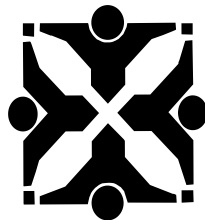


# General Information

- How Our Budget is Organized
- City Profile
- Organizational Chart
- Departments
- Fund Structure
- Budget Process
- Assessed Values of Taxable Property
- Fiscal Notes and Policies
- Vision Statements and Goals



*City of Columbia*  
*Columbia, Missouri*

The annual budget is the mechanism used to allocate city resources to departments in order to be able to deliver effective and efficient services to our customers. The budget document is intended to provide information about the city, both financial and operational, from a variety of perspectives and high degree of detail.

**Budget Message** - This is the City Manager's letter to the council and to the citizens which explains the guiding principles that were used to develop the budget, highlights of the significant changes in the budget, and future issues that have been identified and will need to be resolved.

**Budget-In-Brief** - This section follows the City Manager's budget message and provides readers a snapshot view of the various funding sources and uses and highlights the significant changes in the budget document.

**General Information** - This section provides demographics about the City, financial structure of funds and departments, explains the budget process, lists financial policies, and presents the City's vision statements and goals.

**Overall Summaries** - This section contains a wide variety of summary reports. Each of these reports contain information on the last year's actual figures, current year estimates, and projections for the next year. The following types of summaries are found in this section: revenues, expenditures, funding sources and uses, operating statement summaries by fund, five year capital improvement plan summary for general government departments (streets, parks, public safety, etc.) as well as for enterprise departments (water, electric, sewer, transit, airport, etc.), debt summary, authorized personnel summaries, and a General Fund summary.

**Departmental Information** - Within each department, the reader will find all of the key information about that department including a description, objectives, highlights/significant changes, budgets by category, authorized personnel, debt, capital projects, fines, fees and charges the department is authorized to collect, as well as ten year trend information on total revenues, total expenses, net income/(loss), funding equity, cash and available resources, and employees per capita.

There are also a number of ten year trend graphs provided. These include the total budgeted expenditures vs. the total capital project expenditures; total employees per capita; revenues, expenses, and net income; and fund equity vs. cash and other resources.

At the end of each department's budget there is a schedule showing all fees, fines, and service charges associated with that department. This schedule shows the legal authority, the date the fee was last changed, the current year's rate or amount and next year's rate or amount. We have shaded in green those items that are being changed in the next year's budget so they are easy to identify.

**Functional Groups** - The departments and funds are grouped by function in an effort to help readers easily locate and understand the information presented in this document. The following information lists the functional groups and the departmental budgets included in each group.

**Administrative Departments:** These budgets are all funded in the General Fund with the exception of the general government debt and general government capital projects. The departments funded within the General Fund include City Council, City Clerk, City Manager, Finance, Human Resources, Law, City General and Public Works Administration. A portion of the costs of these operations is recovered from the departments outside of the General Fund in the form of a General and Administrative Fee.

**Health and Environment:** These budgets have a central mission to preserve, protect, and promote our community. The departments included in this functional group include Public Health and Human Services, Economic Development, Cultural Affairs, the Office of Sustainability, Community Development, the Community Development Block Grant, Convention and Visitors Bureau, and the Contributions Fund.

**Parks and Recreation:** These budgets support the parks and recreation activities within the City. The budgets included in this functional group include Parks General Operations, Recreation Services, Parks and Recreation Capital Projects, and the Parks Sales Tax Fund. Most of the information presented is net of the parks sales tax fund so the reader can identify the actual dollars that are available.

**Public Safety:** The budgets included in this functional group include Police, Fire, Public Safety Joint Communications, and the Municipal Court. The County passed a 911 tax in FY 2013 to fund Public Safety Joint Communications. The City is currently transitioning these operations over to the county and will complete the transition once the new operations center is complete. Readers will notice a significant decrease in this budget each year as more and more of the costs are transitioned over to the County.

**Supporting Activities:** These departments provide goods and services to other City departments on a cost-reimbursement basis. The budgets included in this functional group include the Employee Benefit Fund, Self Insurance Fund, Custodial and Building Maintenance Fund, Fleet Operations Fund, Geospatial Information Services Fund (GIS), Information Technology Fund (IT), Community Relations Fund, and Utility Customer Services Fund.

**Transportation:** These departments and budgets work together to provide a quality transportation system for the City. The budgets included in this functional group include Public Works Engineering, Non-Motorized Grant, Streets and Sidewalks, Parking Enforcement, Transit, Airport, Parking, Railroad, Transload, as well as the following special revenue funds that are transferred into those budgets which include the Capital Improvement Sales Tax Fund, Transportation Sales Tax Fund and the Stadium TDD Fund. This document provides totals for transportation that are net of the tax funds so readers can identify the actual cash amounts that are available for this function.

**Utilities:** The budgets included in this functional group include Water, Electric, Sewer, Solid Waste, Mid-Missouri Solid Waste District and Storm Water.

**Appendix** - contains the Glossary

**History of Columbia:**

Osage and Missouri Indians roamed parts of Missouri prior to Lewis and Clark's expedition which took place in the early 1800's. The settlement currently named Columbia was called Smithton. However, due to a lack of water supply, the founders moved the settlement east across the Flat Branch and renamed it Columbia in 1821. The City of Columbia was incorporated in 1826, incorporated as a third-class city in 1892, and became a charter city in 1949. Columbia is a growing city and currently takes up 65.20 square miles of land.

**Government:**

The City of Columbia has a council/manager form of government. The mayor and 6 council members are elected by the citizens of Columbia and serve for 3 years with staggered terms of service. Since April 2014, the mayor and council members have received stipends. The City Manager reports to the Mayor and is considered the chief administrator. Department heads for all municipal functions report to the City Manager.

**Culture and Recreation:**

Columbia has big city entertainment and a great appreciation for all the arts ranging from international opera and ballet companies to contemporary music superstars. For the sports minded person there are many fun activities and ways to keep in shape.

Columbia is a progressive city offering its citizens a wide variety of experiences from fine dining to theater to rides on the trail to exciting sporting events. Columbia offers it all. The City of Columbia works hard to help keep the city as one of the best places to live and raise a family!

It offers a high quality of life for people of all ages and interests, a low cost of living, an excellent education system, outstanding health care facilities, abundant entertainment and employment opportunities, beautiful parks and trails, a clean environment and much more.

**Recreation:** (Parks and Recreation 874-7460)

Athletic and Health Clubs.....	21
Athletic Fields (w/ lights & irrigation) .....	24
Community Activity & Recreation Center (ARC).....	1
Number of Pools (Private & Public).....	9
Golf Courses (Municipal).....	2
Golf Courses (College).....	1
Golf Courses (Private).....	5
Frisbee Golf Course.....	4
Parks (Total Acres 3,353) excluding Rec facilities.....	70
Bowling Alleys.....	1
State Parks.....	4
Roller Rinks.....	1
Roller Hockey Facilities.....	2
Skate Park.....	1
Soccer Fields.....	28
Tennis Courts.....	27
Volleyball Courts.....	15

**Cultural Arts:** (Cultural Affairs 874-6386)

Movie Theaters (screens).....	24
Performing Arts Organizations/Companies*.....	21
Visual Art Venues, Museums & Galleries*.....	20
Arts Festivals*.....	12

\*Estimated Numbers

**Community:**

For being a relatively small town, Columbia has "Big Town" amenities. There are a variety of local business, several hospitals, numerous radio stations and numerous hotels/motels and restaurants.

**Community Facilities:**

Hospitals.....	7
Hotels/Motels.....	39
Hotel/Motel Rooms.....	3,836
Restaurants.....	313
Shopping Centers.....	17
Shopping Malls.....	1

**Communications:**

Print Media.....	6
Boone County Radio Stations.....	12
TV Stations (includes cable).....	3
Satellite.....	2

**Education:**

Columbia Public Schools have national reputations. They have earned the highest possible rating in Missouri and continue to receive national honors both from the students and teachers alike. The school district graduates one of the highest percentages of Merit Scholars in the country. Columbia also prides itself with having two private colleges and one university from which to receive extended education.

**Public Schools (Number) & Enrollment (Number)**

Total Public Schools (31).....	18,170
Elementary Schools (21).....	8,966
Middle Schools (6).....	3,983
Senior High Schools (4).....	5,221
Non-Public Schools (17).....	N/A
Stephens College.....	901
Columbia College (day, evening & ext).....	19,350
Univ. Of Missouri-Columbia.....	32,777

**Libraries:**

Number of Libraries .....	4
<i>Daniel Boone Regional Library, UMC (Ellis), Columbia College &amp; Stephen's College</i>	

**City Streets:** (874-6289)

Paved (Lane miles).....	1,334
Gravel (Lane miles).....	4.5

**City Sewers:** (445-9427)

Gravity Sewer lines (miles).....	691.0
City Force Main (miles).....	25.0

**Fire Protection:** (874-7391)

Number of Stations.....	9
Total number of employees .....	145
Number FF/Eng./Lieuts./Capts/Bat Chief/Div Chief.....	141
Number of vehicles.....	40
Number of hydrants.....	5,997

**Police Protection:** (874-7506)

Number of stations.....	1
Number of sub-stations.....	5
Total number of employees.....	210.40
Number of Sworn Positions.....	173.00
Number of Civilian Positions.....	37.40
Number of vehicles.....	100

## City of Columbia Profile

### Parking: (874-7674)

On-Street Meters.....	1,828
Off-Street Meters.....	97
Permit Spaces (lots/garages).....	1,999
Hourly Garage Spaces.....	437
Reserved Spaces in Lots and Garages.....	95

### Airport: (874-7508)

Airport Facilities.....	1
Airlines: American Airlines & United Airlines.....	2

### Climate:

Annual rainfall is approximately 42.64 inches/year.  
 Annual snowfall is approximately 19.0 inches/year.  
 Warmest month and average (July - 88 degrees)  
 Coolest month and average (January - 21 degrees)

### Utilities:

The City of Columbia is a full-service city that provides a variety of services to the citizens of Columbia.

Electricity .....	874-7380
Water .....	874-7380
Recycling/Trash Collection .....	874-2489
Sewer .....	874-2489
Storm Water .....	874-2489

**City Employees (FTE for FY 2018):** 1,492.90

### Sales Tax:

Sales tax in Columbia is 7.975% in all areas of the City except those located in transportation development districts (TDDs). The tax amount includes the following:

State Sales Tax.....	4.225%
County General Revenue Tax.....	0.500%
County Road Tax.....	0.500%
Boone County Law Enforcement Tax.....	0.125%
City General Revenue Tax.....	1.000%
City Transportation Tax.....	0.500%
City Capital Improvement Tax.....	0.250%
City Parks Sales Tax.....	0.250%
County Community Children's Services Fund.....	0.250%
County E-911 Emergency Sales Tax .....	0.375%

**City's portion of total sales tax rate** 2.000%

### Volunteer Programs: (874-7499)

There are many ways and opportunities for citizens to get involved with the community. Columbia has numerous events throughout the year that require hundreds of volunteer hours in order for the events to be successful. There are several departments within the City of Columbia that rely on the efforts of volunteer staff. In FY 2016, volunteers contributed nearly 35,180 hours at a value of nearly \$830,000.

### Local Economy:

The cost of living for the City of Columbia is generally 8%-9% below the national average; for the first quarter in 2017 Columbia was at 93.0%. Columbia area has a median household income of \$44,160. According to the following websites reporting these economic conditions.

[http://www.missourieconomy.org/indicators/cost\\_of\\_living/index.stm](http://www.missourieconomy.org/indicators/cost_of_living/index.stm)

[http://www.clrsearch.com/Columbia\\_Demographics/MO/Household-Income](http://www.clrsearch.com/Columbia_Demographics/MO/Household-Income)

Year	Population	Unemployment Rate	Poverty Rate
2011	106,658	4.50%	24.30%
2012	109,008	4.00%	24.60%
2013	111,145	3.80%	27.20%
2014	113,155	3.40%	24.90%
2015	115,391	2.80%	24.60%
2016	117,671	2.60%	N/A

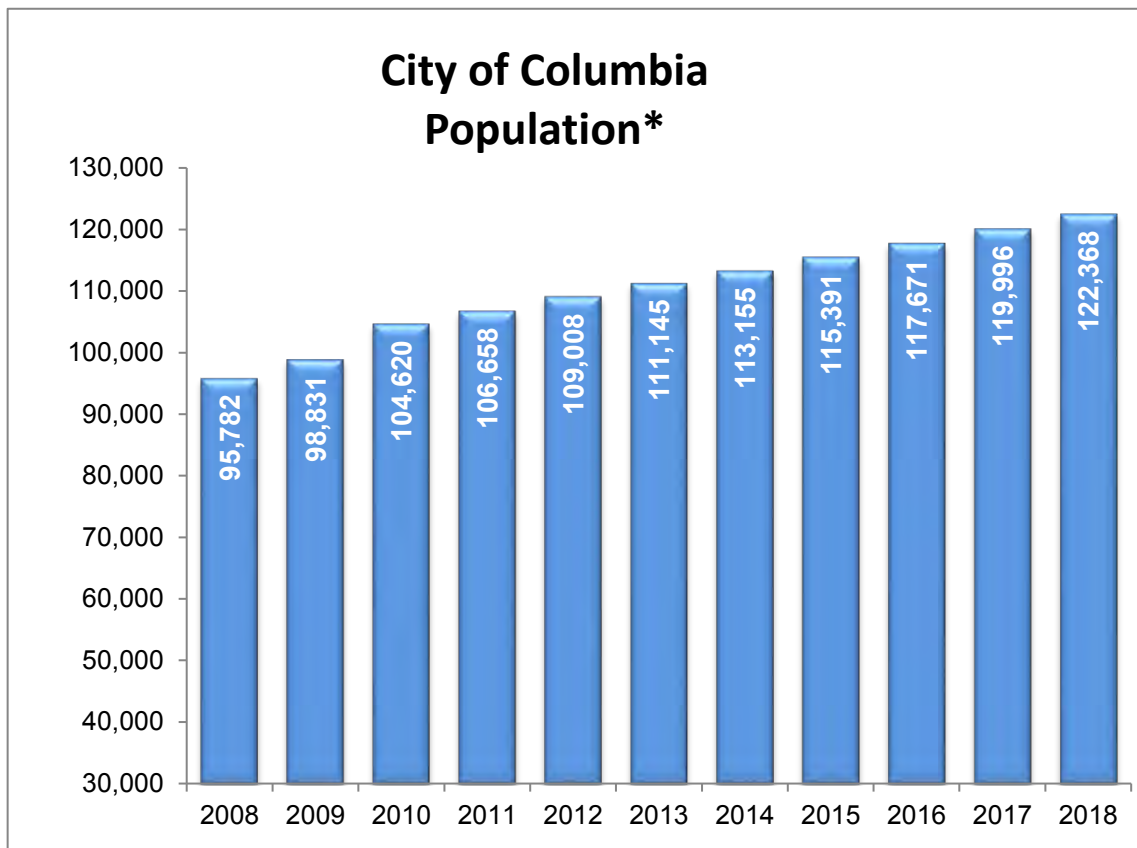
The city of Columbia has historically experienced a population growth rate of about 1.1%-2.0%. However, according to the 2010 census data, the actual population growth rate was closer to 2.5% each year in the last 10 year span.

### Top 5 Employers in Columbia in 2017

University of Missouri .....	8,706
University Hospital & Clinics .....	4,600
Columbia Public Schools .....	2,517
City of Columbia .....	1,487
Veterans United Home Loans.....	1,442

Principal Tax Payers	Type of Business	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Union Electric	Utility	28,177,504	1	1.50%
Shelter Insurance	Insurance	16,177,067	2	0.86%
3M Company	Manufacturer	12,604,776	3	0.67%
TKG Biscayne LLC	Property/Developer	9,778,083	4	0.52%
Hubbell Power Systems	Manufacturer	9,045,000	5	0.48%
Grindstone Properties	Property/Developer	8,078,039	6	0.43%
Breckenridge Group	Property/Developer	7,939,457	7	0.42%
JDM II SF National (formerly State Farm)	Insurance	7,807,371	8	0.42%
The Links Columbia	Property/Developer	6,839,287	9	0.36%
Boone Hospital	Medical	6,713,024	10	0.36%

The principal taxpayer table lists the top 10 tax payers in the Columbia area based on a commercial assessed value of approximately 32% of the estimated actual value of the property. These are only a few of the numerous businesses both large and small, corporate and independently owned that offer an outstanding working environment for anyone interested in moving or relocating to Columbia.



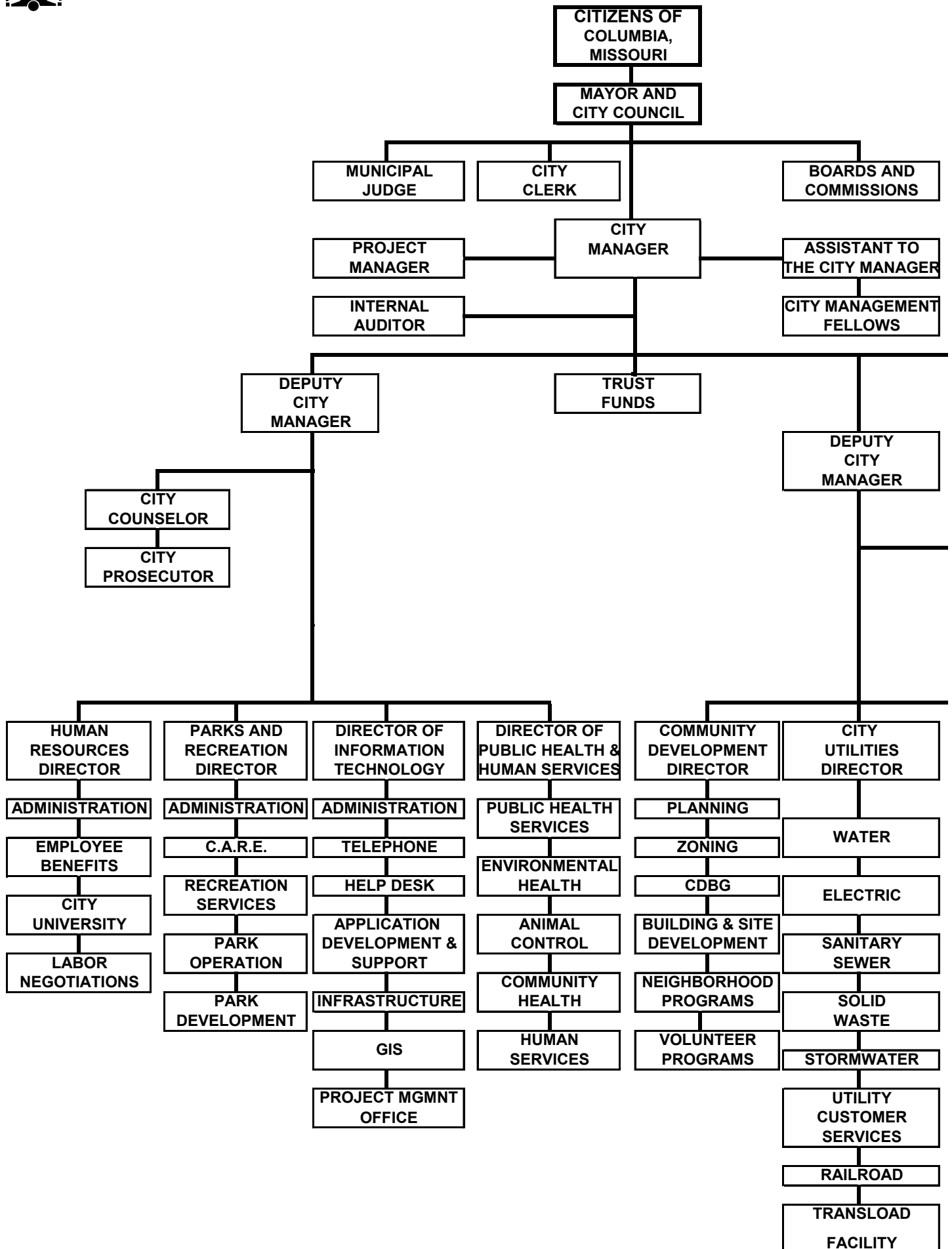
\* Population figure for 2010 is from the census, remaining years have been estimated

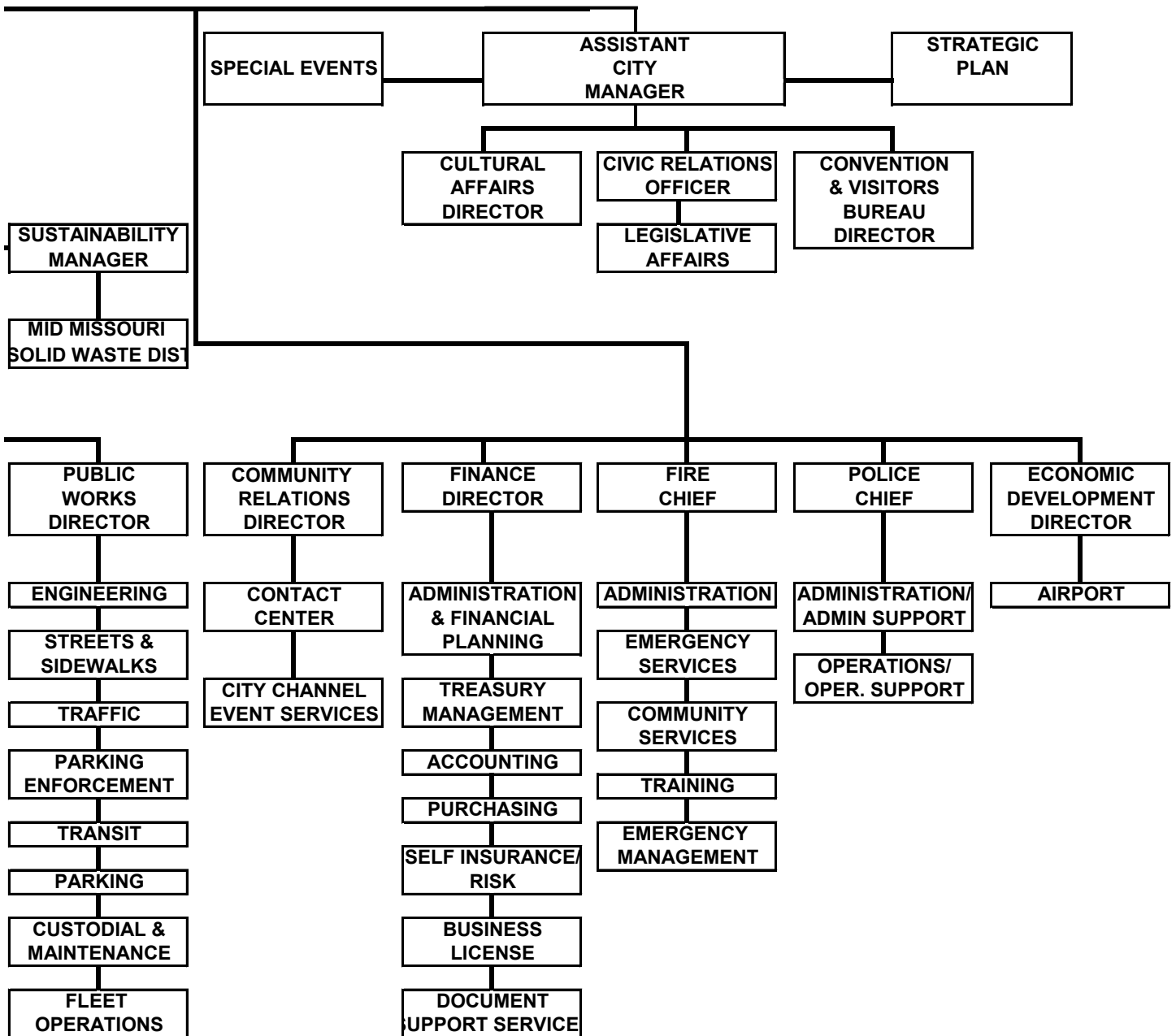
<b>Fiscal Year</b>	<b>Population</b>	<b>Percent of Population 17 and under</b>	<b>Percent of Population 65 and older</b>	<b>Total Percent of Population ≤17 or ≥65</b>	<b>Median Household Income</b>	<b>Consumer Price Index</b>	<b>Personal Income in Constant Dollars</b>
2008	95,782	N/A	N/A		\$40,326	215.30	\$18,730
2009	98,831	18.69%	18.69%	37.38%	\$41,381	214.54	\$19,289
2010	104,620	18.57%	18.57%	37.14%	\$41,287	218.06	\$18,934
2011	106,658	18.58%	18.58%	37.16%	\$43,102	224.94	\$19,162
2012	109,008	18.63%	18.63%	37.26%	\$43,084	229.59	\$18,766
2013	111,145	18.94%	18.94%	37.88%	\$43,262	232.96	\$18,414
2014	113,155	18.97%	18.97%	37.94%	\$43,776	236.74	\$19,694
2015	115,391	18.79%	18.79%	37.58%	\$44,907	237.02	\$18,631
2016	117,671	N/A	N/A	N/A	N/A	N/A	N/A
2017	119,996	N/A	N/A	N/A	N/A	N/A	N/A
2018	122,368	N/A	N/A	N/A	N/A	N/A	N/A

- Monthly Labor Review" (CPI)
- US Census Bureau - ACS and ACS - 1 year and 5 year estimates
- GIS Department, City of Columbia



# FUNCTIONAL ORGANIZATIONAL CHART







**Columbia Website Address: [www.gocomo.gov](http://www.gocomo.gov)**

*"A Full Service City providing comprehensive services to our residents and customers"*

**City Clerk 573-874-7208**

Records and maintains all City records.

*City Clerk: Sheela Amin*

**City Manager 573-874-7214**

Responsible for the general administration of the City of Columbia and all of its functions.

*City Manager: Mike Matthes*

**Convention & Visitor's 573-875-1231**

Promotes Columbia as a meeting, leisure, group tour, and sports destination

*Director: Amy Schneider*

**Community Development 573-874-7239**

Provides planning, economic and community development support to the City of Columbia.

*Director: Timothy Teddy*

**Community Relations 573-874-7316**

Builds citizen trust through effective listening and compassionate response.

*Director: Steve Sapp*

**Cultural Affairs 573-874-6386**

Enhances the vitality of the City through creative expression.

*Manager: Sarah Dresser*

**Economic Development 573-442-8303**

Supports and facilitates the growth of City's economy, as well as manages the Airport.

*Director: Stacey Button*

**Finance 573-874-7111**

Administers, directs, and coordinates all financial services for the City of Columbia.

*Director: Michele Nix*

**Fire 573-874-7393**

Serves as the fire protection agency for the City of Columbia.

*Fire Chief: Randy White*

**Human Resources 573-874-7235**

Coordinates all personnel issues regarding employment and benefits.

*Director: Margrace Buckler*

**Information Technology 573-874-7284**

Provides administration and support of the City of Columbia's computer network and telephone.

*Director: Jim Chapdelaine*

**Law 573-874-7223**

Manages all litigation and advises Council and all City-related personnel on legal matters.

*City Counselor: Nancy Thompson*

**Municipal Court 573-874-7231**

Processes violations of laws and City ordinances.

*Judge: Cavanaugh Noce*

**Parks and Recreation 573-874-7460**

Oversees and maintains park lands and a variety of sports and leisure programs.

*Director: Mike Griggs*

**Police 573-874-7404**

Serves as the law enforcement agency for the City of Columbia.

*Police Chief: Ken Burton*

**Public Health & Human Services 573-874-7347**

Assists to prevent disease and injury by promoting better health in the community.

Includes community and social services programs.

*Director: Stephanie Browning*

**Public Works 573-874-7253**

Manages transportation activities of streets and sidewalks, engineering, traffic, parking enforcement, parking facilities, transit, as well as fleet operations and custodial and building maintenance services.

*Director: David Nichols*

**Utilities 573-874-7613**

Provides safe and dependable drinking water, electricity, sewer storm water, solid waste collection and operates COLT railroad and Transload Facility

*Director: Tad Johnsen*





**Fund Types:**  
 (GF) General Fund  
 (CP) Capital Projects Fund  
 (DSF) Debt Service Funds  
 (EF) Enterprise Funds  
 (ISF) Internal Service Funds  
 (SRF) Special Revenue Funds

Preparation for the budget process begins as soon as the books are closed for the previous fiscal year. At this time the Finance Department begins looking at past year trends and current projections to begin forecasting for the upcoming budget year.

**Ten Year Trend Manual Preparation** - In November through January each year, the Budget Office prepares a comprehensive ten year trend manual which examines trends and identifies warning trends for each of the city's budgets as well as a number of other indicators.

**Capital Improvement Program (CIP) Process** - From January - April capital projects and improvements are identified and discussed between departments and management. Possible funding sources are identified. A preliminary document is prepared listing all project requests and location maps to better identify the project. A detailed discussion occurs at the Council mini retreat in May. Priority projects are identified based on citizen, council and staff input. The City Manager and Finance staff determines appropriate funding sources for the projects to be funded in the next year. A public hearing on the capital improvement plan in July. Citizens can also provide input at the public hearings on the CIP in August and September. The City Council adopts the capital improvement plan for the next year when it adopts the budget at the second Council meeting in September. A final CIP document is then prepared.

**Forecasting** - Budget staff reviews historical information in conjunction with the latest current year financial statements to prepare a set of forecasts. Assumptions are developed in a model which forecasts general government revenues and expenditures over the next three years. These forecasts are presented to and reviewed with the City Manager so that general budget guidelines for the next year may be developed. This generally takes place not long after the fiscal year is closed and continues through out the budget process. All supporting activity, transportation, and utility funds prepare five year forecasts which are included in the budget document.

**Council Retreat** - In March, the City Manager meets with the City Council. This meeting provides an opportunity to review the year end financial information and trends and obtain from Council a list of issues and areas the Council wants the budget to focus on for the next year. This guidance from Council provides the framework for the next year's budget.

**Budget Guidelines** - Prior to establishing guidelines for the upcoming budget year, the City Manager reviews forecasts (see Forecasting) with the Finance Director. Based upon this review and input from the City Council at the Council Retreat, budget guidelines are established and provided to the departments.

**Department Budget Preparation** - In mid March, departments receive budget guidelines from the City Manager as well as instructions from the Budget Office. Budget instructions, calendars, and files are posted on a budget google site. Departments are responsible for preparing budget estimates for the current year, projections for the next year, and supplemental requests. Supplemental requests are any items that are over \$5,000, requests for new programs, replacement and additional fleet items, and requests for new positions. Departments must enter their current year estimates and next year's projections into the City's financial accounting software system.

**Fleet Replacement Process** - The Fleet Optimization Committee (FOC) reviews all requests for replacement of rolling stock within the City on an annual basis determining replacement of vehicles based on age and mileage or hours of service. Recommendations of replacements are made to the City Manager during the budget process. This committee also reviews all specifications of the approved fleet items prior to the items being ordered to ensure completeness of the specifications and to coordinate ordering of similar items together to obtain the lowest prices.

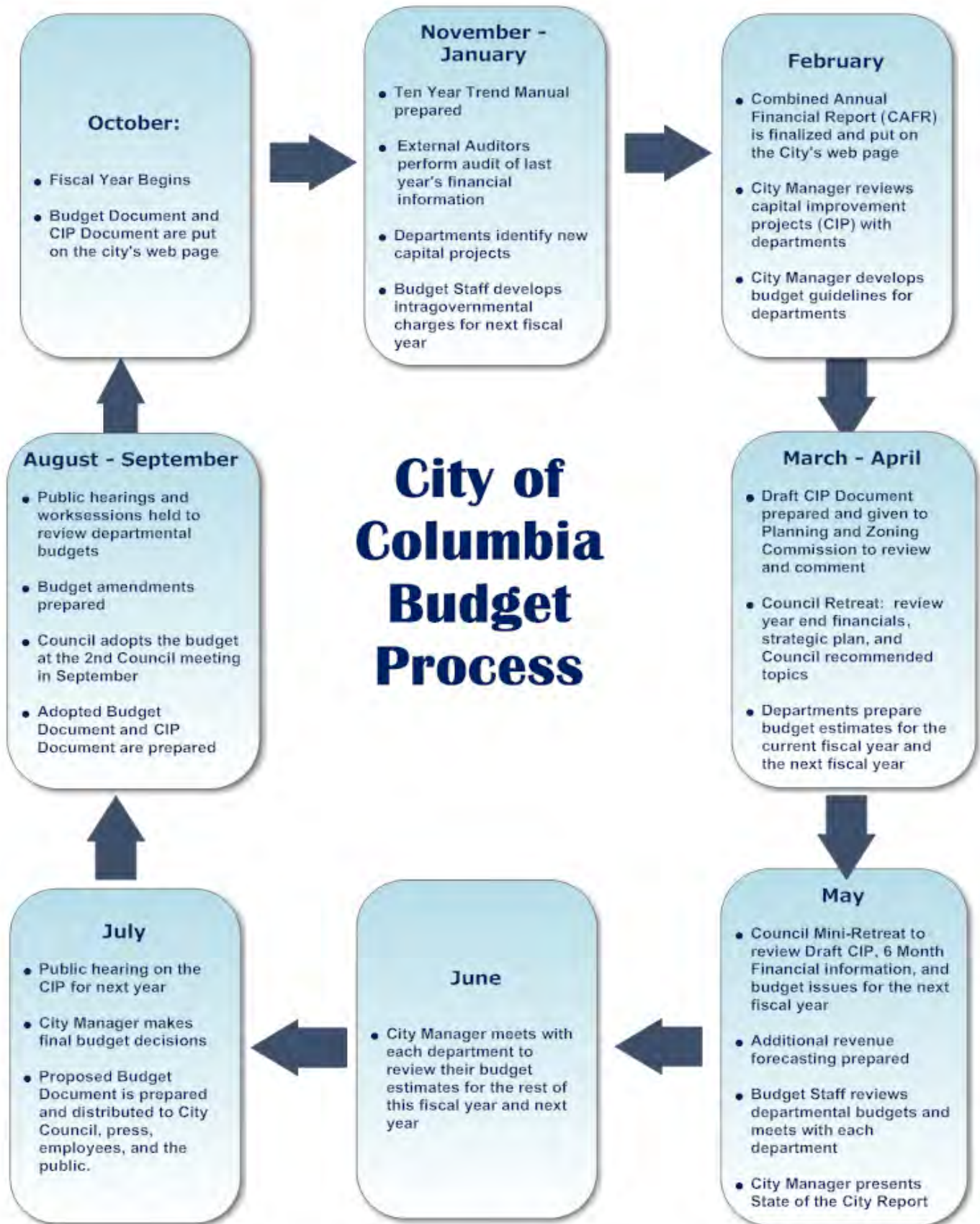
**Budget Office Review of Departmental Budgets** - After departments have submitted their budgets and the FOC has made recommendations for fleet replacements, the Budget Office, consisting of a Budget Officer and five staff members, review all 54 budgets, looking at past trends, reviewing for completeness and identifying any issues. The Budget Officer and the applicable analyst meet with each department and resolve any issues prior to budget meetings with the City Manager.

**City Manager Budget Meetings** - At the end of May through the end of June, the City Manager meets with each department to review their budget, approve personnel requests and set rates and fee changes. Final adjustments are made to balance the budget in early July.

**City Manager Budget Document prepared** - The City Manager's budget document is prepared during the first three weeks in July, is distributed to Council, and then a press conference is held at the end of July. By charter, this must be accomplished by July 31st.

**Budget Amendment Process** - In August, the City Council holds a budget work session with the City Manager, Finance Director, Budget Officer, and Department Heads to review the City Manager's Budget, individual department budgets, revenues and expenditures, and issues for the upcoming fiscal year. Public hearings are held to gather citizen input on the proposed budget. Both the public and press are welcome to attend the work sessions and public hearings. Television, radio, and newspaper reporters keep the public informed on the status of the budget as it is reviewed by Council. Budget amendments are prepared for any changes the Council of staff identify for inclusion in the budget.

**Adopted Budget Process** - In September, the City Council continues budget work sessions and public hearings on the budget. The budget is adopted during the month. The Finance staff makes the necessary changes and appropriation files are set up for the New Year. The Annual Budget document is prepared and distributed. The new fiscal year begins Oct. 1st.





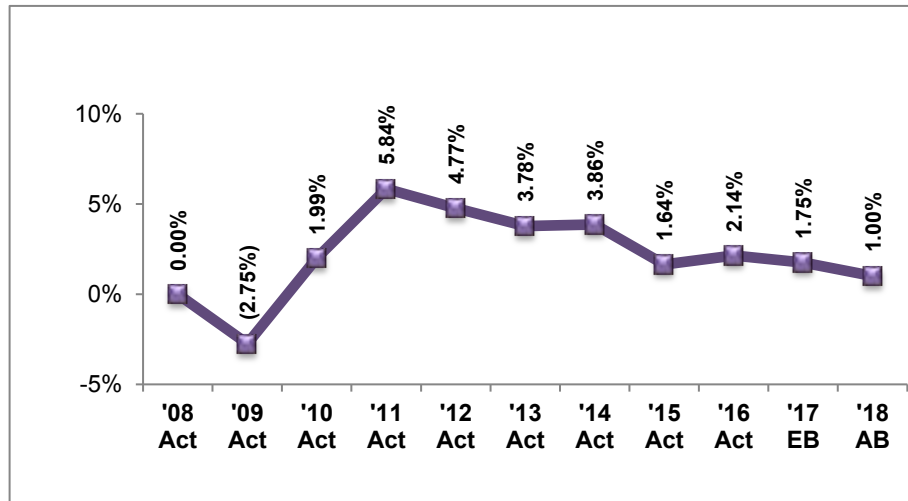
### Assessed Values of Taxable Property

<u>Fiscal Year</u>	<u>State Assessed Value</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Assessed Value</u>
2008	5,843,391	1,292,414,862	273,363,667	1,571,621,920
2009	5,522,897	1,347,522,235	275,394,049	1,628,439,181
2010	5,451,561	1,379,654,147	254,289,515	1,639,395,223
2011	5,140,761	1,400,192,298	250,581,100	1,655,914,159
2012	4,354,717	1,413,996,612	264,972,925	1,683,324,254
2013	4,138,118	1,423,905,462	293,420,631	1,721,464,211
2014	4,108,905	1,449,632,179	298,129,549	1,751,870,633
2015	4,095,085	1,506,138,234	303,450,790	1,813,684,109
2016	4,193,727	1,553,310,919	317,367,258	1,874,871,904
2017 prelim	4,690,175	1,670,118,794	323,430,717	1,998,239,686

### Property Tax Rates (Per \$100 Assessed Value)

<u>Fiscal Year</u>	<u>General Fund</u>	<u>G.O Fund Bond</u>	<u>Total Fund</u>
2008	0.41	0.00	0.41
2009	0.41	0.00	0.41
2010	0.41	0.00	0.41
2011	0.41	0.00	0.41
2012	0.41	0.00	0.41
2013	0.41	0.00	0.41
2014	0.41	0.00	0.41
2015	0.41	0.00	0.41
2016	0.41	0.00	0.41
2017	0.41	0.00	0.41

### General Fund Sales Tax Revenues - Annual Growth/(Decline)



<u>Fiscal Year</u>	<u>General Fund Sales Tax Revenue</u>	<u>% Change Over Previous Year</u>
2008	\$18,947,469	0.00%
2009	\$18,427,197	(2.75%)
2010	\$18,794,534	1.99%
2011	\$19,891,980	5.84%
2012	\$20,840,696	4.77%
2013	\$21,627,785	3.78%
2014	\$22,463,031	3.86%
2015	\$22,832,373	1.64%
2016	\$23,321,470	2.14%
2017	\$23,729,596	1.75%
2018	\$23,966,892	1.00%

The City of Columbia has a council-manager form of government. All powers of the City are vested in an elective Council, which enacts legislation, adopts budgets, determines policies, and appoints the City Manager.

The City Manager is the chief executive and administrative officer of the City and is responsible to the Council for the proper administration of all the City's affairs. The City Manager keeps the Council advised of the financial condition of the City and makes recommendations concerning its future needs.

The fiscal year of the City begins on the first day of October and ends on the last day of September each year. The fiscal year constitutes the budget and accounting year.

#### **REVENUE POLICY**

The City will endeavor to maintain a diversified and stable revenue base to minimize the effects of economic fluctuations as well as eliminate an over dependence on any single revenue source.

The City will project and update revenues annually. These revenue forecasts will be presented to the City Council prior to the beginning of the budget process.

Departments submit their revenue estimates for the current year and projected revenue for the next year to the Finance Department.

Revenue trends are to be examined monthly and incorporated into annual revenue forecasts.

Revenue sources are not utilized by the City while legal action is pending.

Monthly reports comparing actual to budgeted revenues will be prepared by the Finance Department and presented to the City Manager.

Cash investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio.

User fees and rates will be examined annually and adjusted as necessary to cover the costs of providing the services.

The City will follow a policy of collecting, on a timely basis, all fees, charges, taxes, and other revenues properly due the City. The City will follow an aggressive policy of collecting all delinquencies due the City.

#### **BUDGET POLICY**

Between 120 and 180 days prior to the adoption of the budget, the City Manager shall prepare and submit to the Council a statement of the policy recommendations for programs and priorities which, in the opinion of the City Manager, will be of benefit to the city.

The City Manager shall submit a budget to Council at least 60 days prior to the beginning of each budget year.

Expenditures proposed in the budget for each department, office, or agency shall be itemized by character, object, function, activity, and fund.

The City Council shall hold public hearings on the budget as submitted, at which all interested persons shall be given an opportunity to be heard.

The City Council shall adopt the budget, by majority vote, no later than the last Monday of the month proceeding the first month of the budget year. If the City Council does not take final action by this date, the budget will be considered effective as it was submitted.

The budget shall be on record in the City Clerk's office and open to public inspection. In addition, a copy of the budget is available for the citizens of Columbia to view at the Columbia Public Library. The budget is also available for viewing and/or printing on the City's website at [www.gocolumbiamo.com](http://www.gocolumbiamo.com)

A detailed listing of the budget calendar is found on page 11.

The City will annually submit documentation to obtain the Government Finance Officials Association (GFOA) Distinguished Budget Presentation Award.

After adoption of the budget, the budget can be amended via ordinance or resolution. The City Manager can submit ordinances and resolutions to the Council to increase expenditures or revenues. When the Council approves the ordinance or resolution, additional appropriations are made in the appropriate department.

At the request of the City Manager, the Council may by resolution, transfer any unencumbered appropriation balance or portion thereof from one office department or agency to another. No transfer shall be made of specified fixed appropriations.

All appropriations shall lapse at the end of the budget year to the extent that they shall not have been expended or lawfully encumbered.

**CAPITAL IMPROVEMENTS POLICY**

The City develops a five-year program for capital improvements and updates it annually for budgeting purposes. A Capital Improvement Plan (CIP) document is prepared which lists all project requests that go beyond the five year budget guideline.

Estimated costs and potential funding sources for each capital improvement project proposal are identified before the document is submitted to the City Council for approval.

The capital improvement program will be included in the Annual Budget. The Annual Budget will implement the first year of the capital improvement program.

**FIXED ASSET POLICY**

The following fixed asset policy shall be in force commencing with fiscal year 2000. This policy is consistent with Government Financial Officers Association Recommended Practices and should be reviewed periodically and compared to recommended practices of the GFOA or other nationally recognized government finance organization.

Fixed assets should be capitalized only if they have an estimated life of more than one year following the date of acquisition and have a purchase cost of \$5,000 or more. Items which cost less than \$5,000 and/or have a life of one year or less will be expensed upon acquisition

Purchase cost of a fixed asset includes freight, installation charges, carrying cases, adaptors and other items which are connected to the fixed asset and necessary for its operation or use.

Fixed assets' capitalization threshold should be applied to individual fixed assets rather than to groups of fixed assets.

A small tag with a fixed asset number will be issued by the Finance Department for all items that can be reasonably tagged (physically). Said tag will be affixed to the fixed asset until such time it is declared surplus property and properly disposed through the Purchasing Agent as required by City ordinance.

Departments will notify the Finance Department of any change in location or loss of a fixed asset.

Departments should exercise control over their non-capitalized fixed assets by establishing and maintaining adequate control procedures at the departmental level.

**ACCOUNTING POLICY**

An independent financial audit shall be made of all accounts of the City government at least annually and more frequently if deemed necessary by the City Council.

The General Fund, Special Revenue, Debt Service, General Capital Projects, and Expendable Trust Funds will be accounted for under the modified accrual basis of accounting.

Enterprise Funds, Internal Service Funds, and Non-Expendable Trust Funds will be accounted for under the accrual basis of accounting.

Full disclosure will be provided in the financial statements and bond representations.

The City will annually submit documentation to obtain the Certificate of Achievement for Excellence in Financial Reporting from GFOA.

The Annual Financial Report will be prepared in accordance with revised GASB standards.

**PURCHASING POLICY**

The Purchasing Division shall have responsibility for and authority to contract for, purchase, store and distribute all supplies, materials and equipment required for the operation and maintenance of offices, departments or agencies of the City.

It shall be the policy of the City to encourage competitive business practices through public bidding or requests for proposals wherever possible and feasible.

In evaluating bids and awarding contracts, the head of the Purchasing Division is authorized to give preference to recycled and environmentally preferable products according to prescribed guidelines.

**DEBT POLICY**

The City may issue general obligation bonds, revenue bonds, special obligation bonds, and short-term notes and leases.

The City may issue refunding bonds for the purpose of refunding, extending or unifying the whole or any part of its valid outstanding revenue bonds.

The City will limit long-term debt to only those capital projects that cannot be financed from current revenue or other available sources.

The City will follow a policy of full disclosure on every financial report and bond prospectus.

When the City finances capital projects by issuing bonds, it will repay the bonds within a period not to exceed the expected useful life of the projects.

The City's policy shall be to manage its budget and financial affairs in such a way so as to ensure continued high bond ratings.

No bonds shall be issued without the assent of the requisite number of qualified electors of the City voting thereon.

**RESERVE/FUND BALANCE POLICY**

The City calculates an unreserved, undesignated fund balance equal to 20% of expenditures for the adopted general fund budget. These funds will be used to avoid cash flow interruptions, generate interest income, reduce need for short-term borrowing and assist in maintaining what is considered an investment grade bond rating capacity.

Self-Insurance Reserves shall be maintained at a level to protect the City against incurred and reported losses as well as those incurred but not reported and future losses within the retention.

A contingency reserve account will be appropriated annually in the General Fund to provide for unanticipated expenditures of a nonrecurring nature and/or to meet unexpected increases in costs.

At the direction of the Council and the oversight of the City Manager, the General Fund portion of the budget is to be balanced. Budgeted expenditures must equal budgeted revenues with the exception of appropriated fund balance that is being used to offset the increased pension costs as a result of the pension solution developed in FY 2013. For the next few years the City will utilize fund balance to offset these increases.

All other funds will follow a 20% guideline for fund balance reserve as well.

**ENTERPRISE FUND POLICY**

Enterprise funds will be used to account for the acquisition, operation, and maintenance of City facilities and services which are intended to be entirely or predominately self-supporting from user charges or for which periodic net income measurement is desirable.

The Water and Electric department will pay into the General Fund of the City annually an amount substantially equivalent to that sum which would be paid in taxes if the water and electric utilities were privately owned.

Enterprise funds are required to establish rates that generate revenues sufficient to cover the cost of operations including debt expense and capital needs. In accordance with the City Charter, operating costs must include any intragovernmental charges. Rate calculations also take into consideration any approved subsidies from General Government Funds.

**INTERNAL SERVICE FUND POLICY**

Internal service funds will be used to account for the provision of goods and services by one department of the City to the other departments.

Internal service funds are to be self-supporting from user charges to the respective user departments.

Internal service funds are to only recover the complete cost of operations without producing any significant amount of profit in excess of the fund's requirement. In computing revenue requirements for rate setting purposes, the rate base should include such items as debt expense, interest expense, operating expense, prorated reserves (for lease/purchase arrangements) and depreciation expense or estimated capital outlay, either of which are usually financed 100% internally through rates.

If a large fund balance has occurred in excess of reasonable revenue requirements, rates should be adjusted in the next fiscal year based on a four- year average of net income/loss. This allows the City to maintain appropriate levels of retained earnings without large swings in the rates charged out to departments in any given year.

**BASIS OF ACCOUNTING**

Governmental Funds use the modified accrual basis of accounting. Internal Service Fund and Enterprise Fund revenues and expenses are recognized on the accrual basis. Under this method of accounting, revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred.

**BASIS OF BUDGETING**

General Fund, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds are recognized on the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred. This basis measures resources available to the City. Proprietary Funds are budgeted on a full accrual basis except for capital expenditures, which must be included in total appropriations.



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