



701 East Broadway, Columbia, Missouri 65201

## Council Memo

Department Source: Finance

To: City Council

From: City Manager & Staff

Council Meeting Date: May 18, 2026

Re: Intragovernmental Fee Charges

Impacted Ward: Citywide

### Executive Summary

This memo provides an explanation of the intragovernmental fee charges, how they are calculated, and who pays for what through these methods.

### Discussion

General & Administrative fees recover the cost of 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. The first part of this fee recovers the cost of operating the following departments and divisions:

- Law (City Counselor division)
- Finance (excluding Business License and Payroll divisions)
- City Council (excluding Boards and Commissions)
- City Clerk (excluding elections)
- City Manager's Office

The City Prosecutor division of Law, Business License division of Finance, Boards & Commissions division of City Council and the Elections division of City Clerk are excluded from fee calculations because their duties are focused externally, rather than performing an internal service for the City. The Payroll division of Finance is excluded from this method of fee calculation because it is allocated on a per employee basis.

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.

There are several items that are billed directly to specific departments, such as Police – Airport Safety expenses allocated directly to Airport or a portion of Community Development Administrative Assistant (ASA) staff time and credit card fees allocated directly to various Utility Funds – this is done because Community Development collects building permit fees for Water, Sewer, and Storm Water.



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The final piece of this fee recovers the cost to operate General Fund Human Resources and Payroll operations on a per employee basis as of the date the fees are calculated. Costs for these divisions are allocated based on the number of authorized FTE (Full Time Equivalent) employees in each department.

Departments in the General Fund are not charged General & Administrative (G&A) Fees, Contact Center and Creative Services Fees, Building Maintenance, Custodial, or Building Utility Fees. General Fund departments are included in the calculations that determine each department's share of the total cost, however, they are not explicitly charged in the budget because the expenses occur in the same fund as the revenue. Budgeted revenue for these fees reflects only the portion of cost expected to be recovered from departments outside the General Fund. The difference (the fees that would have been charged to General Fund departments) is absorbed by the General Fund as an expense.

Since it is unlikely any department spends 100% of their budget in a given year, departments are only charged based on actual expenses incurred by the Creative Services division. This ensures no department is paying more than they should to fund the operations of the administrative departments.

G&A:

**44%** of HR and Payroll operations cost absorbed by GF

**26.5%** of Law, Finance, City Council, City Clerk, and City Manager operations cost absorbed by GF (base G&A fee)

Building Maintenance, Custodial, and Building Utility Fees:

All departments are included in the calculation to determine a per square foot cost, GF departments are not explicitly charged in the budget

Public Communications:

**22%** of Creative Services absorbed by GF

**39.5%** of Contact Center absorbed by GF (allocated based on 5 year history of calls)

Total FY26 budgeted Intragovernmental fee revenue that comes from the Utilities was around \$11.4 million.

#### Fiscal Impact

Short-Term Impact: N/A

Long-Term Impact: N/A



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Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not Applicable, Tertiary Impact: Tertiary

Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Legislative History

| Date       | Action   |
|------------|--|
| 09/15/2025 | <a href="#">B183-25</a> Adopting a budget for the City of Columbia, Missouri for the fiscal year October 1, 2025, through September 30, 2026 (FY 2026); providing that certain amounts shown in the budget document are appropriated for the various departments specified in said budget. |

Suggested Council Action

Discussion of the agenda item is requested.