

# BUDGET IN BRIEF

## Introductory Comments and Budgeting 101

Investing in the public services that our community cares about is the priority of our annual budget process. This budget in brief section will provide readers with a snapshot view of the various departments included in the budget, their funding sources and uses, and highlights of significant changes in the FY 2019 budget.

The FY 2019 budget covers the time period of October 1, 2018 through September 30, 2019. Our city's population is estimated to be 122,652 during FY 2019 (up from 120,795 for FY 2018) and our city government workforce will include 1,507.90 permanent positions (up 9.50 FTE).

The City of Columbia is considered to be a full-service city which means that we provide the basic city services of police, fire, street maintenance, health, and parks and recreation, as well as other services (such as water, electric, sewer, solid waste, airport, and bus) which many cities do not provide.

The City prepares four separate financial documents which include the Budget, Comprehensive Annual Financial Report (CAFR), Capital Improvement Plan (CIP), and the Ten Year Trend Manual. The City's budget looks ahead one year and provides the next year's funding for each of the departments. The CAFR looks back one year and provides information on the actual revenues and expenditures for the past year. The CIP looks ahead ten years and identifies all capital and infrastructure needs the city has for streets and sidewalks, public safety, parks and recreation, water, electric, sewer, solid waste, parking, storm water, transit, and airport. The Ten Year Trend Manual provides a look back at the past ten year's of actual financial data, provides an analysis, and identifies trends and warning signs. The city's budget has been awarded the Government Finance Officers Association (GFOA) Budget Award for 22 years and the CAFR is reviewed by external auditors each year and has been awarded the GFOA Excellence in Financial Reporting for 37 years. The City utilizes the information in the CAFR, CIP, and Ten Year Trend Manual as input during the budget process.

Our overall city budget contains 52 separate budgets which are accounted for in seven different types of funds (General Fund,

Capital Projects Fund, Debt Service Funds, Enterprise Funds, Internal Service Funds, Special Revenue Funds, and Trust Funds). A definition of each of these types of funds can be found in the glossary section at the end of the budget document.

The City must follow governmental accounting standards. These standards require the City to separate different activities into different types of departments and funds so that the funding sources and uses are kept separate and reported in a particular manner.

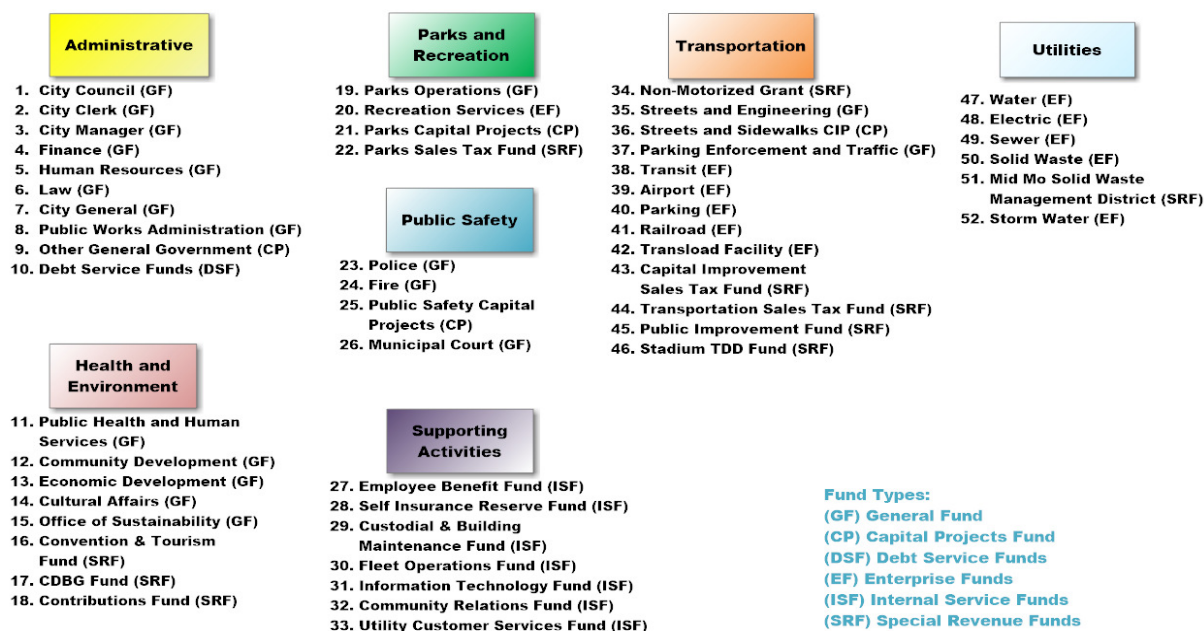
In an effort to make the information more easy to understand and locate, the City divides the 52 budgets into seven focus areas. The chart at the bottom of the page illustrates the focus areas and the budgets contained in each area.

Of the various types of funds, there is a lot of focus on the General Fund. It consists of 19 budgets that provide the services that most people associate with local government such as police, fire, health, and street maintenance.

Our budget process is detailed in the General Information Section on page 66. The City Manager delivers a proposed budget to the City Council and public by the end of July. The Council holds three public hearings on the budget which allow citizens to give their input on the budget. The budget is adopted by the City Council at the second Council meeting in September and a final budget document is prepared at the end of September.

What information can be found in the budget document? Within each department, the reader will find key information about that department including a description, objectives, highlights/significant changes, budgets by category, authorized personnel, debt, capital projects, rate information, fees, fines, and charges associated with the department as well as ten year trend information on total revenues, total expenses, net change in position/fund balance, cash reserves, cash reserve target, and employees per thousand population. In addition, the document contains five year forecasts for the utility, transportation, supporting activities, and parks related funds.

## City of Columbia - 52 Budgets - 7 Focus Areas



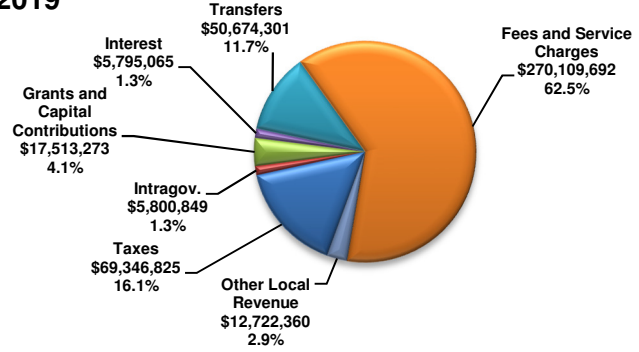
A general information section at the beginning of the document provides an overall organizational chart, city profile, fund structure, vision statements, and fiscal policies. An overall summary section provides a variety of revenue and expenditure summaries as well as summaries for capital projects, debt service, authorized positions, the General Fund, and major revenue trends.

Readers will note that the FY 2019 total funding sources of \$431,962,365 are lower than financial uses of \$453,661,274. Funds outside of the General Fund are allowed to have expenditures above revenues so that accumulated balances are used in accordance with our budget strategies and guidelines. A common practice in these other funds is to accumulate cash over a few years and then use down that cash to pay for a capital project.

**Total City Funding Sources - Where the Money Comes From**

**FY 2019**

Taxes	\$69,346,825
Intragovernmental	\$5,800,849
Grants and Capital Contributions	\$17,513,273
Interest	\$5,795,065
Transfers	\$50,674,301
Fees and Service Charges	\$270,109,692
Other Local Revenue	\$12,722,360
Lease/Bond Proceeds	\$0
Appropriated Fund Balance	\$0
	<u><u><b>\$431,962,365</b></u></u>



Inc/(Dec) from Estimated FY 2018                      \$1,034,367    0.2%

The City has a wide variety of funding sources; however not all of the sources can be allocated to any department budget. For example, the rates charged by a particular utility, such as the electric utility, can only be used to fund the electric department's expenses. Among the taxes the City charges, some are dedicated for a particular purpose (capital improvement sales tax, transportation sales tax, and parks sales tax) and can only be allocated to certain department budgets (capital projects, streets, transit, airport, and parks). Other taxes (property taxes, and the one percent general sales tax) can be allocated to any department (police, fire, health, streets, finance, parks, etc.).

**Fees and Service Charges** are the largest source of revenue for the City and are comprised of the charges users pay for a wide variety of services offered by the City. This revenue source includes charges to our citizens for services offered (utilities, transit, recreation, etc.) as well as to other City departments for services offered (custodial, fleet, computers, etc.). For FY 2019, this revenue source reflects an increase of \$5.4 million or 2.0% over Estimated FY 2018. Rate increases include Water (1% operating rate increase), Electric (2.5% operating rate increase), Sewer (1% voter approved), and Storm Water (25% utility rate increase passed by the voters in April 2015). The estimated average residential customer impact is \$2.93 per month (compared to an increase of \$3.24 per month last year).

Other fee increases include Solid Waste budget (landfill fees), Sewer (hailed liquid waste fees), Recreation Services (establishing the sports fieldhouse fees).

**Taxes** are the second largest source of revenue for the city. Taxes include property taxes (\$0.4329/\$100 assessed value), sales taxes (1% general, 1/4% capital improvement, 1/4% parks, and 1/2% transportation), gross receipts taxes (including the hotel/motel tax), and other local taxes (cigarette tax, gasoline tax, and motor vehicle taxes). For FY 2019, total sales taxes are projected at a 2.0% decrease, or \$0.9 million below Estimated FY 2018. In the general fund, sales taxes are projected to decrease by \$456,802 below Estimated FY 2018 due to more transactions being conducted online which do not collect local sales taxes.

FY 2019 property taxes are projected to increase \$160,988 or 1.96% from Estimated FY 2018 due to growth in the assessed valuation and \$469,772 due to a proposed increase to the property tax rate to \$0.4329/\$100 assessed value). This increase to the property tax rate is allowed under the Hancock amendment as the City is requesting to reverse all voluntary reductions taken in prior even numbered years. This increase will be dedicated to public safety. For FY 2019 the increased amount will be transferred to the capital projects fund to begin building up funds for the construction of an additional fire station in FY 2024. After that it will be used in the general fund to pay for the personnel and operating costs to operate that fire station. Gross receipts taxes as well as other local taxes are projected to decrease \$117,532 or 0.8% below Estimated FY 2018 primarily due to lower gross receipt taxes expected on telephones as there continues to be a decline in the number of landlines. Hotel/motel taxes growth is projected to be flat over Estimated FY 2018.

**Other Local Revenues** include license and permit fees, fines, and fees in the General Fund, development fees in the Public Improvement Fund, and miscellaneous revenues in all departments. For FY 2019 these revenues are projected to decrease \$0.8 million or 6.0% from Estimated FY 2018. These revenues can vary significantly from year to year based on the number of capital projects, auction revenue from vehicles being replaced, donations received, etc. There was a significant decrease in Recreation Services capital project funding from other local revenues and in the Contributions Fund from donations.

**Grants and Capital Contributions** include operating and capital grants. In total, grants and capital contributions are projected to decrease by \$2.5 million or 12.3% below Estimated FY 2018. This decrease is primarily due to lower funding in airport, transit, and streets and sidewalk capital projects.

**Total City Funding Sources - Where the Money Comes From (continued)**

**Transfers** occur between funds for several reasons. The majority of transfers occur to move accumulated funds from special revenue funds (such as parks sales tax, capital improvement sales tax, and transportation sales tax) to the Capital Projects Fund to fund specific projects. For FY 2019, transfers into funds are projecting a decrease of \$0.7 million from Estimated FY 2018. Increases are shown in the General Fund for Water and Electric payment-in-lieu-of-taxes due to proposed rate increases, customer growth and an increase in the property tax rate, and Airport Fund for funding of capital projects. There is a \$1.6 million decrease into Recreation Service Fund for parks sales tax funded capital projects.

**Intragovernmental Revenues** include General and Administrative fees which are charged to departments outside of the General Fund for services that General Fund departments provide (such as payroll, accounts payable, human resources, legal, etc.). For FY 2019, general and administrative fees are up \$983,585 or 20.4% due to a review of the chargeout methodology which resulted in more general fund expenses charged back to other funds and an increase in the property tax rate as part of the fee is a payment in lieu of taxes for property owned by departments other than Water and Electric.

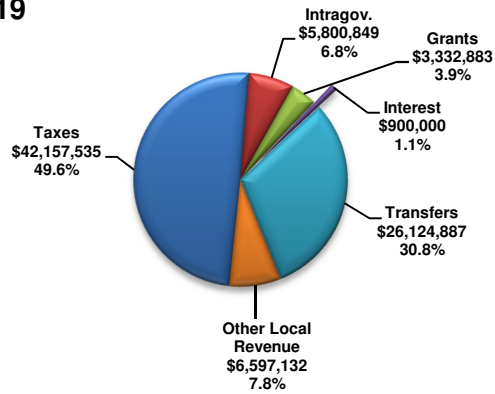
**Appropriated Fund Balance** is the amount of funds in excess of reserve requirements that the city can use to support General Fund operations and capital projects. There is no appropriated fund balance budgeted for FY 2019. The City's General Fund balance is projected to be 41% of expenses for FY 2019 which is above the city's 20% fund balance policy guideline.

**General Fund Sources - Where the Money Comes From**

**FY 2019**

Taxes	\$42,157,535
Intragovernmental (G&A)	\$5,800,849
Grants	\$3,332,883
Interest	\$900,000
Transfers	\$26,124,887
Other Local Revenue	\$6,597,132
Appropriated Fund Balance	\$0
	<u><u>\$84,913,286</u></u>

Inc/(Dec) from Estimated FY 2018                      \$2,133,404      2.6%



**Taxes** - In the General Fund, the primary source of revenue (49.6%) is taxes, which includes a portion of the 1% general sales tax, property taxes, gross receipt taxes (on telephone, natural gas, electric, and cable franchise fees), and other local taxes (cigarette, gasoline, motor vehicle license, and motor vehicle sales tax). With the exception of gasoline taxes and motor vehicle license fees which are dedicated for transportation purposes, the rest of the taxes are considered to be general sources and can be used to support any of the nineteen General Fund departments. Due to the growth of internet sales which do not collect local sales taxes, this funding source has not kept pace with population growth and inflation. This has limited the City's ability to add critical positions in police and fire as well as all of the other General Fund departments. We estimate that departments are about 30% understaffed due to our limited resources. Sales Taxes are estimated to decrease \$456,802 or 2% below Estimated FY 2018 and the property tax rate will be increased to \$0.4329 per \$100 assessed value (by using the city's taxing authority to reverse previous years voluntary reductions) and this increase will be dedicated to public safety.

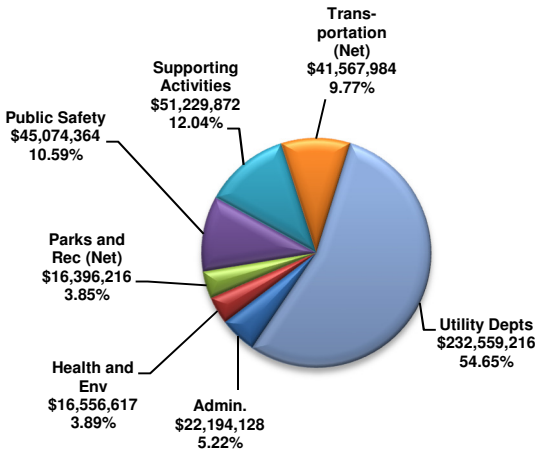
**Intragovernmental Revenue - General and Administrative Fees** - The City charges proportionately for all services performed by General Fund departments for enterprise and other City funds (i.e.. bids, purchase orders issued, investments, payroll functions, budget etc.). The fee includes a payment-in-lieu-of-taxes from some of our other City owned utilities (Sewer, Solid Waste, and Storm Water) equal to the amount they would pay in property taxes. G&A Fees are projecting a 20.4% increase from Estimated FY 2018 due to a review of the chargeout methodology which resulted in more general fund expenses being charged to other funds and increased property tax rate.

**Grants** are received primarily in the Health and Public Safety budgets. The Health Department receives federal, state, and county grants which fund over 37% of their budget. FY 2019 reflects a \$64,510 or 1.9% decrease in total grants from Estimated FY 2018.

**Transfers** - The growth in Transfers is projected to be \$1.1 million or 4.3% over Estimated FY 2018. The largest transfers are PILOT (Payment-In-Lieu-Of-Taxes) from the Water and Electric Funds and reflect an amount substantially equivalent to the gross receipts taxes and property taxes which would be paid if the utilities were owned privately. P.I.L.O.T. payments are projected to increase \$1.0 million or 6.3% from Estimated FY 2018 based upon modest growth trends, a 1% operating rate increase in the Water Utility, a 2.5% operating rate increase in the Electric Utility, and increased property tax rate. P.I.L.O.T. revenue is highly weather dependent. Transfers from Transportation Sales Tax of \$5,998,276 will continue to help fund street, engineering and traffic costs and Parks Sales Tax of \$1,770,743 will continue to help fund parks and recreation costs in the general fund.

**Other Local Revenues** - Other local revenues reflect a slight increase of \$89,926 which is primarily in building and site development fees.

## Total City Budget Financial Uses - Where the Money Goes (By Function)



### FY 2019

Administrative	\$22,194,128
Health and Environment	\$16,556,617
Parks and Recreation (Net)	\$16,396,216
Public Safety	\$45,074,364
Supporting Activities	\$51,229,872
Transportation (Net)	\$41,567,984
Utilities	\$232,559,216
<b>Total Actual Net Spending</b>	<b>\$425,578,397</b>
Other Special Revenue Fds *	\$28,082,877
<b>Total Budgeted</b>	<b>\$453,661,274</b>

**Inc/(Dec) under FY 2018 Net Budget**                      (\$7,255,324)                      (1.7%)

\* Other Special Revenue Funds include Parks Sales Tax, Transportation Sales Tax, Capital Improvement Sales Tax, Public Improvement Fund, and Stadium TDD Fund which transfer funds into various Parks and Transportation departments.

## Total City Financial Uses - Explanations and Significant Changes

When looking at increases and decreases in financial uses (expenditures), the City compares the amount projected for next year to the last year's adjusted budget amount. The adjusted budget amount is the original budget that has been adjusted to reflect any additional appropriations or transfers that have occurred during the current fiscal year. Encumbered items that have been carried forward from the last fiscal year are not included.

For FY 2019, total net financial uses are \$7.3 million lower than the FY 2018 net adjusted budget primarily in the area of capital project funding (Public Safety, Water, Electric, and Recreation Services).

**Utility Departments** include Water, Electric, Sewer, Solid Waste, Mid-Missouri Solid Waste Management District, and Storm Water. In total, utility departments are projected to increase \$0.6 million, or 0.3% from the FY 2018 adjusted budget. There is a 2.30 FTE net increase in positions primarily due to the addition of positions in the various utility departments.

Highlights for utility departments include:

- Water reflects a \$2.3 million decrease due to lower capital project amounts. A 1% operating rate increase is proposed to ensure the fund meets its debt coverage requirements (including PILOT expense). A water ballot issue is planned for August, 2018, and if passed, will provide funding for capital projects for the next five years.
- Electric reflects a \$1.2 million decrease due to lower capital project funding and fleet replacements. A 2.5% operating rate increase is proposed to ensure the fund meets its debt coverage requirements (including PILOT expense).
- Solid Waste reflects a \$2.5 million increase primarily due to higher capital project funding and fleet replacements. There is a 5.77% increase in landfill fees to help pay for the landfill related capital projects. A 0.50 FTE Refuse Collector position was added to provide improved service in the CID.
- Sewer reflects a \$1.7 million increase primarily to fund capital projects and the major maintenance schedule. A 1% voter approved rate increase will help provide funding for capital projects. A 0.80 FTE Senior Project Compliance Inspector position was added to perform contract management and regulator compliance activities on construction projects.

- Storm Water reflects a \$14,445 decrease due to lower capital project and fleet replacement funding. There is a 25% voter approved rate increase included. A 0.20 FTE Senior Project Compliance position has been added.

**Transportation Departments** include Public Works Streets and Engineering, Non-Motorized Grant, Parking Enforcement and Traffic Control, Transit, Airport, Parking, Railroad, Transload, transportation-related capital projects, and special revenue funds that fund the capital projects including the one-quarter cent capital improvement sales tax, one-half cent transportation sales tax, Public Improvement Fund, and the Stadium TDD Fund. There is a 2.19 FTE net increase in positions. Net transportation department budgets are projected to decrease \$2.5 million or 5.6% from the FY 2018 adjusted budget primarily due to lower capital project funding for streets and sidewalks.

It should be noted that because of governmental accounting standards, the City must accumulate and pay out sources that are legally restricted for a particular purpose in separate funds. In the transportation functional group, these restricted funding sources include the Transportation Sales Tax, Capital Improvement Sales Tax, development fees, the capital portion of the general sales tax, and the Stadium TDD funds.

As such, a total budget number for Transportation would include both these special revenue funds and use of these dedicated sources in the Streets and Sidewalks, Transit, and Airport budgets. This would result in a total that is higher than the actual dollars that are available. Therefore, the Transportation functional group reflects the actual amount available for spending instead of the total with those special revenue funds included.

- Street maintenance funding will remain the same as FY 2018 at \$2.7 million.
- Airport reflects a \$0.9 million decrease due to lower capital project funding required.
- Transit reflects a \$0.7 million decrease due to service changes needed to ensure the financial health of the operation.
- Capital Improvement Sales Tax Fund reflects a \$2.4 million decrease due to lower transfers to the Capital Project Fund for public safety capital projects.
- Public Improvement Fund is increasing \$1.6 million due to transfers to the Capital Projects Fund for public safety capital projects.

**Public Safety Departments** include Police, Fire, Public Safety Capital Projects, and Municipal Court. The total public safety departments reflect a \$4.5 million or 9.1% decrease for FY 2019 primarily due to lower capital project funding required.

- The Police budget reflects a \$0.4 million increase due to the \$0.25/hour across-the-board pay increase and increased self insurance charges due to higher claims. There are (2) 1.00 FTE Information Specialist positions included in the budget which were converted from temporary to permanent positions.
- The Fire budget reflects a \$0.1 million decrease due to lower self insurance charges as a result of lower claims.
- Public Safety capital projects reflect a \$4.9 million decrease due to lower funding required. Major projects funded for FY 2019 include construction of an additional fire station in the east part of Columbia and replacement of a fire apparatus.

**Parks and Recreation** includes general operations, recreation services, capital projects, and the Parks Sales Tax special revenue fund. While the FY 2019 budget amount is \$22.1 million for all of the parks related funds, it is more appropriate to look at the net amount of \$16.4 million which subtracts out the Parks Sales Tax Fund since the expenditures in the Parks Sales Tax Fund are reflected as revenues in the general fund, recreation services fund, and the capital projects fund. Net Parks and Recreation Departments will decrease \$4.8 million primarily due to lower capital project funding. Total general fund support for parks will increase \$55,650 from last year.

For FY 2019 there is an additional 1.00 FTE Parks and Grounds Specialist position in Recreation Services which is offset by a reduction in temporary positions.

**Health and Environment** departments include Health and Human Services, Community Development, Economic Development, Cultural Affairs, Convention and Visitors Bureau (CVB), Office of Sustainability, Community Development Block Grant (CDBG) Fund, and the Contributions Fund. For FY 2019, these departments reflect a \$0.8 million decrease.

- Health and Human Services is down \$96,306 due to several grants ending.
- CDBG Fund reflects a \$0.3 million decrease as the city only budgets for the administrative expenses during the budget process and the budget is revised during the year when the annual grant amount is awarded.
- Contributions Fund reflects a \$0.4 million decrease as the city only budgets for the administrative expenses during the budget process and the budget is revised when donations are received during the year.

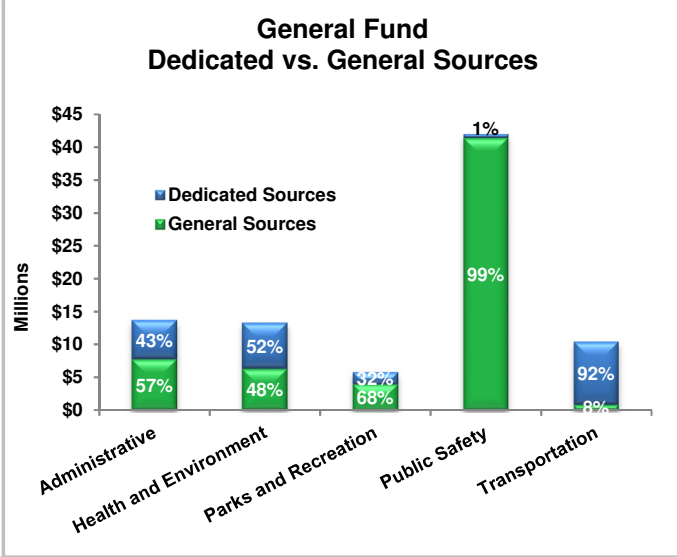
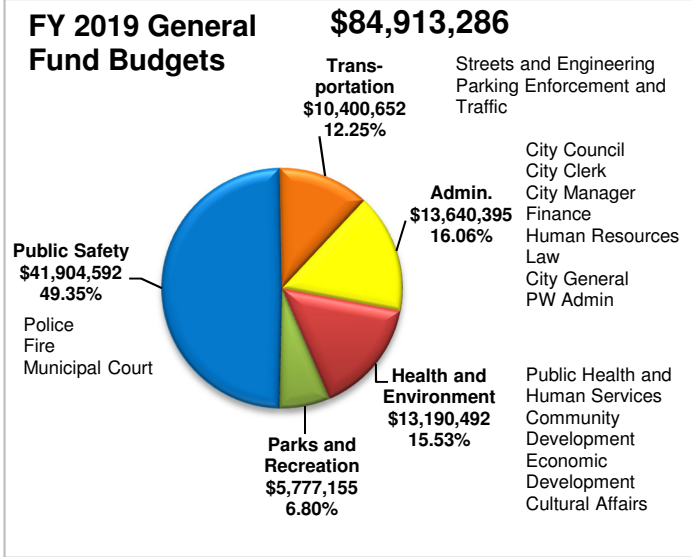
**Supporting Activity Departments** include the Employee Benefit Fund, Self Insurance Fund, Custodial and Building Maintenance Fund, Fleet Operations Fund, Information Technology Fund, Community Relations Fund, and the Utility Customer Services Fund. These departments are classified as internal service funds since their primary customers are other city departments. Fees are set to recover the cost of their operation from the city departments who receive their service. In total, supporting activity budgets reflect a \$0.2 million increase.

- Employee Benefit Fund reflects an increase of \$0.3 million due to higher claims costs and HSA contributions.
- Information Technology (IT) reflects an increase of \$0.3 million due to the addition of three positions to meet compliance requirements for North American Electric Reliability Corporation Critical Infrastructure Protection (NERC/CIP) and increased software maintenance costs. The cost of these positions will be paid by the Electric Fund.
- The Self Insurance Fund reflects an increase of \$0.6 million or 9% due to higher claims costs.

**Administrative Departments** include City Council, City Clerk, City Manager, Finance, Human Resources, Law, City General, Public Works Administration, General Government Debt, and Other General Government Capital Projects. Total Administrative Departments reflect a \$4.5 million increase or 25.1% primarily due to increased capital project funding.

- Finance reflects a \$152,170 increase due to the reallocation of a position back into Finance from the Print Shop and Mailroom due to that operation being reorganized under Community Relations, and six months funding for a previously authorized but unfunded Pension Administrator position.
- City General reflects a \$251,592 increase due to a one-time transfer to the Employee Benefit Fund to help improve the financial condition of that fund and an increase in transfers to the Capital Projects Fund as the increase in property taxes (\$469,772) from the change in the property tax rate (\$0.41 to \$0.4329) will begin the funding for construction of an additional fire station in the southwest part of the city in FY 2024.
- Other General Government capital projects reflect an increase of \$4 million for renovations at the Grissum Building.

**General Fund Budget Financial Uses - Where the Money Goes (By Function)**



**General Fund Financial Uses - Explanations and Significant Changes**

**Public Safety Departments** receive the most funding of all areas within the general fund (49.35%). The public safety departments include Police, Fire, and Municipal Court. Total general fund public safety departments reflect a \$322,863 increase or 0.78% for FY 2019.

In the City's last citizen survey, public safety concerns continue to be at the top of the list of items the citizens want the City to focus on. The newly adopted strategic plan, which covers the years FY 2016 to FY 2019, has one of the five priorities dedicated to public safety with an emphasis on helping people feel safe wherever they live, work, learn and play.

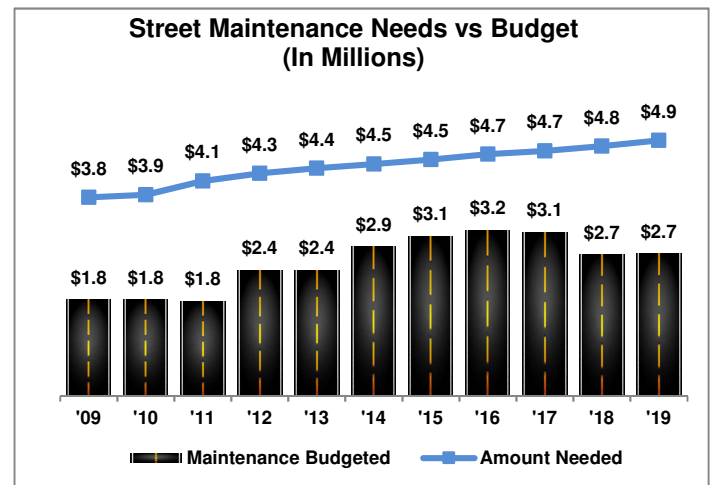
- The Police budget reflects a \$433,166 increase due to the \$0.25/hour across-the-board pay increase and increased self insurance charges due to higher claims. There are (2) 1.00 FTE Information Specialist positions included in the budget which were converted from temporary to permanent positions.
- The Fire budget reflects a \$0.1 million decrease due to lower self insurance charges as a result of lower claims.

**Parks and Recreation** reflects an increase of \$60,209 for FY 2019 due to higher intragovernmental charges and utility costs.

**Transportation Departments** include Public Works Streets and Engineering, and Parking Enforcement and Traffic Control. These departments are primarily funded (92%) by dedicated sources which come from the transportation sales tax, gas tax, and motor registration fees.

- The Streets and Engineering budget will increase \$145,602 for FY 2019. Street maintenance funding will remain at \$2.7 million in FY 2019.. The graph below shows the street maintenance funding at \$2.7 million which is \$2.2 million lower than the amount needed to adequately fund street maintenance. Due to budget constraints, there are no fleet replacements budgeted for next year. Three Equipment Operator II positions were reclassified to Equipment Operator III positions in an effort to allow for more work groups, provide a career ladder, and improve turnover issues in the department.

At the current funding levels, it will take 52.03 years to resurface 1,351 lane miles within the City. On the annual citizen survey, street maintenance funding remains one of the top issues citizens want to see improvement in. The city needs to work to identify additional funding sources in order to get the funding level up to the required level.



**Administrative Departments** include City Council, City Clerk, City Manager, Finance, Human Resources, Law, City General, and Public Works Administration. For FY 2019, there is a \$467,615 increase.

- The City Council budget reflects an increase of \$6,432 for FY 2019 primarily due to the reallocation of expenses related to Council appointed boards and commissions from liaison department budgets into this budget.
- The City Manager's budget reflects a \$3,708 decrease from adjusted FY 2018 budget.
- The Finance Department budget reflects an increase of \$152,170 from the adjusted FY 2018 budget due to the reallocation of a position back into Finance from the Print Shop and Mailroom due to that operation being reorganized under Community Relations and the previously authorized but unfunded Pension Administrator position being funded for six months.
- Human Resources reflects a \$37,045 increase primarily due to funding an employee engagement survey.
- City General reflects an increase of \$251,592 due to a one-time transfer of \$139,650 to the Employee Benefit Fund to improve the financial condition of that fund and a \$469,772 transfer to the Capital Projects Fund (funds generate from an increase to the property tax rate) to begin funding for the construction of an additional fire station in the southwest part of the city in FY 2024.
- Public Works Administration reflects a \$12,329 increase due to the reallocation of 0.21 FTE from Airport to Public Works Administration as less time will be devoted to FAA capital project drawdowns. These duties are being transitioned over to airport staff.

**Health and Environment** departments include Health and Human Services, Community Development, Economic Development, Cultural Affairs, and the Office of Sustainability. For FY 2019, these budgets decreased \$42,365.

- The Health and Human Services budget reflects a decrease of \$96,306 primarily due to lower grant funding.
- The Cultural Affairs (OCA) budget decreased \$10,254 due to turnover in the department. This budget will continue to coordinate the property management agreements between the John William "Blind" Boone Heritage Foundation and the Boone County Historical Society regarding the curation of the Blind Boone Home and the Maplewood House respectively. CAT TV funding of \$35,000 is included for FY 2019.
- The Economic Development budget increased \$35,254 primarily due to movement of the Mid-Missouri Regional Planning Commission dues from Community Development to Economic Development.
- The Community Development budget reflects an increase of \$56,765 as FY 2019 includes a full year of funding for the right of way Site Inspector position that was added for four months in FY 2018.

**Property Taxes**

The City is proposing to use its taxing authority to reverse previous voluntary reductions of property tax rates which will result in an increase in the property tax rate from \$0.41 to \$0.4329 per \$100 assessed valuation. The increased amount will be dedicated to public safety funding and used to construct, staff, and operate an additional fire station in the southwest area of Columbia in FY 2024.

**Gross Receipts Taxes**

There are no increases proposed over the 7% current rate.

**Sales Taxes**

There are no city sales tax increases proposed. The current total sales tax rate is 7.975% in all areas of the City except those located in transportation development districts (TDDs) and community improvement districts (CIDs).

**City's Sales Tax Rate Breakdown**

*(No Changes for FY 2019)*

General Sales Tax - funds basic government services	1.000%
Capital Sales Tax - restricted for capital related uses only - expires December 31, 2025	0.250%
Transportation Sales Tax - restricted for transportation uses	0.500%
Permanent Parks Sales Tax - restricted for park purposes	0.125%
Temporary Parks Sales Tax - restricted for park purposes - expires March 31, 2022	0.125%
<b>Total City Sales Tax Rate</b>	<b>2.000%</b>

**Residential Utility Rate Changes**

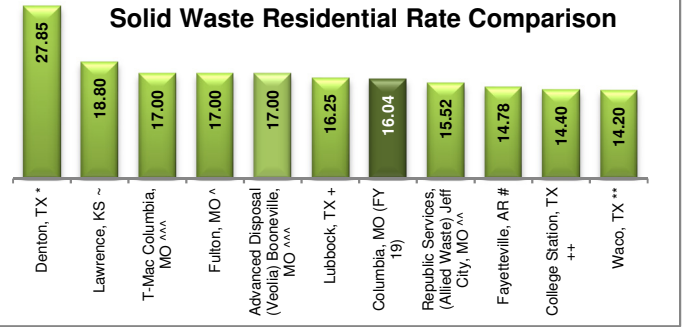
Average Monthly Customer Impact of Rate Increases

Water - 1% operating increase	\$0.25
Electric - 2.5% operating increase	\$2.02
Sewer - 1% ballot increase	\$0.24
Solid Waste - 0% increase	\$0.00
Storm Water - 25% increase *	\$0.42
	<b>\$2.93</b>

\* Based on customers having a main floor area from 750 sq. ft to 1,250 sq. ft.

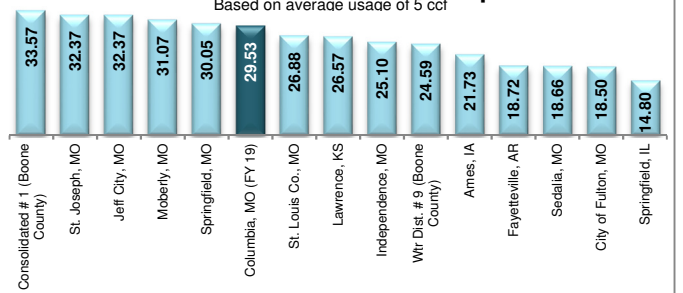
The average monthly customer impact in FY 2018 was \$3.24.

**Solid Waste Residential Rate Comparison**

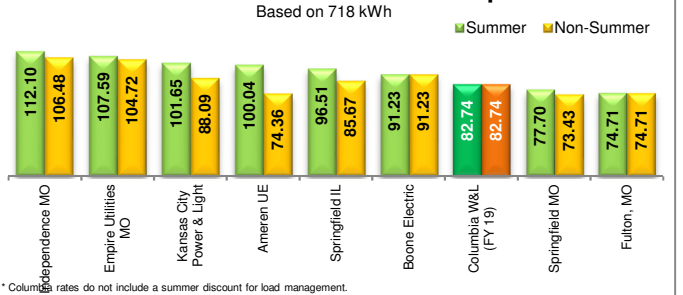


\* 64 gal trash roll cart and 64 gal recycle roll cart  
 +Residential dumpsters are placed in city-controlled right-of-ways (alleys or parkways) in a pattern and at locations that allow for the effective, efficient and safe collection of the dumpsters while maintaining a certain ratio of homes per dumpster. no curbside recycling, yard waste can be mixed with refuse.  
 # 64 gal roll cart is \$14.78, 32 gal roll cart is \$9.68, 96 gal roll cart is \$20.98/month) 2 free recycling bins included, yard waste must be bagged separately from trash and recycling. \$6.40 per additional bag; if lid has any gap, extra bag fee assessed. Each resident receives 4 virtual stickers each year to use with the program. Any bags outside the cart and/or showing due to an open lid will count towards the four free bags. After your four free bags, these same violations will result in a \$6.40 extra bag charge.  
 ^^ 65 gal trash roll cart, 65 gal recycling roll cart, \$14.02/month for 35-gallon cart, \$17.46/month for 95-gallon cart  
 ~ 65 gal roll cart. Separate Yard Waste Service. Curbside recycling is bi-weekly  
 ++ 70 gal roll cart, an additional \$10.10 for 70 gal roll cart for recycling or yard waste.  
 \*\* Includes 3 - 95 gal roll carts (trash, yard waste, and recycling). Trash is collected weekly, yard waste and recycling collected on alternating weeks.  
 ^ 90 gal roll cart, \$17/month for each additional roll cart. Services include weekly pick-up of recycling and yard waste; add'l. \$1 for recycling container.  
 ^^^ Curbside pickup of bags only, no recycling option.

**Water Residential Rate Comparison**

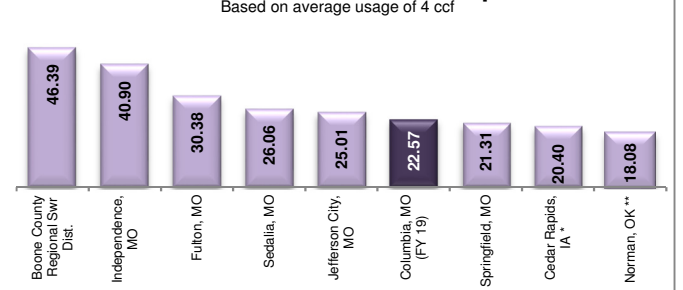


**Electric Residential Rate Comparison**



\* Columbia rates do not include a summer discount for load management.

**Sewer Residential Rate Comparison**



\* First two CCFs are included in the base charge  
 \*\* Users are billed eighty (80) percent of the average monthly water billed during the previous December, January and February into the sanitary sewer system for treatment



**Financial Impact of the Budget on Citizens - continued**  
**Other Fee Changes**

**Finance**

# Food Inspection Fees (Effective 10/01/2018)

- Gross receipts less than \$250,999 (from \$185 to \$205)
- Gross receipts between \$250,000 and \$750,000 (from \$260 to \$285)
- Gross receipts over \$750,000 (from \$480 to \$530)

**Columbia Sports Fieldhouse** (establishing new fees)

+ Full Court

- Entire Gym Floor - 4 Full Courts (\$170/hour)
- Partial Gym Floor - 2 full courts (\$90/hour)
- Partial Gym Floor - 1 full court (\$50/hour)

+ Cross Court

- Entire Gym Floor - 8 cross courts (\$200/hour)
- Partial Gym Floor - 4 cross courts (\$110/hour)
- Partial Gym Floor - 1 cross court (\$30/hour)

+ Partial Day Rental Rates (up to 8 hours)

- Partial Day Rental Rate - 4 Courts (\$1,150)
- Partial Day Rental Rate - 2 courts (\$650)
- Partial Day Rental Rate - 1 court (\$360)
- Partial Day Rental Rate - 1 cross court (\$220)

+ Full Day Rental Rates (up to 16 hours)

- Full Day Rental Rate - 4 Courts (\$1,900)
- Full Day Rental Rate - 2 courts (\$1,300)
- Full Day Rental Rate - 1 court (\$720)
- Full Day Rental Rate - 1 cross court (\$440)

+ Room Rental Fees

- Meeting Room A or B (\$30)
- Meeting Room A and B (\$60)

+ Event Fees

- Vendor Fee per day (\$50)
- Gate Fee - Minimum of \$100 or \$1 per ticket sold; whichever is greater

Non-Refundable Reservation Deposit - applied to the final rental fee if tournament is held (\$300)

**Transit**

Paratransit Fees (Effective 06/01/2019)

Certified ADA eligible persons or companion, per ride (from \$2.00 to \$3.00)

**Water Fees**

Water fee structure is currently being reviewed by a consultant and recommendations will be brought forward during the August 13, 2018 Council budget worksession

+ *New fee being established*

++ *Fees haven't increased since 1994*

~ *Fees increased in FY 2011*

~~ *Fees increased in FY 2012*

@ *Fees increased in FY 2013*

^ *Fees increased in FY 2014*

\* *Fees increased in FY 2015*

^^ *Fees increased in FY 2016*

# *Fees increased in FY 2017*

% *Fees increased in FY 2018*

\*\* *Fees eliminated*

**Electric**

^^ Monthly rate charge (Effective 10/01/2018)

Customer charge (from \$15.91 to \$16.31)

Non-standard electric meter customer charge (from \$21.01 to \$21.54)

^^ Energy Charge (Effective 10/01/2018)

Summer:

First 300 kwh (from 7.67 cents to 7.86 cents per kwh)

Next 450 kwh (from 10 cents to 10.25 cents per kwh)

Next 1,250 kwh (from 13.63 cents to 13.97 cents per kwh)

All remaining kwh (from 14.74 cents to 15.11 cents per kwh)

Nonsummer:

First 300 kwh (from 7.67 cents to 7.86 cents per kwh)

Next 450 kwh (from 10 cents to 10.25 cents per kwh)

All remaining kwh (from 11.55 cents to 11.84 cents per kwh)

Utility-approved Electric space heating equipment which is sole source of comfort heating (except decorative fireplaces)

First 300 kwh (from 7.67 cents to 7.86 cents per kwh)

Next 450 kwh (10 cents to 10.25 cents per kwh)

All remaining kwh (from 9.61 cents to 9.85 cents per kwh)

Minimum monthly customer charge (from \$15.91 to \$16.31)

Minimum monthly customer charge for customers with non-standard electric meter (from \$ 21.01 to \$21.54)

^^ Residential Heat Pump Rate (Effective 10/01/2018)

Monthly rate charge

Customer charge (from \$15.91 to \$16.31)

Non-standard electric meter customer charge (from \$21.01 to \$21.54)

First 300 kwh (from 7.67 cents to 7.86 cents per kwh)

Next 450 kwh (from 10 cents to 10.25 cents per kwh)

All kwh above 750 kwh (from 9.11 cents to 9.34 cents per kwh)

^^ Small general service rate (Effective 10/01/2018)

Monthly rate charge:

Customer charge - Single-phase service (from \$15.91 to \$16.51)

Customer charge - Three-phase service (from \$26.22 to \$27.20)

Energy Charge:

Summer:

First 500 kwh (from \$8.16 cents to 8.47 cents per kwh)

Next 1,000 kwh (from 10.4 cents to 10.79 cents)

All remaining kwh (from 14.35 cents to 14.89 cents per kwh)

Nonsummer:

First 500 kwh (from \$8.16 cents to 8.47 cents per kwh)

All remaining kwh (from 10.4 cents to 10.79 cents per kwh)

Space Heating:

First 500 kwh (from 8.16 cents to 8.47 cents per kwh)

Next 1,000 kwh (from 10.4 cents to 10.79 cents per kwh)

All remaining kwh (from 9.59 cents to 9.93 cents per kwh)

High efficiency heat pumps

First 500 kwh (from 8.16 cents to 8.47 cents per kwh)

Next 1,000 kwh (from 10.4 cents to 10.79 cents per kwh)

All remaining kwh (from 9.04 cents to 9.36 cents per kwh)

**Financial Impact of the Budget on Citizens - continued**  
**Other Fee Changes**

**Electric (continued)**

^^ Small general service rate (Effective 10/01/2018) continued

Minimum bill:

Single-phase service (from \$15.91 to \$16.51)

Three-phase service (from \$26.22 to \$27.20)

Optional Rate Schedule:

Customer Charge (from \$45.90 to \$47.05)

Demand Charge:

Summer (from \$15.91 to \$16.31 per kwh for all kwh)

Non-summer (from \$12.75 to \$13.07 per kwh for all kwh)

Energy Charge:

Summer (from 5.74 cents to 5.88 cents per kwh for all kwh)

Non-summer (from 5 cents to 5.13 cents per kwh for all kwh)

^^ Large general service (Effective 10/01/2018)

Monthly rate charge:

Customer Charge (from \$45.90/month to \$46.13/month)

Demand Charge:

Minimum demand charge - 25 kw or less:

Summer (from \$367.20 to \$369.04)

Non-summer (from \$275.40 to \$276.78)

All additional kw:

Summer (from \$15.91 to \$15.99 per kw)

Non-summer (from \$12.75 to \$12.81 per kw)

Energy charge - all kwh (per kwh)

Summer (from \$0.057 to \$0.0577)

Non-Summer (from \$0.050 to \$0.0503)

^^ Industrial service rate (Effective 10/01/2018)

Monthly rate charge:

Customer charge (from \$153 to \$161.45/month)

Demand Charge:

Minimum demand charge - 750 kw or less

Summer (from \$15,835.50 to \$16,705.93)

Non-summer (from \$12,622.50 to \$13,316.74)

All additional kw

Summer (from \$21.11 to \$22.27 per kw)

Non-Summer (from \$16.83 to \$17.76 per kw)

Energy Charge

All kwh

Summer (from \$0.048 to \$0.0509 per kwh)

Non-Summer (from \$0.041 to \$0.0435 per kwh)

+ *New fee being established*

++ *Fees haven't increased since 1994*

~ *Fees increased in FY 2011*

~~ *Fees increased in FY 2012*

@ *Fees increased in FY 2013*

^ *Fees increased in FY 2014*

\* *Fees increased in FY 2015*

^^ *Fees increased in FY 2016*

# *Fees increased in FY 2017*

% *Fees increased in FY 2018*

\*\* *Fees eliminated*

**Sewer (Effective 10/01/2018)**

# Residential Base Charge (from \$12.25 to \$12.37)

Non-residential Base Charge - based on water meter size

3/4" (from \$18.39 to \$18.57)

1" (from \$30.64 to \$30.95)

1 1/2" (from \$61.27 to \$61.88)

2" (from \$98.03 to \$99.01)

3" (from \$196.07 to \$198.03)

4" (from \$306.35 to \$309.41)

6" (from \$612.71 to \$618.84)

8" (from \$980.33 to \$990.13)

10" (from \$1,409.22 to \$1,423.31)

12" (from \$2,634.64 to \$2,660.99)

Volume Charge (from \$2.52/Ccf to \$2.55/Ccf)

Extra strength charge (from \$0.321 to \$0.324)

Unit charge for suspended solids in dollars per pound (from

\$0.220 to \$0.222)

^^ Hauled Liquid Waste (Effective 10/01/2018)

Waste activated sludge from package wastewater treatment plants and stabilization pond sludge (from \$0.048/gallon to \$0.049/gallon)

Portable/chemical toilet, domestic holding tank, septic tank, and other wastewater (from \$0.091/gallon to \$0.092/gallon)

Treatment service availability (from \$12.25/load to \$12.37/load)

**Solid Waste (Effective 10/01/2018)**

^^ Commercial Service (Effective 10/01/2018)

Roll Off Containers:

Full-sized compactor style roll-off containers per collection (from \$98.51 + \$52.00/ton to \$98.51 + \$55/ton)

Full-sized non-compacted roll-off compacted roll-off containers; per collection (from \$98.51 + \$52/ton to \$98.51 + \$55/ton)

Mini-sized compactor style roll-off containers; per collection from (\$70.03 + \$52/ton to \$70.03 + \$55./ton)

Mini-sized non-compacted style roll-off containers; per collection (from \$70.03 + \$52/ton to \$70.03 + \$55/ton)

^^ Landfill and disposal areas (Effective 10/01/2018)

Landfill fees per ton, or any fraction thereof minimum fee (from \$52 to \$55)

Landfill fees for any vehicle one ton or larger (trailers with dual wheels or more than one axle will be included in this category unless other specified rates apply (from \$132.74 to \$140.40)

Noncompacted roll-off boxes, trailers greater than 18 feet long and truck with haul bed greater than 18 feet long (from \$265.56 to \$280.89)

Compactor trucks and compactor roll-off boxes, per cubic yard capacity (from \$23.17 to \$24.51)

Grease trap waste disposed at the landfill per ton or any fraction thereof (from \$24.80 to \$27.86)

**# Storm Water** (Effective 10/01/2018)

Multiple-family buildings having more than four units;  
single-family residences have a main floor area less than  
750 sq feet (from \$1.27 to \$1.59 per unit)

Multiple-family buildings having four or less units mobile homes;  
single-family residences having a main floor area of from 750  
sq. ft. to 1,250 sq. ft. (from \$1.66 to \$2.08 per unit)

Single-family residences having a main floor area of from 1,251  
sq. ft. to 2,000 sq. ft (from \$2.25 to \$2.81 per unit)

Single-family residence having a main floor area more than  
2,000 sq. ft (from \$2.64 to \$3.30 per unit)

All non-residential uses of developed land (from \$7.81 or \$0.078  
per 100 sq feet of impervious area, whichever is greater to  
\$9.77 or \$0.98 per 100 sq feet impervious area, whichever is  
greater)

- No layoffs or furloughs in FY 2019
- Continue 45 day hiring delay for General Fund (except Police and Fire) and Internal Service Fund positions

**Employee Pay Package Changes:**

- \$0.25 across the board pay increase (\$0.1786 per hour increase for 56 hour employees).

**Classification and Compensation Plan Implementation:**

The City is in the sixth year of implementation of the classification and compensation plan adopted in FY 2014:

- Classification requests for 105.5 FTE were reviewed for the FY 2019 budget.
- No increases to pay bands in FY 2019.
- 8 reorganization requests reviewed.
- No funding available in FY 2019 for time in classification adjustments toward the pay range midpoint.
- A review will be conducted in late 2018 to redefine labor markets and appropriate comparative employers.

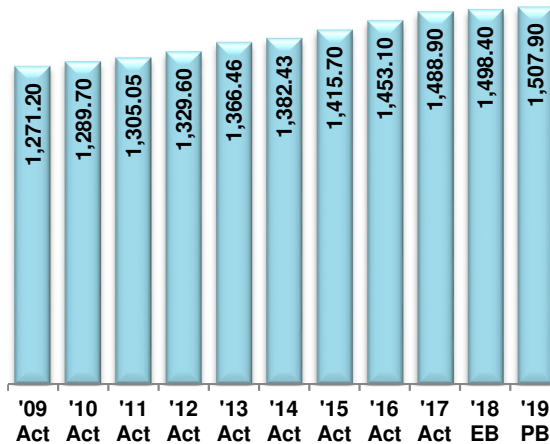
**Health/Dental/Voluntary Insurance Options:**

- Health insurance increase of 3.3% to gross premiums with cost sharing between City and employees
- \$750 PPO plan may be eliminated beginning 1/1/2020.
- No plan design changes to medical plan or prescription plan
- City will continue to pay the full cost of employee only health insurance premiums in the High Deductible Health Plan (HDHP). Deductible amount in the HDHP will not increase in 2019 (remains \$2,700/\$5,400 per IRS regulations). Out of pocket maximums will not increase in 2019.
- City contributions to Health Savings Accounts (HSAs) under the HDHP will remain at \$125/month for employee only coverage, and \$250/month for family coverage.
- All employees continue to pay a portion of their health insurance premiums for the \$750 and \$1,500 deductible plans. Employees can save in premiums by moving to the \$1,500 co-pay plan or the HDHP.
- Pre-65 retiree health premium rates will increase 3.3% in FY 2019.
- Post-65 retiree health premium rates are expected to reflect a general premium increase under the fully insured plan.

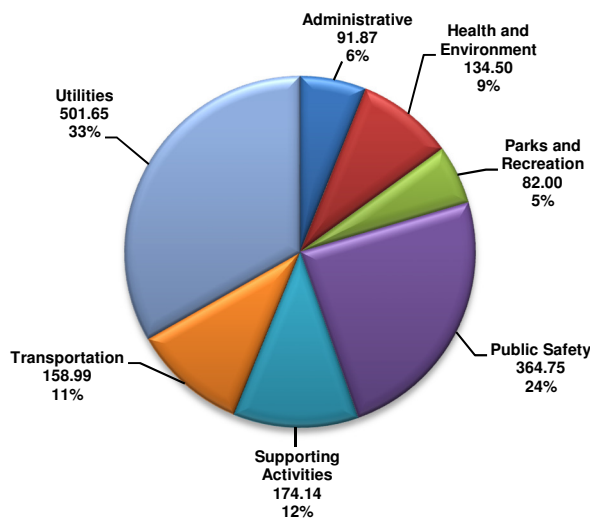
**Other Pay Related Changes:**

- The FY 2018 additional amount of \$40 per pay period will end with the pay period ending September 22, 2018.
- Change in overtime provisions to include all hours in pay status (regular hours, vacation, sick, holiday, floating holiday, and compensator time) as hours worked for calculation of overtime eligibility for non-exempt employees.
- Add (1) designated paid holiday - the day after Thanksgiving.
- Service recognition will change from a gift catalog program to lump sum longevity pay in FY 2019.
- Retirement recognition will change from a gift catalog program to a lump sum retirement appreciation gift.
- 401(a) plan will change to an enhanced recordkeeping and investment platform with Employer, investment fund options will change and expand to include funds that do not include certain unnecessary administrative expenses. Plan participants will continue to pay administrative fees, net of investment earning, calculated pro-rata based on the balance of the account.

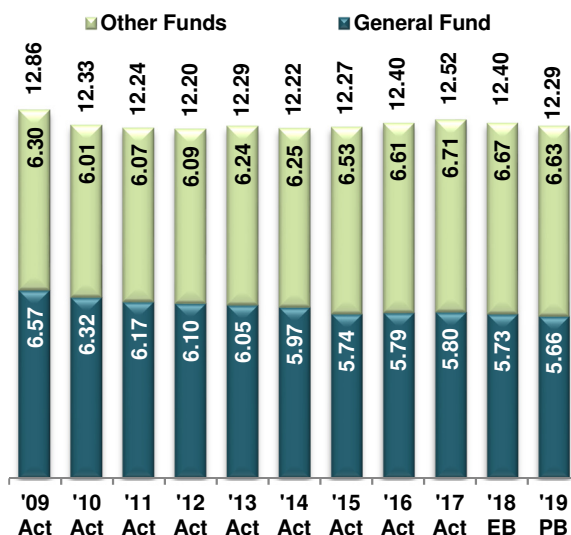
Total Authorized Positions



Total Number of Positions By Functional Group



Employees Per Thousand Population

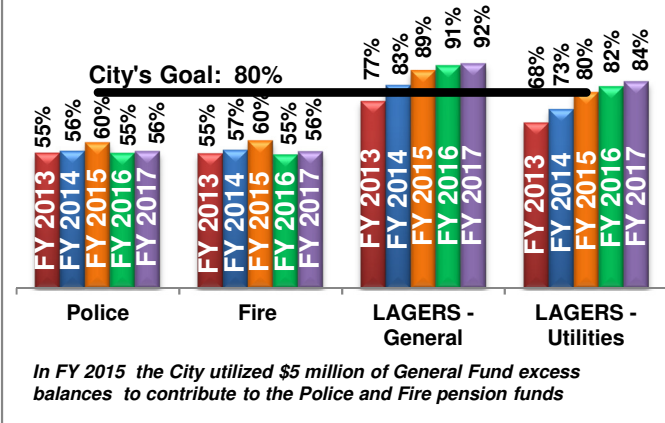


**Reorganizations:**

For FY 2019, the Print Shop and Mailroom (Document Support Services) will be moved from the Finance Department to Community Relations.

**Pension Rates**

**Pension Funding Percentages**

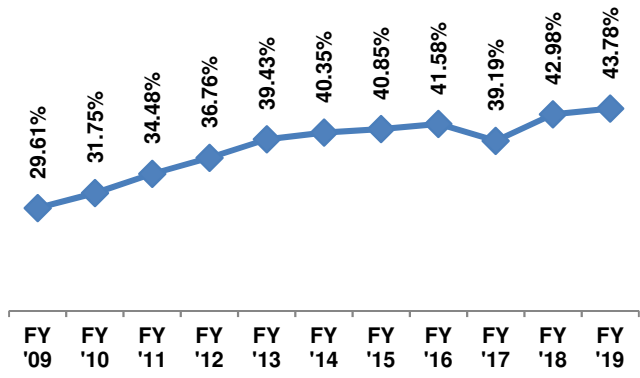


In FY 2013, the City changed many elements of its pension plans to adjust to the recession and unsustainable benefit levels. The chart above shows the progress we have made. The financial industry considers a pension plan healthy if 80% of its liabilities are funded. We've met our goal with LAGERS, the plan in which most City employees are enrolled, but we are still far from the 80% target for Police and Fire plans.

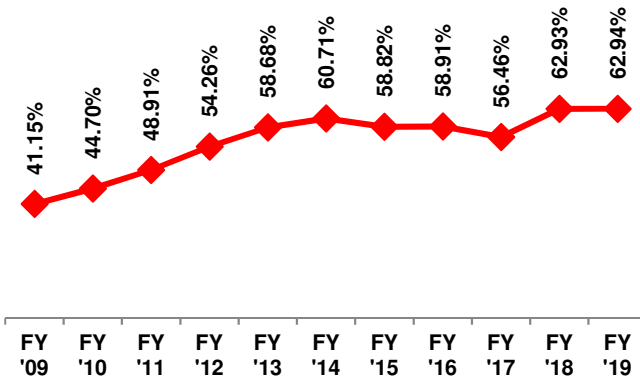
In FY 2015 we used \$5 million in excess General Fund balance to contribute to the Police and Fire plans, and the result was the Police plan increased from 56 percent to 60 percent and the Fire plan increased from 57 percent to 60 percent funded as of the last actuarial valuation; however due to assumption changes Police and Fire have decreased in FY 2017.

The graphs to the right show the pension rate changes over the past ten years. Police and Fire Pension rates increased significantly and this has hindered the City's ability to add new employees to keep up with population growth and workload increases. The City has also not been able to increase the wages of the existing employees in a way that keeps pace with marketplace wage changes or fully implement our classification plan.

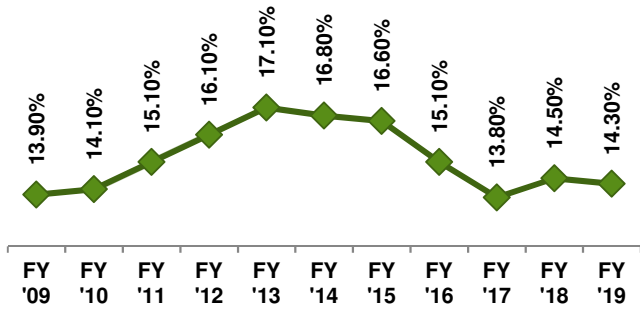
**Police Pension Rates**



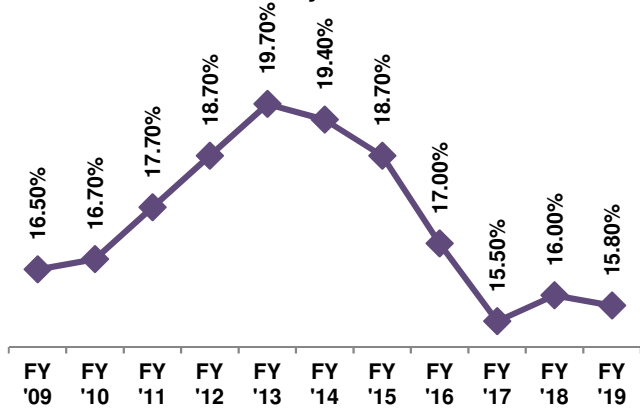
**Fire Pension Rates**



**LAGERS - General Pension Rates**



**LAGERS - Utility Pension Rates**



**Authorized Position Changes** Overall there is a 9.50 net FTE increase in positions for FY 2019 with a net of 1.73 FTE positions added in the General Fund and a net of 7.77 FTE positions added in other funds.

**Administrative Net 0.21 FTE Positions Added**

- No new positions added, only reallocations of Public Works Administrative staff from Airport.

**Health and Environment Net (0.40) FTE Positions**

- No additional positions.
- (0.40 )FTE Marketing Specialist position was reallocated from Convention and Visitors Bureau to Community Relations as these positions are being centralized in the Community Relations budget.

**Parks and Recreation Net 0.60 FTE Positions Added**

- 1.00 FTE Parks and Grounds Specialist added for six months. Cost is being offset by a reduction in temporary salaries
- (0.40) FTE Marketing Specialist position was reallocated from Parks and Recreation to Community Relations as these positions are being centralized in the Community Relations budget.

**Public Safety Net 0.60 FTE Positions Added**

- (2) 1.00 FTE Information Specialist positions (*Police*) added to help staff the department's 24 hour information center.
- (1.40) FTE Community Relations Specialist positions (*Police*) are being reallocated to Community Relations as these positions are being centralized in the Community Relations budget.

**Supporting Activities Net 4.00 FTE Positions**

- 1.00 FTE Building Facilities Manager (*Building Maintenance*) is being added for six months of FY 2019. This position will oversee and implement a long-range maintenance plan developed from the facility assessment that was completed in FY 2018.
- 1.00 FTE Infrastructure Supervisor (*Information Technology*) - is being added to ensure NERC/CIP compliance for the Electric utility. The costs for this position will be recovered from the Electric utility through intragovernmental charges.
- 1.00 FTE Project Leader (*Information Technology*) - is being added to ensure NERC/CIP compliance for the Electric utility. The costs for this position will be recovered from the Electric utility through intragovernmental charges.
- 1.00 FTE Junior System Administrator (*Information Technology*) - is being added to ensure NERC/CIP compliance for the Electric utility. The costs for this position will be recovered from the Electric utility through intragovernmental charges.
- (3.00) FTE Billing Auditor (*Utility Customer Services*) - positions are being reallocated to the various utility budgets.

- 3.00 FTE positions (*Community Relations*) - positions are being reallocated to centralize Graphic Artist, Marketing Specialist, and Community Relations Specialist positions within the Community Relations budget.

- (1.00) FTE Customer Service Rep II (*Community Relations*) - position is being deleted and 1.00 FTE Web Content Editor position is being added.

**Transportation Net 2.19 FTE Positions**

- 1.00 FTE Engineer (*Streets and Engineering*) - position was added to work on capital projects. It is expected that most of the costs of this position will be charged directly to capital projects.
- 1.80 FTE were reallocated from Water and Electric to Transload Facility to reflect expected hours needed in Transload.
- (0.61) FTE other reallocations out of Streets and Engineering, Non-Motorized Grant, Transit, and Airport.

**Utilities Net 2.30 FTE Positions Added**

- 0.80 FTE Senior Project Compliance Inspector (*Sewer*) - position added to perform contract management and regulatory compliance activities on construction projects.
- 0.20 FTE Senior Project Compliance Inspector (*Storm Water*) - position added to perform contract management and regulatory compliance activities on construction projects.
- 0.50 FTE Sr Refuse Collector (*Solid Waste*) - positions added to provide improved service for the CID.
- 0.80 FTE Utility reallocations.