

## **FY 2023 Budget**

### **Annual Operating & Capital Budget**

#### **[FY 2022-2023 Proposed Operating & Capital Budget](#)**

The past two years have highlighted uncertainty, challenges, and changes in cities across America and around the world. During this time, the City of Columbia decided to take advantage of historic opportunities, i.e., changes in consumer behavior, increased federal spending, and increased visitors to name a few, in the face of uncertainty and challenges. We are proud to say that our community has emerged stronger and stands as vibrant as ever.

Investment, job growth, and building activity reflect historic trends underway which speaks to Columbia's relative strength and vitality within the Middle Tennessee Region. During the fiscal year 2021, private investment exceeding \$202 million took place, surpassing pre-COVID levels. Also, in 2021, the [Industrial Development Board of the City of Columbia \(IDB\)](#) announced that Mersen, Smile Direct, and JC Ford Company were moving to Columbia, committing a total investment of over \$129 million and approximately 1,000 new jobs. Columbia's unemployment rate for April 2022 stands at 3.2%, economists considering a 5% rate "full employment" in a health economy.

Significant infrastructure investment continues through the City's 5-year, \$94.3 million Capital Investment Plan highlighted by the opening of the West 7th Streetscape Project in November 2021. In the coming months, we will see the start of the City's largest street paving program in history (\$3.2 million) and the completion of the GE and Santa Fe Wastewater System Pump Stations. From wastewater system upgrades and street improvements to industrial parkland development and municipal investments in public safety, all represent key infrastructure improvements aimed at keeping up with private sector investment and a growing community.

Columbia's unique blend of rich history and dynamic investment truly set it apart as one of America's most desirable cities. In March 2021, *Country Living* magazine named Columbia among "The Ten Best Small Towns in the U.S." Previously, *Southern Living* magazine ranked Columbia in the top 10 "Best Small Towns." These national rankings are reflective of both the strength of our local economy and Columbia's perpetual focus on enhancing quality of life. Our City is honored to be the community so many are choosing as the place to invest, build a business, raise a family, spend a vacation, and most of all, the place they proudly call "home."

Despite these successes, significant challenges remain. The community and our nation have recently experienced the highest inflation in over 40 years. The labor market is extremely "tight" and rapidly changing. To retain and attract the best talent to serve our community, the City of Columbia must be flexible and capable of change to meet the needs of today and beyond. The City of Columbia will continue to be bolstered by our highly capable City of Columbia team supported by strong long-term financial plans and policies that provide vital financial capacity to meet both challenges and opportunities. Our best efforts will be required to meet the demands that lie ahead. The City must continue to deliver high-quality services, enhance existing infrastructure, and prepare for growth in terms of services, infrastructure, and community impact. The City of Columbia has crafted a budget and 2022 Strategic Plan that is both fiscally conservative, prudent, and consistent in maintaining our commitment to serving the community.

#### **Budget Overview**

The FY 2022-2023 (FY 2023) General Fund budget is \$42,250,168, which represents an increase of 3.3% (\$1.3 million) compared to the FY 2022 General Fund budget as adopted. The FY 2023 budget for all funds is

\$67,408,260, which represents an increase of 8.4% (\$5.2 million) compared to the FY 2022 total municipal budget as adopted. Approximately \$10.4 million of the FY 2023 budget for all funds is the planned use of cash reserves from various funds to support investment in equipment and capital projects.

### Highlights of the FY 2022-2023 Budget

- The budget is balanced.
- The budget fully complies with the City Council's debt and fund reserve policies.
- Essential service levels are maintained.
- The City property tax rate remains unchanged at \$0.8251 per \$100 of assessed valuation.
- No filled positions have been eliminated from the budget.
- A general pay increase for City team members will be effective the first pay period of July 2022. The budget includes a general pay increase of 5%.
- The budget includes six new positions in the General Fund, each of the positions proposed based on the demands imposed by continued growth and development. The new positions within the General Fund include one new Police Officer, a Fire Inspector, a Recreation Coordinator, an Administrative Assistant in Public Works (converted from an existing part-time position), a part-time Welcome Center Assistant, and a part-time Code Enforcement position. In the City's other operating funds, there are no new positions budgeted for FY 2023.
- \$5 million in funding is provided for important investments in operating capital, including \$1.5 million in equipment replacements, \$0.8 million in technology enhancements, and \$2.7 million in municipal facilities.
- The FY23 budget includes no increased fees for residential trash and recycling collection.
- The Wastewater Fund includes \$5.4 million in capital improvements, including \$1.8 million for engineering services for the design of a new wastewater treatment plant.
- The budget incorporates performance measures and strategic work plan initiatives for every department. The 2022 Strategic Plan, [Columbia 2022-2026-2036](#), is linked to performance measures and objectives throughout the budget.

The creation, approval and, execution of the operating budget is one of the most important policy and financial decisions the City of Columbia is tasked with annually. The City of Columbia adheres to the guidance and principles for budgeting set forth by the Government Finance Officer's Association of the United States and Canada. Specifically, we believe that a budget should be:

- A Policy Document
- An Operations Guide
- A Financial Plan
- A Communications Device

