



City of Columbia, Tennessee

POPULAR ANNUAL FINANCIAL REPORT

Fiscal Year Ending June 30, 2019





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Letter from the CFO

Honorable Mayor and City Council and Citizens of Columbia:

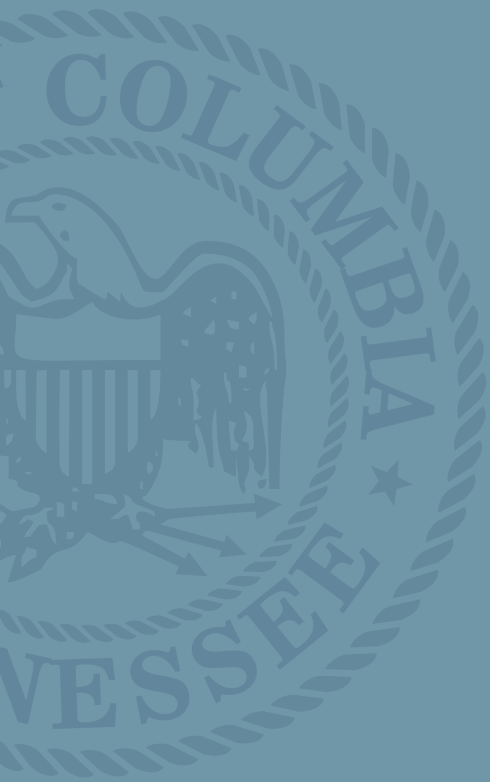
We are pleased to present the City's first ever Popular Annual Financial Report (PAFR) of the City of Columbia for the fiscal year ended June 30, 2019. It is our intent that the report provide Columbia citizens with better access and greater insight into the City's financial activities. Development of the 2019 PAFR follows from the City's commitment to providing outstanding transparency and the highest quality financial reporting.

The report is an overview of the City's financial position and long-standing financial practices. It identifies revenue sources and describes how they are spent in a fiscally responsible manner. The fiscal stability of the City is reflected in its ability to maintain a Aa2 credit rating from Moody's since 2011 and a AA+ from S&P beginning in 2017, reaffirmed in 2019.

Although financial figures in the PAFR come from an audited source, they are presented in a condensed, unaudited format. Having received the PAFR Award for FY 2018, the 2019 PAFR will also be submitted to GFOA for consideration for the award program. Citizens seeking more detailed financial information may view a copy of the audited GAAP-basis financial statements of the 2019 CAFR online at ColumbiaTN.com/Government/Finance.

Sincerely,

Thad H. Jablonski,
Chief Financial Officer / Assistant City Manager





FINANCIAL HIGHLIGHTS

Annual Revenue Growth



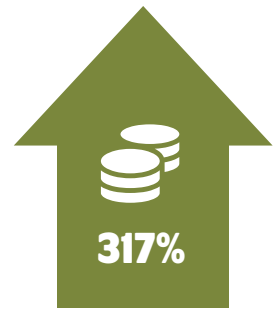
\$40,900,000
Annual Revenue



\$12,200,000
Property Taxes



\$10,300,000
Local Sales Tax



\$450,000
Investment Income
in General Fund

A Year of Growth

During 2019, revenues for all governmental increased approximately 3.5%, or \$1.4 million, the majority of revenues generated by taxes. Taxes made up 68.3% of all revenues. During the year, the City's population continued to increase. The influx of residents into Columbia continues to drive increased residential and commercial development city-wide, and in turn strong property tax and local sales tax revenues. Property tax remains the most stable source of revenue. Property taxes increased by \$522,862, or 4.5%, over 2018. Local sales tax is the second largest revenue source to the City. Local sales tax increased by \$447,509, or 4.5%. The City has a strong retail climate. Emphasis is being placed on bringing more retail into the City.

At June 30, 2019, the City's governmental fund balances totaled \$38.1 million, a decrease of \$1.8 million in comparison with the prior year of approximately \$39.9 million. The decrease is due primarily to transfers to the Capital Projects Fund for infrastructure projects, along with a transfer to the Industrial Development Board of the City of Columbia for the acquisition of land for an industrial park. Increased expenditures including transfers over revenues were offset by cost containment measures implemented to stay within current revenues.

During the fiscal year, the City's total debt decreased by \$5.5 million, including business-type activities, i.e., sewer, power and water systems. The reduction in debt was a result of no new debt issued and payments towards principal and interest during the fiscal year.



2019 Fund Balance*
\$38,100,000



Debt Decrease
\$5,500,000



**YOY General Fund
Revenue Increase**
\$1,600,000

*Fund Balance: the cumulative excess of revenues over expenditures in a fund at a point in time.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to
City of Columbia
Tennessee

For its Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Merrill
Executive Director/CFO



Introduction to the Report

The purpose of the **Popular Annual Financial Report (PAFR)** is to serve as an easy-to-read synopsis of the City of Columbia's financial information. On an annual basis, the City prepares a Comprehensive Annual Financial Report (CAFR), which contains detailed financial information about the finances of the City. The report contains detailed information required to be reported by generally accepted accounting principles and it conforms to the requirements for a CAFR contents prescribed by the Government Finance Officers Association (GFOA). We encourage you to read the CAFR, which contains detailed and audited financial statements, notes, schedules and other information. The CAFR may be found on the City's website [here](#). The information in the PAFR has been taken from the CAFR and is intended to be a supplement to, rather than a replacement for, the CAFR. Unless otherwise noted, financial information in the PAFR is reported as the level of governmental funds. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and balances of spendable resources available at the end of the fiscal year. This can be useful in evaluating a government's near-term financing requirements. The report does focus more closely on the General Fund as the General Fund is the chief operating fund for most municipal functions and more than half of the City's annual operating budget.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to the City of Columbia for the fiscal year ended June 30, 2018. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a PAFR, whose contents conform to program standards for creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Report requirements, and we are submitting it to GFOA.

Funds

Most City services and projects are accounted for in a general category referred to us as Funds. This report focuses on the City's largest funds (General, Capital Projects, Sewer, Power and Water Funds).

GENERAL FUND

Accounts for revenues and expenditures for general operations of the City not required to be accounted for in separate funds.

SPECIAL REVENUE FUNDS

Accounts for proceeds of specific revenue sources that are legally restricted or have been restricted for specific purposes (e.g. state street aid, streets and transportation, drug, sanitation)

DEBT SERVICE

Cash reserves are transferred to the fund for the City's annual debt service, i.e., principle/interest payments.

CAPITAL PROJECT FUND

Accounts for financial resources used for the construction and/or acquisition

of major capital facilities (e.g. major roads and intersection improvements, general government, public safety and parks improvement).

ENTERPRISE FUNDS

Sewer, Power and Water Utility Funds are operated similar to a private business in that expenses are recovered through fees charged to users. The Sewer Fund is operated by the City. Power and Water Funds are operated by CPWS.

FIDUCIARY FUNDS

These funds convey information about financial relationships in which the City acts solely as a trustee for the benefit of others, namely the pension fund and retiree health insurance fund.



About Columbia

The City of Columbia is located in Maury County, serving as the county seat. Columbia was first settled in 1807 and incorporated on November 18, 1817. Located approximately 40 miles southwest of Nashville, Columbia is one of the fastest growing cities in the South Central and Middle Tennessee regions.



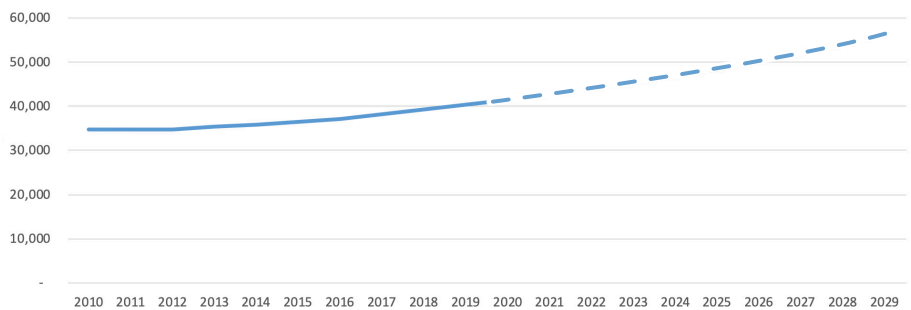
The City's legislative body is made up of the City Council with the Mayor and Vice Mayor elected at-large (city-wide) and five City Council members elected by ward. The City provides a full range of municipal services including public safety (police, fire protection and emergency services), highway/street maintenance, public works, parks and recreation, development services (engineering, planning and code administration), solid waste collection and general administrative services. The City also operates a wastewater utility. Columbia Power & Water Systems (CPWS) provides electric, water and broadband services within the CPWS service area.

Columbia's commitment to public safety stands apart statewide and nationally. Columbia Fire & Rescue maintained its ISO 1 rating in 2019, the highest rating attainable for fire suppression and one of only two cities in the state receiving an ISO 1. In 2019, the Columbia Police Department maintained its national certificate of accreditation by CALEA, the highest recognition of excellence in law enforcement, and state accreditation by TLEA.

Demographics

The City of Columbia's latest population estimate for 2019 stands at 40,360 per 10 year population estimates compiled by Maury Alliance using Census/American Community Survey data. 2017 American Community Survey data on housing and income, the most recent available, reports the largest percentage of people in Columbia between the ages of 25 and 34. The second largest percentage of population range between the ages of 35 and 44. The median age is 36.7 years of age, the median age continuing to trend downward.

POPULATION GROWTH IN COLUMBIA



There are 14,012 households in Columbia with an average size of 2.4 people. Family households make up 64 percent of the total households in Columbia with an average size of 2.98 people. Housing units in Columbia have a 90.7 percent occupancy rate. There are 15,906 housing units in the City. Of the 14,265 occupied housing units, 60 percent are owner-occupied, up 4.1 percent from one year ago, and 40 percent are renter occupied. The average value for owner occupied housing in Columbia is \$122,200.

Columbia has a relatively low crime rate compared to like-size cities in the State of Tennessee. The Police and Fire & Rescue Departments have an average emergency response time of less than five minutes.

More than 87.2 percent of the City's adult population holds a high school diploma, with approximately one quarter of those having earned a bachelor's degree or higher.

Columbia's per capita income totals \$44,501. Median family income totals \$51,495.





About Columbia

Local Economy

The City of Columbia enjoys an overall favorable economic environment and local indicators point to continued stability and growth. The local economy is a well-balanced blend of financial, agricultural, wholesale, retail, manufacturing and service industries. The local economy has experienced especially high rates of growth over the past 5 years most notably driven by increased residential development.

The region has a varied commercial and industrial base, which provides employment stability. Unemployment statistics as of September 30, 2019 indicate a **2.9% unemployment rate** for the City of Columbia, representing a half percent drop from the same period in 2018. The September unemployment rate for Maury County stands at 2.6%, the 8th lowest unemployment rate among Tennessee counties for the period (figures are not seasonally adjusted). According to Smart Asset's current 2019 rankings, Maury County ranks #2 in Tennessee and #21 in the U.S. for incoming investment in addition to being #2 in Tennessee and #12 in the U.S. for new building permits. All rankings are by county, with approximately 3,200 counties in the U.S. The study noted 4.9% growth in business, \$306 million in GDP increases and 40.4 new building permits per 1,000 homes.

Residential population growth continued to increase in FY 2019 with growth anticipated to continue to increase in FY 2020. Local economic development agency Maury Alliance calculated the most recent population estimate for 2019 at 40,360 using US Census/American Community Survey data. The 2019 estimated population reflects a 16.2% increase compared to the 2010 census population. The 2020 census is anticipated to approximate the 2019 population estimate, i.e., approximately 40,000. Strong residential growth continues to drive increased residential and commercial development. Increased development activity is evidenced by the number of building permits issued during FY 2019 (1,312), an increase of 13.1% over FY 2018 (1,160). FY 2020 building permits issued are anticipated to exceed 1,400, a conservative estimate.

Notable sectoral drivers of employment in the area continue to be the health care, business services and manufacturing sectors with automotive, metals, plastics and ceramics industries dominating manufacturing in the area.

Top Employers

Employer	Employees
1. Maury Regional Hospital	2,610
2. Maury County School System	1,696
3. Tennessee Farm Bureau & Affiliates	810
4. Walmart	520
5. Columbia State Community College	500
6. Maury County Government	480
7. City of Columbia	410
8. Family Health Group	249
9. NHC Healthcare	215
10. Kings Daughter's School	185

Building Permits

Year	No. Permits	Total Valuation
2019	1,312	\$123,956,747
2018	973	\$116,719,368
2017	867	\$122,223,848
2016	600	\$104,655,677
2015	395	\$45,311,734



The South's Best Small Towns
Southern Living Magazine



Fiscal Process

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for budget appropriations to the Chief Financial Officer (CFO) in the first quarter of the calendar year. The City Manager, in concert with the CFO, uses these requests as a starting point for developing a proposed budget. After numerous meetings with department heads, the City Manager presents the budget to the City Council for approval. To assure effective fiscal management and accountability, strict budgetary compliance is maintained by an automated accounting system. All requests for purchases are checked to assure funds are available. Purchase orders and contracts are encumbered prior to release to vendors. Departments may make transfers of appropriations within their departments. Transfers of appropriations between departments or funds requires approval by the City Council via a budget amendment.





REVENUES & EXPENSES

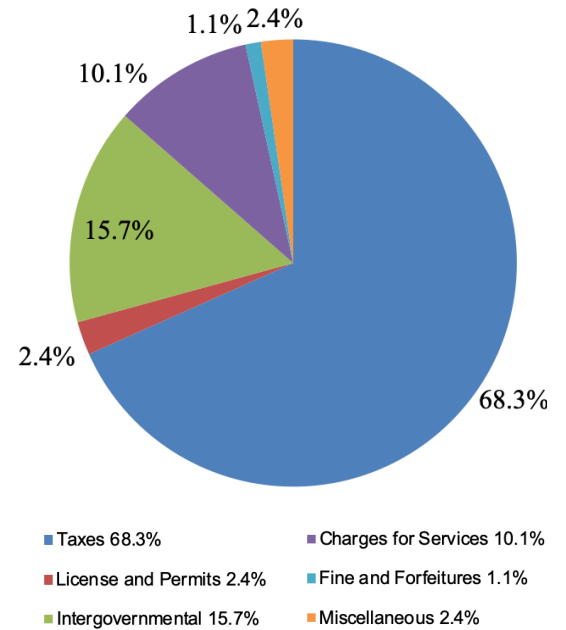


Governmental activities are general government activities financed primarily through taxes, intergovernmental revenues, and other non-exchange revenues (i.e., not enterprise or business-type revenue in exchange for services). Governmental activities generally are reported in governmental funds, which include the General Fund, Special Revenue Funds, Capital Projects Fund and internal services fund, like the City's insurance fund. Revenue and Expenses are reported for all governmental activities citywide.

Revenues

Revenues for all governmental funds total **\$40.9 million**. Taxes account for the largest share (68.3%) of governmental revenues. Property taxes are the largest and most stable source of the general revenue, increasing from \$11.6 to \$12.2 million, or 4%. Local sales tax increased by from \$9.9 to \$10.3 million, or 4%. Intergovernmental revenues include state sales taxes, income taxes on dividends, beer and liquor taxes, and petroleum special taxes. Other revenues come from fines and forfeitures, licenses and permits, charges for services, interest on investments, grants and other revenues.

REVENUES BY SOURCE



Expenses

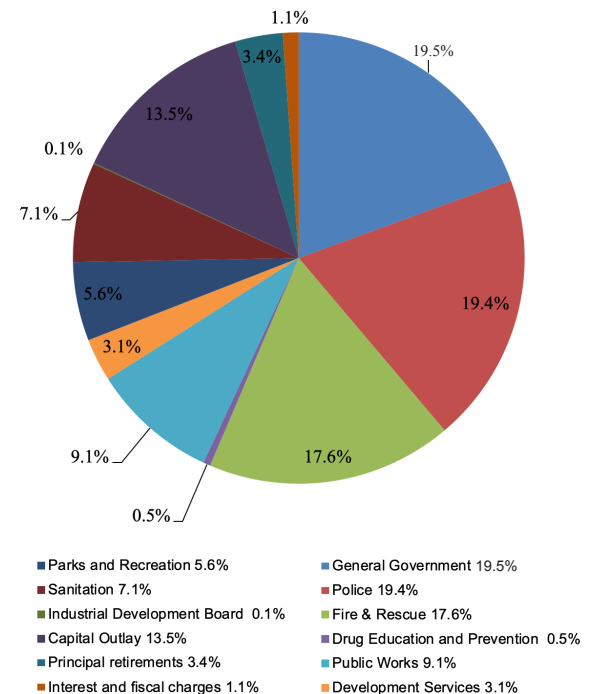
Expenses are divided among General Government, Police, Fire & Rescue, Drug Education and Prevention, Public Works, Development Service, Parks & Recreation, Sanitation, Industrial Development Board, Capital Outlay and Principle and Interest on Long-term Debt. For fiscal year 2019, expenses totaled more than **\$35 million**, an increase of \$4.4 million from 2018.

The largest expenses were General Government (\$8.7 million) and Public Safety with Police at \$8.7 million, followed by Fire & Rescue at 7.9 million. Public Works totaled more than \$4 million, Development Service \$1.3 million and Parks & Recreation at \$2.5 million. Sanitation was \$3.2 million. Payments towards principle to retire debt totaled more than \$1.5 million in expenses with interest payments at more than \$508 thousand.

Capital outlays accounted for more than \$6 million of governmental activities' expenses, due to increased activity in large-scale, multi-year infrastructure improvements during 2019. The Industrial Development Board accounted for \$29.6 thousand in expenses related to preparations to acquire industrial park land in FY 2020.

All departments were able to control expenses and provide the same service levels to Columbia citizens.

EXPENSES BY SOURCE



General Fund

The fund balance of the City's General Fund decreased by \$1.8 million during the fiscal year ended June 30, 2019, notable transfers to the Capital Projects Fund and to the Industrial Development Board. Increased expenditures including transfers were offset by cost containment measures implemented by the City to stay within current revenues. Key factors are as follows:

- **\$1.6 Million increase in all general fund revenues compared to 2018.**
- **Taxes in the General Fund increased \$1.1 million, or 4.3%.**
- **Property tax increased \$522,862.**
- **Local sales tax increased \$447,509.**
- **Building permit revenue increase 12.6% versus prior year.**
- **Intergovernmental revenue, including grants, increased 6.6% over 2018.**
- **Investments increased 312.4% due to new investment program.**
- **Total actual expenditures decreased compared to budgeted expenditures as the City operated to stay within budgeted revenues.**
- **\$8 million in prior year revenue was budgeted from fund balance, though only \$1.8 million was used.**

General Fund revenues increased more than \$1.8 million over FY 2018. Property tax increased over the past year by \$522,862. This was due to increased residential and commercial development with values of new and improved value of properties on or added to the tax rolls. Local sales tax increased by \$447,509 due to ongoing improvements in local economic conditions during the fiscal year.

Total expenditures in the General Fund increased by \$6.6 million over FY 2018 primarily due to nearly \$4 million in transfers to the Capital Projects Fund for projects including West 7th Street, New Fire Station No. 3 and Jack-N-Jill interior renovations. The impact to the fund balance of the General Fund was minimized by cost containment by City departments aimed at ensuring expenditures stayed within current revenues.

The General Fund is the chief operating fund of the City. At June 30, 2019, unassigned fund balance of the General Fund was \$26.3 million with nearly designated \$186 thousand "non-spendable".

The City's Debt Service Policy requires a reserve balance equal to 25% of budgeted General Fund expenditures. Unassigned fund balance at the end of FY 2019 represented 71.3% of General Fund expenditures (including transfers to other funds) of \$36.6 million.

What Makes Up The General Fund?

REVENUE

PROPERTY TAX

Real property taxes, personal property taxes, penalties and interest on property taxes, payment in lieu of taxes (TVA), payment in lieu of taxes (CPWS).

LOCAL SALES AND BUSINESS TAXES

Sales taxes, beer and liquor taxes, gross receipts tax, penalties and interest, room occupancy tax.

INTERGOVERNMENTAL

Sales taxes, income taxes, beer taxes, liquor taxes, petroleum special taxes. Fines, Forfeitures, and Penalties. Traffic and other violations, City court costs, other court costs. Building permits, electrical and mechanical permits, animal licenses, fence and sign permits.

CHARGES FOR SERVICES

Building permits, engineering fees, fire inspection fees, zoning applications, cable television fees.

INTEREST ON INVESTMENTS & FEDERAL AND STATE GRANTS

self-explanatory.

OTHER REVENUES

Miscellaneous revenue, donations.

EXPENSES

GENERAL GOVERNMENT

City Council, Legal, Management Information Systems, City Manager's Office, Finance, City Recorder, and Personnel

PUBLIC SAFETY

Police, Fire & Rescue, Animal Control, and Drug Enforcement

DEVELOPMENT SERVICES

Planning, Engineering and Codes Administration

PUBLIC WORKS

Streets and Infrastructure Maintenance, Traffic and Signs

PARKS AND RECREATION



Enterprise Funds



Pump Station Replacement

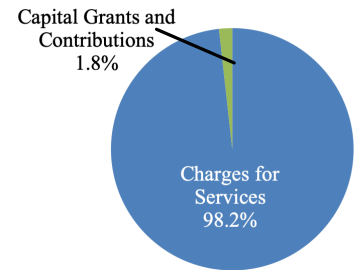
The City's enterprise funds, also referred to as proprietary funds, provide the same type of information found in the government-wide financial statements, but in more detail.

Similar to governmental fund balances, "Retained Earnings" in an Enterprise Fund are the historically accumulated difference between fund assets and fund liabilities. Unlike governmental funds, enterprise funds report all related assets, including capital assets, and all liabilities which include debt. Put simply, retained earnings refer to the fund's available resources, acting as a sound barometer of the fund's economic health

Business-type activities – Sewer, Power and Water Funds operate as “Enterprise Funds,” funds established to account for operations wherein services are provided.

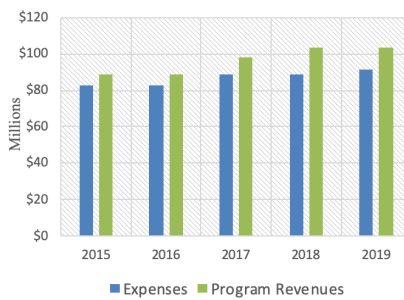
These are segregated by purpose (sewer, power, water) and use from other funds and accounts of the government so that revenues generated by the enterprise activity are devoted to funding all operations of the enterprise.

Enterprise fund revenues were made up primarily of \$103.5 million in charges for services. Enterprise fund revenues more than offset \$91.4 million in expenses for business-type activities in 2019.

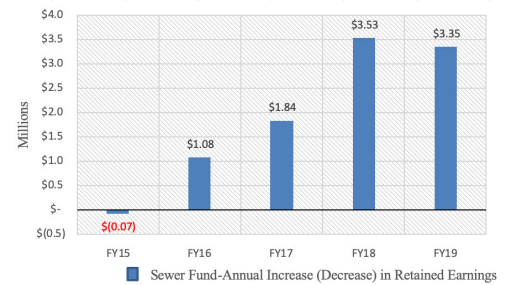


The Sewer Fund (Wastewater System) is operated by the City of Columbia day-to-day as a city department. Retained earnings for the Sewer Fund totaled more than \$3.3 million in 2019. Retained earnings in the City's Sewer Fund have increased \$9.5 million dollars since 2015. The impressive growth increases driven by new development and cost containment on the expenses. While the Sewer Fund managed by the City of Columbia, Columbia Power and Water Systems (CPWS) operate the Power and Water Funds.

PROGRAM REVENUES AND EXPENSES*



SEWER FUND RETAINED EARNINGS**



2019 Outstanding Debt

During FY 2019, the City's total debt decreased by \$5.5 million. The major types of long-term debt include general obligation bonds, revenue bonds, revenue and tax bonds and capital outlay notes. Total debt for governmental activities decreased by nearly 8%. Business-type activities' debt decreased 10.3%. A tax and revenue bond was retired in the Sewer Fund. The City issued no new debt during the year.



Wastewater removes root mass from mainline at Riverwalk Park

Outstanding Debt

Governmental:		2019
General Obligation Bonds	\$	14,999,207
Capital Outlay Notes		1,512,731
Business-Type:		
General Obligation Bonds		7,475,000
Revenue/Revenue & tax bonds		10,675,000
Capital Leases		13,020,000
Total	\$	47,681,938

*Refers to all enterprise funds, i.e., Sewer, Power and Water Funds ** Refers to the City's Sewer (Wastewater System) Fund

Credit Rating

The City maintains “AA+/Aa2” credit ratings for general obligation debt. The Aa2 rating was first received by Moody’s in 2011 and last affirmed by Standard & Poor’s (S&P) in January 2019. The S&P “AA+” rating is considered a stronger rating than the “Aa2” rating by Moody’s. S&P cited the City’s strong financial management, conservative budgeting, diversity of revenue sources and strong local economy as reasons for the improved rating in 2017, reaffirming the rating in 2019 citing continued improvement in the aforementioned factors as well as the local economy. The City has maintained a good relationship with rating agencies and major investment institutions through comprehensive disclosure of financial data and direct meetings with rating agency analysts. Both Moody’s and S&P cite the City’s large, diverse tax base, active financial management, stable and liquid reserves and low debt and pension burdens as the rationale for the City’s maintaining excellent creditworthiness.



2019 MidState Classic with special guest Phil Fulmer

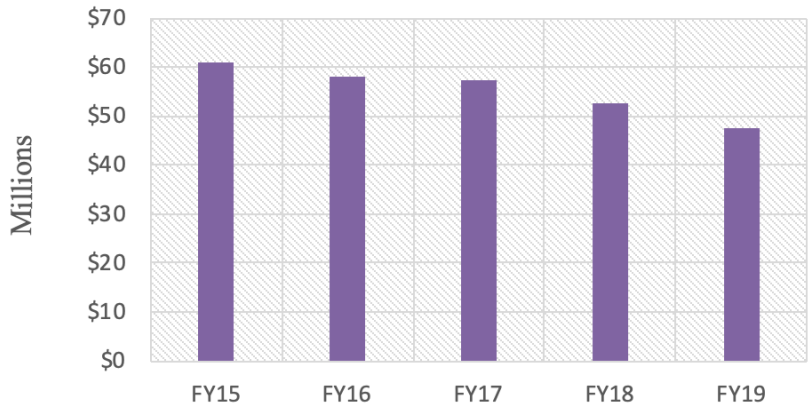


Gov. Bill Lee visits Columbia to present grant funds



Columbia Police Department’s Commitment to Community Policing

GENERAL OBLIGATION AND REVENUE BONDS



■ Total Bonded Debt Entity-Wide (Includes power, water and sewer debt)

Protecting the City’s Financial Health

The City of Columbia relies on several strategies to maintain a fiscally healthy city government. Each of the following help ensure the City’s financial health.

1. Continue strategic plan monitoring execution, and demonstration of plan effectiveness in the most transparent manner in meeting the City’s strategic objectives as outlined in the Columbia 2019-2024-2034 Strategic Plan.
2. Analysis of financial trends to guide the City’s elected officials and management for financial planning.
3. Adherence to sound, long established financial policies.
4. Constant diligence and attentiveness to the City’s stewardship of taxpayer dollars.
5. Review and evaluation of the City’s finances by Finance Department staff and Management, in addition to ongoing initiatives to improve the quality and frequency of financial reporting for elected officials and Columbia citizens.



Most of the Capital Improvements noted in this report are funded in the Capital Projects Fund. The Capital Projects Fund is used to consolidate the acquisition, design and construction of major capital improvements of the City other than improvements financed by special revenue or enterprise funds. The projects are funded through operating transfers from the General Fund and other revenue sources, such as grant proceeds and bond proceeds. Projects listed below are included within the first year of the five-year Capital Improvements Program and, in many cases, may take more than one fiscal year to be completed.

Revenues totaled nearly \$3.3 million in 2019, up 37% over 2018. \$2.8 million in revenues were transfers from the General Fund while federal and state grants totaled \$0.8 million. Capital Projects Fund expenditures totaled more than \$6 million, an increase of 73.1% over 2018. The difference in expenditures over revenues were offset by a decrease in fund balance in Capital Projects totaling \$2.7 million.



**RIDLEY SPORTS COMPLEX
EXPANSION
CONSTRUCTION PHASE**

Construction of seven soccer fields was completed in 2019. The new fields are located adjacent to softball tournament facilities, including one tournament level “championship field” planned to host increased tournaments. Est. cost \$6,500,000 (funding from 2017 bond issue).



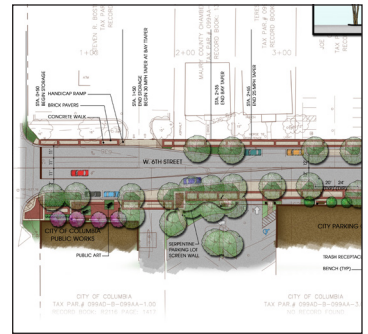
**JACK-N-JILL BUILDING
DESIGN, STABILIZATION AND
EXTERIOR/INTERIOR RENOVATIONS**

With stabilization and renovation of exterior complete, the final interior design and construction was nearly complete at the end of FY 2019. Est. cost \$460,000 (funding from proceeds from sale of buildings, General Fund & Drug Fund reserves).



**WEST 7TH STREET
STREETSCAPE**

Design was completed for the project to construct streetscape on historic West 7th Street, including three laning the street, landscaping and multi-use paths on both sides of street. Est. cost \$7,000,000 (80% of funds from State, Nashville Area MPO and utilities).



**WEST 6TH STREET
STREETSCAPE**

Design was completed for the project to construct streetscape on historic West 6th Street, including landscaping and multi-use paths on both sides of street from N. Garden to N. Main Street. Est. cost \$602,758 (80% State and Federal funded).

RECREATION CENTER



CAPITAL IMPROVEMENTS PROGRAM



COLUMBIA WORKS PROJECTS
LOCAL, HIGH-IMPACT INFRASTRUCTURE IMPROVEMENTS

Columbia Works provides dedicated funds for high impact projects. Several 2019 projects are included below. Est. cost \$240,000 (General/State Street Aid Funds).

- Fire Station No. 3 (site prep, savings of ~\$1 million).
- Firefighters Park site work and development, including relocation of underground utilities for Station No. 1.
- Blythe Circle storm water improvement project including the installation of 480 linear feet of 18" concrete and HDPE piping.
- Fairview Park outdoor fitness facility - Public Works crews graded the site and constructed a 40 ft. x 45 ft. concrete pad for outdoor workout equipment with 160 feet of ADA accessible sidewalks.



NEW FIRE STATION NO. 3
CONSTRUCTION

Construction began at the new Fire Station No. 3 located off of Bear Creek Pike adjacent to Cox Middle School. The site includes 30 acres of land donated to the City by Maury County Public Schools in exchange for the City developing a future Nature Park and maintaining sports facilities. Site prep was completed by Public Works, savings nearly \$1 million, with construction to be completed in the fall of 2019. Est. cost \$3,895,000 (2017 GO bond proceeds/General Fund reserves).



ROADSCAPES GATEWAY
MONUMENT SIGN ON NASHVILLE HIGHWAY

Construction on a monument gateway sign on Nashville Highway entering Columbia was completed during the year. Located in front of Fire. Est. cost \$260,000 (80% State and Federal funded).



FIREFIGHTERS PARK
CONSTRUCTION OF PHASE I

Firefighters Park stands a memorial to first responders. Located in front of Fire Station No. 1 at the Gateway to the Columbia Arts District, the project is planned in phases, phase I completed during FY 2019 (General Fund).



CONCLUSION

Economic Factors and FY20 Budget and Rates

Factors considered in preparing the City's Budget for the 2020 fiscal year are further discussed in the Budget document and include:

POPULATION

Residential population growth continued to increase in FY 2019 with growth anticipated to continue to increase in FY 2020. Local economic development agency Maury Alliance calculated the most recent population estimate of approximately 40,360 for 2019 using US Census/American Community Survey data. The 2019 estimated population reflects a 16.2% increase compared to 2010. Strong residential growth continues to drive increased residential and commercial development. Increased development activity is evidenced by the number of building permits issued during FY 2019 (1,312), an increase of 34% over 2018 (973).

UNEMPLOYMENT

The unemployment rate (not seasonally adjusted) for September 2019 for the City of Columbia was 2.9%, and Maury County unemployment at 2.6%, the 8th lowest unemployment rate among Tennessee counties for the period.

PROPERTY TAXES

Property tax is the most stable source of revenue for the City. The property tax rate effective for FY 2020 is \$1.1597, the rate unchanged from FY 2019. Property taxes generated in Columbia comprise more than 37% of overall General Fund operating revenues. The 2020 budget anticipates approximately \$12 million in property tax revenue. Other revenue sources are subject to some degree of fluctuation in economic cycles. Local sales tax represents nearly 31.1% of total revenue for General Fund operations. The FY 2020 budget anticipates approximately \$10 million in local sales tax revenue.

2019-2024-2034 PLAN

The City will continue to follow the Columbia 2019-2024-2034 plan focusing on fiscal responsibility, quality of life issues, strong public safety, community engagement and continued commitment to downtown Columbia.

CAPITAL IMPROVEMENTS PROGRAM

The City updates and adopts annually a five-year Capital Improvements Program, including a five-year projection of capital needs and expenditures and five-year forecasts of revenues, expenditures and excess for capital investment for the General Fund as part of the annual budget document. More information on the FY 2020 Budget is available [here](#).

TRANSPORTATION

As the City continues to see increased rates of growth for residential in-migration, the City's Capital Improvements Program (CIP) includes key investment to the City's transportation network. Not ready for execution during FY 2019, the budget was amended during FY 2020 to include the largest commitment ever to the City's street paving program (\$2.2 million).

Click here for more information on the City's financial policies.



Acknowledgments

This report and the information continued herein has been prepared with the help of the City Recorder's Office, Finance Department staff and the cooperation of each City department. The guidance provided by the City Manager, the support and leadership extended by the Mayor and City Council and the technical assistance and guidance of the staff of Henderson, Hutcherson & McCullough in the preparation of this report are all recognized and appreciated.

Requests for Information

The information contained in the PAFR is a general overview of the City's finances. Questions or requests for additional information may be addressed to **Chief Financial Officer Thad H. Jablonski** at (931) 560-1580, Tjablonski@ColumbiaTN.com or to:

City of Columbia
Department of Finance
700 North Garden Street
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