

# Sales Tax Discussion

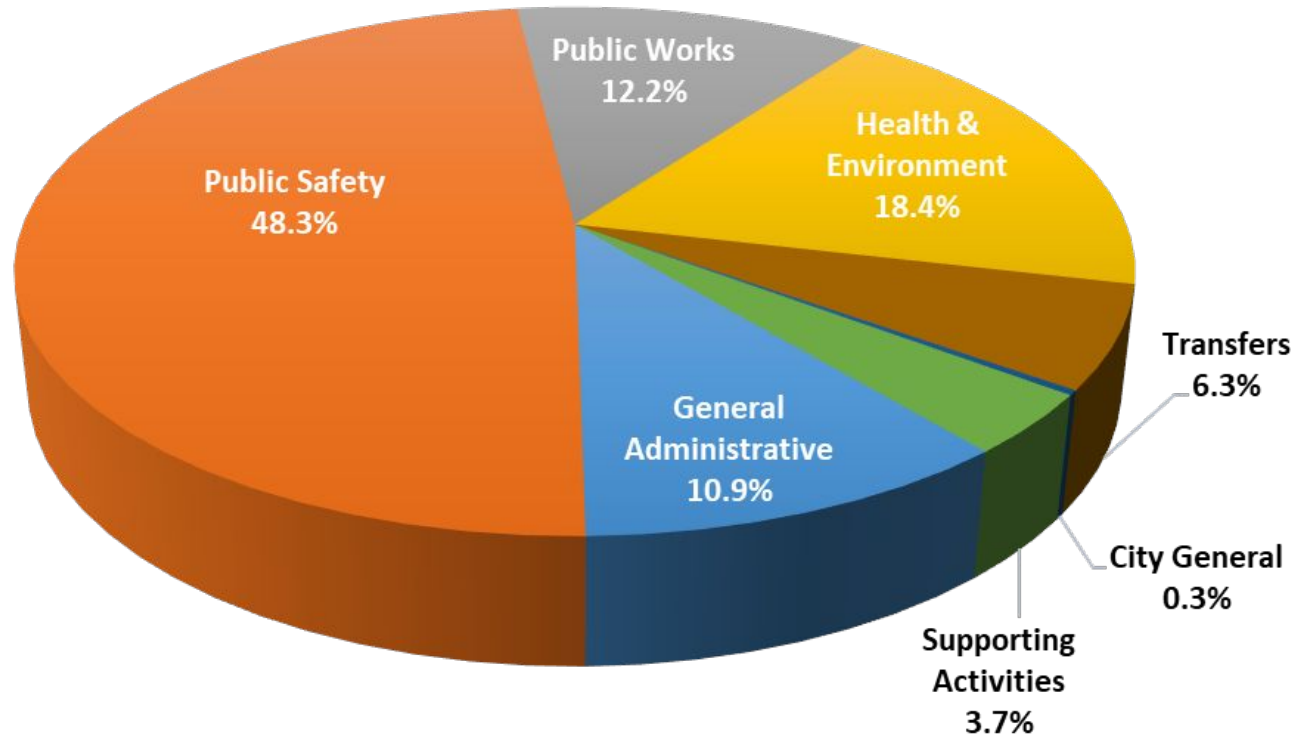
May 4th, 2026

# Discussion Points

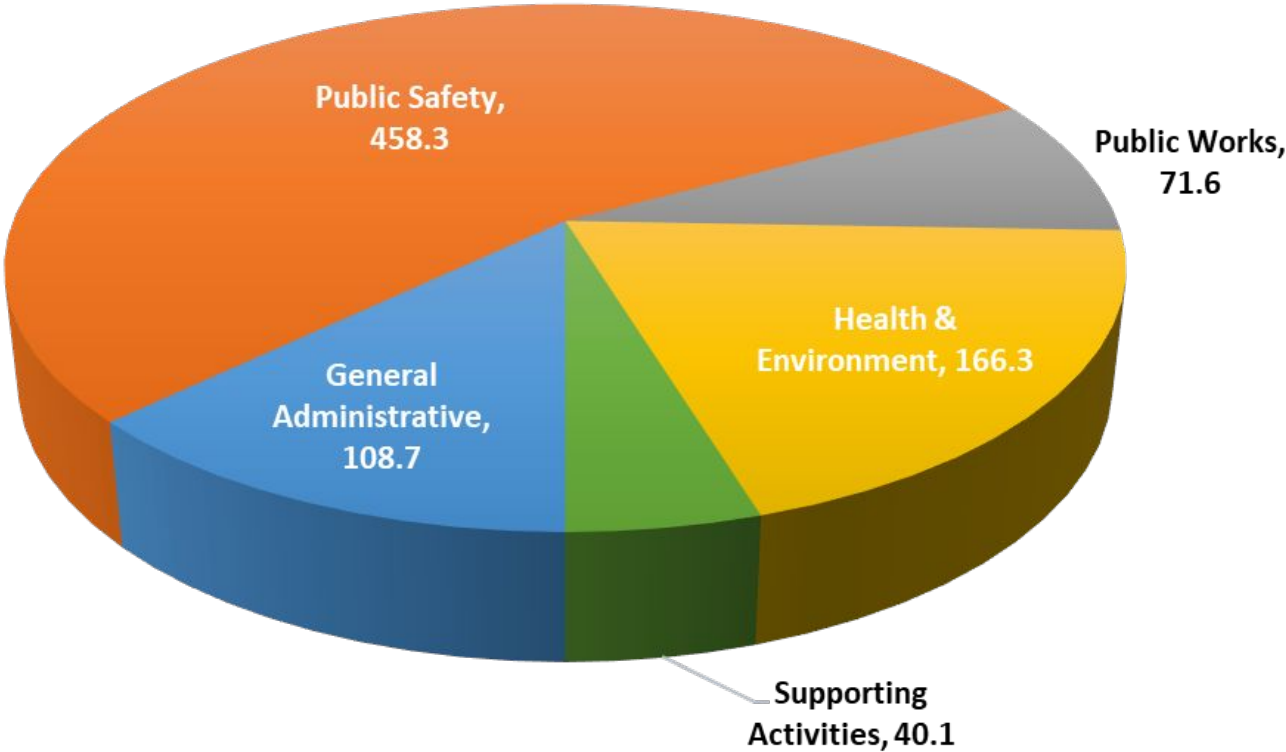
- General Fund Outlook
- Revenue Outlook
- Additional General Sales & Use Tax
- Additional Sales & Use Tax Priorities

# General Fund FTE & Expenditure Breakdown

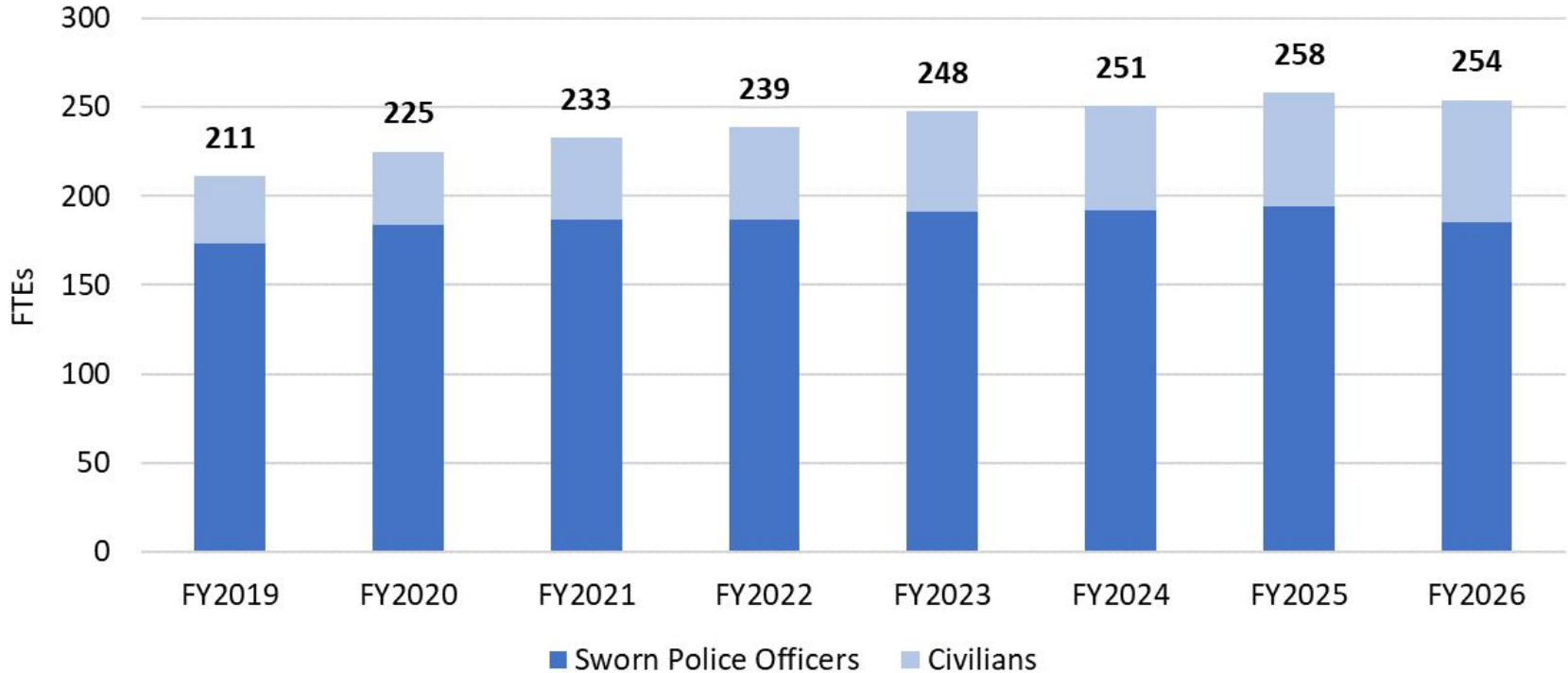
# General Fund Expenditures for the FY26 Budget



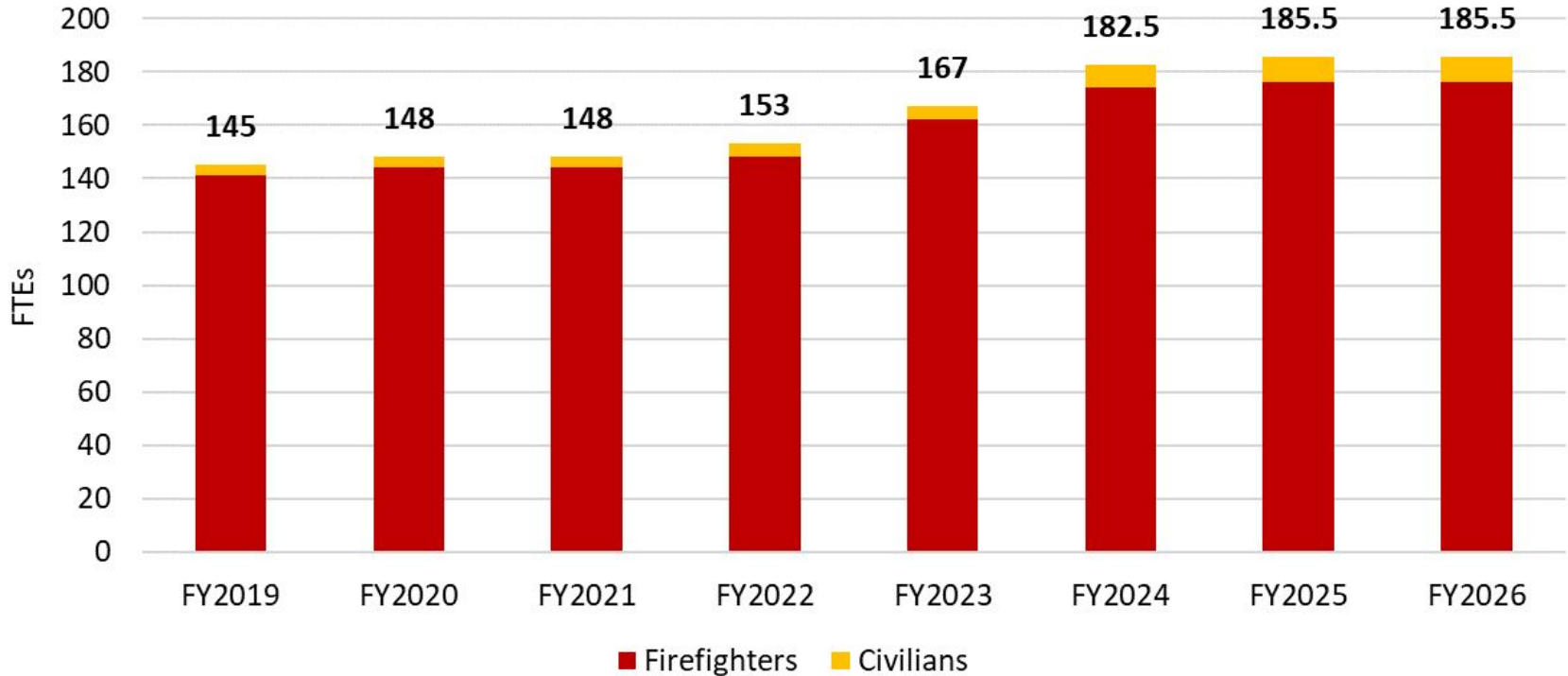
# General Fund FTE for the FY26 Budget



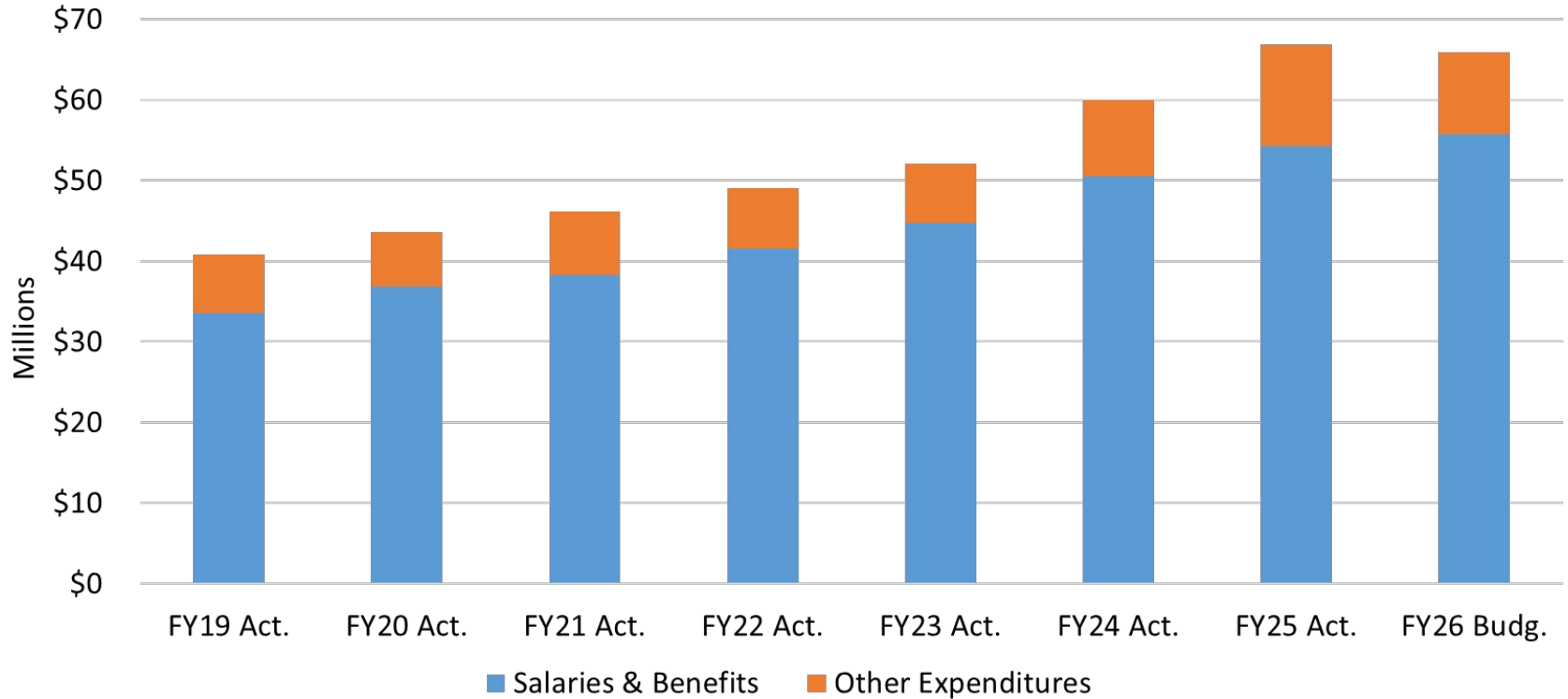
# Police Department Budgeted FTEs



# Fire Department Budgeted FTEs

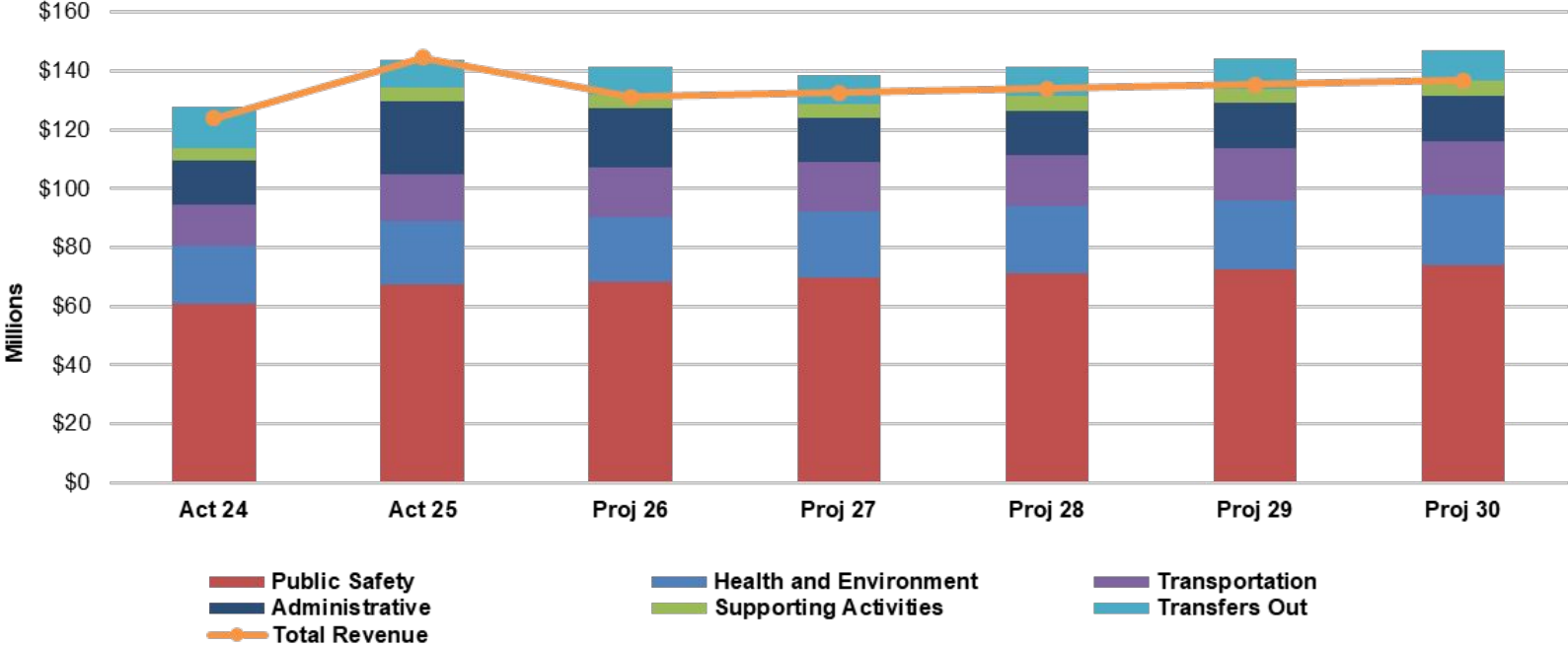


# Public Safety Budget Comparison



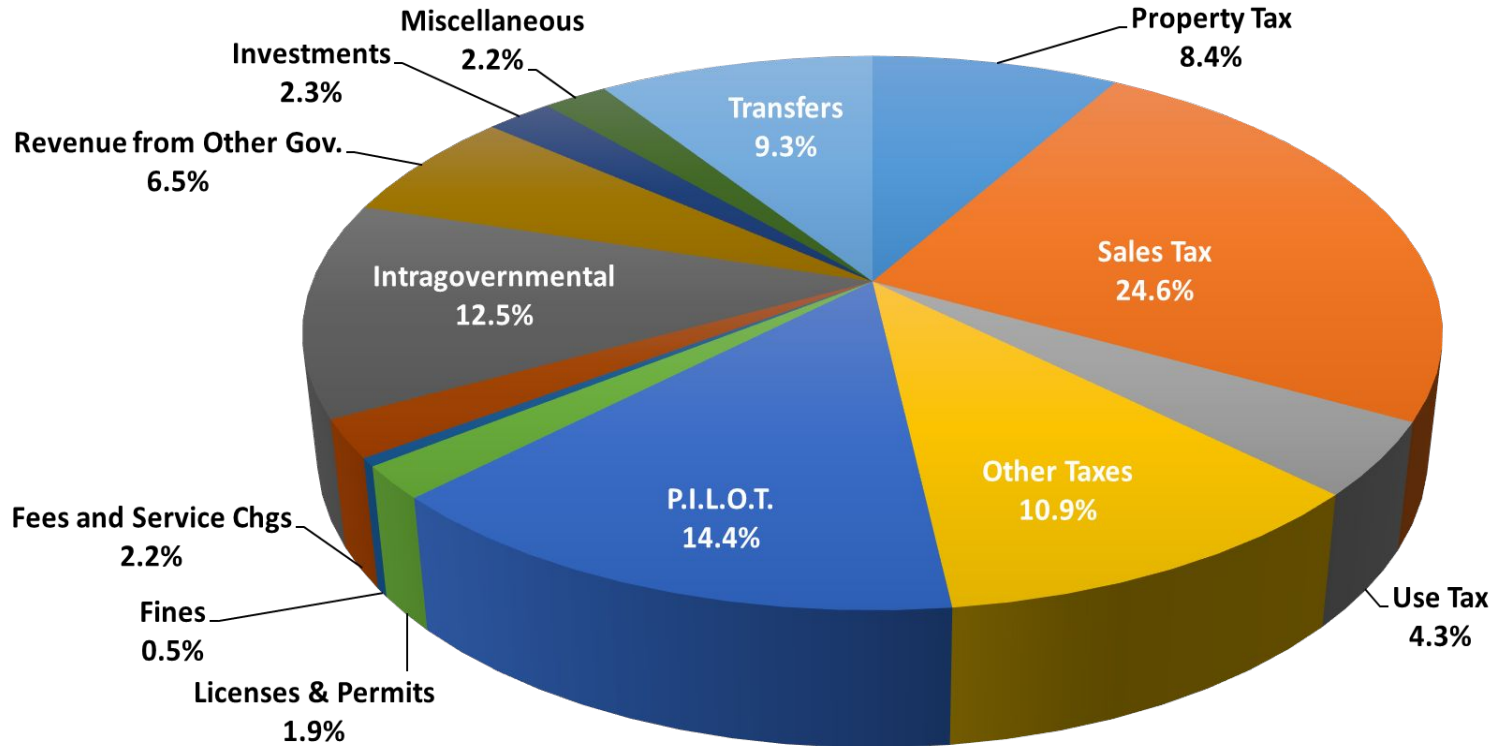
# Revenue Outlook

# General Fund Revenue vs Expenditure Projection



Note: Revenue in FY 2025 is heightened due to a \$14 million settlement

# FY 2026 General Fund Revenue



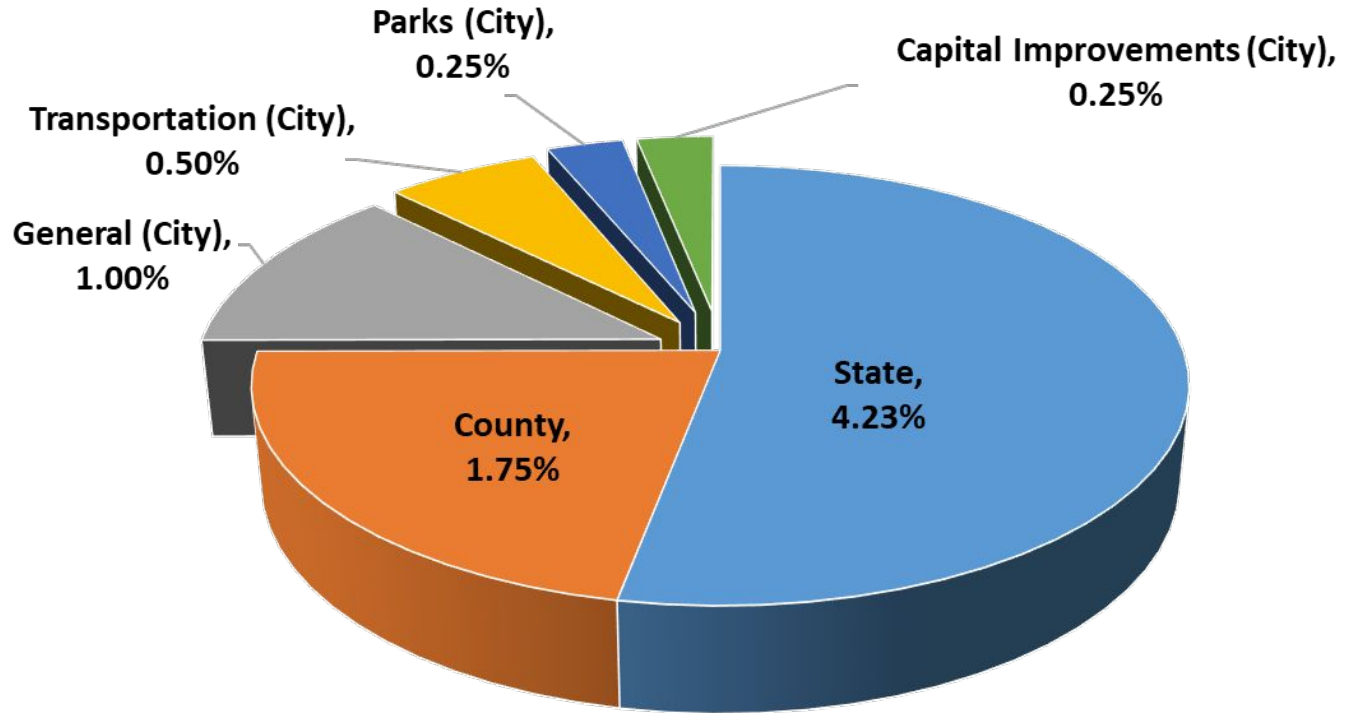
# FY26 Estimated Sales and Use Tax by Funds

Fund	Tax Rate	Sales Tax	Use Tax
General Fund	1%	\$32,367,087	\$5,366,767
Capital Improvement Sales Tax	1/4%	\$7,751,233	\$1,341,692
Park Sales Tax	1/4%	\$7,751,233	\$1,341,692
Transportation Sales Tax	1/2%	\$15,504,125	\$2,683,383
<b>Total</b>	<b>2%</b>	<b>\$63,373,678</b>	<b>\$10,733,534</b>

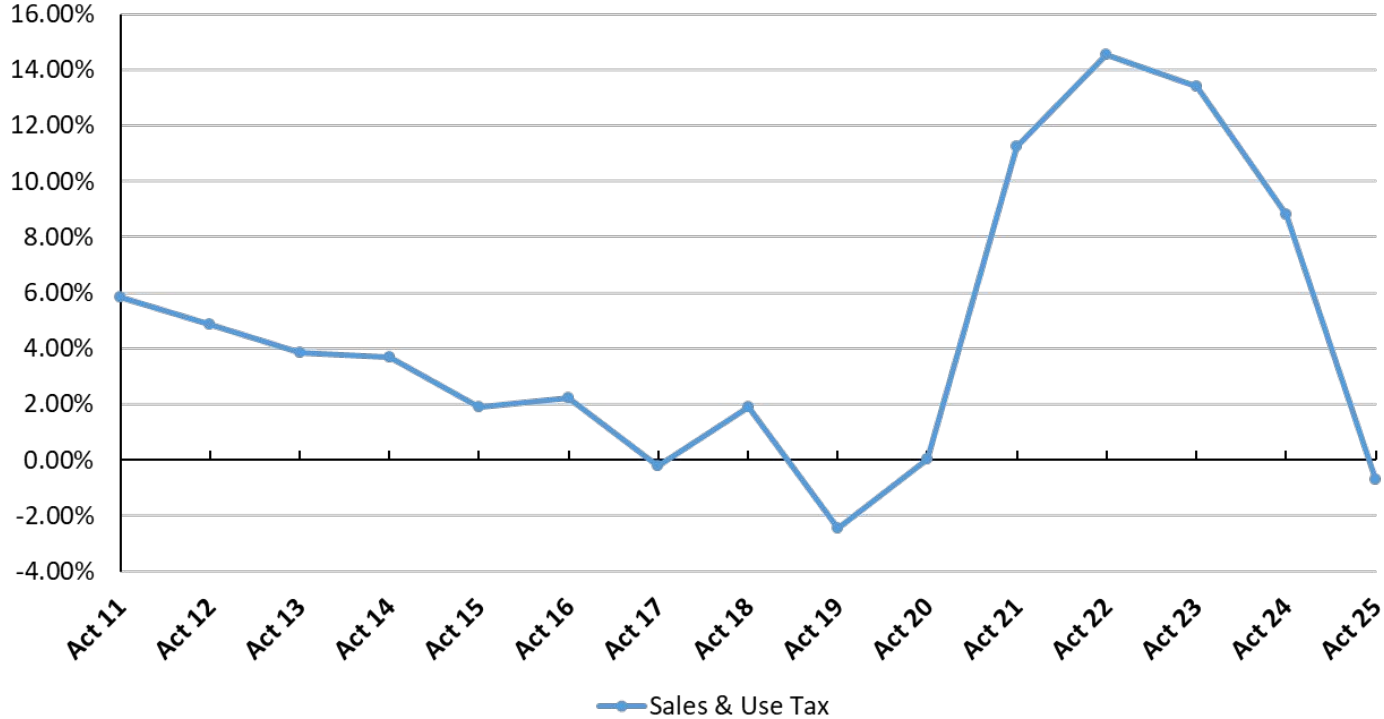
# Sales Tax Rate of Most Populated Cities In Missouri

City	City Portion	Tax
St. Louis	5.450%	9.679%
St. Joseph	3.875%	9.700%
Kansas City	3.250%	8.975%
Independence	2.875%	8.600%
Lee's Summit	2.750%	8.475%
Springfield	2.125%	8.100%
<b><u>Columbia</u></b>	<b><u>2.000%</u></b>	<b><u>7.975%</u></b>
St Charles	2.000%	7.950%
O'Fallon	2.000%	7.950%
St Peters	2.000%	7.950%

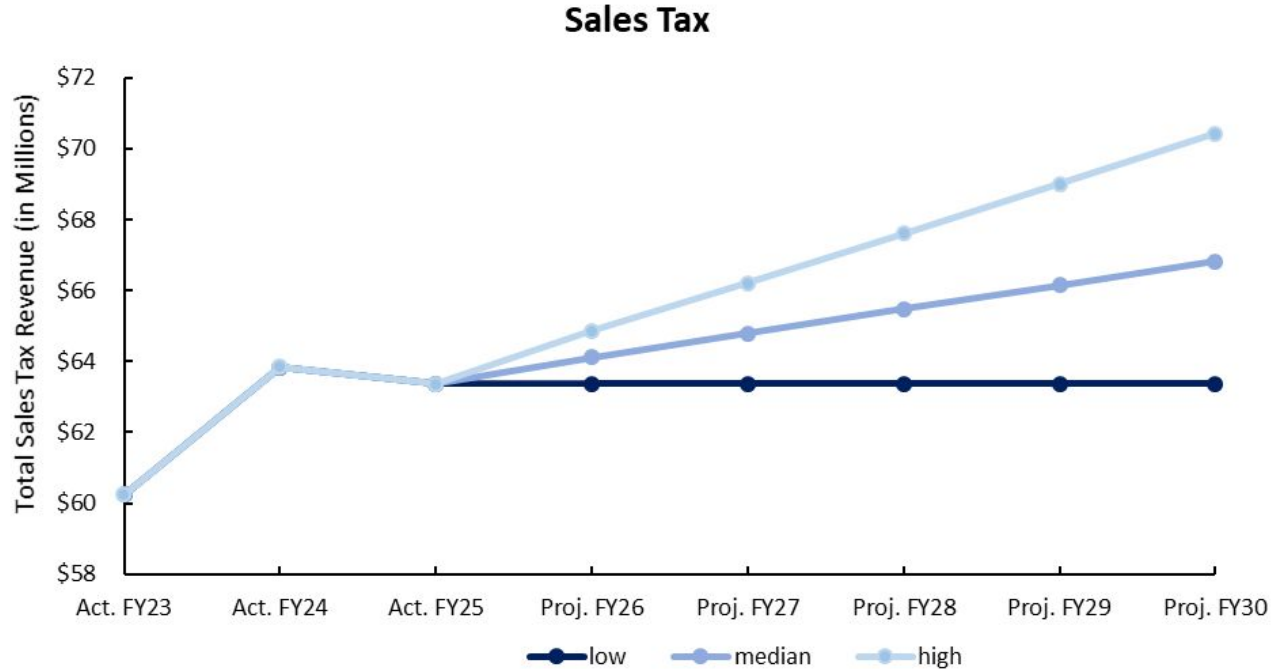
# Current Sales Tax Breakdown



# Year-over-year changes in Sales & Use Tax

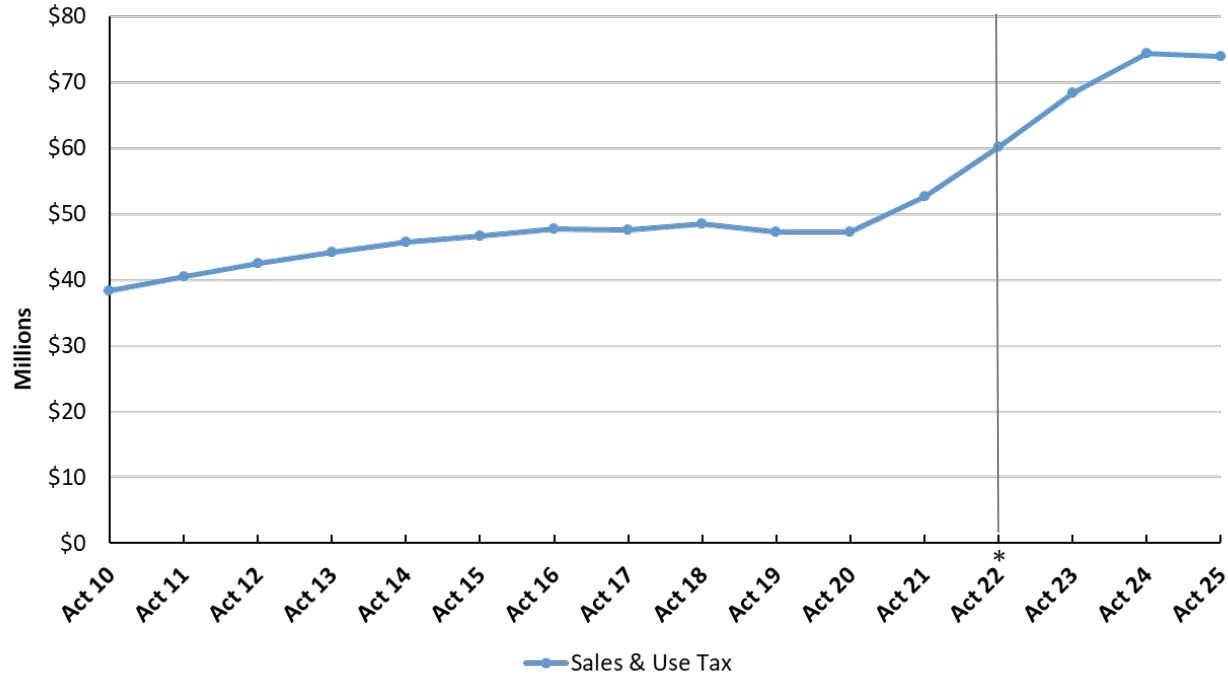


# Current Sales Tax Forecast



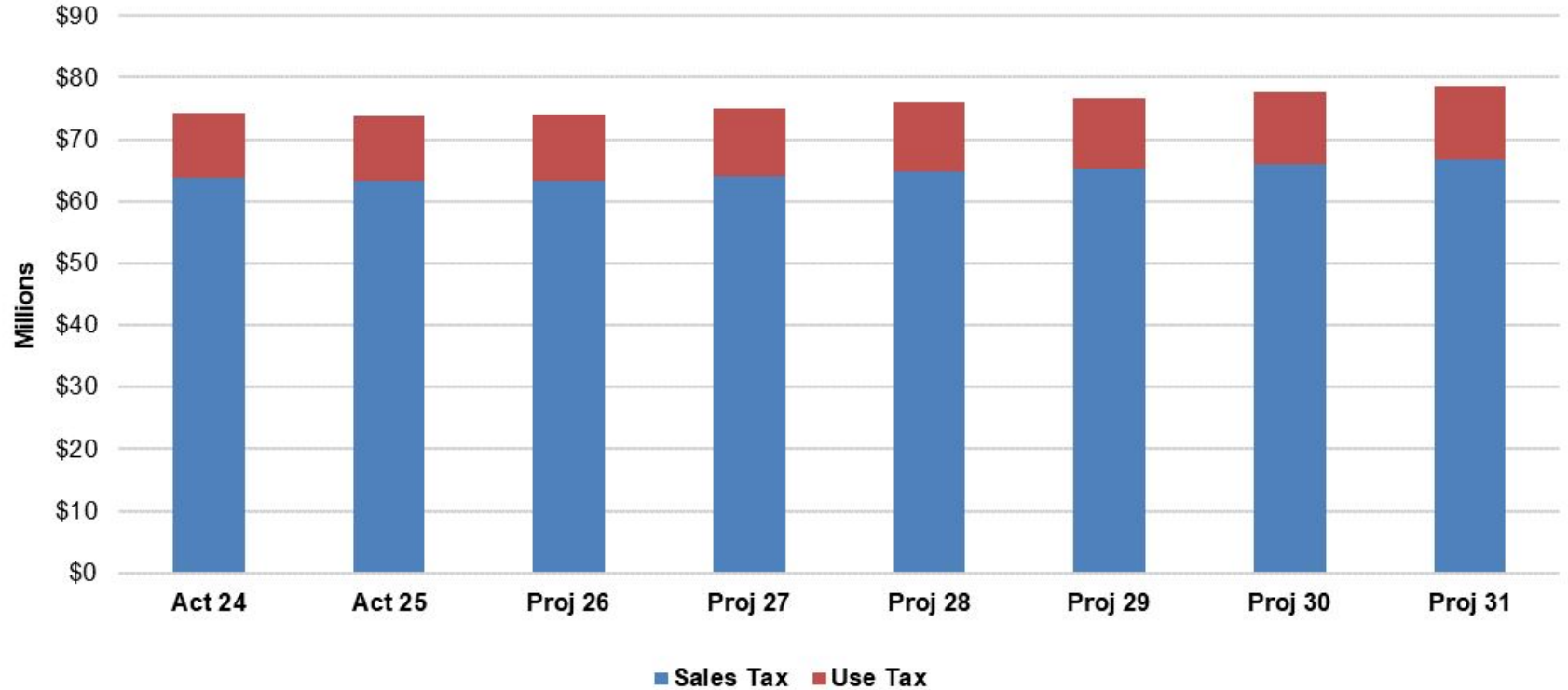
\* As of now Finance is forecasting sales tax to come in on the lower end of the projection for FY 26. With little to no growth from FY 25.

# Sales and Use Tax History by Fiscal Year



\*Introduction of Use Tax

# Current Sales and Use Tax Forecast



Based of low tax growth projection.

# Proposed 1% Sales & Use Tax

# Additional Sales & Use Tax

- Additional General Sales & Use Tax - Dedicated for Public Safety
  - 1%, approximately \$38,000,000
  - Provide revenues for the operations and capital improvements of public safety departments, including police and fire departments.  
(Pension programs included).
- Would need a vote of the public

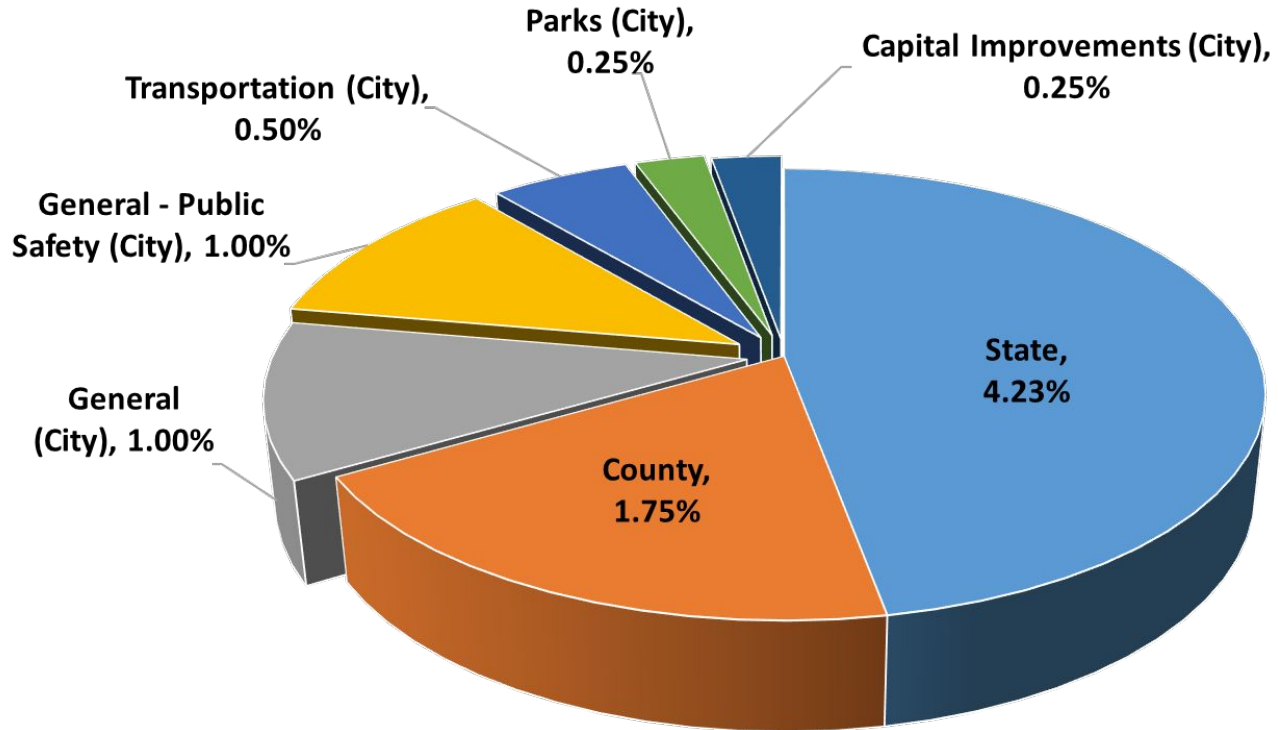
# FY28 Estimated Sales and Use Tax by Funds

Fund	Tax Rate	Sales Tax	Use Tax
General Fund	1%	\$33,050,364	\$5,594,538
<b>GF — Dedicated Public Safety</b>	<b>1%</b>	<b>\$33,050,364</b>	<b>\$5,594,538</b>
Capital Improvement Sales Tax	1/4%	\$7,914,863	\$1,398,634
Park Sales Tax	1/4%	\$7,914,863	\$1,398,634
Transportation Sales Tax	1/2%	\$15,831,420	\$2,797,269
<b>Total</b>	<b>3%</b>	<b>\$97,761,874</b>	<b>\$16,783,613</b>

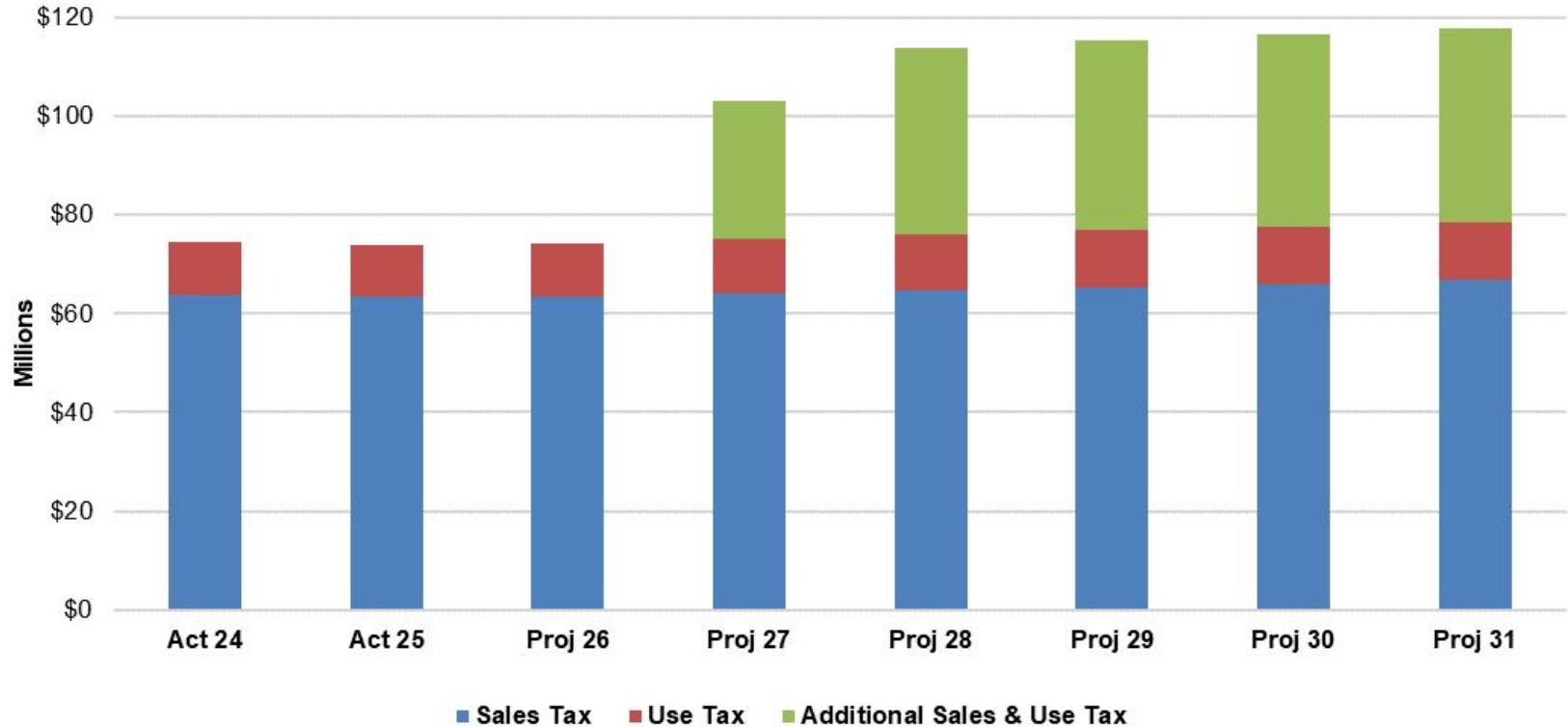
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# Potential Sales Tax Breakdown

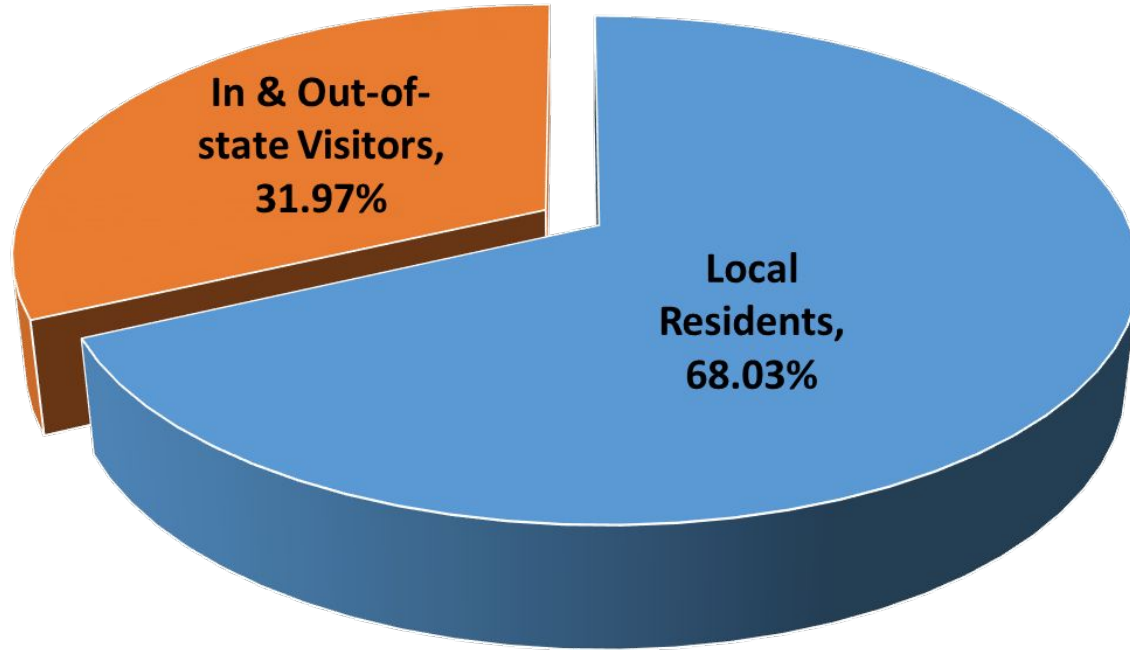


# Proposed Sales and Use Tax Forecast



Based on medium tax growth projection. 1% tax rate increase.

# Sales Tax Receipts by Location



Approximately 32% of collected sales tax revenue comes from visitors outside of Columbia. Visitors is defined as anyone living outside the City of Columbia.

# 1-Cent Sales Tax Impact



**\$4 Cup of Coffee: Additional \$0.04 (4 cents)**

- From \$4.32 to \$4.36



**\$12 Meal: Additional \$0.12 (12 cents)**

- From \$12.96 to \$13.08



**\$100 Grocery/Retail Purchase: Adds \$1.00**

- From \$107.98 to \$108.98

# How Public Safety Will Be Funded

## New Public Safety Fund

- Separate Fund to account for and segregate Police and Fire expenses
- ~\$38 million from new General Sales Tax
- ~\$60 million from original General Fund Sales Tax
  - Ongoing allocation from the General Fund

# Additional Sales & Use Tax Priorities

# Public Safety Priorities

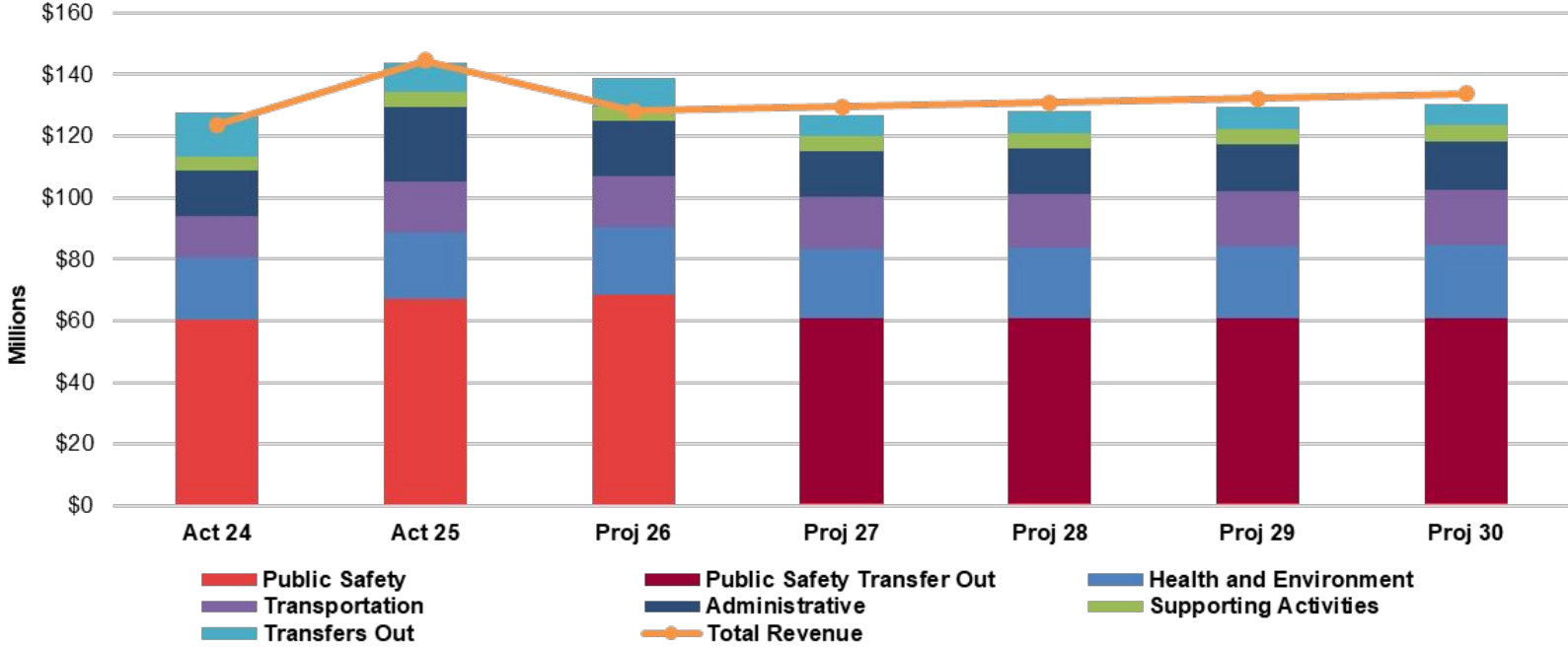
- Additional Police Officers and Firefighters
  - 50 Police Officers over 4 years
  - 42 Firefighters over 4 years
- New Police Facility
- Police Vehicles
- Renovation of 3 Current Fire Stations
- 2 Planned New Fire Stations with Apparatus
- Police and Fire Technology Plan

# Additional Priority

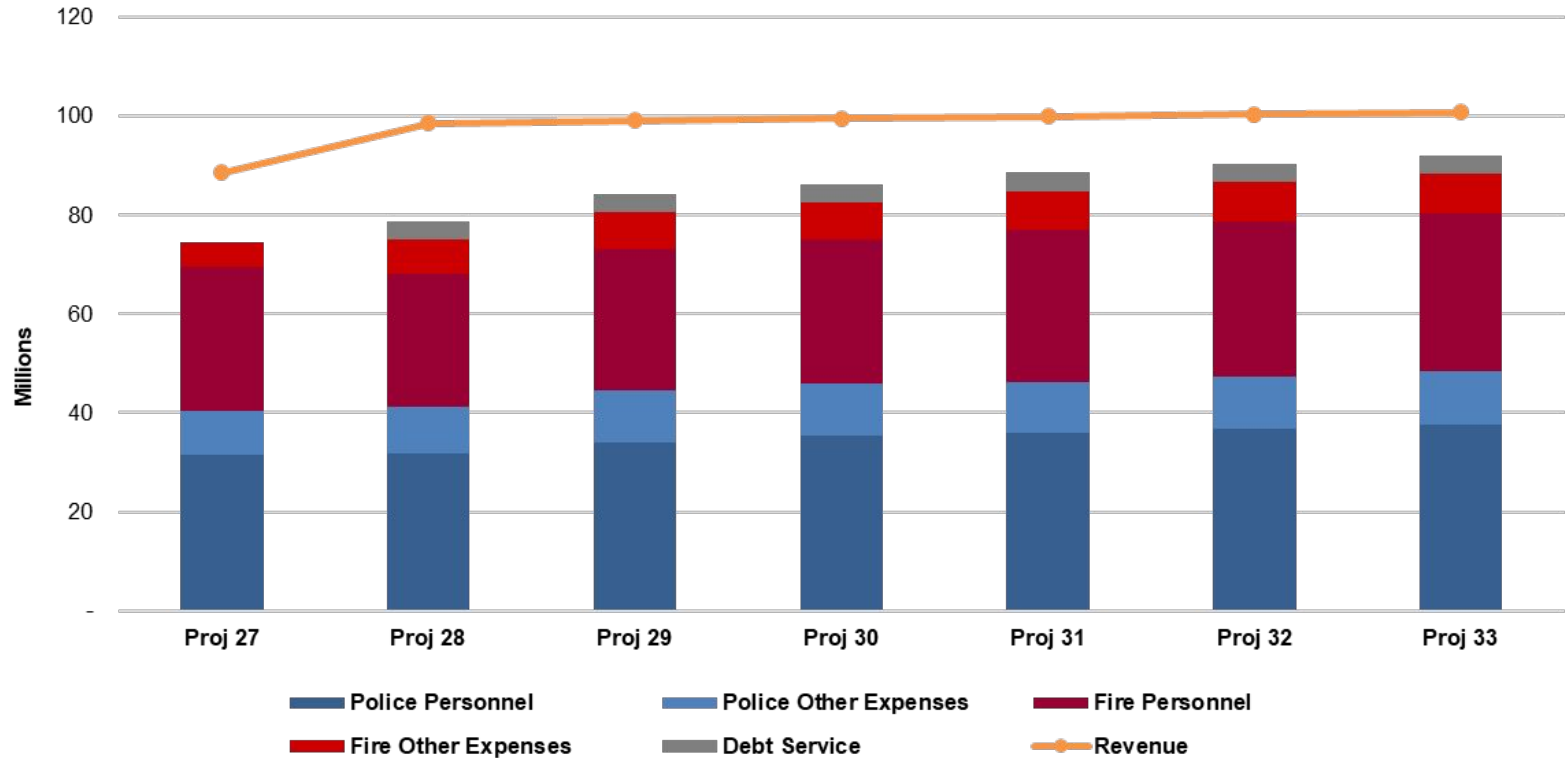
Stabilizing the City of Columbia Police and Firefighters Retirement Fund is necessary for the City. Our current funding gap is:

- 53% for the Police Pension
- 61% for the Firefighters Pension
- Total Unfunded Actuarial Accrued Liability (UAAL) as of 9/30/2025: \$148,946,720.
  - Police Liability — \$65,893,709
  - Fire Liability — \$83,053,011

# General Fund Projection with New Tax Rate



# Public Safety Fund Projection with New Tax Rate



# Sworn Police Officers per 1000 Citizens

City	Population	Police Budget	Sworn Officers	Public Safety Tax	Officer Per 1000
Kansas City	510,612	343,130,291	1,364	Yes	2.67
St. Louis	288,512	122,278,069	1,295	No	4.49
Springfield	169,954	60,000,000	360	Yes	2.12
Columbia	133,246	35,184,345	185	No	1.39
Independence	121,740	53,273,762	230	Yes	1.89
Lee's Summit	103,656	37,091,439	171	Yes	2.67

# Investing in Community Safety Excellence

- Since 2000, Columbia's population has grown by ~49,000 residents (+58%) and the City now covers ~15 additional square miles (+28%).
- Columbia had 1.49 officers per 1,000 residents in 2000. By 2026, that has dropped to 1.39 officers per 1,000 residents.
- The average number of full-time law enforcement officers in US cities is 2.3 per 1,000 residents.
  - The rate of full-time law enforcement officers per 1,000 residents is 2.2 in Midwest cities.

# Investing in Community Safety Excellence

- 42 additional Firefighters will enhance the neighborhood fire and medical efficiency which equates to lives saved, higher level of safety for our firefighters and improved outcomes for our patients.
- In an urban fire service, several tasks often have to happen at the same time for victims to survive (search, fire attack, water supply, ventilation, firefighter rescue capability).
  - The standard for career fire departments requires 16 firefighters for a single-family dwelling fire with the first engine arriving within 4 minutes and a full box alarm assignment arriving within 8 minutes 90% of the time
- Columbia has more people, more area to cover, and fewer officers per resident than it had two decades ago; a dedicated public safety tax helps close that gap.

# Discussion