, the source of these operating revenues and cash reserves are the water and sewer rates paid by our customers.

3. Financial Stability.

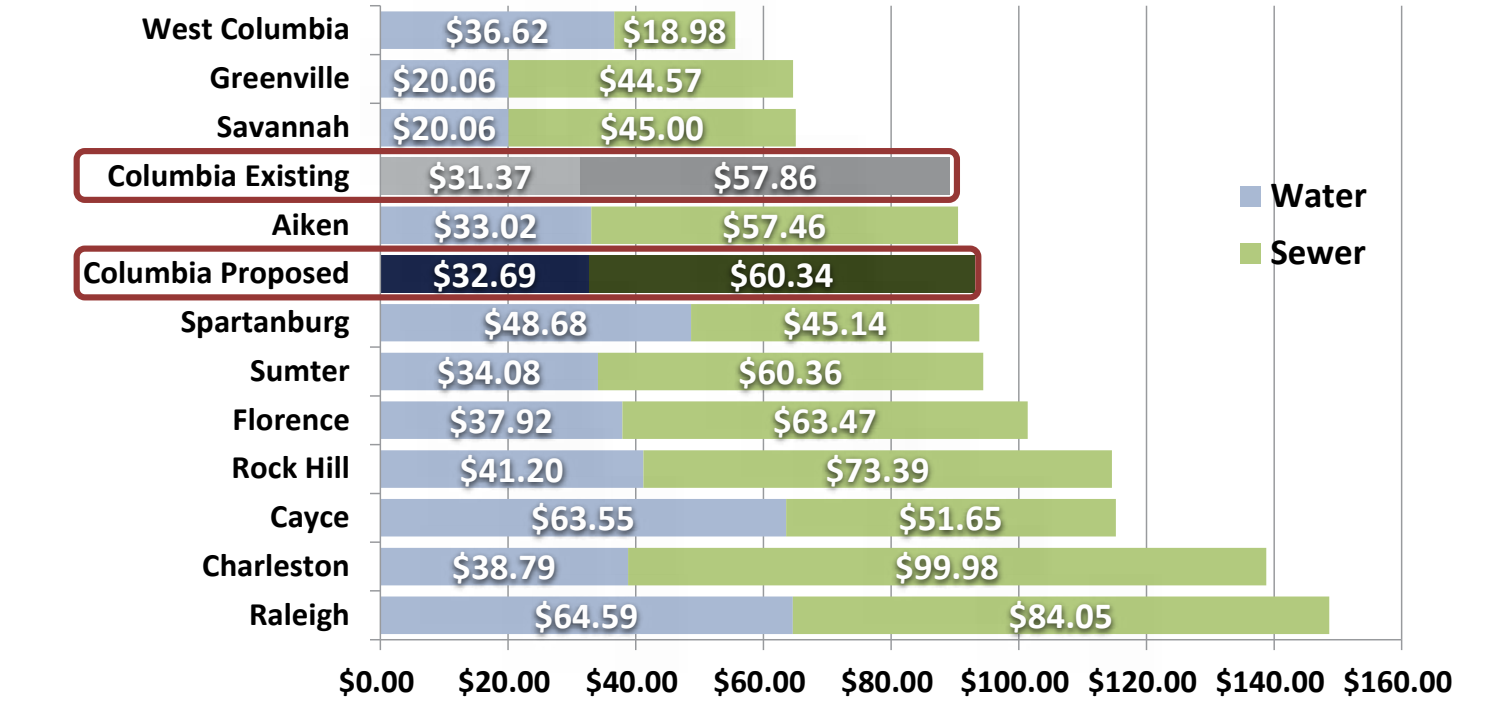
The new rates brings the City closer to providing a foundation for funding of required projects and the routine maintenance of the system necessary to keep our utility in a financially strong position. Efficient operations and maintaining costs help to realigning existing resources towards priority projects that are in support of the operation of the system; however it is only a part of the equation. New resources are needed to sufficient fund the major renovations, repairs and expansions of the system.

Water & Sewer Fund Expenditures	FY 15/16 Budg	FY 16/17 Prop	% Change
Finance	$ 6,399,898	$ 6,652,835	4.0%
Fire Hydrant Maintenance	$ 474,795	$ 490,207	3.2%
Police - CSO / Public Safety	$ 636,518	$ 629,778	-1.1%
Public Works - Street Repair	$ 1,492,071	$ 1,259,884	-15.6%
General Services Public Buildings	$ 1,662,687	$ 1,788,764	7.6%
GIS Management	$ 533,373	$ 620,541	16.3%
Utilities & Engineering	$ 67,877,526	$ 69,985,858	3.1%
Economic Development	$ 1,212,213	$ 1,175,484	-3.0%
Debt Service	$ 29,006,859	$ 31,030,000	7.0%
Economic Development Special Projects	$ 78,500	$ 78,500	0.0%
Technology Replacements	$ 250,000	$ 496,149	98.5%
Non-departmental	$ 85,000	$ 85,000	0.0%
Bad Debt	$ 631,000	$ 300,000	-52.5%
Reserve	$	$ 3,217,000	100.0%
To FEMA/Flood Recovery	$	$ 10,000,000	100.0%
To Public Safety	$ 2,675,605	$ 0	-100.0%
To Water / Sewer Capital Improvement Program	$ 19,659,397	$ 19,600,000	-0.3%
To Internal Service Funds	$ 1,104,733	$ 1,105,000	0.0%
Total	**$ 133,780,145**	**$ 148,467,000**	**11.0%**

Monthly Inside-City Residential Water & Sewer Bill for 800 Cu Ft of Use

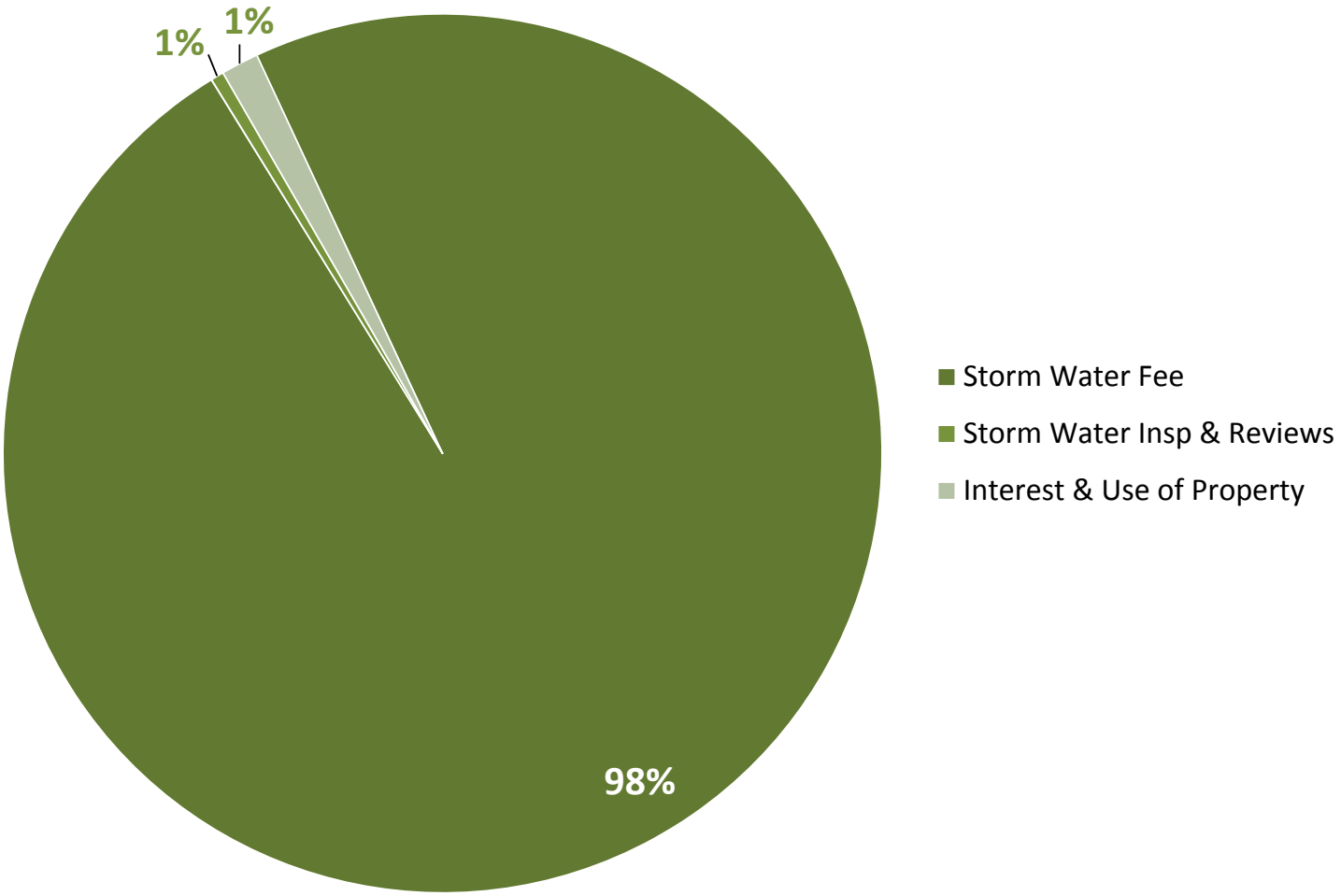


Monthly Outside-City Residential Water & Sewer Bill for 800 Cu Ft of Use

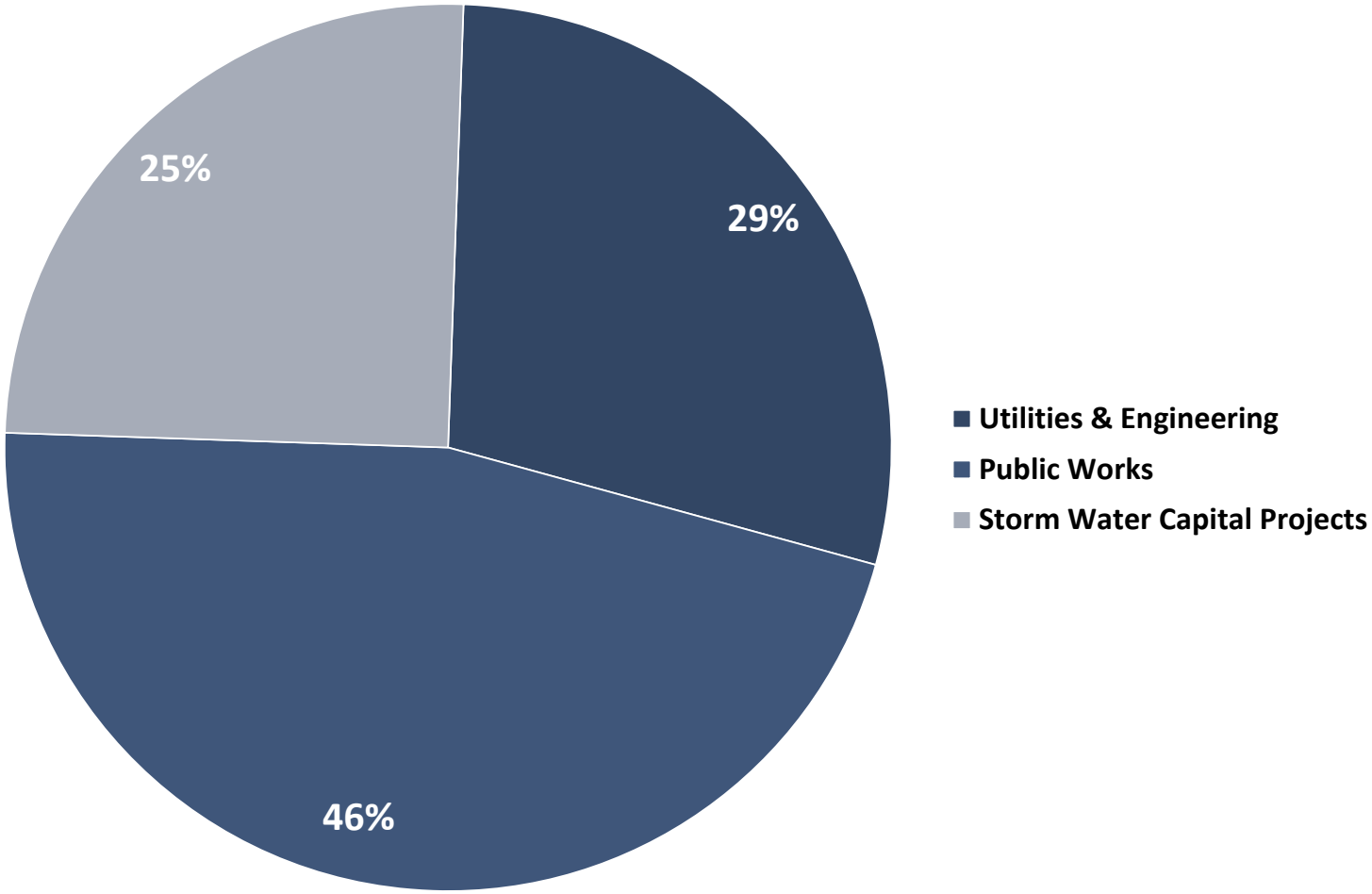


16/17 Stormwater Fund Budget

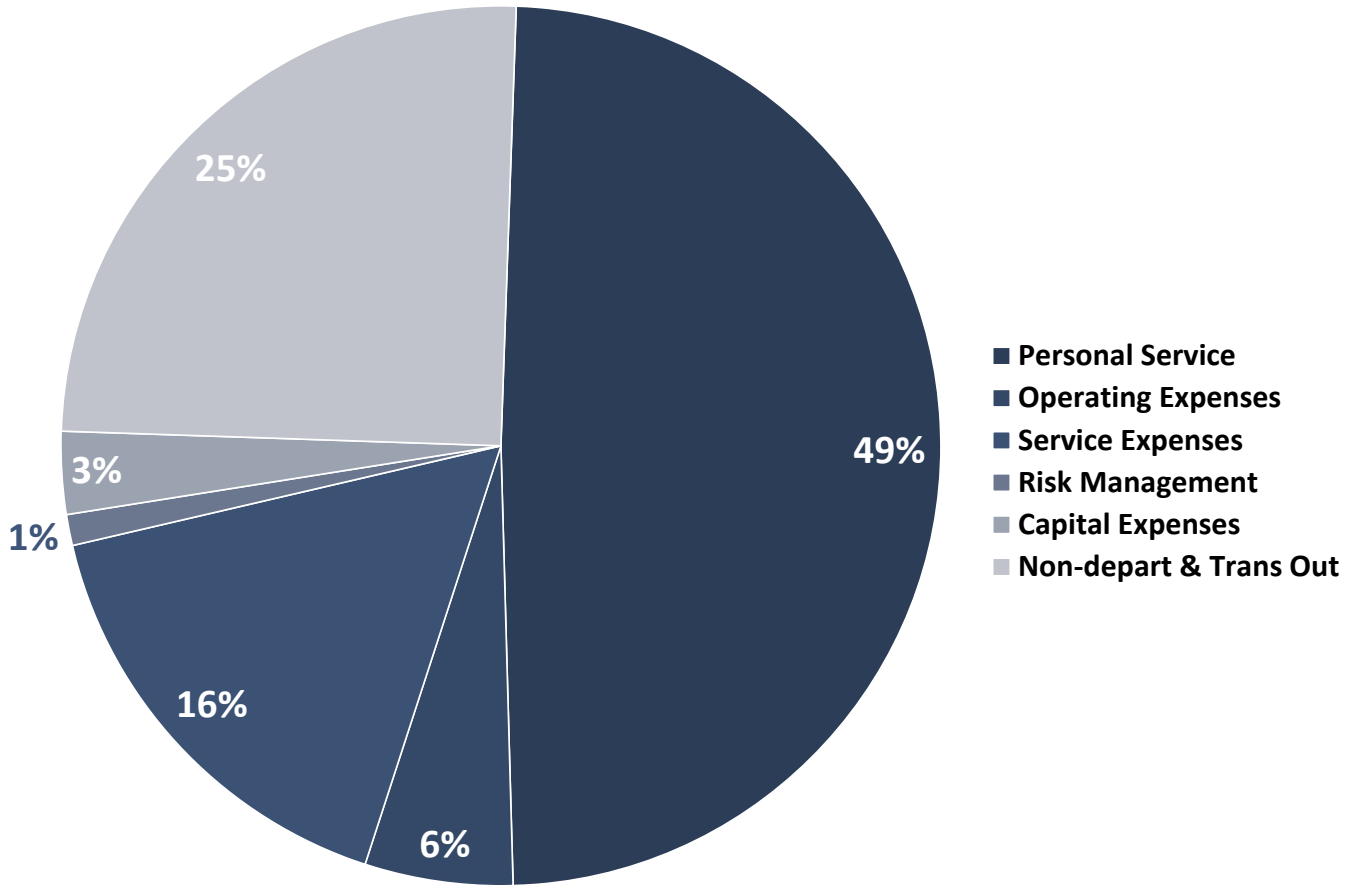
Stormwater Fund Revenue					
Revenue Type		FY 15/16 Budget		FY 16/17 Proposed	% Change
Storm Water Fee	$	6,904,000	$	7,100,000	2.8%
Storm Water Insp & Review	$	35,000	$	35,000	0.0%
Fines & Forfeitures	$	15,000	$	0	-100.0%
Interest & Use of Prop	$	150,000	$	100,000	0.0%
Total	**$**	**7,104,000**	**$**	**7,235,000**	**1.8%**



Stormwater Fund Expenditures					
Expenditure Type		FY 15/16 Budget		FY 16/17 Proposed	% Change
Public Works	$	3,307,289	$	3,347,969	1.2%
To Storm Water Capital Projects	$	1,420,195	$	1,810,374	27.5%
Utilities & Engineering	$	2,376,516	$	2,076,657	-12.6%
Total	**$**	**7,104,000**	**$**	**7,235,000**	**1.8%**



Stormwater Budget		
Expense Type		FY 16/17 Proposed
Personnel Services & GASB 45	$	3,627,442
Operating Expenses	$	393,431
Service Expenses	$	1,184,053
Capital Outlays	$	3219,700
Non-depart & Transfers Out	$	1,810,374
Total	**$**	**7,235,000**



Storm Water Fund Highlights

The FY 16/17 Storm Water Proposed budget is $7,235,000, an increase of $131,000 or 1.8%. The increase in revenues is generated primarily through growth in the number of properties added through annexation.

The Storm Water funded department budgets total $5,424,626 and include Utilities and Engineering and Public Works for expenses related to operations, management and projects of the storm water utility. Staff has been asked to consider the possibility of issuing a bond for Storm Water Capital Improvement Projects (CIP) along with a review of proposed storm water rate increase in order to aggressively address storm water projects. Current rates are $6.80 ERU (equivalent residential unit) per month. An increase of $2.00 ERU per month would generate approximately $2,000,000 annually. Over the next year, staff will evaluate the feasibility of issuing debt for the Storm Water Capital Improvement Program and evaluate the results of various watershed studies planned and underway. In addition,

the October 2015 floods resulted in significant damage within portions of the City as well as excessive debris in waterways throughout the flood impacted areas. The City is working with multiple agencies to identify funding to use alongside City resources to help address the drainage needs within the right of way, on City easements or along public waterways.

Transfers Out reflects the allocation to the FY 16/17 Storm Water Capital improvement Program (CIP) is budgeted at $1,810,374; an increase of $390,179, 27.5% over the current fiscal year. As in previous years, the CIP is funded in part from the cash that is budgeted in the operating fund along with fund balance.

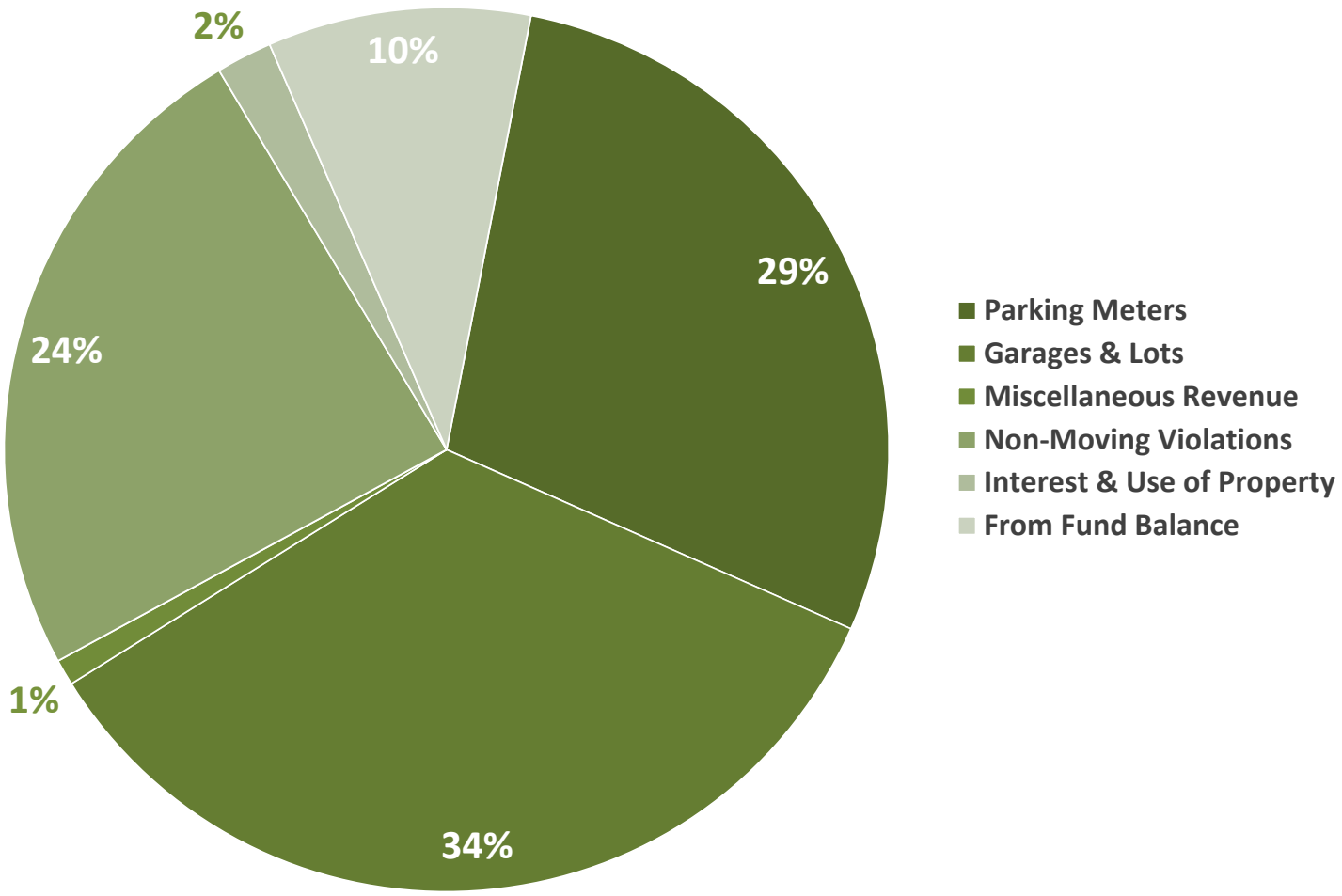
Storm Water Capital Improvement Program

The Storm Water CIP totals $6,040,000 and is focused on projects that meet the MS4 permit requirements and continuing to address storm infrastructure needs. The CIP is recommended with use of $1,810,374 transfer from the FY 16/17 Storm Water budget and use of Storm Water fund balance.

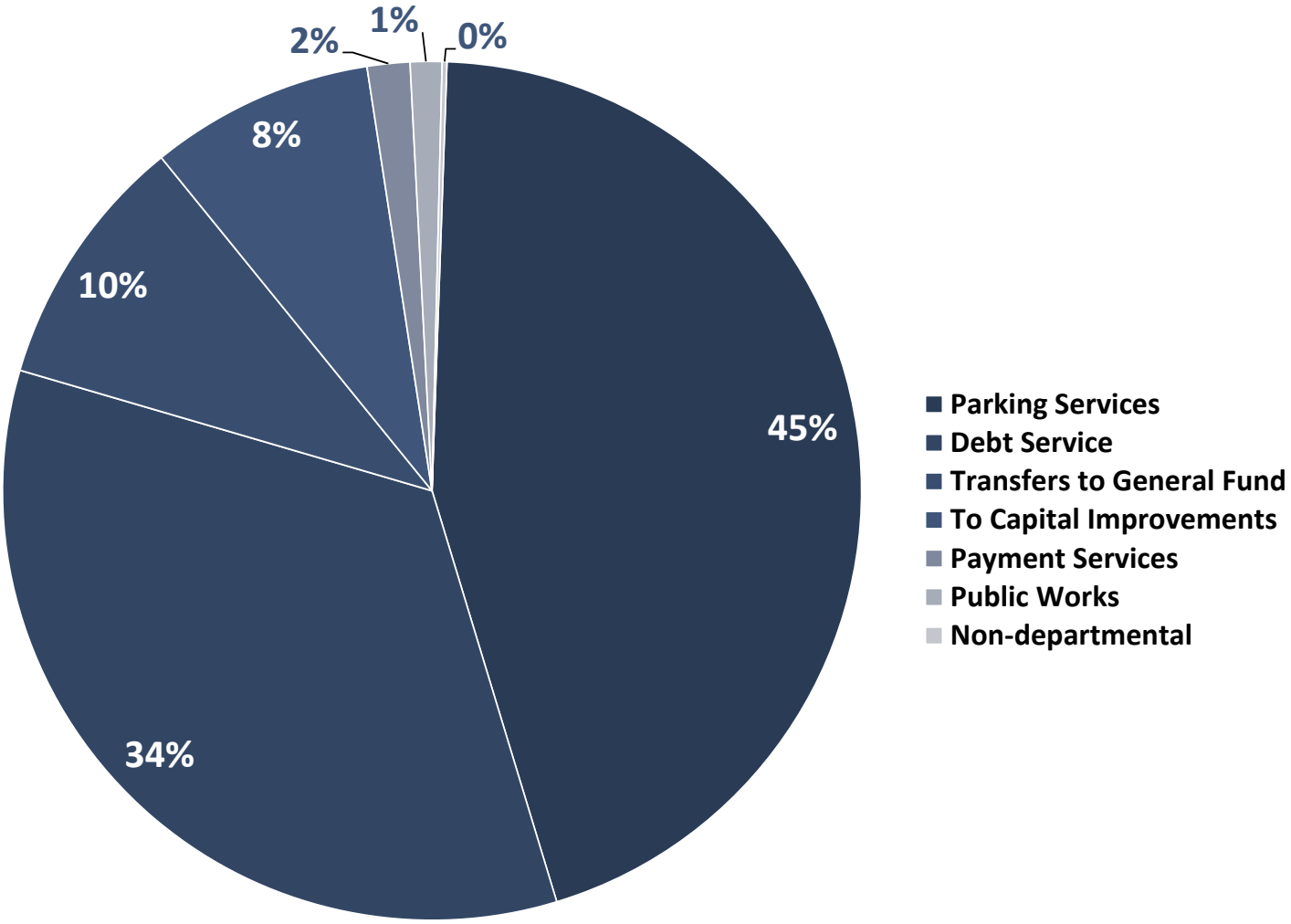
Stormwater Projects				
Project	Description	Type of Improvement		Proposed
SD38701, -03, -04	Supplemental Environmental Project(s) [SEP] - Mandated by EPA Consent Decree	Improvement	$	300,000
SD8149	Saluda Ave	Improvement	$	400,000
SD8398	Emergency Stormwater Maintenance/Improvements	Maintenance	$	1,000,000
SD8407	Wallace Street Improvements	Improvement	$	2,000,000
SD8410	Bull Street Drainage Improvements	Improvement	$	1,000,000
SD8423	Santee/Catawba Detention	Improvement	$	1,000,000
SDXXXX	Broad River Watershed Plan	Improvement	$	40,000
SDXXXX	2000 College Street - Replace Stormline	Maintenance	$	100,000
SDXXXX	400 Lakeside Avenue from Ridgewood to Hulda Ave	Improvement	$	100,000
SDXXXX	6500 Fisher	Maintenance	$	100,000
	Total Stormwater		**$**	**6,040,000**

16/17 Parking Fund Budget

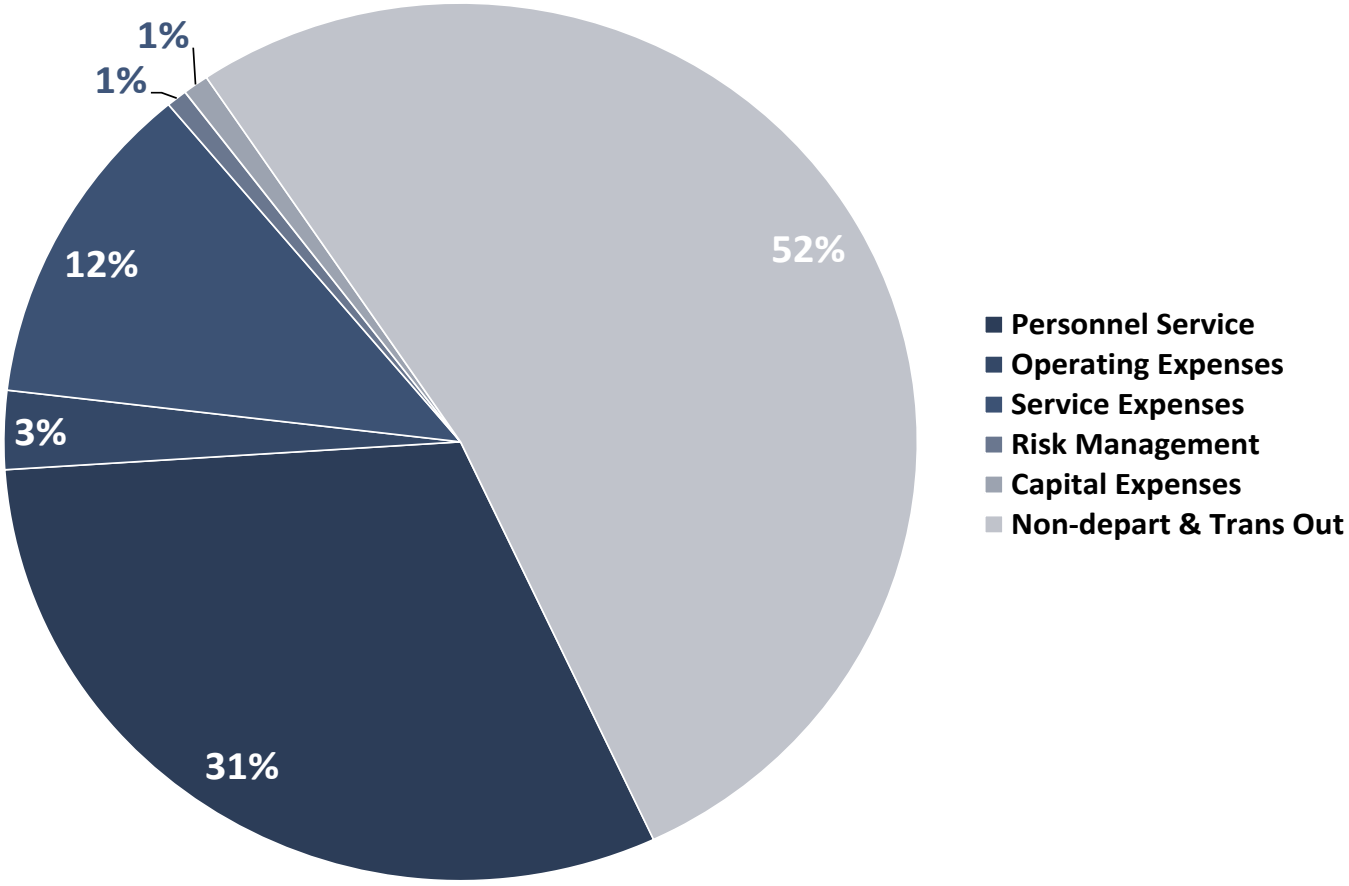
Parking Fund Revenue					
Revenue Type		FY 15/16 Budget		FY 16/17 Proposed	% Change
Parking Meters	$	2,300,000	$	2,350,000	2.2%
Garages & Lots	$	2,617,650	$	2,834,900	8.3%
Misc	$	93,000	$	78,250	-6.0%
Non-moving Violations	$	2,100,000	$	2,000,000	-4.8%
Interest & Use of Prop	$	164,850	$	168,750	2.3%
Fund Balance	$	-	$	789,680	
Total	**$**	**7,274,500**	**$**	**8,221,505**	**13%**



Parking Fund Expenditures					
Expenditure Type		FY 15/16 Budget		FY 16/17 Proposed	% Change
Parking Services	$	3,462,174	$	3,679,503	6.3%
Debt Service	$	2,811,413	$	2,813,548	0.1%
To Internal Services & Gen Fund	$	740,112	$	790,000	6.7%
Non-departmental	$	15,000	$	15,000	0.0%
Payment Services	$	147,151	$	131,963	-10.3%
Public Works	$	98,650	$	97,991	-0.7%
Total	**$**	**7,274,500**	**$**	**8,221,505**	**13.0%**



Parking Budget		
Expense Type		FY 16/17Proposed
Personnel Services & GASB 45	$	2,603,267
Operating Expenses	$	238,057
Service Expenses	$	992,794
Capital Outlays	$	75,339
Debt Service	$	2,813,548
Non-dept Exp., & Trans. Out	$	1,498,500
Total	**$**	**8,221,505**



Parking Fund

The FY 2016/2017 Parking Budget is $8,221,505; an increase of $947,005 or 13% over the current year. The Parking Fund is focused on increasing customer service while maintaining existing and new programs.

Revenues from parking garages, lots, meters and non-moving violations make up the majority to the revenues for the parking system. Operating revenues total $7,263,150; an increase of $153,500, 2.2% over the current year budget. The budget reflects use of fund balance in the amount of $789,680 for funding of the Parking Capital Improvement Program (CIP).

Expenditures by operating departments total $3,909,457; an increase of $201,482 or 12%. The budget includes funding for many of the initiatives proposed in the Parking Master Plan. Initiatives include nighttime and weekend enforcement, improved cleaning and maintenance of the garages, more efficient event management, management of private lots and focus on recruitment in the business community. In the next few years as the downtown core and Vista continues to grow and expand, the need for parking will be even more in demand. Most of our garages are currently at or near capacity. As we prepare for this growth, we will need to prepare for the construction of new garages and ensure adequate financing will be in place. Parking is a vital economic development driver for our downtown and we need to position the Parking System for this increase in demand.

In recent years, we have initiated a number of projects aimed at improving customer service and efficiency in operations such as the ability for customers to pay parking citations online; the roll-out of pay by cell parking payments; new internal signage in several garages; and new control equipment in the Sumter and Lady street garages.

We are excited about the continued growth in the parking districts and look forward to working with City Council to continue to improve the parking services we provide to citizens, businesses and visitors that utilize our garages.

Parking Capital Improvement Program

The Parking fund CIP projects are based on a review and engineering assessment of our garages. The capital repairs are needed to expand the life of the garages, improve energy efficiency and the overall appearances of our garages. The total FY 16/17 proposed CIP is $693,500 and includes at 4 garages city garages. We are recommending using Parking Fund balance for the FY 16/17 Proposed Parking CIP.

Parking Projects			
Project	**Description**		**Proposed**
Park Street Garage	New control equipment at the garage to include software, hardware, cameras and audio at gates, etc.	$	270,000
Lincoln Garage	New control equipment at the garage to include software, hardware, cameras and audio at gates, etc.	$	205,000
Taylor Garage	Installation of HVAC in the elevator room; and installation of handrails to meet building codes.	$	218500
	Total Parking	**$**	**693,500**

Hospitality Tax

Hospitality Tax FY 16/17 Budget is $10,839,000 and while this reflects a reduction from the current year budget, the projected revenues are an increase of $380,440 or 3.7% over the current year. Overall, the proposed budget is a reduction of $415,448 from the current year due to the reduction of the use of fund balance.

Allocations to external organizations total $5,238,357. During budget deliberations, City Council allocated additional funds towards capital improvement projects for Columbia Museum of Art and EdVenture. The allocations are multi-year commitments towards capital improvement projects at each facility. Columbia Museum of Art's commitment is $200,000 over the next five (5) years for the expansion of the gallery area, enlarged education spaces and a new entrance way and lobby for a total commitment of $1,000,000. The EdVenture commitment is $125,000 over the next two (2) years for a new NASA/Flight exhibit for a total allocation of $250,000.

The Hospitality Tax Committee has $1,873,800 available to allocate to organizations that submit applications for funding. City Council line item agencies are funded at current year levels with exception of ONEColumbia that is now funded in part with other sources. The budget also reflects the existing commitments that were made during the current year. The transfer to the General Fund is same as current year levels of $3,000,000 used in previous years and debt service is $2,600,643 which is virtually no change from the current year.

Hospitality Tax Expenditures					
Expenditure Type		FY 15/16 Budget		FY 16/17 Proposed	% Change
Hospitality Tax Allocations	$	5,615,102	$	5,238,357	-6.7%
Trans to General Fund	$	3,000,000	$	3,000,000	0.0%
Trans to Debt Service	$	2,595,546	$	2,600,643	0.2%
Total	**$**	**11,210,648**	**$**	**10,839,000**	**-3.3%**

State Hospitality Tax Law

The revenue generated by the collection of hospitality taxes must be used solely for the following purposes:

- Tourism-related buildings, including, but not limited to: civic centers, coliseums, and aquariums.
- Tourism-related cultural, recreational, and historic facilities.
- Beach access and re-nourishment.
- Highways, roads, streets, and bridges providing access to tourist destinations.
- Advertising and promotions related to the development of tourism.
- Water and sewer infrastructure to serve tourism-related demand.

Did you know?

By state law, hospitality taxes must be used to support tourism and the infrastructure that supports it.

In a county where at least nine hundred thousand dollars in accommodations taxes is collected annually (pursuant to Section 12-36-920), revenues of the hospitality tax authorized in this article may be used for the operation and maintenance of those items provided in (A) through (F), including: police, fire, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.

For an updated list of organizations receiving allocations from Hospitality & Accommodations , please go to the City's website at columbiasc.net

State Accommodations Tax Law

State Accommodations Tax Law must be allocated according to the following:

- First $25,000 to be transferred to the General Fund
- Next 5% allowed for General Fund or general purpose use
- Next 30% of balance to Advertising & Promotion
- Remaining 65% for Tourism Related Expenditures

For an updated list of organizations receiving allocations from Hospitality & Accommodations , please go to the City's website at columbiasc.net

Did you know?

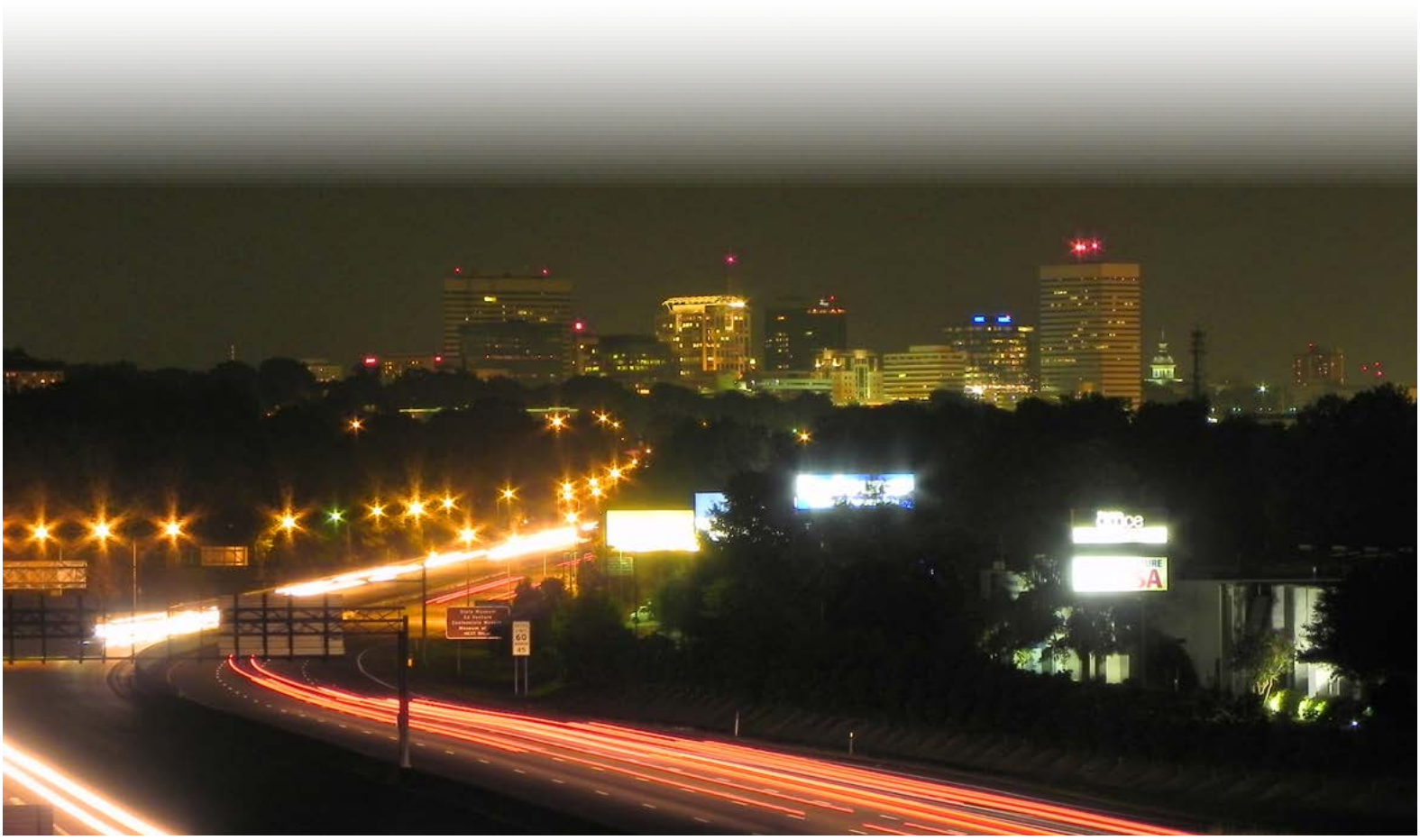
State law governs how accommodations tax can be used

Accommodations Tax

Accommodations Tax FY 16/17 Budget is $2,135,302; an increase of $34,501 or 1.6% over the current year budget and 41,968 or 2% over prior year actually collections. Revenues are collected quarterly and remitted by the State of South Carolina. Projections are based on prior year actually collections which have leveled off in recent years following a trend of high growth.

The budget reflects State law required allocation of $25,000 transfer to the General Fund and 5% for general purpose use which totals $105,079. The remaining amount of $1,996,502 is to be allocated by recommendations of the Accommodations Tax Committee with 30% allocated for advertising and promotion of tourism; 65% allocated for tourism related expenditures.

Accommodations Tax Expenditures					
Expenditure Type		FY 15/16 Budget		FY 16/17 Proposed	% Change
Accommodation Tax Allocations	$	1,972,011	$	1,996,502	1.2%
5% General Purpose Use	$	103,790	$	113,800	9.6%
Trans to General Fund	$	25,000	$	25,000	0.0%
Total	**$**	**2,100,801**	**$**	**2,135,302**	**1.6%**



City Leaders

Mayor

Stephen K. Benjamin

Council Members

Sam Davis	District 1
Tameika Isaac Devine	At Large
Leona K. Plaugh	District 4
Edward H. McDowell, Jr.	District 2
Howard E. Duvall, Jr.	At Large
Moe Baddourah	District 3

City Manager

Teresa Wilson

Assistant City Managers

Senior Assistant City Manager	S. Allison Baker
Assistant City Manager for Operations	Melissa S. Gentry
Assistant City Manager for Financial & Economic Services/ CFO	Jeff Palen

Department Heads

911 Emergency Communications	Kimberly Gathers
City Attorney	Teresa Knox
Community Development	Deborah Livingston
Chief Administrative Judge	Dana Turner
Economic Development	Ryan Coleman
Finance	Jan Alonso
Fire Chief	Aubrey Jenkins
General Services	David Knoche
Human Resources	Pamela Benjamin
Information Technology	Terence Murchison
Office of Budget & Program Management	Melisa Caughman
Office of Business Opportunities	Tina Herbert
Parks and Recreation Director	Randy Davis
Police Chief	William “Skip” Holbrook
Planning & Development Services	Krista Hampton
Public Relations	Leshia Utsey
Public Works	Robert Anderson
Utilities & Engineering	Joey Jaco

Development Directors

CEZ, Inc.	Felicia Maloney
Columbia Development Corp	Fred Delk
Columbia Housing/TN Development Corp	Gloria Saeed
Eau Claire Development Corp	Michael Strange

This version of FY 16/17 Budget In Brief is being printed before the budget is approved and is subject to change. Please contact the Office of Budget & Program Management to confirm that this is the most current version.

www.columbiasc.gov/budget-office

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