



City of Columbia, Missouri

Meeting Minutes - Final

City Council

Monday, February 24, 2025
2:00 PM

Budget Work Session

City Hall
Council Chambers
701 E. Broadway
Columbia, MO.

I. CALL TO ORDER

Mayor Buffaloe called the meeting to order at approximately 2:00 p.m.

Present: 6 - Buffaloe, Foster, Waterman, Meyer, Peters, and Carroll

Absent: 1 - Lovelady

Revenue Discussion

Attachments: [Revenue Presentation](#)

Finance Director, Matthew Lue presented City Council members with the current revenue outlook, some trends and emerging issues.

Lue went on to discuss the general fund revenue expenditure projections and general fund revenues. Lue also showed a graph that showed Missouri cities general fund revenue breakdown.

Next, Lue discussed Payments in Lieu of Taxes (PILOT). These are payments that help local governments offset losses in tax revenue due to the tax exempt nature of owned real property within its boundaries. PILOT payments make up 10.3% of all Governmental revenue and is the third largest revenue source for Governmental activities.

Lue then went on to discuss progressive vs. regressive taxes. A progressive tax is a tax system where the tax rate increases as an individual's income increases. Higher-income earners pay a larger percentage of their income in taxes compared to lower-income earners. Progressive taxes are designed to distribute the tax burden more equitably, based on individuals' ability to pay. Progressive taxes include property tax, estate tax, and federal income tax.

A regressive tax is a type of tax that takes a larger percentage of income from lower-income individuals compared to higher-income individuals. Essentially, it disproportionately impacts those with less money because the tax amount represents a larger share of their income. Regressive taxes include sales tax, excise tax and payroll tax.

Next, James McDonald, Assistant Finance Director discussed the pros and cons of sales tax and property tax.

Lue discussed potential revenue sources which include sales tax, capital improvement sales tax, parks sales tax, public safety department sales tax (state legislation would be needed), economic development sales tax, capital improvements for public safety sales tax, public safety sales tax, and additional tax on tobacco products.

Staff went on to discuss emerging issues including House Bill 432 as well as budget priorities and asked Council to narrow these down to three. This will be discussed at an upcoming meeting.

Council and Staff discussed further.

City Council/Boards & Commission Budget Discussion

Attachments: [City Council Admin FY 2025 Budget](#)
[City Council Board and Commission FY 2025 Budget](#)
[Summary of Board and Commission FY 2026 Requests](#)
[Board and Commission FY 2026 Budget Requests](#)

Sheela Amin, City Clerk gave a run down of what expenses came out of each area of the City Council's Administration budget.

Amin then discussed each Boards & Commission budget and which ones have requested increases. There are attachments on the agenda where Council members can see the justification/purpose of expenditures.

Council and Staff discussed further.

II. ANY OTHER ITEMS COUNCIL MAY WISH TO DISCUSS

None.

III. ADJOURNMENT

Mayor Buffaloe adjourned the meeting at approximately 4:00 p.m.