



# City of Columbia, Missouri

## Meeting Minutes - Draft

### Finance Advisory and Audit Committee

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Monday, July 15, 2024  
1:00 PM

Conference Rooms  
1A & 1B  
Columbia City Hall  
701 E. Broadway

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#### I. CALL TO ORDER

Maria Oropallo called the meeting to order at approximately 1:00p.

Attending from the Finance Department was Matthew Lue, Jim McDonald, Deep Debnath, and Clarissa English.

**Present:** 5 - Kristian Bloom, Maria Oropallo, Karilee Gruenberg, Randy Minchew and Brian Toohey

**Absent:** 1 - Thomas Richards

#### II. INTRODUCTIONS

Assistant City Counselor, Earl Kraus, introduced himself.

#### III. APPROVAL OF AGENDA

Bloom made a motion to approve the Agenda, Gruenberg seconded; motion carries unanimously.

#### IV. APPROVAL OF MINUTES

**Attachments:** [FAAC Minutes 05.20.2024](#)

There was confusion as to whether new members could vote on minutes that they were not present for. Staff will get clarification on whether the new members can vote on the May 20th, 2024 minutes.

**Attachments:** [FAAC Minutes 06.17.2024](#)

Toohey made a motion to approve the June 17th, 2024 minutes, Minchew seconded; motion carries unanimously.

#### V. OLD BUSINESS

### City Council Agenda Review

Lue said the Council would review the CIP and hold a public hearing. He reminded the committee that this is the first year the CIP is separate from the budget. Lue also pointed out that the Council will consider CHAPTER 13 changes for Short Term Rentals (STRs) for business licenses and occupational permits. He clarified that this would be a different business than a home-based business or hotel, so issues are limited to STRs. Toohey reiterated that the tier system limits licenses to operators, one license only, while hotel needs one for X number of rooms; that STR owners must register with the city, if the units use gas, they are registered with HIVAC before their units can be rented, and any units renting for more than 30 days is considered long term. Minchew asked why the Finance Dept was involved. Lue responded that Chapter 13 is a business license.

Minchew asked if there is accountability for social services funding. He further asked if the City looked at outcomes. Lue responded that the social services, like the Utility Assistant Fund which is \$600K are run out of the Health Department which is accountable to the City Manager. Further, he added that entities like the Downtown CID, or the Business Loop CID, may ask for the City to partner with them, but they are independent from the City.

Earl Kraus from Legal, responded that there are Agreements of Understanding signed for all money issued to entities, grant compliance, HUD money.

### Monthly Economic Report

**Attachments:** [Monthly Economic Report 07.12.24](#)

Debnath showed the FAAC the New Tax Revenue pages on the City's Finance website. FAAC and staff briefly discussed the 2023 Trend Manual. Oropallo encouraged members to review the manual as it answers many questions the community may have regarding how the City operates.

**Summary of Monthly Report**

- National headline and core inflation in June are 2.97% and 3.27%, respectively.
- Overall headline inflation among Midwestern cities with a population of less than 2.5 million in June 2024 decreased to 2.13% from 2.38% in May, while core inflation (excluding food and energy) decreased to 2.48%, compared to 2.62% last month.
- Month-to-month changes in core inflation is consistently falling since last October.
- Housing inflation remained high at 4.03% in June 2024, slightly lower than May's 4.35%. However, compared to June 2023, it has decreased by around two percentage points from 5.69%.
- The unemployment rate in Columbia increased by 0.75 percentage points in May to 3.32%, compared to 2.56% in April 2024. Missouri's unemployment rate follows similar pattern and increased by 0.69 percentage points in May to 3.92%, compared to 3.23% in April 2024. Akin to local and state, the national unemployment rate slightly increased by 0.10 percentage points during this time, from 3.86% to 3.96%.
- Inflation went down and the unemployment rate slightly increase, however it is unexpected for the Fed to cut rate in July.
- The median home price in Boone County is higher than that of the state of Missouri by over \$50,000. In May 2023, the median price of a home in Boone County increased by 5.74%, while the average price increased by 4.42%.
- Housing inflation in Boone county is higher compare to the Midwestern cities.
- Sales tax collections in July (May tax period) totaled around \$5.20 million, while Use tax collections came to about \$670,735, 2.43% and 24.45% lower than last year in July. The May 2024 Use tax collections are equivalent to 12.9% of the total Sales tax collections, which is the lowest share in FY 24.
- In July (May tax period), marijuana-related excise tax collection was \$73,571, around \$39,097 less than the previous month.

**Vote to make Interim FAAC Chair continuing Chair**

**Minchew motioned for Oropallo to remain chair until January 2025 meeting, Bloom seconded; motion carried unanimously.**

**FAAC Structure/Mandate Review**

Oropallo offered a brief history of this ongoing agenda item. The FAAC committed to the Council that it would review Financial ordinances, policies, and structure, and propose changes.

**VI. NEW BUSINESS**

**Legal Update**

Earl Kraus from Legal, reviewed the Sunshine Law.

**VII. GENERAL COMMENTS BY PUBLIC, MEMBERS AND STAFF**

Minchew commented that unfunded police actuarial liability affects the City's ability to hire new police. Lue responded that 70 - 80% of Missouri's Public Safety municipalities are in Lagers, making it difficult for applicants to cross over to Columbia's PD. Minchew added he heard the Pension Plan is a problem for new hires. Lue offered a possibility that the FAAC should be invited to the Police Pension meeting on Sept. 13. He said the Investment board meeting begins at 830am and FAAC should start there. Lue added if the PD went to Lagers, the City could buy out people who wanted to move to Lagers. McDonald stressed there is a substantial liability, that year 2 of a 30-year plan will cost the City a substantial amount of money. Gruenberg added that the City could start new people on a Lagers plan instead. Lue added that at the August 19, 2024 PreCouncil meeting the Public Safety Retirement Actuary will be at the Worksession. He predicts they will tell the City we are underfunded, and they have a plan. He told the FAAC that the state of Delaware bought bonds to make them 100%.

**VIII. NEXT MEETING DATE**

August 19, 2024

**IX. ADJOURNMENT**

**Minchew made a motion to adjourn the meeting at approximately 2:29pm, Gruenberg seconded; motion carried unanimously.**