



city of

Columbia

FY27 Budget **Work Session** **General Fund**

July 13th, 2026



Discussion Points

- Finance & Budget Engagements
- General Fund (GF) Narrative and Outlook
- Where the Money Comes From
- License and Fee Studies
- Internal Fee Methodology
- Where the Money Goes

Finance and Budget Engagements

- Budget Town Hall 1: Budget Overview 1/29/26
- Budget Town Hall 2: Priorities and Budget Simulation 2/26/26
- Osher Civic Academy 3/4/26
- Revenue/Forecasts Presentation – Pre-Council Work Session 4/20/26



Your City Budget.
Your Voice.

FY 27 Budget Process

A grid of icons representing various city services and budget categories. The icons include a person's head, a building, a water drop, a star, a hand holding a coin, a hand holding a document, a bus, a construction site, a hand holding a person, and a water tap.

Finance and Budget Engagements

- Budget Town Hall 3: Capital Improvement Projects
4/30/26
- Community Classroom:
Understanding Municipal Bonds 6/4/26
- Youth Civic Academy 6/10/26
- Capital Improvement Plan –
Pre-Council Work Session
6/15/26



Community Classroom

Join us to learn more about municipal bonds and how the City uses them to fund large capital improvement projects.

Session
Focus

Municipal bonds





General Fund Narrative & Outlook

Photo by Kristina Wolf, Capture COMO 2026



General Fund

- The General Fund is one of the City's largest and most versatile funds, it is made up of what you typically think of when you think of local government.
- General Fund revenue doesn't have the same restrictions that other funds have. It can be used for a variety of purposes.
- The largest expense in the General Fund is **personnel**.
- The largest functional group is **public safety**.

General Fund

- The proposed General Fund budget for fiscal year 2027 (FY27) does not include potential projected revenue increases or expense appropriations associated with the proposed Public Safety Sales tax.
- This budget represents status quo for revenue, based on current forecast, which led to modifications in personnel, and services to establish a balanced budget.

General Fund Departments/Divisions

- **Administrative:** City Council, City Clerk, City Manager, Finance, Human Resources, Law, and Public Works Admin
- **Health & Environment:** Public Health & Human Services, Community Development, Housing & Neighborhood Services (HNS), Economic Development, Office of Sustainability, and Office of Cultural Affairs
- **Public Safety:** Police, Fire, and Municipal Court
- **Supporting Activities:** Facilities Management
- **Transportation:** Public Works - Streets & Engineering, and Parking Enforcement

FY27 General Fund Proposed Budget

Total Revenue	\$133,845,266
Total Operating Expenditures	\$133,831,347
Revenue Over/(Under) Exp.	\$13,919

General Fund Outlook

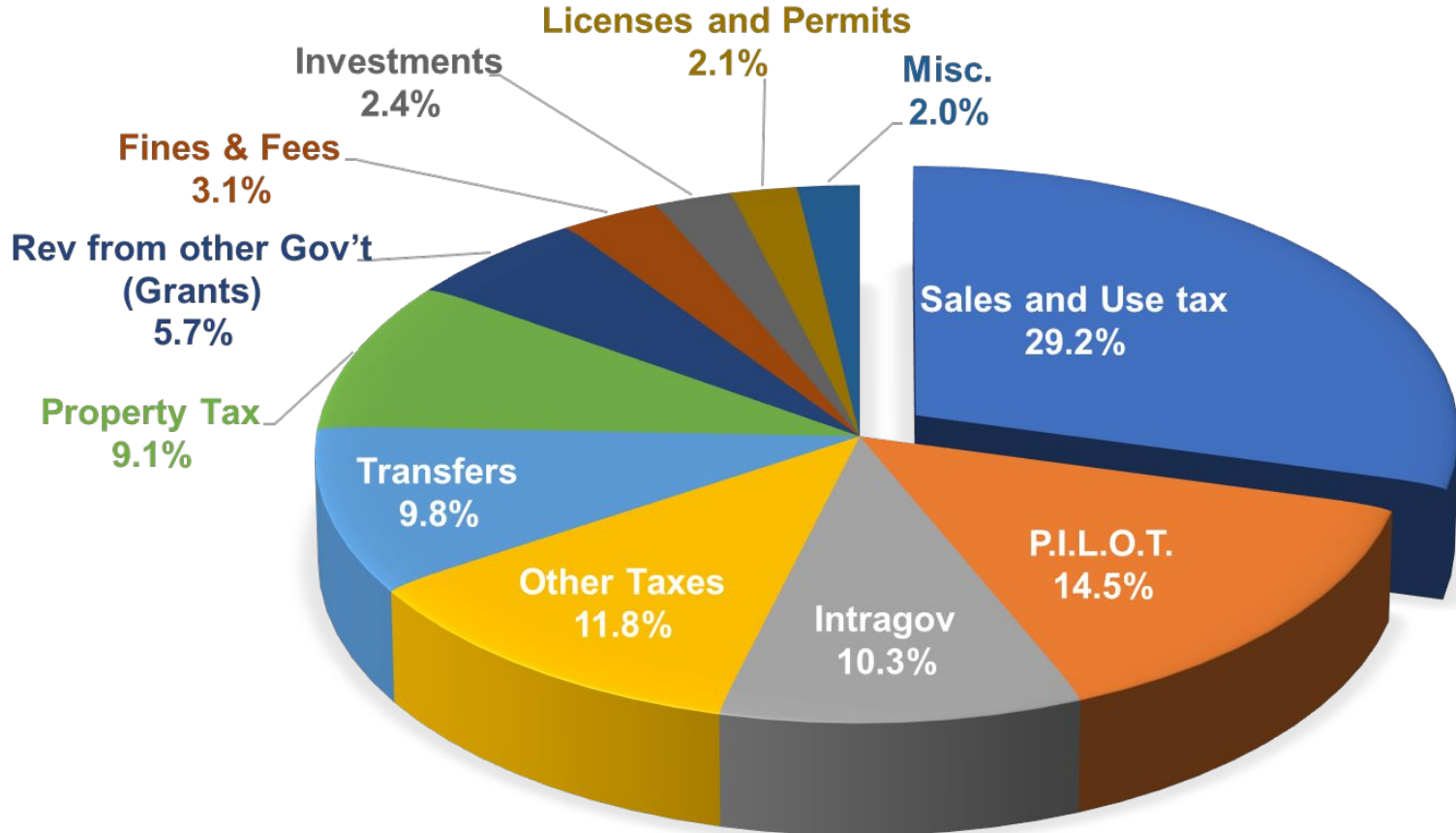
	FY24 Actual	FY25 Actual	FY26 Projected	FY27 Proposed
Total Revenue	123,819,779	144,469,599	131,125,836	133,845,266
Total Expenditures Excluding ARPA	(125,946,403)	(135,811,704)	(130,601,542)	(133,831,347)
Total ARPA Expenditure	(1,712,831)	(7,765,745)	(10,004,528)	-
Over/(Under) Excluding ARPA	(2,126,624)	8,657,895	524,294	13,919
Ending Available Cash	39,836,106	45,489,712	46,014,006	46,027,925
20% Cash Reserve Target	25,189,281	27,162,341	26,120,308	26,766,270
Cash above/below Target	14,646,825	18,327,371	19,893,698	19,261,655



Where **the Money** Comes From



Revenue by Percentage



Where the Money Comes From

	<u>FY26</u>	<u>FY27</u>	<u>% Change</u>	<u>% of FY27 Budget</u>
Sales and Use tax	\$38,228,500	\$39,100,271	2%	29.2%
Payments in Lieu of Taxes (PILOT)	19,147,163	19,371,748	1%	14.5%
Intragovernmental revenue	16,536,815	13,737,148	-17%	10.3%
Other Taxes	14,493,193	15,840,484	9%	11.8%
Transfers	12,390,102	13,170,590	6%	9.8%
Property Tax	11,128,271	12,233,380	10%	9.1%
Revenue from other Gov't (grants)	8,613,820	7,568,776	-12%	5.7%
Fines & Fees	3,629,794	4,145,575	14%	3.1%
Investment revenue	3,000,000	3,250,000	8%	2.4%
Licenses and Permits	2,555,777	2,798,419	9%	2.1%
Miscellaneous	2,888,457	2,628,875	-9%	2.0%
Total Revenue	\$132,611,892	\$133,845,266	1%	

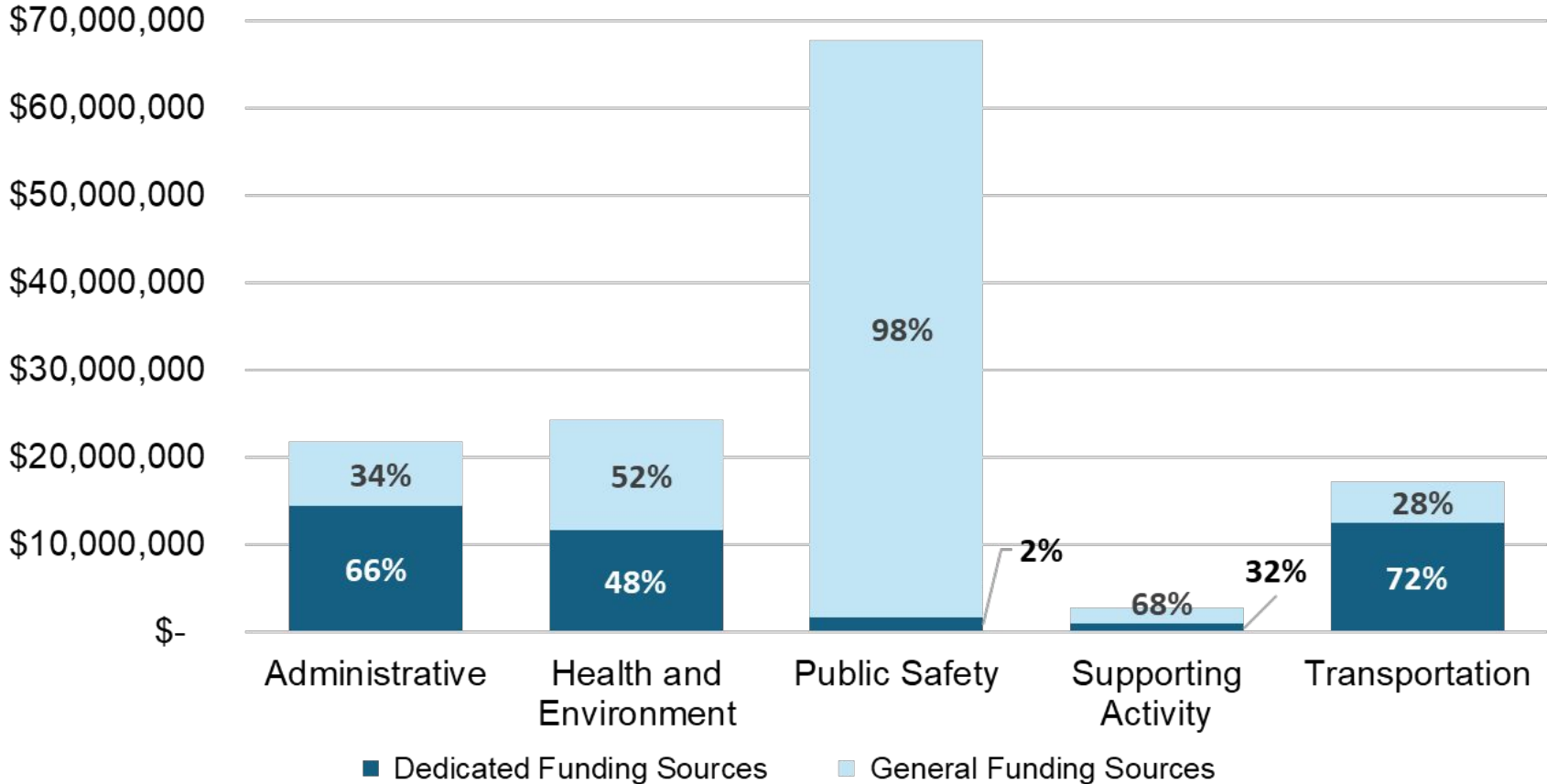
General Fund - Dedicated Funding

- A **dedicated funding** source is a revenue source that may be restricted or is collected specifically to offset the expenses of a certain activity, such as:
 - Dedicated Sales Tax funding (Transportation Sales Tax)
 - Revenue from other governmental units tied to a specific program (Health grants, County reimbursement)
 - Fees related to specific activities (Community Development Permits)
 - General & Administrative (G&A) fee revenue

General Fund - General Funding Sources

- A **general funding** source is a revenue source that is collected generally to support all activities, such as:
 - General Sales Tax
 - General Property Tax
 - Business License Fees
 - Other local Taxes

GF Dedicated vs. General Funding Sources



Streets & Engineering

- The cost to operate the Streets & Engineering division is funded by a portion of Transportation Sales Tax
 - The Street Division provides maintenance of roadway surfaces, winter weather response, emergency response during other weather or catastrophic events, street cleaning/sweeping, and vegetation control for public right-of-way.
 - The Engineering division provides design, contract administration, and construction inspection of Capital Improvement Program projects for the Public Works department. Survey and right-of-way services, which are also part of the Engineering division, are used by departments across the City.

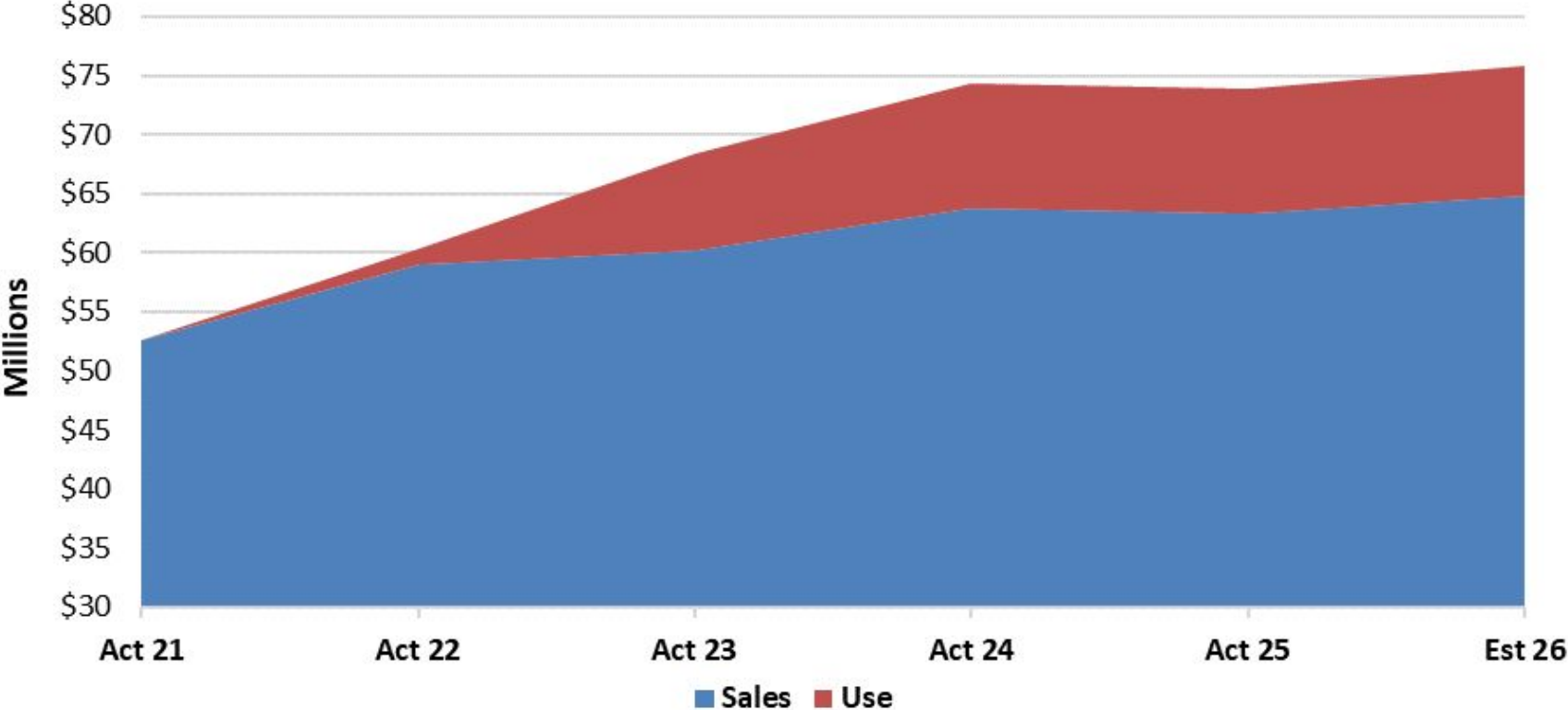
Public Health and Human Services

- Nearly half of the cost to operate the Columbia/Boone County Department of Public Health and Human Services (PHHS) is recovered through Federal, State, and County contributions.
 - PHHS provides essential services that support optimal health, safety, and well-being for all city and county residents and visitors. Services include vital records, immunizations, communicable disease control, the Women, Infant, and Children (WIC) nutrition program, and Animal Control.

Other General Fund Activities

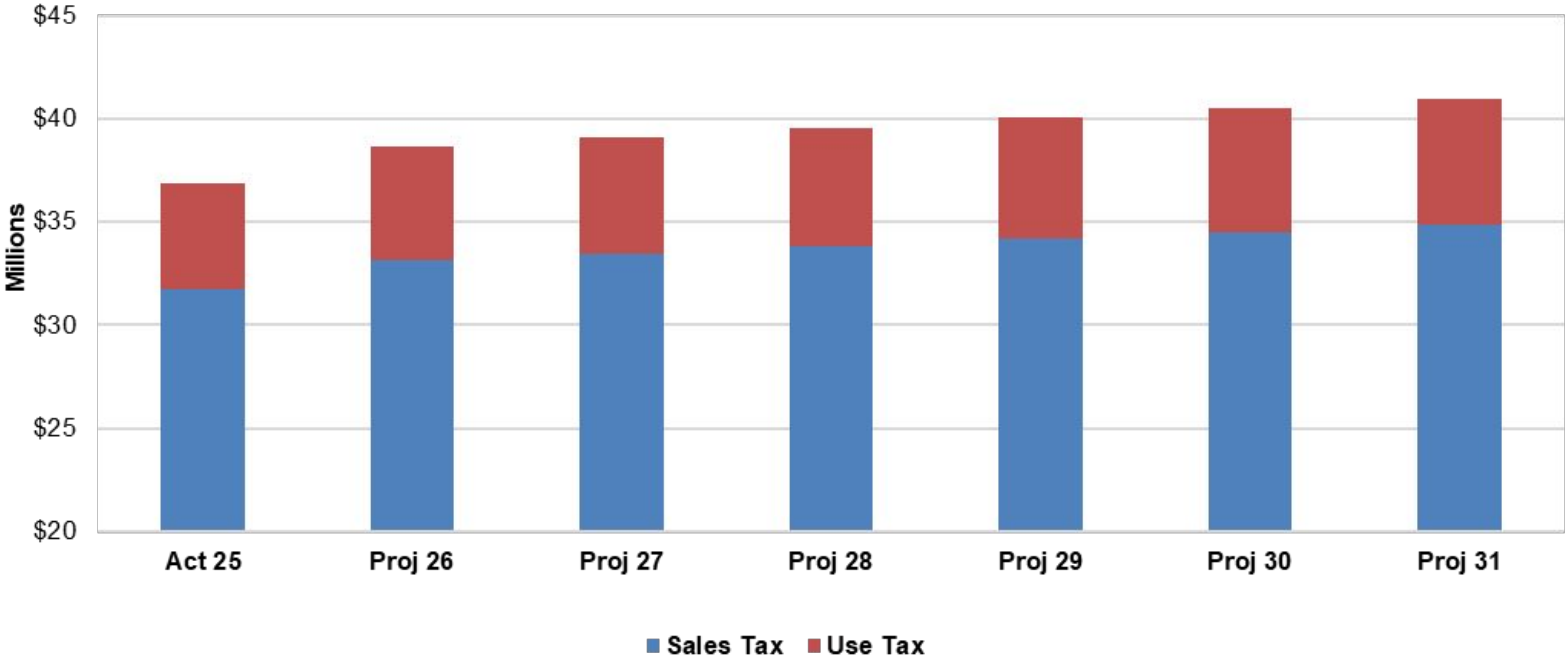
- Cultural Affairs operations are partially offset by grant funds, sponsorships and ticket sales, and donations
- A portion of Sustainability operations are covered by City Utilities because its core purpose is to guide the city toward long term climate targets, a mission that relies heavily on its integration with City of Columbia Utilities.
- Several other General Fund departments (such as Community Development) recoup a portion of their operating costs by charging fees for services provided.

Sales and Use Tax Trend



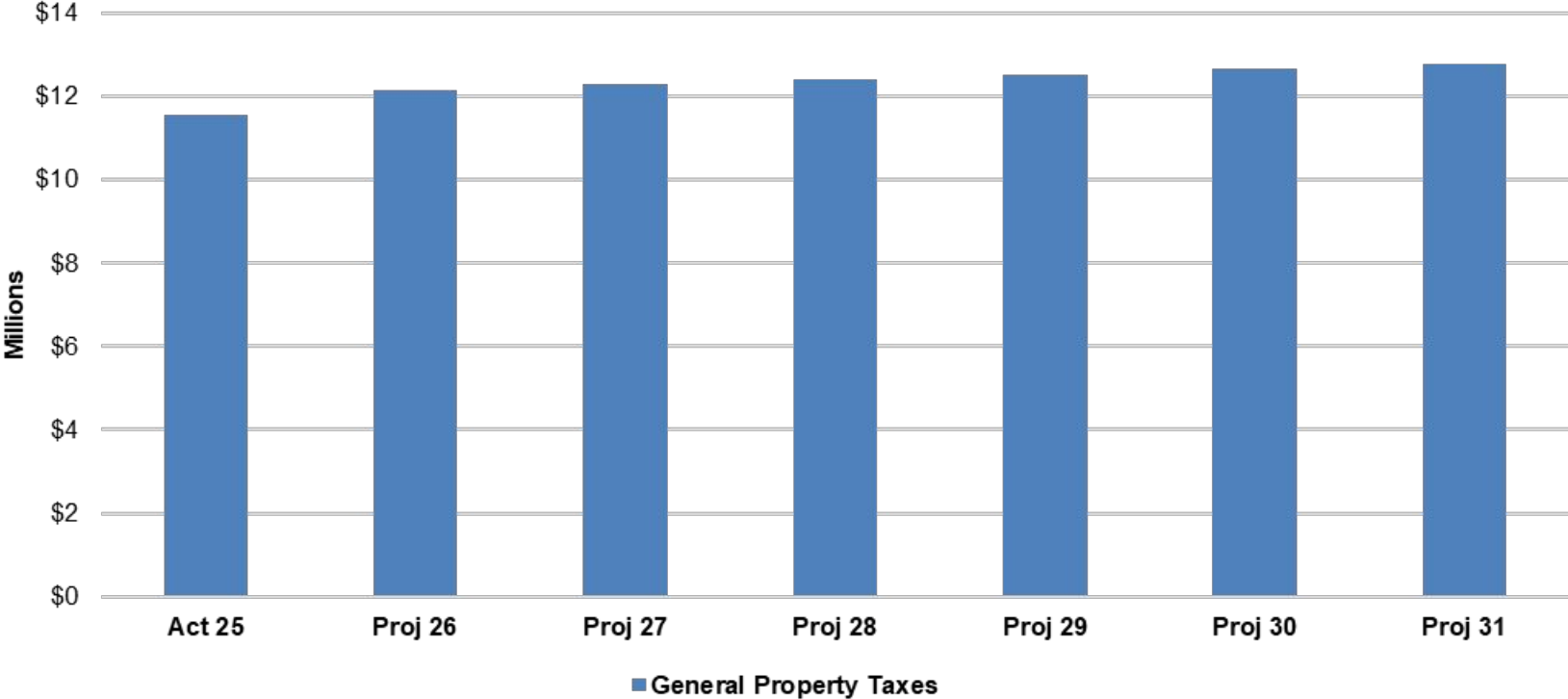
General Fund Sales & Use Tax Projection

Sales & Use Tax Projection

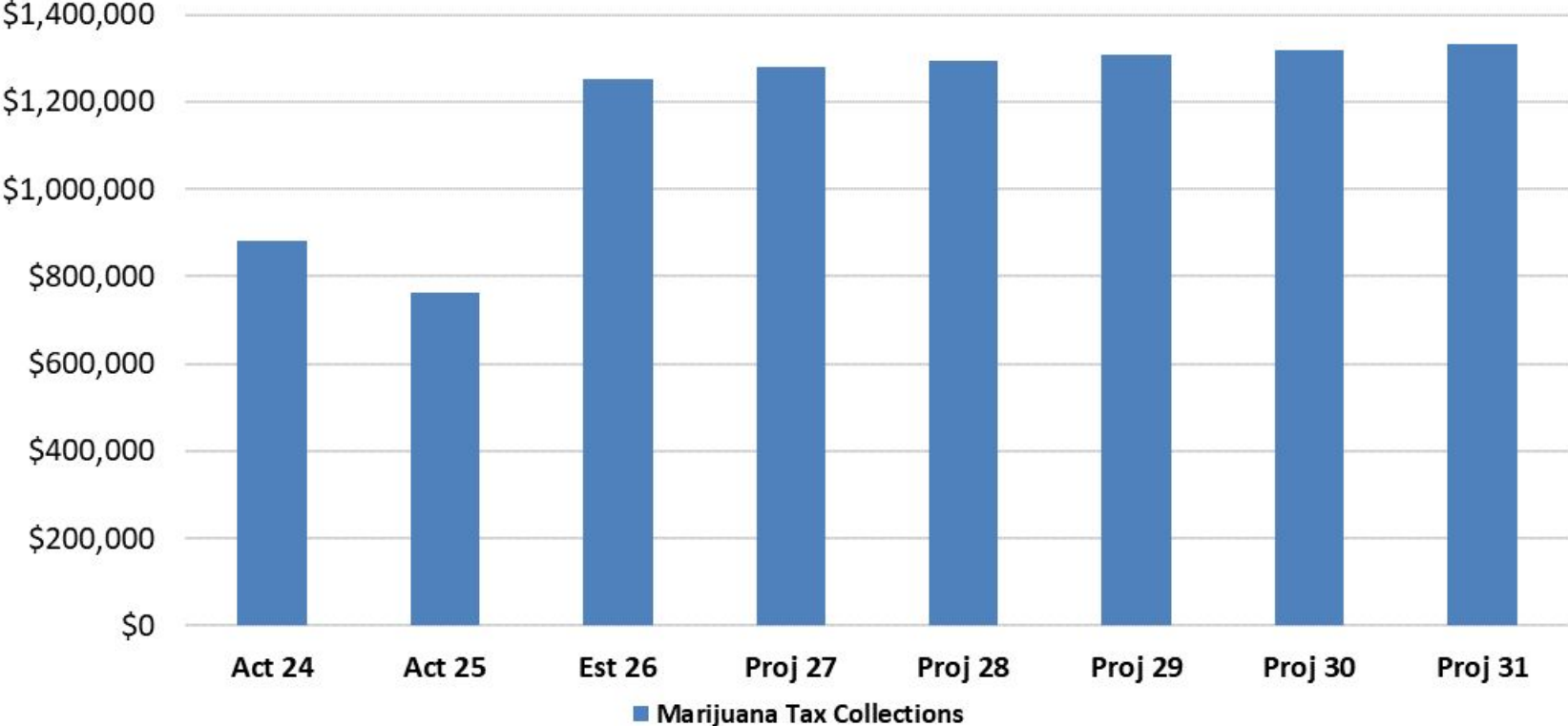


FY 2027 Budgeted: Sales Tax - \$33,472,242 & Use Tax - \$5,628,029

Property Tax Forecast



Marijuana Tax Comparison

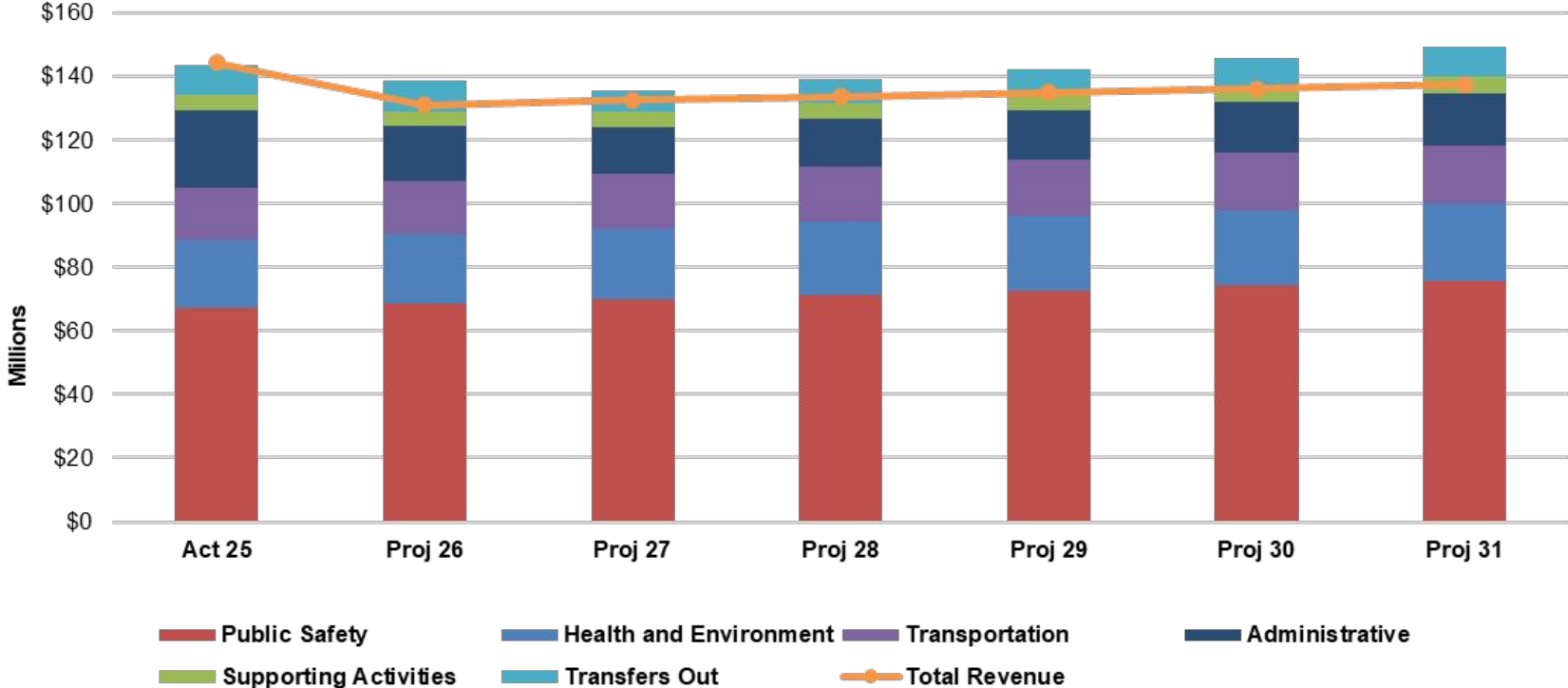


Other Local Taxes

GF Other Local Tax	Act FY24	Act FY25	Annual Changes	Est FY26	Proj FY27
Cigarette Tax	297,622	272,797	(24,825)	267,836	265,158
Gross Rec Telecommunications	1,685,571	4,121,903*	2,436,332	1,607,845	1,591,766
Gross Rec Union Electric	2,691,008	2,895,339	204,331	2,906,762	2,935,829
Gross Rec Boone Electric	1,606,048	1,712,469	106,420	1,517,011	1,532,181
Gross Rec CATV Franchise	430,997	302,862	(128,136)	175,454	173,700
Gasoline Tax	4,794,347	5,347,556	553,209	5,855,205	5,913,757
Motor Vehicle Sales Tax	1,394,493	1,417,628	23,135	1,499,289	1,514,282
Motor Vehicle License Fee	568,733	559,450	(9,283)	588,723	594,611
Marijuana Tax	883,311	764,079	(119,232)	1,268,267	1,280,950
Total	14,352,131	17,394,082	3,041,951	15,686,393	15,802,234

*Actual FY25 includes recovery of payments in protest

General Fund History Vs Forecast



*Projected FY 26 includes \$10 million in ARPA expenditures



License & Fee Studies



Cost of Service Study

Service Name:	Townhouse	Fees	\$637.60
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Fill the information based on per unit of service

Expenditures	Object Codes	Description	FY 2026
Employee Wages			\$422.48
Employee Benefits			\$165.20
Construction Materials			\$0.00
Operating Supplies			\$13.14
Maintenance and Equipment			\$11.98
Training and Travel			\$3.38
Intragovernmental Charges			\$157.38
Utilities			\$13.05
Services and Misc. Charges			\$141.82
Misc. Contractual			\$0.82
Total Expenditures:			\$929.23
Volume of Permits			28
Townhouse Fee			\$ 637.60
Unit Profit (Subsidy)			\$ (291.63)
% Cost Recovery			68.62%

Business License Fee Study

- Performed by Revenue & Cost Specialists
- Based on public service demand by business types
- Ongoing

Classification (RSMo §94.110 / Charter §166)	# of Licenses	Police Demand %
Merchants & Retail Trade	621	40.09%
Hospitality, Accommodation & Food Service	525	34.38%
Professional & Personal Services	1,169	11.88%
Construction, Contracting & Skilled Trades	1,073	1.44%
Manufacturing, Processing & Industrial Operations	101	1.15%
Transportation, Logistics & Vehicle-Based Services	37	0.80%
Financial, Insurance & Fiduciary Services	309	8.40%
Entertainment, Amusement & Public Assembly	65	1.87%
TOTAL — ALL CLASSIFICATIONS	3,900	100.00%



Internal Fee Methodology



General and Administrative Fees (G&A)

- G&A fees recover the cost to operate the City departments or divisions in the General Fund that serve a general and administrative function for all City departments, but do not generate their own revenue.
- Costs for these departments or divisions are “billed” to other departments through intragovernmental G&A Fees. The portion that each department is charged is based on the percent of that department’s share of the total Materials & Supplies, Travel & Training, Services, and Miscellaneous budget for the City, as of the date the fees are calculated.

General and Administrative Fees (G&A)

- There are several items that are billed directly to specific departments, such as the Airport Safety division of police and Community Development credit card fees charged directly to utilities for permits.
- The final piece of this fee recovers the cost to operate General Fund Human Resources and Payroll operations on a per employee basis.

General and Administrative Fees (G&A)

These fees recover the cost to operate the following departments and divisions:

- Law (City Counselor Division)
- Finance (excluding Business License)
- City Council (excluding Boards & Commissions)
- City Clerk (excluding Elections)
- City Manager's Office (excluding Violence Prevention)
- Human Resources

Other administrative departments are excluded from fee calculations because their duties are focused externally, rather than performing an internal service for the City.

Facilities Fees - Building Maintenance, Utilities, & Custodial

- Maintenance and custodial hours are tracked for each building by staff and averaged over four years to estimate the percentage of time spent in each building.
- Fees are then charged to departments per square foot using each department's approximate square footage in each building that the maintenance and custodial departments service.
- Utility costs for City buildings are also recovered from departments on a square foot basis.



Where **the Money** Goes



Where the Money Goes

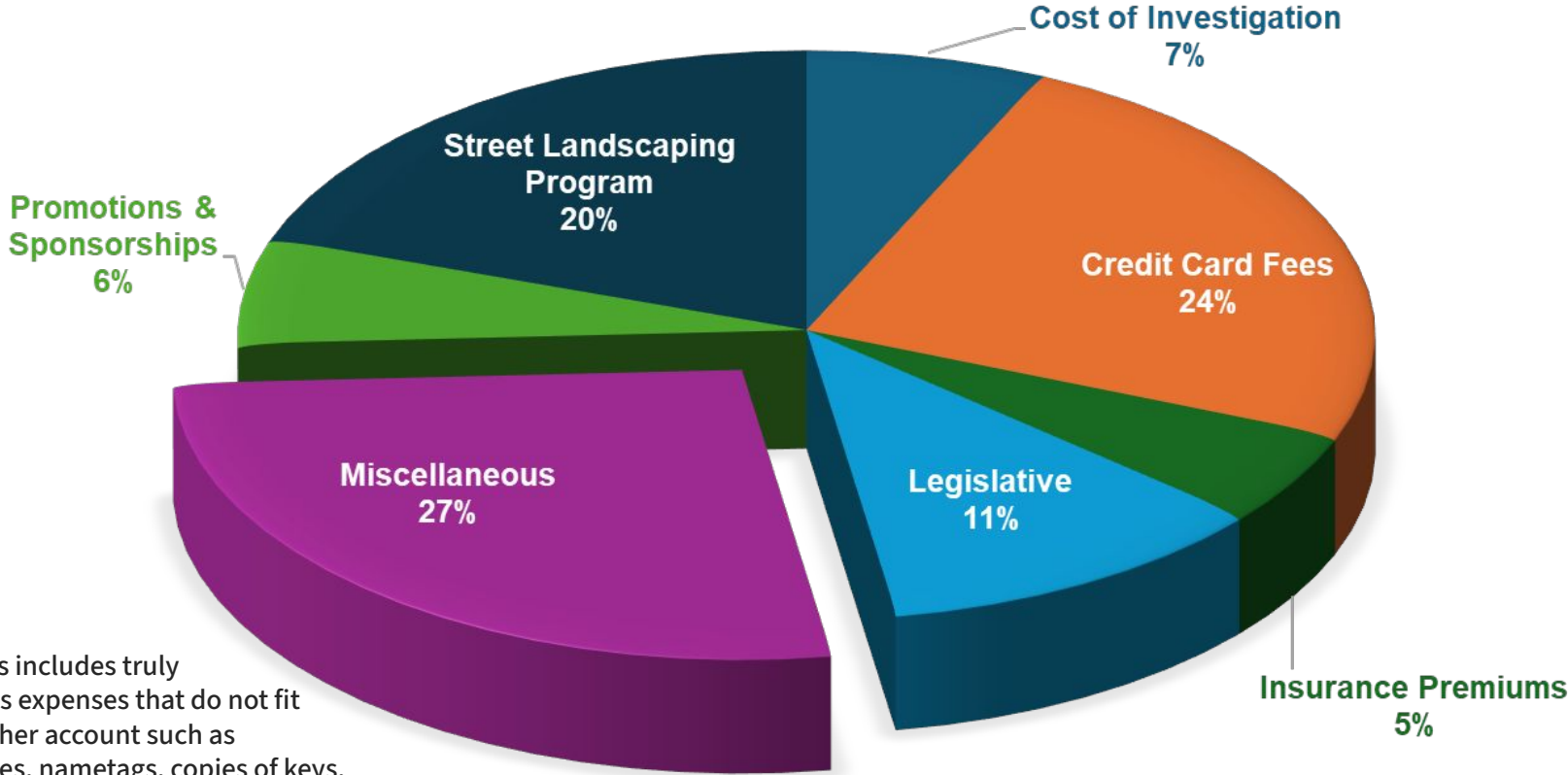
	<u>FY26</u>	<u>FY27</u>	<u>% Change</u>	<u>% of Budget</u>
Personnel Services	\$94,193,407	\$92,499,571*	-2%	69.0%
Materials & Supplies	6,002,432	6,016,099	0%	4.5%
Travel & Training	1,055,726	1,053,210	0%	0.8%
Intragovernmental	7,870,534	8,457,351	7%	6.3%
Utilities	1,950,166	2,075,460	6%	1.6%
Services	16,221,407	15,700,855	-3%	11.7%
Miscellaneous	765,154	623,315	-19%	0.5%
Capital Outlay	1,702,609	1,975,486	16%	1.5%
Transfers	5,600,000	5,430,000	-3%	4.1%
Total Expenditures	\$135,361,435	\$133,831,347	-1%	

*Includes cost of living salary adjustment

Purchased Services

- Pavement Maintenance
- Social Service Funding
- Substance Abuse and Mental Health program
- Building maintenance (HVAC, fire suppression inspections, pest control)
- Office of Violence Prevention Strategic Planning efforts
- Litigation
- Vehicle Maintenance
- Advertising

Miscellaneous Expense Category



Miscellaneous includes truly miscellaneous expenses that do not fit well in any other account such as retirement tiles, nametags, copies of keys, etc.

Where the Money Goes

“Don't tell me where your priorities are. Show me where you spend your money and I'll tell you what they are.”
- James W. Frick



*City Council includes Boards and Commissions

Council Priorities

- City Employees
- Public Safety
- Affordable Housing
- Resilient Economy

City Employees

- 3% increase in employee wages
- The City was able to minimize increases to most insurance premiums
 - Completed a restructure of the Family coverage plans, resulting in a decrease in employee costs across all 3 plans
 - Dental rates increase by 3%
 - No change in vision costs
 - High Deductible Health Plan: deductibles increase to \$3500/\$7000 per IRS regulations for embedded plans

Public Safety

Police

- Purchasing 10 sets of protective gear to establish dedicated academy inventory
- Continuing the Block by Block contract to support ongoing neighborhood safety programming

Fire

- Replacing 20 year old Confined Life Safety equipment
- Upgrading current Knox Boxes to Key Secure 6

Affordable Housing

- \$610,000 in HOME funds dedicated to affordable housing activities
- \$500,000 in Community Development Block Grant (CDBG) program funds dedicated to affordable housing activities
- \$1,000,000 Affordable Housing Trust Fund (established in FY 25)

Resilient Economy

- Completed a City wide cost of service study to ensure rates are at a satisfactory level
- Conducted a Business License Fee study, to be implemented in FY27
- Hired a new Assistant Director of Economic Development and currently hiring an additional Business Development Specialist who will recruit and help expand taxable businesses and retailers that can provide quality jobs and increase the sales tax base.
- During the City's internal budget review process, **the initial FY27 draft budget proposals were reduced** to ensure that ongoing and one time expenses **balance to revenue projections**

FY27 Internal Budget Review Outcomes

- As part of the City's internal budget process, departments submit requests related to the ongoing cost of continuing operations as well as new decision item (NDI) requests to increase funding levels
- Internal meetings are held with Finance and the City Manager to evaluate these requests and award initial approvals for items deemed necessary
- After internal department meetings are concluded, the Budget team prepares an initial draft of the proposed budget for review by the City Manager
- It became clear after the preparation of the initial draft that the General Fund request resulted in a sizeable deficit

FY27 Internal Budget Review Outcomes

- A Citywide internal meeting with department directors was held to present the initial numbers and implement budget cuts in order to balance the proposed appropriations to revenues
- The following slides detail the amount and nature of the cuts that were taken internally to arrive at a balanced GF budget for Council consideration

FY27 Internal Budget Review Outcomes

<u>Department Name</u>	<u>Total (6/9/26)</u>	<u>Total (7/1/26)</u>	<u>Difference</u>	<u>Notes</u>
Council	507,501	506,525	(976)	Operating
Cultural Affairs	619,825	607,433	(12,392)	Operating/Intragov
City Clerk	624,601	608,185	(16,416)	Personnel/Operating/Intragov
Sustainability	760,434	729,091	(31,343)	Personnel/Operating/Intragov/NDI
Municipal Court	1,020,571	897,796	(122,775)	Personnel/Operating/Intragov
Economic Development	1,130,677	1,129,156	(1,521)	Operating/Intragov
Human Resources	2,000,930	1,893,357	(107,573)	Personnel/Operating/Intragov/NDI
Housing & Neighborhood	2,217,355	2,093,082	(124,273)	Personnel/Operating/Intragov
Law	2,845,649	2,733,621	(112,028)	Personnel/Operating/Intragov
Facilities	2,861,847	2,830,314	(31,533)	Personnel/Operating/Intragov

FY27 Internal Budget Review Outcomes Cont.

<u>Department Name</u>	<u>Total (6/9/26)</u>	<u>Total (7/1/26)</u>	<u>Difference</u>	<u>Notes</u>
City Manager's Office	4,163,710	3,838,846	(324,864)	Personnel/Operating/Intragov/NDI
Community Development	4,257,863	4,138,897	(118,966)	Personnel/Operating/Intragov
City General	6,091,062	5,725,562	(365,500)	Transfer/NDI
Finance	6,600,010	6,207,523	(392,487)	Personnel/Operating/Intragov/NDI
Health	17,078,374	15,591,916	(1,486,458)	Personnel/Operating/Intragov/NDI
Public Works	18,687,659	17,450,495	(1,237,164)	Personnel/Operating/Intragov/NDI
Fire	32,309,068	31,406,902	(902,166)	Personnel/Operating/Intragov/NDI
Police	37,431,513	35,442,646	(1,988,867)	Personnel/Operating/Intragov/NDI
Total	141,208,689	133,831,347	(7,377,302)	

Budget Reductions

- Personnel - \$3.6 million decrease
 - driven by holding pre-existing vacancies open and denying requested FY27 NDIs related to staffing that were initially approved in budget meetings
- New Decision Items - \$1.6 million decrease
 - denial of non-personnel FY27 NDIs that were initially approved in budget meetings

Budget Reductions

- Operating - \$1.2 million decrease
 - direct cuts to existing program budgets and funds to keep operations baseline level compared to the previous fiscal year
- Intragovernmental Charges - \$850,000 decrease
 - reduced across most General Fund departments due to citywide cuts, which lowered both the total recovery amounts and the department allocations based on budget size

Personnel Reductions - Major Changes

Department Name	Amount
City Manager	\$ (153,243)
Finance	\$ (178,055)
Law	\$ (78,749)
Municipal Court	\$ (106,573)
Police	\$ (919,226)
Fire	\$ (63,049)
Health	\$ (288,811)
Community Development	\$ (48,628)
Streets	\$ (112,744)
Total	\$ (1,949,078)

NDI Reductions - Major Changes

Department Name	Operating NDI	Personnel NDI
City Manager	\$ (50,000)	-
Sustainability	\$ (17,425)	-
Finance	\$ (75,000)	\$ (76,923)
Human Resources	\$ (75,000)	-
Police	\$ (84,901)	\$ (903,834)
Fire	\$ (542,000)	\$ (58,080)
HNS	-	\$ (148,972)
Health	\$ (50,715)	\$ (158,664)
Public Works Admin	-	\$ (68,101)
Streets	\$ (542,000)	\$ (297,429)
City General	\$ (165,500)	-
Total	\$ (1,602,541)	\$ (1,712,003)

Operating Reductions - Major Changes

Department Name	Difference	Department Name	Difference
City Council	\$ (976)	Health	\$ (836,300)
City Clerk	\$ (933)	Community Development	\$ (31,429)
City Manager	\$ (76,853)	Economic Development	\$ (30,473)
Sustainability	\$ (4,296)	Cultural Affairs	\$ (6,668)
Finance	\$ (1,767)	HNS	\$ (12,893)
Human Resources	\$ (1,995)	Public Works Admin	\$ (39)
Law	\$ (1,902)	Streets	\$ (30,051)
Municipal Court	\$ (106)	Parking Enforcement	\$ (88)
Police	\$ (5,382)	Facilities	\$ (3,263)
Fire	\$ (4,568)	City General	\$ (200,000)
		Total	\$ (1,249,982)

*Includes a 0.5% across the board cut to services among others

Impact of FY27 Budget Reductions

- Delay non-critical replacements, upgrades, and purchases
- Reduce Utility Assistance Funding from \$600,000 to \$400,000
- Reduce Social Service Funding (purchase of service contracts) by 10% or \$187,836
- Hold open or eliminate positions
- Discontinue Family Planning Services (Health)
- Defer drone fleet replacement (Police)
- Delay the hiring 2 Real-Time Information Center position requests (Police)
- Across the board 0.5% across the board reduction in service category

Changes in the FY27 Proposed Budget

- Net Reduction of 24.45 Full Time Equivalent (FTE) in the General Fund
 - 22 existing FTE moved to new Public Communications fund
 - 7.00 NEW FTE positions added for FY27
 - 1.00 FTE Assistant Fire Marshal (Fire)
 - 1.00 FTE Public Health Nurse (Health)
 - 2.00 FTE Animal Control Officer II (Health)
 - 1.00 FTE Rental Compliance Specialist (HNS)
 - 1.00 FTE Civilian Investigator (Police)
 - 1.00 FTE Forensic Services Supervisor (Police)
- 8.00 FTE vacant positions held open for FY27 (Salary budgeted at \$0)
- Public Communications moved out of the General Fund

Upcoming Engagement Opportunities

- 7/15/26 FY27 Budget Work Session - Enterprise Funds
- 7/17/26 FY27 Budget Work Session - All Funds
- 7/20/26 FY27 Capital Improvement Plan Public Hearing
- 7/30/26 Budget Town Hall 4 - How We Got Here
- 8/3/26 Bond Debt Discussion/Budget Work Session Follow Up
- 8/3/26 Public Presentation of the FY27 Budget
- 8/6/26 and 8/12/26 Budget Town Hall 5 - FY27 Budget Review
- 8/17/26 FY27 Budget Public Hearing #1
- 9/8/26 FY27 Budget Public Hearing #2
- 9/21/26 Adoption of the FY27 Budget

Discussion