



FY 12-13 BUDGET PREPARATION

CITY COUNCIL
FINANCE, AUDIT & BUDGET
COMMITTEE
November 8, 2011

FINANCE, AUDIT & BUDGET COMMITTEE FY 12-13 PROPOSED BUDGET SCHEDULE

NOVEMBER	
15	Strategic Plan presented to City Council GASB 45 Valuation & Cost Scenarios presented
DECEMBER	
	No Meeting Scheduled
JANUARY	
10	Internal Service Funds – Health & Dental, Employee Wellness Program
FEBRUARY	
14	Enterprise Funds – Parking, Water & Sewer, Storm Water Special Revenue – Hospitality, Accommodations
MARCH	
13	General Fund
APRIL	
17	Last City Council meeting prior to budget notice sent for advertisement
MAY	
15	Budget Public Hearing
JUNE	
5	First Reading

General Fund

- Numbers are preliminary.
- Property tax assessments show no net growth
 - Real property assessed value increased by almost \$10,000,000
 - Personal property assess value decreased by \$10,000,000
 - Net loss in assessed value of \$210,260
- Potential reductions in transfers to General Fund
- Conservative projections of revenue due to current economic conditions
- Little development in business and residential sectors, affecting both General Fund and Enterprise Funds
- Continued decline in interest earnings due to market conditions
- Revenue picture uncertain due to timing of economic recovery
- Staff continues to explore revenue options and opportunities for expenditure savings.

November 8, 2011

City of Columbia - Finance, Audit & Budget Committee

3

GENERAL FUND BUDGET PROJECTIONS FY 12/13						
	ACTUAL FY 08/09	ACTUAL FY 09/10	ACTUAL FY 10/11	APPROVED FY 11/12	PROJECTION FY 12/13	
REVENUE						
GENERAL PROPERTY TAX	48,292,379	48,930,587	49,728,389	49,655,083	49,655,083	0
LICENSES AND PERMITS	29,591,082	27,418,693	28,758,883	27,107,600	27,943,700	836,100
FROM OTHER AGENCIES	11,689,903	11,961,867	11,734,993	11,221,481	11,134,041	(67,440)
CURRENT SERVICE CHARGES	9,442,082	9,286,433	8,423,683	9,045,837	9,060,565	14,728
FINES & FORFEITURES	922,674	863,871	889,075	995,700	880,000	(115,700)
MISCELLANEOUS REVENUE	26,500	145,275	111,586	25,000	25,000	0
INTEREST ON INVESTMENT	97,831	189,166	79,007	75,000	50,000	(25,000)
RENTS & SALE OF PROPERTY	2,754,861	122,431	223,284	179,050	219,050	40,000
TOTAL REVENUE	102,817,313	98,918,322	99,948,900	98,304,751	98,967,439	662,688 0.7%
TRANSFERS IN						
COUNTY FIRE	1,138,185	953,882	1,538,430	1,538,430	1,538,430	
FROM WATER & SEWER OPERATING	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	
FROM PARKING FUND	1,000,000	1,250,000	1,000,000	1,000,000	1,000,000	
FROM ACCOMMODATIONS TAX	25,000	25,000	25,000	25,000	25,000	
FROM HOSPITALITY TAX	2,300,000	2,300,000	2,300,000	1,000,000	1,000,000	
FROM HYDRO				1,500,000	1,500,000	
FROM OTHER			109,016			
FROM BOND PROCEEDS			4,136,808	5,333,073	4,973,785	(359,288)
FROM UNAPPROPRIATED SURPLUS				2,000,000		(2,000,000)
TOTAL TRANSFERS IN	8,963,185	9,028,882	13,609,234	16,896,503	14,537,215	(2,359,288) -14.0%
TOTAL GENERAL FUND REV & TRANS	111,780,498	107,947,204	113,558,134	115,201,254	113,504,654	(1,696,600) -1.5%
EXPENDITURE						
BUDGET	109,910,821	92,254,810	103,183,720	105,067,459	104,942,210	
DEBT SERVICE	3,729,148	3,665,659	5,421,114	5,419,343	5,544,592	
GASB 45	3,821,258	4,712,340	3,541,101	3,714,452	3,714,452	projected
RESERVE				1,000,000	1,000,000	
TOTAL	117,461,227	100,632,809	112,145,935	115,201,254	115,201,254	
DIFFERENCE	(5,680,729)	7,314,395	1,412,219	0	(1,696,600)	

PROPERTY TAX ASSESSED VALUES

Fiscal Year	Tax Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value	\$ Change	% Change	
2001	2000	208,432,649	121,371,772	329,804,421	19,127,662	6.2%	
2002	2001	213,751,250	120,460,950	334,212,200	4,407,779	1.3%	
2003	2002	218,320,320	115,566,596	333,886,916	(325,284)	-0.1%	
2004	2003	225,199,267	103,567,184	328,766,451	(5,120,465)	-1.5%	
2005	2004	228,375,270	102,543,149	330,918,419	2,151,968	0.7%	
2006	2005	286,201,640	102,642,841	388,844,481	57,926,062	17.5%	Reassessment Year
2007	2006	292,337,560	108,588,202	400,925,762	12,081,281	3.1%	
2008	2007	308,221,850	112,847,593	421,069,443	20,143,681	5.0%	
2009	2008	344,361,380	113,237,212	457,598,592	36,529,149	8.7%	
2010	2009	386,566,370	111,006,869	497,573,239	39,974,647	8.7%	Reassessment Year
2011	2010	395,897,190	101,465,789	497,362,979	(210,260)	0.0%	
5 year average *					17,135,963	4.2%	
10 year average					8,707,231	2.1%	

* - excludes year of reassessment as City cannot use growth to generate an increase in tax revenue per State Law

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November 8, 2011 5

MILAGE RATES

- 2011 Point of sale compromise, the State legislature approves allowance to go bank millage caps and back 3 tax years towards unused millage.

TAX YEAR	MILAGE CAP	ESTIMATED REVENUE*
2009	5.62	\$2,698,724
2010	1.18	\$566,636
2011	1.57	\$753,914
TOTAL	8.37	\$4,019,274

- *Each mil assumes revenue value of \$480,200, discounted for collection rate of 98%.
- *Each mil adds \$4 to annual tax notice on a \$100,000 owner occupied home, before local option sales tax is applied. Assuming 8.37 is used, the approximate increase would be \$33.48

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November 8, 2011 6

WATER & SEWER

- FY 10-11 Water & Sewer sales were on target
- Sewer tap & water meter sales are down historically, but appear to be leveled off for past 3 years.
- Potential rate increase contingent upon results of rate study and future bond issues.
- Rate study underway, anticipated completion in April.

November 8, 2011

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Committee

7

STORM WATER

- No proposed rate changes
- Potential reduction in General Fund budget may impact transfer to Storm Water

November 8, 2011

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8

PARKING FUND

- Revenues are declining
- Garage rates were increased in 2006
- Since then 2 new garages added and 1 underway

November 8, 2011

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9

OTHER IMPACTS

- State retirement system increases
 - .92% (total 10.57%) for regular employees
 - .20% (total 11.995%) for sworn police & fire
- GASB 45
- Outside requests
- County Fire

November 8, 2011

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Committee

11