



**Columbia City Council Worksession Recap**  
**Council Chamber, Columbia City Hall**  
**6:00 PM**  
**May 4, 2020**

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Roll Call: (Present: Treece, Trapp, Ruffin, Pitzer, Skala, Thomas, Peters)

**DISCUSSION ITEMS**

**Discussion on previously tabled agenda items**

(Action: The City Manager asked for a 2 hour meeting on May 20 to discuss next year's budget. That proposal was agreed to. The Manager also noted that we had intended to look at the Short Term Rental issue on June 1. He asked if we should just table this right now since there have been no additional commission meetings and no further public meetings in this regard. The council agreed that the council should not take this item up again until more information can be gained, particularly in light of the fact that the coronavirus has impacted that type of business as well.

The Finance Director presented a variety of charts to explain the city's current financial situation and expected cutbacks in spending anticipated due to the coronavirus pandemic.

**FY20 Budget Adjustments**

**Attachments:**

- [Budget Adjustments Due to COVID-19 Power Point](#)
- [6-Month All Funds YTD](#)
- [3-20 GF Quarterly Report \(4-30-20\)](#)

**Fiscal Year to Date - Revenue**

<b>General Fund Revenue</b>	<b>FY20 Budget</b>	<b>FY20 Actuals</b>
General property taxes	8,957,190	8,982,735
Sales tax	22,629,922	10,339,860
Other local taxes	10,765,660	4,448,703
Licenses and permits	1,095,500	89,410
Fines	1,287,090	533,477
Fees and service charges	3,172,886	1,148,660
Intragovernmental revenue	5,075,091	2,537,546
Revenue from other govt units	3,652,313	1,562,191
Investment revenue	1,176,161	490,435
Miscellaneous	979,959	714,839
Transfers (Including PILOT)	31,626,360	12,729,854

**Total** **90,418,132** **43,577,709**

**Fiscal Year 2020 Expenditures**

- Finance Staff proposed 7% cut to expenditures for FY20
- 67% of the proposed cut to come from personnel
- Department Directors proposed
- 5% reduction to Supplies & Materials
- 2% reduction to Travel
- 7% reduction in Intragovernmental Transfers
- 5% reduction in Contracted Services
- 1% reduction in Transfers
- 12% reduction in Capital

**Fiscal Year 2020 Expenditure Adjustments**

<b>General Fund Expenses</b>	<b>FY20 Budgeted</b>	<b>Proposed Adjustments</b>
Personnel	63,298,431	59,000,000
Supplies & Materials	6,306,602	5,968,830
Training and Travel	691,974	561,758
Intragovernmental	8,047,637	7,598,778
Utilities, Services & Misc.	8,701,151	8,356,840
Transfers Out	1,867,687	1,792,362
Capital	1,504,650	704,562
<b>Total</b>	<b>90,418,132</b>	<b>83,983,130</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>(4,797,114)</b>	<b>(4,628,546)</b>

**COVID-19 Expenses**

**As of April 29, the City has incurred the following expenses related to COVID-19:**

- **\$1,023,059.20 in Personnel Cost**
- **\$55,171.60 in Operating Expenses**

**General Discussion**

The Finance Director noted that revenues started out flat for the year, but have dropped off with the exception of property tax revenues. (Most property taxes come in at the first of the year.) Complete sales tax revenue numbers have not been received yet, but the Finance Director can provide monthly updates. The city does have current sales tax numbers through March, but incomplete data for April. Some additional numbers should be received by the city this week.

The license and permit revenues show relate to business licenses primarily. Building permit fees fall under the Fees category. The city has imposed a hiring freeze at this time. With that in place, we should not have to layoff additional employees. Other operational cuts have been proposed across departments that are non-personnel. Those proposals are shown on the previous chart. The hiring freeze will continue for the rest of the year, but there are no additional cuts anticipated. This does leave room for hiring essential personnel.

The Expenditure Adjustments chart shows the value of the proposed adjustments. We tried to keep any matching funds expenditures in place so we didn't lose the match money. Revenues are higher than expenditures at this time, but most expenditures come in the fourth quarter, so this should not be misinterpreted. Also, we believe that we will realize some additional costs related to COVID-19 that are

not shown here, so you should anticipate that. We are working on a model to be able to tag COVID funds on the transparency portal. It won't be real-time, but it will be weekly.

What about the CARES Act funding that we believe will be coming? Staff reported that there will be \$520 million going to the State. Boone County should get \$21.17 million on a per capita basis. 25% of that money has to be distributed within 10 days of its receipt. The Mayor asked if all counties have the same rules for distribution. Staff said the state determines that, and the rules are relatively open. The intent of the legislature was to have the counties redistribute that money to its cities on a per capita basis depending on other qualifying recipients in a jurisdiction. The Mayor heard the money could come as soon as Wednesday of this week. It was unclear about how other counties are planning to spend the money. Oddly, there are some counties that are saying they don't want to deal with the new funds. Expenditures can extend through the end of the year.

We do need to make sure that the funds are properly spent. Skala asked about airport money. He noted that Cape Girardeau received \$17 million for its airport. Skala said that there is a potential controversy because someone told him that due to racial equity rules, no airport could receive more than a certain percentage of funds. Staff said that they have looked at that and that the numbers were based on 2018 capital project expenditures and that we had a lot of work going on that year so we are within the guidelines. Pitzer asked if we should expect additional new rules in the short term. Staff said that if federal passes some rule, the state will probably reflect that, but at this time there has been no such instruction.

The current rules say the funds must be directly related to the COVID problem and that the funds should not duplicate existing programs. Pitzer asked about the \$1 million we already spent on COVID personnel and whether we could use these funds to pay that back? The Finance Director believes that the Health Department could charge staff time back to COVID funding sources.

The Mayor said he had a letter prepared for the Boone County Commission asking them to distribute the county funds to the city of Columbia on a per capita basis. He thinks that is the fairest way to do it and the funds have to last until the end of the year. A lot of the response to the crisis is being paid for by the city so we should get a good share of the funds. Trapp said he supports the letter. So does Skala, Ruffin, Thomas, Peters, Pitzer.

Skala said he thinks this is a moving target and wonders about the 7% overall budget reduction number that we have settled on right now. The Mayor agreed and noted that our fiscal year is different than the county's so we need to know how all funds will be distributed. Pitzer said we could be in a dire situation, and hopefully we get some additional information, but we need to identify critical needs first and be prepared to restrict spending until we get a good sense of how this is playing out. We should be prepared for some historic numbers.

**ADJOURNMENT**  
**(Time: 6:42 PM)**

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