



City of Columbia, Missouri

Meeting Minutes

City Council

Monday, May 11, 2026
6:00 PM

Work Session

City Hall
Council Chamber
701 E. Broadway
Columbia, MO

I. CALL TO ORDER

Mayor Buffaloe called the meeting to order at approximately 6:00 p.m.

Present: 7 - Buffaloe, Foster, Peters, Carroll, Sample, Elwood, and Hartman

This item is open to the public: Revenue Forecast

Attachments: [Presentation](#)

Mayor Buffaloe introduced Matthew Lue, Finance Director, and Jim McDonald, Assistant Finance Director. Deep Debnath, Economist, reviewed the year over year changes in sales and use tax. He explained the slide, noting that after the pandemic revenue began to flatten.

Matthew provided some historical data on general fund revenue. Council member Christina Hartman asked for clarification on the year-over-year changes. Matthew clarified that the chart shows changes in percentage. Jim noted that the chart also highlights the volatile nature of sales tax. Council member Valerie Carroll added that this slide may be beneficial near the annual revenue growth to help contextualize the information.

Carroll asked for information on the largest growth in expenditures over the last two years - Jim responded that it was primarily the investment in employees. Council member Jacquie Sample asked about changes in contractual services, with Matthew noting that it primarily had to do with increased spending from CARES funding. Council member Betsy Peters asked for clarification on what is included in Contractual Services. Jim noted that it varied, with things like studies, software, etc. Council member Vera Elwood asked about where revenue from CARES could be seen in the revenue history - Jim noted that it was primarily in Revenue from Other Govt. Units. Carroll asked about which departments saw the most growth from the investment in employees - Jim clarified if it was related to FTE growth. Matthew referred to a report on how the general fund has grown. Public Safety had the highest growth, followed by Public Health - however, staff noted that piece of it may have been impacted by COVID-19 hires. Hartman asked for clarification on services/misc. and contractual line items. Matthew provided some examples on items that would be included in those two line items.

Matthew provided information on the general fund cash reserve. He noted that the cash reserve target is increasing because it is based on budgeted expenses.

Matthew shared the estimated revenue projections, as well as projected revenue projections from FY 2027 through FY 2031. He also shared expenditure projections for the same time period. Jim clarified the ARPA Expenses, noting that those funds are currently restricted and would not have an impact on cash target. Mayor Buffaloe asked

about wage projections, with Jim noting that they project just slightly over the Consumer Price Index (CPI). Hartman asked about the decrease in transfers out to other city funds. Jim noted changes on where the bond payments were coming from, as well as due to funding from the Vehicle Equipment Replacement Fund (VERF). Hartman asked about the changes between FY 2028 Projected and FY 2029 Projected. Matthew noted that was when expenses outpace revenue.

Jim provided information on the special revenue funds, beginning with Capital Improvement Sales Tax. Peters clarified that capital expenditures for Fire come from this fund - Jim confirmed. He discussed the Parks & Recreation cash reserve. Mayor Buffaloe asked about recent increases to fees related to parks. Meganne Montesinos, Budget Officer, shared information on Parks & Rec. She noted that increases to minimum wage had a big impact on parks due to the number of temporary employees. She also noted that Parks had been moved from the General Fund in 2023, and a \$5 million transfer to subsidize Parks & Rec. Jim clarified that the amount of Parks & Recreation fund restricted to capital projects was not included in this and it does build a fund balance. Carroll asked about seeing those two projects as side-by-side. Matthew noted that it was not included in the presentation because the focus was on operating expenses, rather than capital. De'Carlton Seewood, City Manager, noted that this also reflects the need to evaluate the \$5 million transfer from general fund to Parks & Recreation and that an increase may be needed.

Jim provided an overview of the Transportation Sales Tax (TST), which funds transit, airport, and streets. Sample asked about differences between the numbers on the presentation and what was attached to the agenda. Jim clarified that the updated slides would be shared out, but there were slight changes to the sales tax numbers due to April numbers becoming available recently. Hartman asked about expenses for sidewalks coming from both Transportation Sales Tax and the Public Improvement Fund - Jim clarified that the PIF was revenue from development fees to support infrastructure while the other was a sales tax. He provided information on the Convention & Tourism Cash Reserve. Council member Nick Foster asked about any plans to spend this money down. De'Carlton shared some examples on how that funding has been used in the past.

Jim provided information on the enterprise funds, beginning with Railroad. He noted the subsidy Railroad receives from the other Utilities. Erin Keys, Utilities Director, shared information on the current expressions of interest request. Carroll asked about why the subsidy from the railroad from the other utilities. Keys noted that it had been used to bring coal. She highlighted other benefits to the City's industrial customers. Jim provided information on Transload, noting that they had been subsidized by the other utilities, but was becoming more solvent.

Jim reviewed Public Transit. He noted that in three or four years, an additional transfer from TST may be needed. Airport receives approximately \$2 million in transfers from TST.

Jim discussed the Sanitary Sewer cash reserve projection. He emphasized the importance of the debt service ratio. Foster noted that all the Utilities seemed to have debt service ratios that were in good shape. While reviewing Parking, Jim noted that the fund was slowly recovering. He discussed the restricted cash account, highlighting the purpose was to rectify an issue with parking in East Campus. As this was a Council action, funds continue to be restricted. Jim recommended Council action on this.

Storm water benefited from some ARPA grants. Erin noted that the last storm water increase was in 2015, adding that an increase would require a vote of the public. Foster asked about spending down the reserve. Erin noted increases for smaller projects, but

staff capacity was an issue.

Jim reviewed the Employee Benefit fund, which funds health insurance, etc. He added that the reserve target for this fund was higher than the others. He reviewed the Self Insurance Fund, noting that it had been high and they had been spent down. Matthew added that all other funds pay into Self Insurance, so they did not want to keep a high fund balance. Hartman asked about what next steps would be to address future projected below target - Jim noted that the data reflect if no changes were made. The Mayor noted that it is impossible to guess when there would be a large claim. She asked about how the data was used. De'Carlon gave the example of a high number of vehicle claims from a certain department that would lead to more training to that department.

Jim noted that Fleet was not in a great position, adding that their primary revenue was based on labor. He discussed potential changes to the labor charge from \$100/hr to \$120/hr. This may help with staffing issues that also lead to more outsourcing. Hartman raised the concern of Fleet having enough staff. De'Carlon noted that it was a challenge to hire mechanics and changes to the salary and benefits helped the City be able to hire and retain people.

Jim reviewed IT and Utility Customer Service. He noted the UCS should be neutral, with revenues matching expenditures. Peters asked for information on the service. Jim noted that it was staff responding to customer questions related to the Utilities. The costs for this fund is paid by Utilities, with Erin noting that it had moved around a few different times.

Matthew provided information on the VEF. He noted the purpose of this fund is to pay in a yearly amount, so that the full cost of the vehicle does not hit in one year. Hartman asked about the difference between this and Fleet, with Jim noting that Fleet takes care of vehicles and VEF purchases them. Carroll asked about how to grow this so the City isn't playing catch up. Matthew noted that the general fund couldn't handle the increased fees. Carroll asked about how decisions are made on this, with De'Carlon noting that it is included in the budget discussion. Hartman asked about where police vehicles come out of, and if the goal is for those vehicles to come out of VEF - Matthew confirmed that the recent expense came from CIST, but ideally would come from VEF. Meganne added that funding was transferred there to purchase vehicles and, if the costs come in lower, the funding would stay in the VEF and collect interest.

Jim provided information on Water, noting that a future rate increase would be needed. He showed an example of a 10% rate increase, as well as a projection with Advanced Metering Infrastructure (AMI). Erin noted that a cost of service had been done last year, noting that a 10% revenue increase was recommended in FY 2027. The Mayor asked about the online calculator and Matthew confirmed that it was still online.

Jim noted that the cost of power was fluctuating and made projecting difficult. Erin shared the power purchase has gone up approximately 13%, adding that this is not unique to Columbia. She added the 6% increase is the absolute minimum that should be done. She added that this is likely the biggest electric boon in the US since World War II. She shared recommendations from the Water & Light Advisory Board.

Solid Waste cash reserve was dipping below target in out years. Finance shared an example with an 5% increase. Erin noted that this would be discussed more on Monday, and would include customer impacts.

The Mayor highlighted more budget discussions to come.

This item is open to the public: Motion for the City Council to go into closed session to discuss:

-Legal actions, causes of action or litigation involving a public governmental body and confidential or privileged communications between a public governmental body or its representatives and its attorneys pursuant to Section 610.021(1) RSMo.

-Sealed bids and related documents, until the bids are opened; and sealed proposals and related documents or any documents related to a negotiated contract until a contract is executed, or all proposals are rejected pursuant to Section 610.021(12) RSMo.

All voted in favor.

At approximately 7:42 p.m., Mayor Buffaloe made a motion for the City Council of the City of Columbia, Missouri, to immediately go into a closed meeting in Conference Room 1C of City Hall to discuss legal actions, causes of action or litigation involving a public governmental body and confidential or privileged communications between a public governmental body or its representatives and its attorneys pursuant to Section 610.021(1) of the Revised Statutes of Missouri, and sealed proposals and related documents or any documents related to a negotiated contract until a contract is executed, or all proposals are rejected pursuant to Section 610.021(12) of the Revised Statutes of Missouri. The motion was seconded by Council Member Foster.

This item is closed to the public: Closed Meeting in Conference Room 1C.

At approximately 7:46 p.m., the City Council went into closed session in Conference Room 1C pursuant to RSMo Sections 610.021(1) and (12).

II. ANY OTHER ITEMS COUNCIL MAY WISH TO DISCUSS

N/A

III. ADJOURNMENT

The closed meeting adjourned at approximately 8:24 p.m.