



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: Finance

To: City Council

From: City Manager & Staff

Council Meeting Date: November 6, 2023

Re: Transfer to Parks and Recreation for reserves

Executive Summary

An amendment to the FY23 budget transferring \$200,000 from General Fund fund balance to Parks & Rec to cover its reserve requirement for FY23.

Discussion

Prior to the Fiscal Year 2023 Budget, Parks and Recreation's operational budget was included in the General Fund. For better transparency and best practice purposes, the Finance staff created a Parks and Rec Fund to account for all of their revenue and expenditures in one place. Because a portion of Parks and Rec expenses were covered by general funds, a budget transfer into the new fund was needed for operation cost.

Finance estimated that a transfer of \$5,000,000 annually to Parks & Rec is needed to cover operating cost for any given fiscal year. This is done as part of the annual budget process. This transfer is based on budgeted costs with the goal of ensuring that Parks & Rec covers its operating costs as well as leaving a 20% cash reserve. After the conclusion of the fiscal year a true up is done if the transfer amount falls short of covering the cash reserve. In FY23 there was a shortfall of \$200,000. This transfer will remove the shortfall and ensure that Parks & Rec meets the 20% cash reserve requirement.

Fiscal Impact

Short-Term Impact: This will decrease the Fund Balance of General Fund by \$200,000, and increase the fund balance of Parks & Rec by the same amount.

Long-Term Impact: Same as short-term impact

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Comprehensive Plan Impacts:

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary



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Legislative History

Date	Action
09/18/2023	B156-23 - Adopting the FY 2024 Annual Budget for the City of Columbia

Suggested Council Action

It is the recommendation of City Staff that council approves this ordinance.