city of Columbia

# FY26 Budget
# Work Session
## General Fund
July 14th, 2025

# Budgeting Philosophies

## State/Fed

**Use it or Lose it:**
Unspent funds at the end of a fiscal year are forfeited and may not be available for use in the following year

**Consequences of the Policy:**
Departments may engage in "year-end spending sprees", purchasing items or services that may not be essential or important, to avoid the perception of “losing the money”.

## Municipal

**Fund Budgeting:**
Unspent funds at the end of a fiscal year remain in the overall fund account

**Consequences of the Policy:**
Unspent funds are available within the Fund for the next fiscal year.

# Fund Accounting

The City of Columbia budget is made up of five different fund types and each type is unique.

- General Fund
- Enterprise Funds
- Internal Service Funds
- Special Revenue Funds
- Debt Service Funds

# General Fund

- The General Fund is one of the City's largest funds and 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 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, Economic Development, Office of Sustainability, and Office of Cultural Affairs
- **Public Safety:** Police, Fire, and Municipal Court
- **Supporting Activities:** Facilities Management, Creative Services & Marketing, and Contact Center
- **Transportation:** Public Works - Streets & Engineering and Parking Enforcement

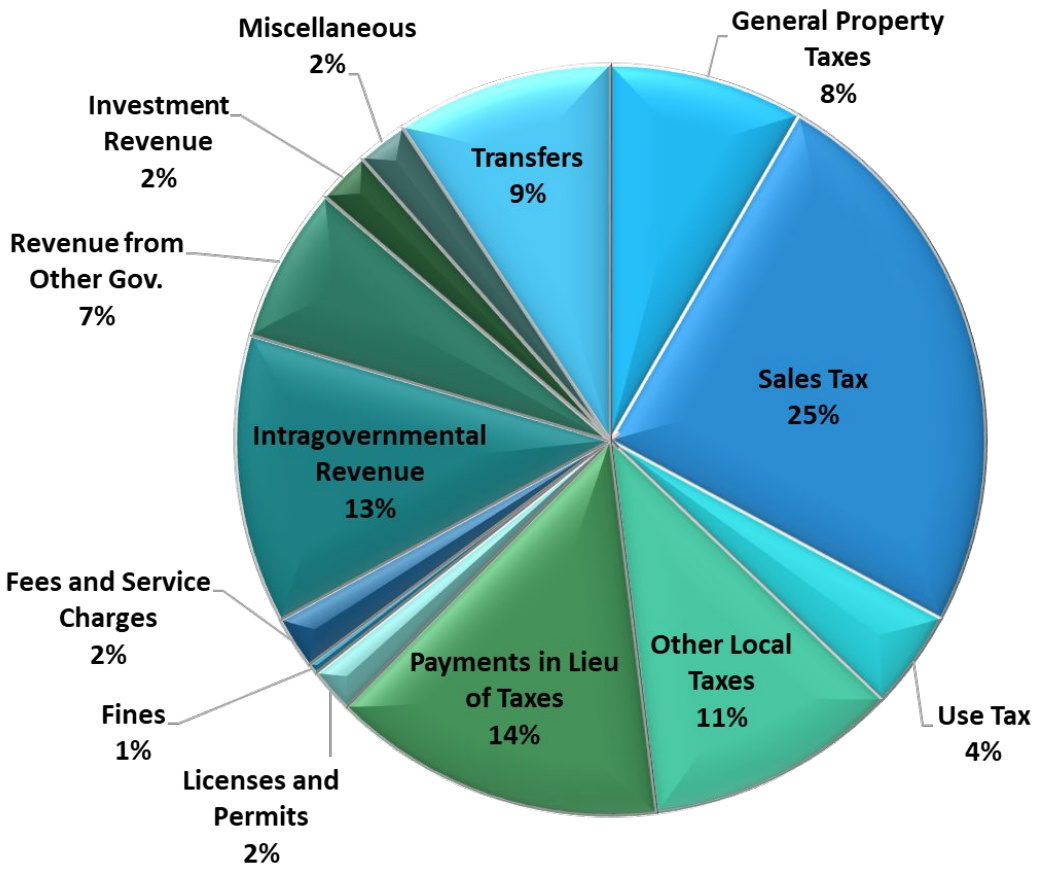
# General Fund Outlook

| | FY23 Actual | FY24 Actual | FY 2025 Projected | FY 2026 Proposed |
|---|---|---|---|---|
| **Beginning Available Cash** | 39,030,636 | 42,775,484 | 39,806,420 | 38,935,261 |
| **Total Revenue** | 112,142,203 | 123,819,778 | 130,291,095 | 132,939,415 |
| **Total Expenditure** | (105,733,215) | (127,659,234) | (131,162,254) | (136,513,711) |
| **Over/(Under)** | 6,408,988 | (3,839,456) | (871,159) | (3,574,296) |
| **Ending Available Cash** | ***45,439,624*** | ***38,936,028*** | ***38,935,261*** | ***35,360,965*** |
| **20% Cash Reserve Target** | 21,146,643 | 25,531,847 | 26,232,451 | 27,302,742 |
| **Cash above/below Target** | ***24,292,981*** | ***13,404,181*** | ***12,702,810*** | ***8,058,223*** |

# Where the Revenue Comes From

The sales tax rate in Columbia is 7.975%. Of this, 2.00% goes to the City.

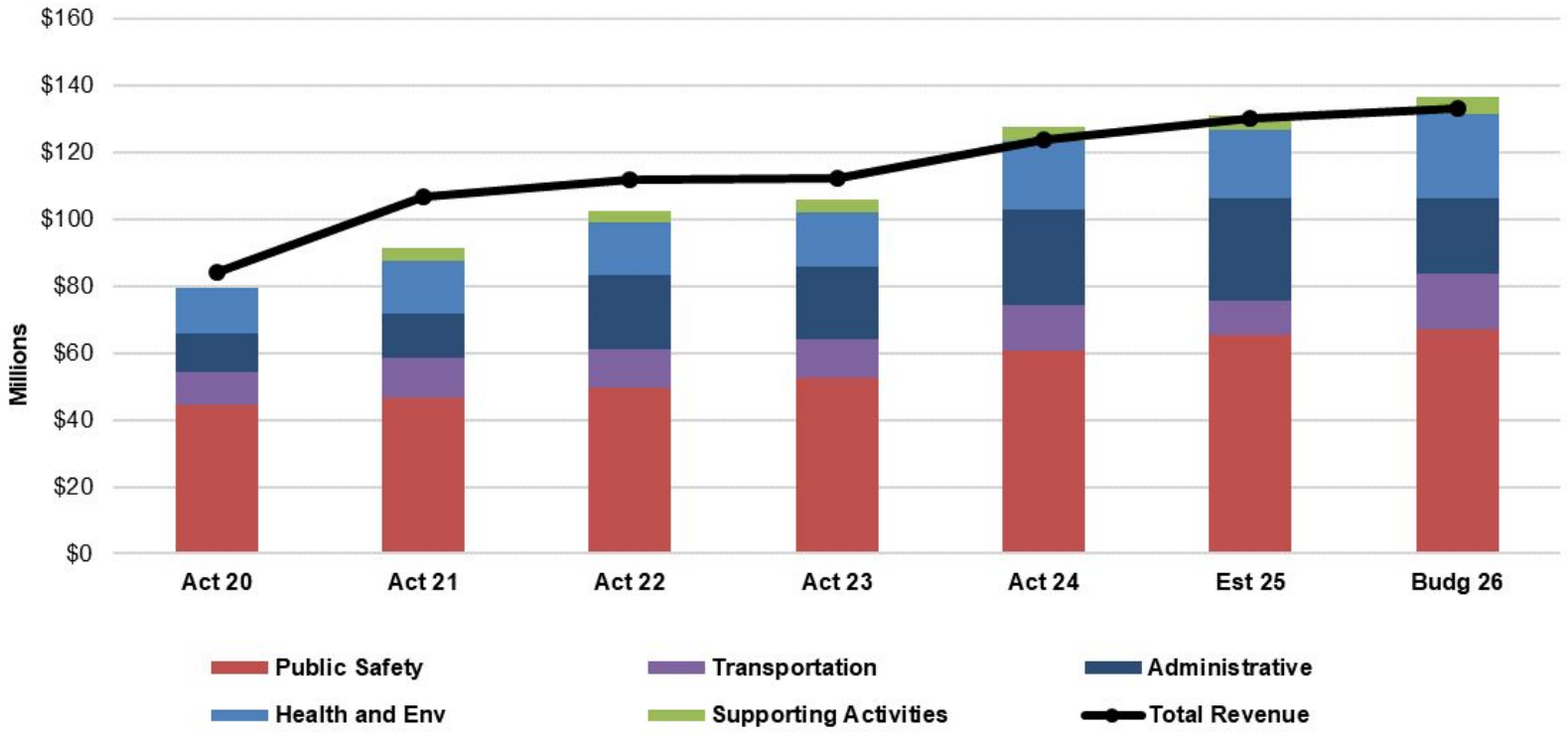
**The City's revenue comes from a variety of sources, but the sales and use tax makes up nearly 30% of all GF revenue.**



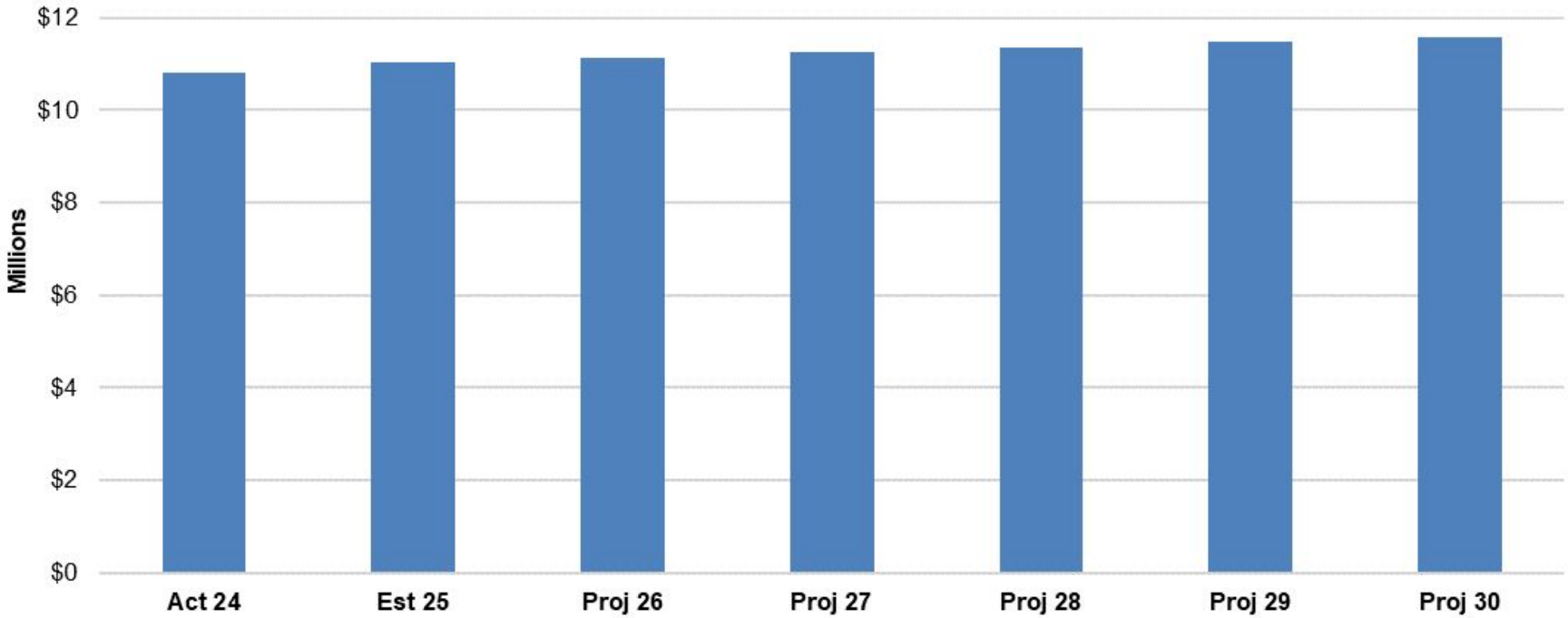
# Where the Revenue Comes From

| | |
|---|---|
| Sales tax and Use tax | $38,228,500 |
| Payments in Lieu of Taxes | 19,147,163 |
| Intragovernmental revenue | 16,593,574 |
| Other local taxes | 14,493,193 |
| Transfers | 12,406,602 |
| General property taxes | 11,128,271 |
| Revenue from other governmental units | 8,924,843 |
| Investment revenue | 3,000,000 |
| Fees and service charges | 2,940,367 |
| Miscellaneous | 2,888,457 |
| Licenses and permits | 2,555,777 |
| Fines | 632,668 |
| **Total Revenue** | **132,939,415** |

# General Fund History Vs Forecast

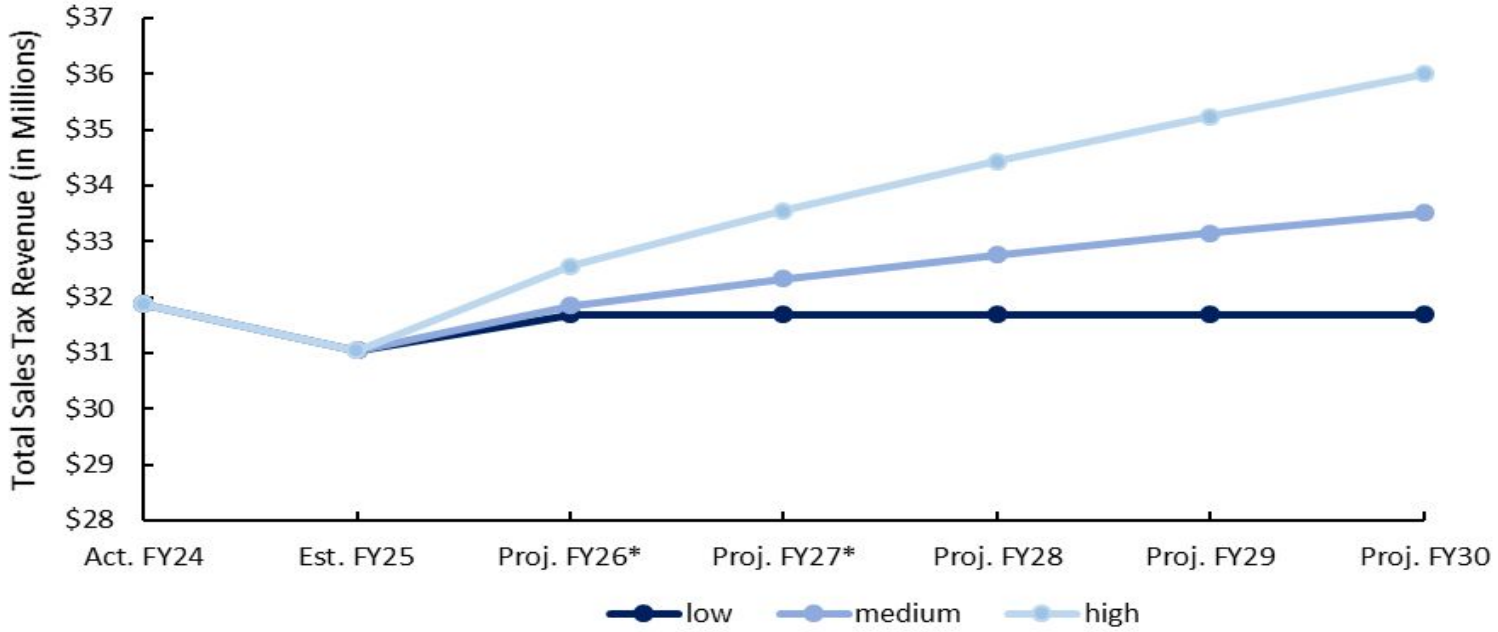


# Property Tax Forecast




**FY 2026 Property Tax Forecasted: $11,128,271**

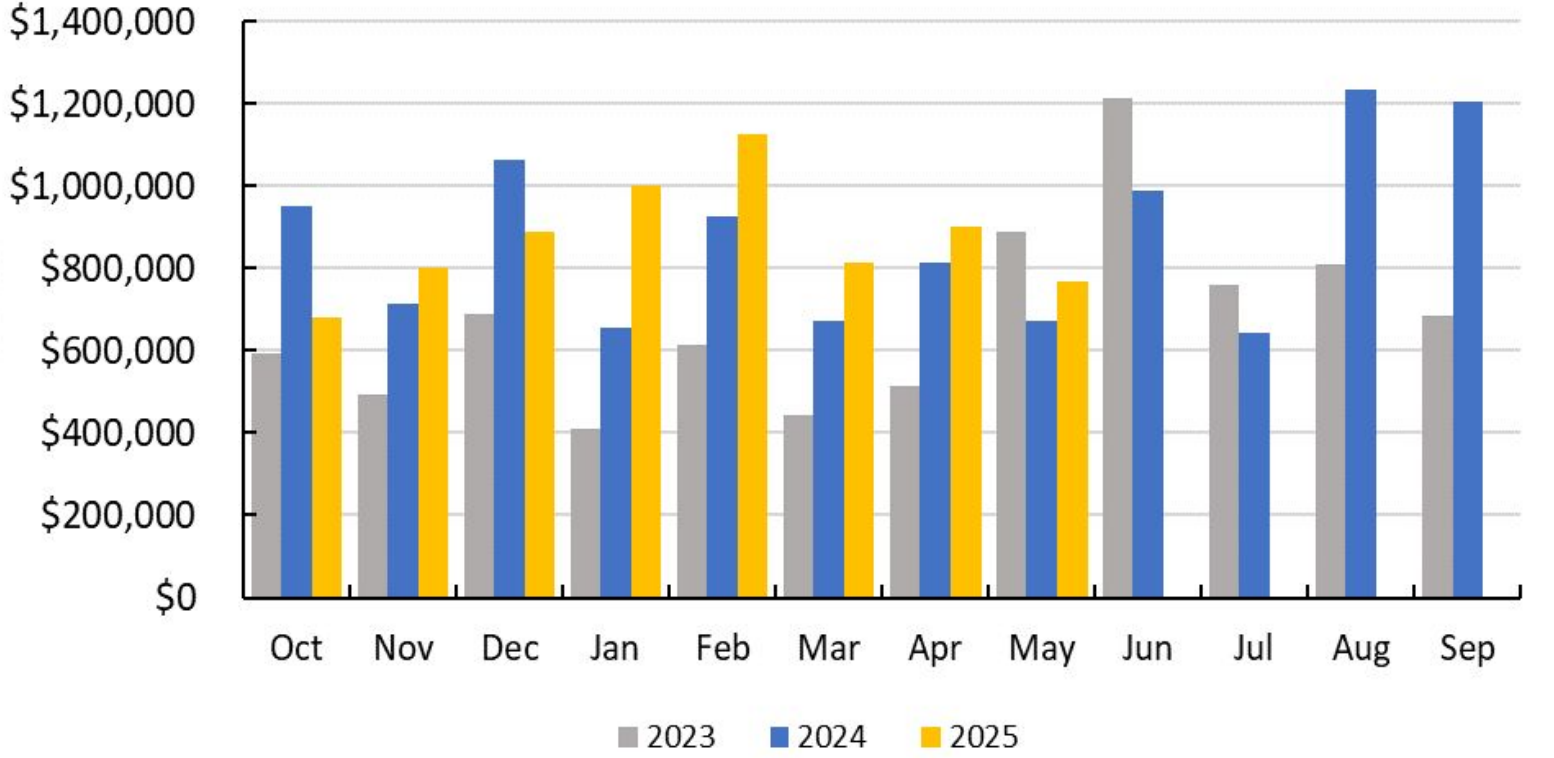
# General Fund Sales Tax Forecast




**FY 2026 Forecasted: $32,562,400**

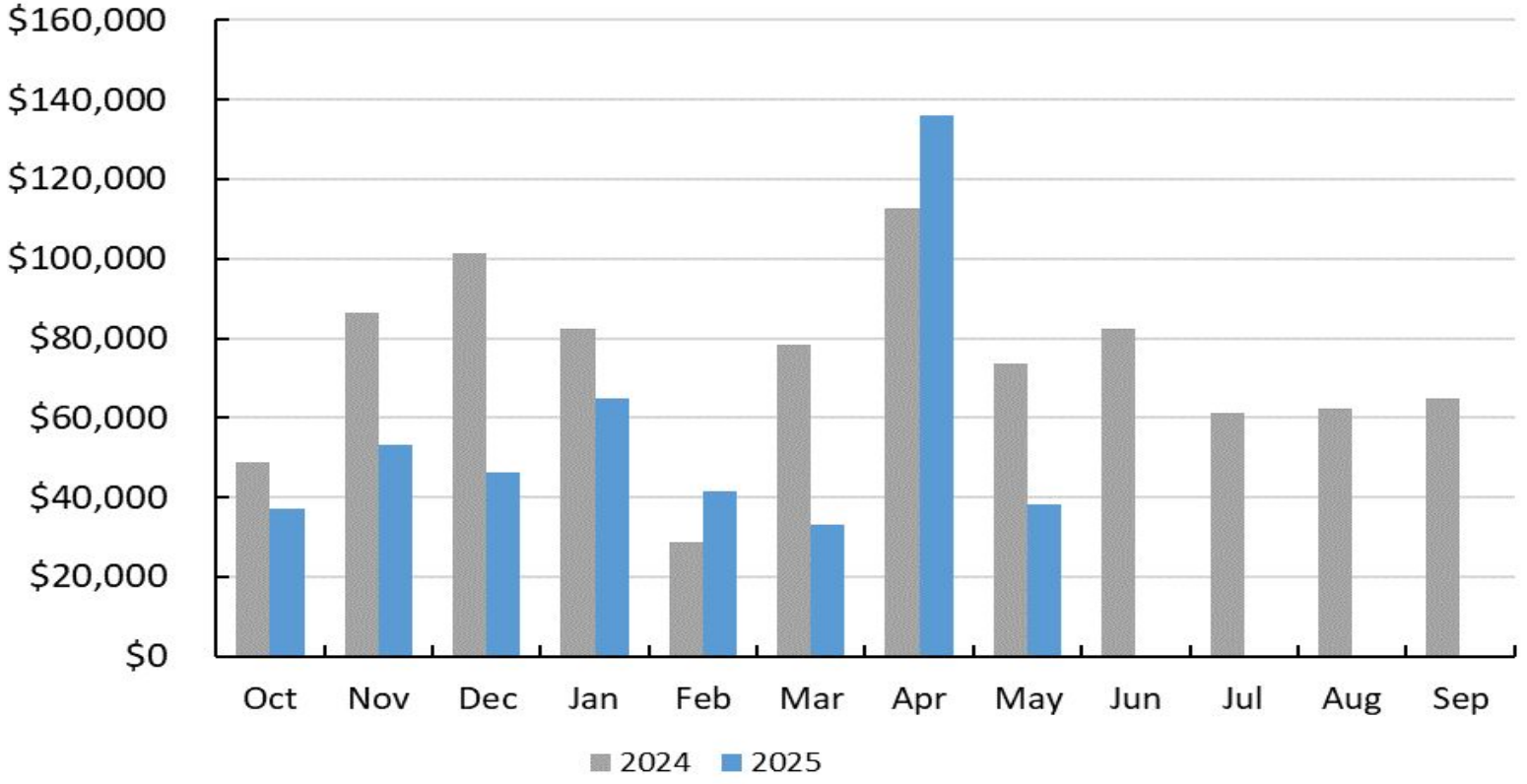
*Note: FY26 onwards, Public Improvement Sales Tax is added to the General Fund Sales Tax totals

# Use Tax Comparison




**FY 2026 Use Tax Forecasted: $5,666,100**

# Marijuana Tax Comparison




**FY 2026 Marijuana Tax Forecasted: $609,805**

# Other Local Tax

| GF Other Local Tax | Act FY20 | Act FY21 | Act FY22 | Act FY23 | Act FY24 | Annual Changes | Est FY25 | Bud FY26 |
|---|---|---|---|---|---|---|---|---|
| Cigarette Tax | 423,248 | 388,945 | 347,123 | 345,178 | 297,622 | (47,556) | 294,646 | 291,700 |
| Gross Rec Telecommunications | 1,966,839 | 1,759,081 | 1,532,787 | 1,792,434 | 1,685,571 | (106,863) | 1,668,715 | 1,652,029 |
| Gross Rec Union Electric | 2,244,234 | 2,341,569 | 3,087,006 | 3,518,887 | 2,691,008 | (827,879) | 2,918,205 | 2,985,505 |
| Gross Rec Boone Electric | 1,312,458 | 1,360,358 | 1,409,046 | 1,497,135 | 1,606,048 | 108,913 | 1,622,109 | 1,638,330 |
| Gross Rec CATV Franchise | 206,678 | 618,544 | 577,077 | 536,640 | 430,997 | (105,642) | 426,687 | 422,421 |
| Gasoline Tax | 2,766,311 | 2,899,919 | 3,439,867 | 4,436,183 | 4,794,347 | 358,164 | 4,842,290 | 4,890,714 |
| Motor Vehicle Sales Tax | 1,013,648 | 1,176,507 | 1,096,447 | 1,315,313 | 1,394,493 | 79,180 | 1,408,438 | 1,422,523 |
| Motor Vehicle License Fee | 485,434 | 537,406 | 513,828 | 568,800 | 568,733 | (67) | 574,421 | 580,166 |
| Marijuana Tax | - | - | - | - | 883,311 | 883,311 | 603,768 | 609,805 |
| **Total** | **10,418,850** | **11,082,329** | **12,003,181** | **14,010,569** | **14,352,131** | **341,562** | **14,359,279** | **14,493,193** |

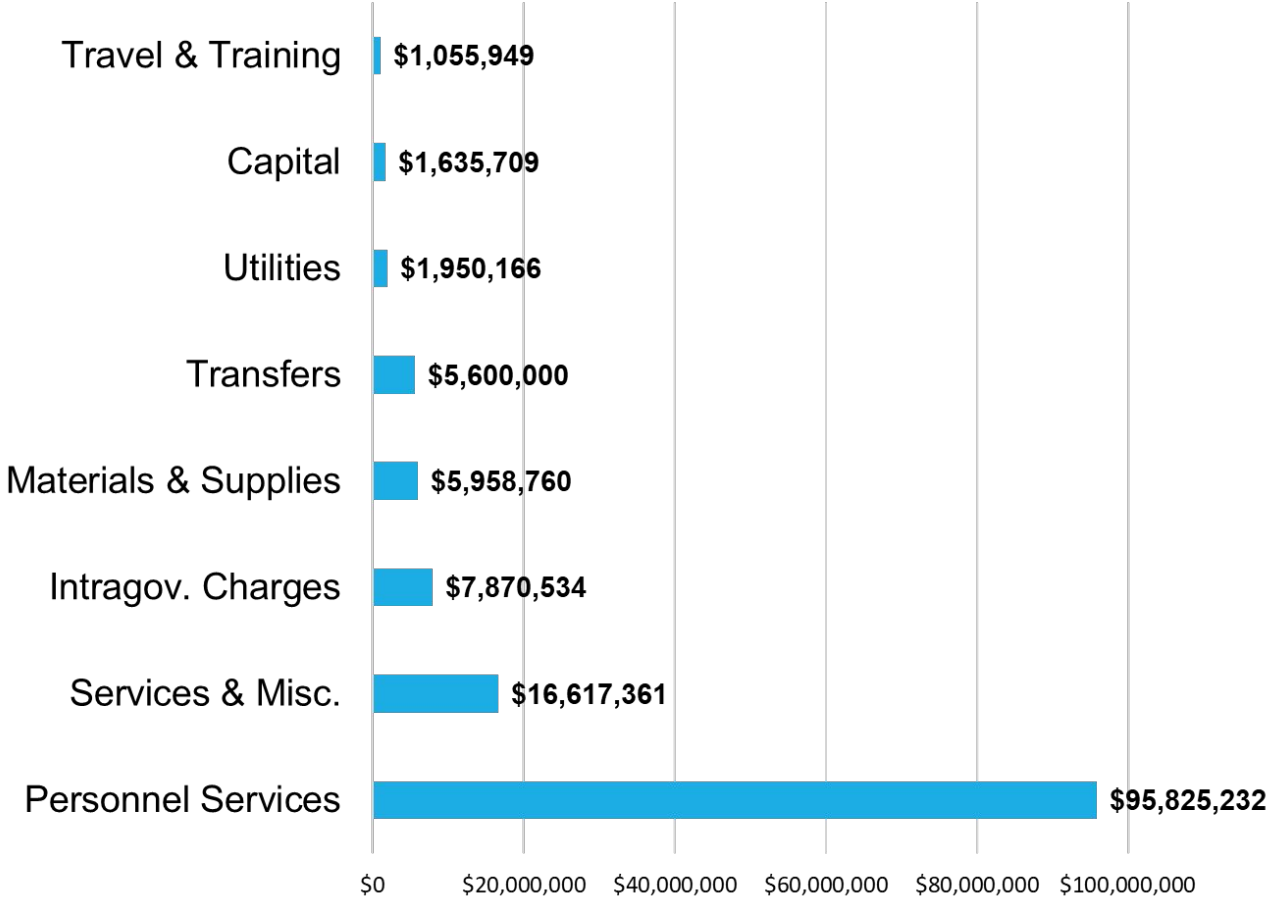
**Cigarette, Telecommunications, and Cable TV taxes are declining**

*Rec. - Receipts
*GF - General Fund

# Where the Money Goes

70% of all General Fund expenses go toward personnel services, which includes salaries, paid leave and other benefits.

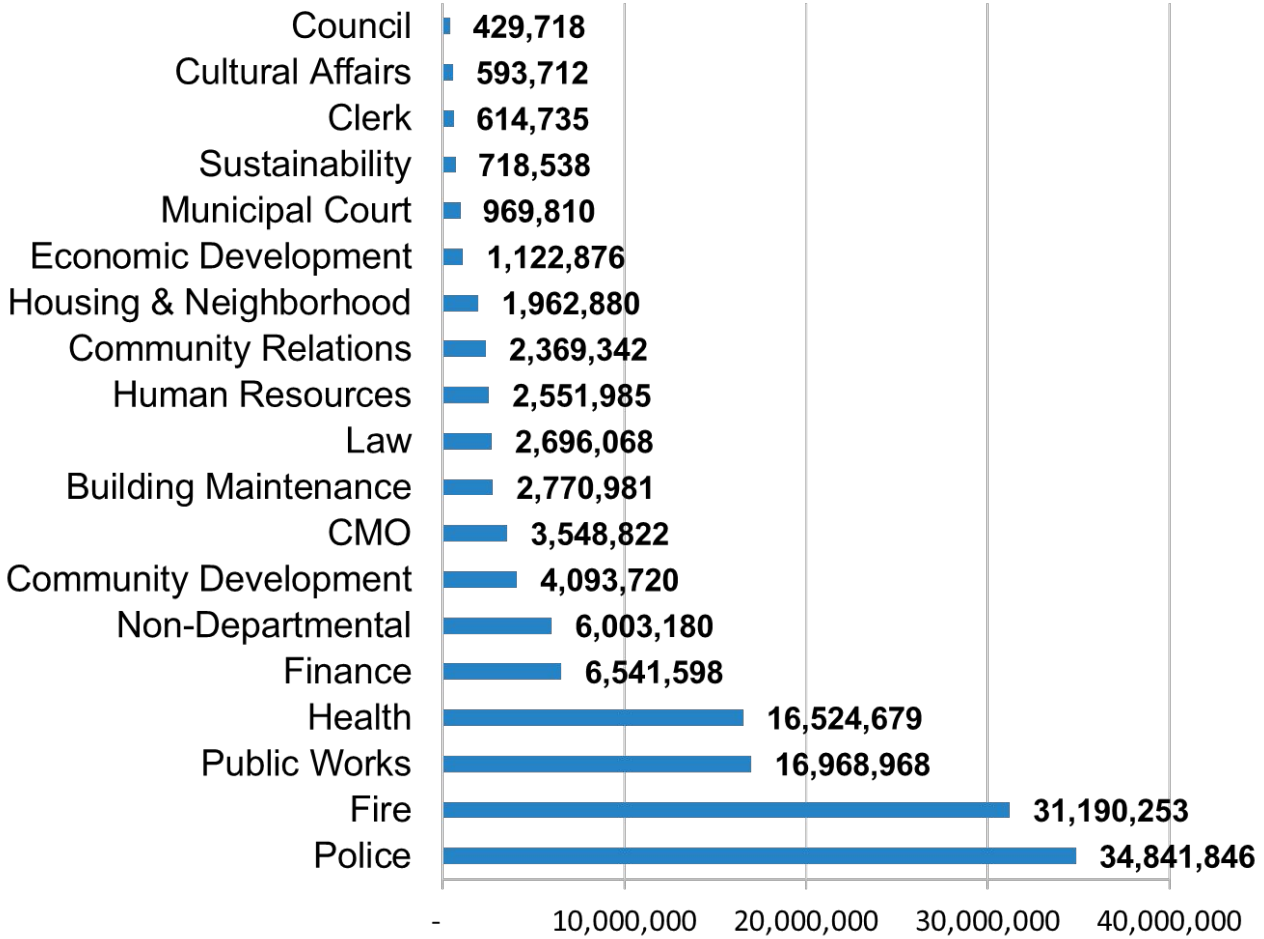
**The City of Columbia is a serviced based organization, which is reflected in our personnel numbers**



# 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



# 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 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 Airport Safety and credit card fees.

- 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
- 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.

# Public Communication Fees

- Creative Services & Marketing is the City's in-house agency providing extensive services including marketing, campaign design and execution, graphic design, website and app development, social media management, and video production and event services.
- The Contact Center provides a centralized source of information and reporting hub for citizens by maintaining the city's main phone number, online reporting tool, live chat and chatbot systems, city email and City Hall information desk. The division also serves internal customers through customer service assistance and internal mail services.

# Public Communication Fees - Creative Services

- Creative Services & Marketing fees recover the cost of the division in the General Fund that serves a general function for all City departments, but does not generate its own revenue.

- 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 whole City, as of the date the fees are calculated.

- Some items that are billed directly to specific departments, such as the cost of producing the City Source newsletter that is billed to the Utilities.

# Public Communication Fees - Contact Center

- Contact Center fees recover the cost of the Contact Center division in the General Fund based on call referral history from the last five completed fiscal years. This data is provided by the Contact Center.

- Most of the calls received by the Contact Center can be referred to a specific department, however a small subset of calls fall into the “General Utility” category and are divided up to be billed to the utilities based on established percentages.

# 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.

# 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 nutrition program, and Animal Control.

# Changes in the FY26 Proposed Budget

- **Sales Tax**
  - No transfer to Public Improvement Fund
- **Park Safety Officers will become sworn Police Officers**
  - Parks will become part of normal patrol
- **New positions**
  - 2 Divert (Health)
  - 1 Code Enforcement Specialist I (Housing & Neighborhood Services)
  - 2 Airport Safety Officer (Police)
  - 2 Civilian Investigator - Internal Affairs (Police)
  - 1 Civilian Investigator - Criminal Investigations (Police)
  - 1 Property & Evidence Technician (Police)

city of

# Columbia