



City of Columbia, Missouri

Meeting Minutes - Final

City Council

Wednesday, July 16, 2025
2:00 PM

Budget Work Session

City Hall
Council Chamber
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, Peters, Carroll, and Sample

Enterprise Funds Presentation

Attachments: [FY26 Budget Work Session Presentation](#)

Matthew Lue, Finance Director, started the presentation with some definitions clarifying what enterprise funds are. These funds are used to provide services to the public on a user-charged basis. The revenue generated from these funds support the operations and services of the fund. This revenue must be spent on activities directly related to the fund, so they must be tied to the service. These revenues may not be used for general government functions, such as police or parks. Matthew clarified that the revenue may go towards security at their own facilities. This may also be spelled out in city ordinance or code.

The City has two types of enterprise funds - transportation and utilities. For the transportation enterprise funds, the revenue primarily comes from transfers, service charges, and revenue from other governmental units (i.e. grants). For the utility enterprise funds, the revenue is primarily from service charges.

Staff reviewed the various funds. Included in these are the actuals from FY 23 and FY 24, the projected FY 25, and the proposed FY 26, as well as the total revenue, total expenditure, ending available cash, the 20% cash reserve target, and the amount over/under that target for each year listed.

Staff from the departments spoke, beginning with the Airport. Mike Parks from the Airport discussed an upcoming review of airport fees which have remained the same since the early 2010s. He also noted the projected increase in funding for FY 26 is primarily due to anticipated one-time grant revenue. Matthew noted a plan to evaluate fees citywide after the FY 26 budget is complete.

Deep Debnath, Economist, provided an overview of the in-house work staff has done to evaluate the parking rates. Currently there is an additional one time \$0.55 fee for users who use the ParkMobile app while users who use coins only pay \$0.60/hour. Staff propose increasing the overall rate to \$1.00/hour. James Faup, Parking Manager, noted that this proposed increase had not been shared with the Parks Commission yet, due to lack of quorum at the previous two scheduled meetings. He noted that the current rate structure has been in place since 2011, though there have been some changes to the permit structures. Overall, this change would lead to an anticipated revenue increase of

\$300,000.

Jim McDonald, Assistant Finance Director, reviewed Transit, noting it appears to be fairly stable due to operating grant revenue from the Federal Transit Authority (FTA) as well as a transfer from Transportation Sales Tax (TST). While discussing Railroad, he noted that the fund will need to be subsidized by the other Utilities to ensure they stay at their cash reserve. Erin Keys, Utilities Director, provided a brief overview of the Railroad utility. Jim highlighted that Transload, which previously required an operating transfer from the other Utilities, is projected to be self-sustaining in FY 26.

Jim noted the revenue in FY 23 and FY 24 are higher than FY 25 and FY 26 for Sewer due, in part, to sewer lines donated to the City show up as revenue, though they are not cash. While Sewer typically maintains cash above target, it is decreasing. Jim highlighted that the bigger cushion in Utility funds helps reduce the need to bond for future projects.

While Solid Waste has a cash above target, it is slower trending downwards. For Proposed FY 26, expenditures are increasing due to recycling carts, additional marketing, and trucks. Stormwater is remaining at a fairly healthy cash above target level.

Jim noted that the FY 26 revenue for Water and Electric includes the proposed rate increase. If the increase is not approved, it would change the projection. Sarah Talbert, Assistant Utilities Director, noted that without the increase the fund would be below target beginning in FY 27.

Erin and Sarah reviewed the proposed rate changes. This would be a proposed 12% revenue increase for Water, or about \$3.6 million. This would help with the operation and maintenance expenses that have increased. Erin noted that this is not a 12% rate increase, as rates would vary. The proposed changes would implement a year round tiered system, rather than the summer and non-summer tiered usage. She noted that customers that use the same water year round should not see an increase. The consultant estimated that around 65% of customers would see their water bills go down due to this change. Erin reviewed the proposed base fee adjustments, usage rates, and other proposed fee changes. The last time the water fees were adjusted were in 2014. The Water & Light Advisory Board recommended approving the increase.

There is a proposed revenue increase for Electric as Council has expressed interest in annual incremental increases rather than a large increase all at once. Staff discussed a 2% increase for FY 26, which is based on the Consumer Price Index (CPI). This would generate around \$2.8 million in revenue. Erin noted there had been about an 1.5% increase in compensation increases, as well as increased costs for power. This would also help maintain cash reserves and debt coverage. The Water & Light Advisory Board recommended an increase of the full CPI rate of 2.4%.

Without a rate increase, the Electric utility would fall below the cash reserve target as soon as FY 29. With a 2% increase, the utility wouldn't fall below cash reserve until FY 30. Ms. Carroll asked about seeing some sample bills after the new rates go into effect, if it is approved. With a 2.4% increase, the utility is forecasted to remain above cash reserve target through FY 30. Erin reviewed some projected residential impacts of the rate increase for both the 2% and 2.4%. The average monthly impact for residents is approximately \$2.

Council discussed the direction to provide staff. Mr. Foster asked about seeing example bills so they could review the impact in real dollars. The Mayor asked for a communications plan to be brought to Council as well, similar to previous years.

II. ANY OTHER ITEMS COUNCIL MAY WISH TO DISCUSS

None.

III. ADJOURNMENT

The meeting adjourned at approximately 3:49 p.m.