



City of Columbia, Missouri

Meeting Minutes - Final

Finance Advisory and Audit Committee

Monday, November 18, 2024
1:00 PM

Regular

Conference Room 1C
Columbia City Hall
701 E. Broadway

I. CALL TO ORDER

Attending from the Finance Department was Matthew Lue, Shane Edwards and Jessica Sapp. Also in attendance was resident John Conway and Mike Murphy of CoMo Buzz.

Present: 4 - Kristian Bloom, Randy Minchew, Brian Toohey and Peter Schneeberger

Excused: 3 - Maria Oropallo, Thomas Richards and Karilee Gruenberg

II. INTRODUCTIONS

Introductions were made.

Welcomed new member Peter Schneeberger.

III. APPROVAL OF AGENDA

Mr. Minchew made a motion to approve the agenda; Mr. Toohey seconded the motion and it was approved unanimously

APPROVAL OF THE MINUTES

IV.

Attachments: [FAAC Minutes 102124](#)

Mr. Minchew made a motion to approve the minutes as presented; Mr. Toohey seconded the motion and was approved unanimously.

V. OLD BUSINESS

FAAC Structure/Mandate Review

There was some discussion about removing "FAAC Structure" from the agenda now that the committee has seven members.

Minchew pointed out that there are still some items on the Mandate, for example, how FAAC can bring forward to the council, as well as how FAAC responds to the Council.

No action was taken.

Finance Ordinance Review

New Ordinance - Purchasing policy still in Legal.

City Council Agenda Review

Nothing to report as Finance did not have any items on Council's agenda.

Citizens Summit

Lue explained that the proposed Citizen Summit is based on the Strategic Plan. The public is invited to hear about general city processes and to provide input. It is expected to be held on March 15, 2025. At the January FAAC meeting, he will provide an update.

VI. NEW BUSINESS

New Member Oath - Peter Schneeberger

Payment in Lieu of Tax (PILOT) - Water & Light Utilities

Lue pointed out that the Council could set any rate they wanted. The decision to use the property tax rate was established.

Minchew said the PILOT mirrors the property tax collecting but doesn't mirror the property tax distribution.

Lue responded that if there is a profit at the end of the year, it can be moved to GF.

Minchew said calling it a property tax is the problem. It is not, and it is not distributed as such, which may be causing confusion.

Technically, it can be collected at any rate. Minchew said it is important for the city to be clear. Encourages people to raise questions.

Put it on old business. Utility annexed into the city, and now pays property tax.

After some discussion, the FAAC agreed not to continue this item on the agenda.

Revenues & Expenses

Discussion included:

1) Parking enforcement has moved. Edwards explained that the City tracks parking zones to see if we can bring more revenue.

Currently, Parking is losing money. Some people are not paying the meter, probably due to not getting fined.

Edwards said this is being discussed with Transportation Dept.

2) The budget called for using \$10M from reserves. In 2024, the city spent less and collected more tax revenue than budgeted. There was some spending, \$4M from reserves, to pay for vehicles and equipment that this report may not reflect. Lue described how the City has changed equipment funding to preserve savings for future purchases.

Vehicle equipment fund changes

3) Use tax was much higher than expected. Budgeted for 9-10%, came in at 16%.

4) The Hotel/Motel Tax review was requested for the next meeting.

5) Edwards to present completed Local Tax info at the next meeting.

6) Marijuana tax receipts are higher than expected.

7) Internal service funds were explained and discussed

8) Investment revenue policy was discussed, including how municipal investing is restricted. Lue reported the city did better than expected at around 5%

9) Toohey asked what "Contribution" was. Lue replied he would bring an explanation to the next meeting.

10) Schneeberger asked about Transfer in - Transfer out. Lue described it as payments from one fund to another fund.

Public Safety Pensions

City is looking at a move to LAGERS. FAAC will discuss the financial aspect in the next meeting.

Monthly Economics Report

- In October, the national headline remained stable at 3.33% while core inflation elevated to 2.60%, compared to 3.31% and 2.44% in September.
- However, overall headline inflation among Midwestern cities with a population of less than 2.5 million increased from 2.11% to 2.32% in October, while core inflation (excluding food and energy) decreased to 2.86%, compared to 2.96% last month.
- Housing inflation is concerning, as among Midwestern cities it remained high at 4.86% in October 2024, higher than September's 4.69%, and Columbia is not the exception.
- The unemployment rate in Columbia decreased by 0.85 percentage points in September to 2.39%, compared to 3.24% in August 2024. Missouri's unemployment rate followed a similar pattern and decreased by 0.85 percentage points in September to 3.03%, compared to 3.87% in August 2024.
- The national unemployment rate slightly decreased by 0.17 percentage points during this time, from 4.22% to 4.05%, in September. However, in October 2024, the national unemployment rate rose to 4.15%, around nine percentage points.
- In November, the Federal Reserve decided to reduce the interest rate further from 4.75 - 5.00% to 4.50 - 4.75% by 25 basis points (bp), or 0.25%. The decision aims to support the committee's main goals: maximize employment and lower the currently elevated inflation back down to its 2 percent target.
- The median home price in Boone County is higher than that of the state of Missouri by around \$60,050. In September 2024, the median home price in Boone County increased by 8.20%, while the average price increased by 9.82%, compared to September 2023.
- Sales tax collections in November (September tax period) totaled around \$5.46 million, while Use tax collections came to about \$1,206,333, 18.82%, and 75.86% higher than last year in November. The September 2024 Use tax collections are equivalent to 22.10% of the total Sales tax collections, which is the second highest share in FY 24. This could be due to increased consumer spending - as during the month of September there were many University events, including football games.
- In November (September tax period), marijuana-related excise tax collection was \$64,959, around \$2,500 more than the previous month.

Note: All inflation measures are for Midwest cities with less than 2.5 million population.

Attachments: [Monthly Economic Report-November 2024](#)

VII. GENERAL COMMENTS BY PUBLIC, MEMBERS AND STAFF

VIII. NEXT MEETING DATE

December 9, 2024

IX. ADJOURNMENT

Mr. Schneeberger made a motion to adjourn the meeting; Mr. Bloom seconded the motion and it was approved unanimously.