

FISCAL YEAR 2023-2024  
**PROPOSED  
OPERATING  
BUDGET**



PRESENTED TO CITY COUNCIL  
ON JULY 25, 2023

**CITY OF CORPUS CHRISTI  
CITY MANAGER  
PETER ZANONI**

# FY 2024 PROPOSED ANNUAL OPERATING & CAPITAL BUDGET

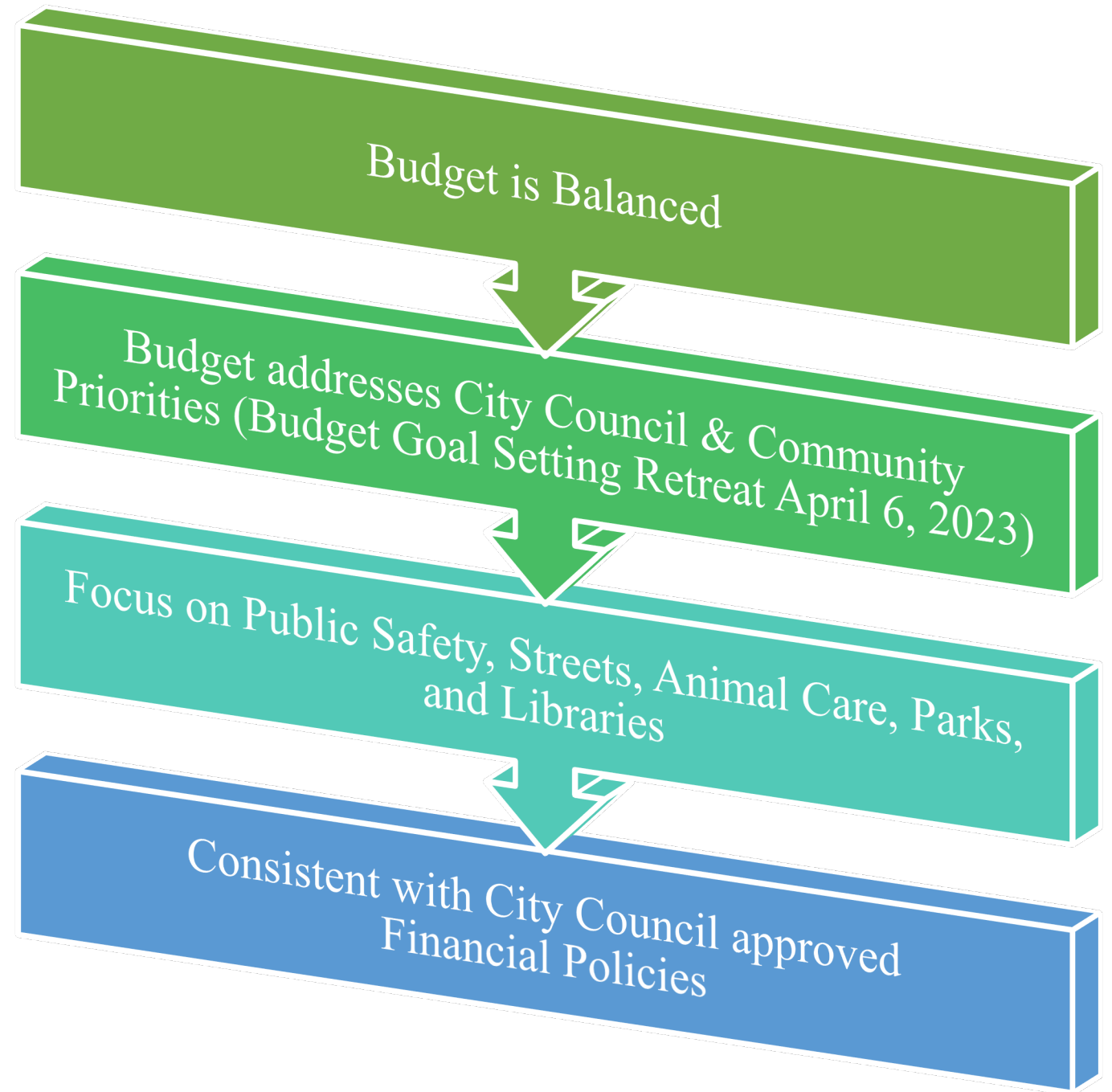
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Presented by:  
City Manager Peter Zanoni

July 25, 2023

# FY 2024 PROPOSED BUDGET SUMMARY

(October 1, 2023 thru  
September 30, 2024)



# Board and Committee Priorities

**CITY OF CORPUS CHRISTI  
ANIMAL CARE SERVICES DEPARTMENT**

**TO:** Peter Zanoni, City Manager  
**THRU:** Constance Sanchez, Chief Financial Officer  
**FROM:** Joel Skidmore, Program Manager, Animal Care Services Department  
**SUBJECT:** ACS Advisory Board Top 5 Budget Priorities  
**DATE:** June 21, 2023

At the June 21<sup>st</sup> Animal Care Services Advisory Board Meeting, the board members voted on the top five budget priorities for FY24. The Board voted and approved the following recommendations for executive leadership to consider.

Top five ACS Advisory Board Priorities:

1. Campus upgrades.
2. Four to five additional ACS Investigators to investigate animal cruelty complaints/cases.
3. Ten additional Kennel Technicians.
4. Salary increases for all positions.
5. Animal Behavioralist position.

*Constance Sanchez & Joel Skidmore*  
*[Signature]*

**CITY OF CORPUS CHRISTI  
PLANNING AND COMMUNITY  
DEVELOPMENT  
DEPARTMENT**

**TO:** Peter Zanoni, City Manager  
**THRU:** Steve Viera, Assistant City Manager  
**FROM:** Daniel McGinn, AICP, Director of Planning & Community Development  
**SUBJECT:** ISAC – TIRZ Funding & Budget Recommendations  
**DATE:** July 7, 2023

At the June 6, 2023, Island Strategic Action Committee (ISAC) meeting, two motions were made to prioritize TIRZ funding to the paper street projects along with improvements to the existing Whitecap Wastewater effluent line to provide reuse water to parks and open space on the island. The specific motion language and voting record is below.

ISAC Chairman Jay Gardner attended the June 13<sup>th</sup>, 2023 TIRZ #2 meeting and presented the information passed by the ISAC to the full board during public comment. No additional projects from the Island Area Development Plan were recommended at this time. The intent of the ISAC motion was to communicate their desire to see these two projects expedited via TIRZ funding.

A motion of support was made to recommend that the TIRZ #2 board prioritize completing the paper streets as identified in the Padre/Mustang Island parks in an effort to minimize water usage and promote traffic to the parks.

A motion of support was made to ask the TIRZ #2 board to research the option of using the Whitecap Wastewater Treatment re-use line to water Island parks in an effort to minimize water usage and promote traffic to the parks.

**CITY OF CORPUS CHRISTI  
MARINA DEPARTMENT**

**TO:** Peter Zanoni, City Manager  
**FROM:** Marina Advisory Committee, Chair John Murray  
**THRU:** Heather Hurlbert, Assistant City Manager  
 Jonathan Atwood, Marina Manager, Parks & Recreation Department  
**SUBJECT:** Marina Advisory Committee Budget Priorities – FY 2023/2024  
**DATE:** June 29, 2023

At the June 5, 2023, Marina Advisory Committee (MAC) meeting, the Committee discussed the marina budget priorities for Fiscal Year 2023-2024. The Marina Department provided the Committee with a list of 13 items with budget amounts for projects that included building proposals, park land upgrades, and dredging maintenance. The discussion also allowed an opportunity for MAC to provide initial priority recommendations.

MAC discussed the departments list of budget priority items but did not have any other recommendations supporting/not supporting these specific items.

Budget Priorities for short term and long term CIP Projects

1. Coopers Boat Haul Out Facility / Office
2. Coopers Boater Facility
3. Coopers Parking Lot Resurfacing
4. Peoples Boardwalk Replacement
5. Replace Piers A,B,C,D, L and Dredging
6. Marina Master Plan
7. Dredging Peoples T Head
8. Replacement of LST Finger Piers
9. Lighting Upgrades – Along walkways and accent lighting around park land – Per Master Plan
10. Park Land Upgrades – Shade structures, benches, etc. – Per master Plan
11. Maintenance Dredging – 5-year dredging plan
12. New Commercial Pier
13. Breakwater Repairs – Engineering Public Safety CIP

# Board and Committee Priorities

## CITY OF CORPUS CHRISTI PARKS & RECREATION DEPARTMENT

**TO:** Peter Zanoni, City Manager  
**FROM:** Parks & Recreation Advisory Committee, Chair Alissa Mejia *AM*  
**THRU:** Heather Hurlbert, Interim Assistant City Manager *HH*  
 Robert Dodd, Director, Parks & Recreation Department *RD*  
**SUBJECT:** Parks & Recreation Advisory Committee Budget Priorities – FY 2023/2024  
**DATE:** June 22, 2023

At the May 10, 2023, Parks & Recreation Advisory Committee (PRAC) meeting, the Committee began discussions regarding budget priorities for Fiscal Year 2023-2024. The Parks & Recreation Department (PARD) provided the Committee with a draft list of 14 items with budget amounts which ranged from legal mandates, public health/safety items and community investments. The discussion also allowed an opportunity for PRAC to provide initial priority recommendations.

The Committee's top, budget priority recommendation includes off-road trails/connectivity networks, beginning with drainage channels, per the off-road trail map prescribed in the City's adopted Bicycle Mobility Plan. Off-road pedestrian and bicycle connectivity networks are prioritized based on information received from public input and is an objective in the PRAC Strategic Action Plan (approved by Committee Resolution, 1/10/2023) - Initiative 4: Facilitate Implementation of the Corpus Christi Parks & Recreation 10-Year Master Plan. The 10-year Master Plan includes trail networks and watershed improvements as high priority projects that should be planned for incorporation into the annual capital budgeting process.

On May 10, 2023, a motion of support was passed by PRAC recommending off-road trails/connectivity networks as a top budget priority. At the June 14, 2023, PRAC meeting, further discussion took place regarding secondary, budget recommendations. At this same meeting, a motion of support was passed by PRAC recommending the following, secondary budget priorities: expansion of the skate park at Wranosky Park; addition of portable restrooms for various City parks and additional launch sites for water sports such as kite boarding/surfing; pickleball courts at North Padre Island and an increase in lifeguard pay.

PRAC also discussed the Department's draft list of budget priority items but did not have any other recommendations supporting/not supporting those specific items.

## CITY OF CORPUS CHRISTI Library Department

**TO:** Peter Zanoni, City Manager  
**THRU:** Sony Peronel, Assistant to City Manager  
**FROM:** Laura Garcia, Director of Libraries *LG*  
**COPY:** Eddie Houlihan, Director of Management and Budget  
**SUBJECT:** Library Board – FY 2024 Budget Recommendation  
**DATE:** July 7, 2023

At the June 6 Library Board meeting, the Board voted unanimously to support the proposed FY 2024 budget initiatives for the Library Department.

The following recommendations were presented to the Library Board:

1. Increase Security Guard Hours at Library Branches	\$158,938
2. Increased cost of Security Guard contract	\$35,809
3. 2 Librarian positions	\$130,898
4. 1 Sr. Library Assistant position	\$59,853
5. Exterior Improvements to Harte Library	\$175,000
6. Exterior Improvements to Hopkins Library	\$175,000
7. Exterior Improvements to Neyland Library	\$175,000
<b>TOTAL:</b>	<b>\$910,498</b>

The Library Board expressed their support to increase Security Guard service hours to correspond to the hours of operation for all library branches.

The Library Board also fully supports increasing staffing levels, which is consistent with the recommendations they have made in past Annual Reports submitted to City Council.

## CITY OF CORPUS CHRISTI DEPARTMENT OF AVIATION

**TO:** Peter Zanoni, City Manager  
**FROM:** Airport Advisory Committee, Chair Randall Hicks *RH*  
**THRU:** Heather Hurlbert, Assistant City Manager *HH*  
 Kevin Smith, Director, Department of Aviation *KS*  
**SUBJECT:** Airport Board Budget Priorities – FY 2024  
**DATE:** June 30, 2023

At the June 28, 2023, Airport Board meeting, the Board discussed budget priorities for Fiscal Year 2024.

The Board expressed two top priorities for City staff – to expand air service and to reduce airport cost per enplanement (CPE). City staff continues to update the Board, City leadership, and the Air Service Task Force on the latest in air service development and potential opportunities to enhance air service for our community. These efforts are augmented by initiatives to lower airport CPE, making CCIA more attractive to airlines than our competition. This has been a recurrent and relevant topic as City staff find new sources of revenue, expand existing revenue sources, and control expenditures to control costs that are passed to airlines.

The Board's top FY2024 revenue recommendations include:

1. Increase Long Term Parking rates by one dollar, raising the daily cost to park from \$8 to \$9. Estimated increase in revenues total \$114,383 for FY24.
2. Perform rent fee adjustments to non-airline aviation and commercial non-aviation leases to reflect the most recent property appraisal information, increasing FY24 revenue by \$228,247.
3. Increase the fuel flowage fee from \$.07 to \$.09 per gallon, yielding a revenue increase of \$34,857.

On June 28, 2023, the Airport Board agreed and are recommending approval of all items listed above, totaling \$377,487 of new revenue.

The committee also agreed upon and are recommending approval of two key expenditures:

1. East GA Hanger 2 and 3 Improvements (\$804,381) to support future business development of the facilities; and
2. Concourse customer experience upgrades (\$75,000) including new carpet, electrified furniture, device charging, and other improvements.



# FY 2024 Proposed Budget Community Input Sessions

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**Mon. August 7 – 6:00 to 7:00 P.M.**

**District 1: Owen R. Hopkins Public Library**

**Wed. August 9 – 6:00 to 7:00 P.M.**

**District 2: Del Mar College – Center for Economic  
Development, Room 106**

**Thur. August 10 – 6:00 to 7:00 P.M.**

**District 3: Water Utilities Building, Choke Canyon  
Room**

**Mon. August 14 – 6:00 to 7:00 P.M.**

**District 4: Ethyl Eyerly Senior Center**

**Wed. August 16 – 6:00 to 7:00 P.M.**

**District 5: Del Mar College – Oso Creek Campus,  
Culinary Building, Community Room CA 209-210**



# FY 2024 Proposed Budget City Council Workshops

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**Wednesday, July 19**

**Tuesday, August 1**

**Thursday, August 3**

**Thursday, August 10**

**Monday, August 21**

**Thursday, August 24**

9:00 A.M. to 12:00 P.M.

City Council Chambers, 1201 Leopard Street

*July 19 meeting was held at 2:30 to 4:30 P.M.*

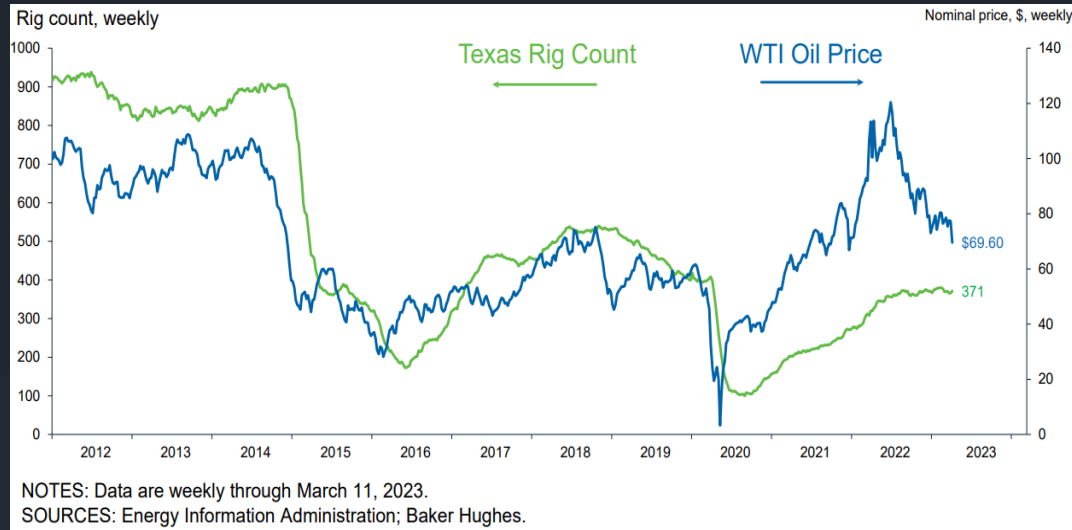
# Budget Development

## Budget Development Process

- Office of Management and Budget in coordination with city departments establish base operating budget requirements and capital needs for the new fiscal year
- Once the base operating and capital budgets are established, the City Manager meets with all department directors and their teams to review, refine and finalize the operating budgets and capital projects based on department's professional recommendations and City Council priorities
- Based on City Manager's Executive Leadership Team review and final recommendation, the Office of Management and Budget prepares the Proposed Operating and Capital Budget for City Council review and consideration



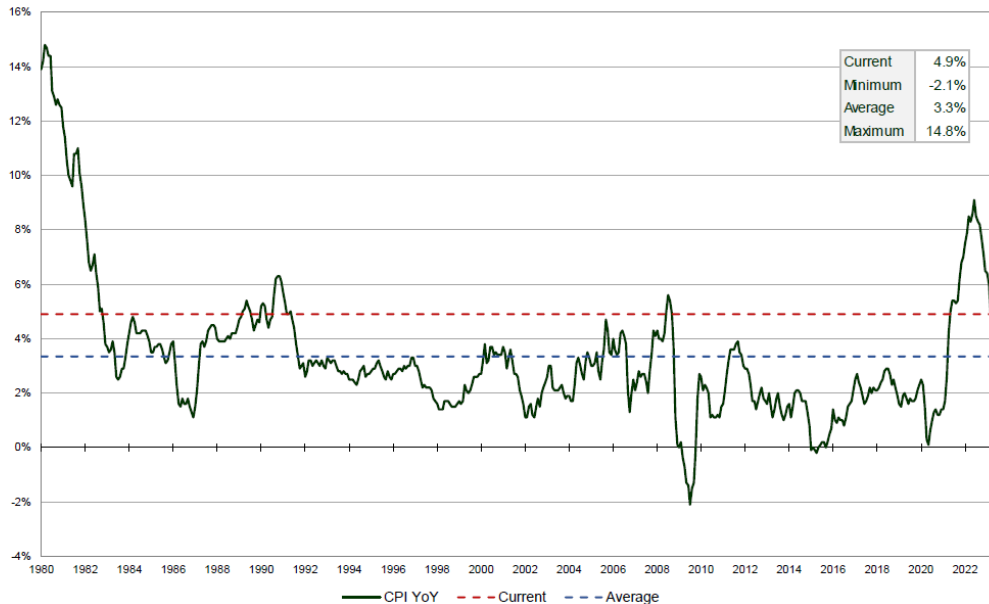
## Oil prices falling, Rig count flattening



# City of Corpus Christi Economic Outlook



Consumer Price Index (CPI) Since 1980



- Prior to preparing FY 2024 Budget, City Leadership met with our investment and financial advisors, Meeder and Specialized Public Finance Inc.
- Based on their assessment, the economic outlook for City of Corpus Christi is moderate growth
  - Anticipate short recession during the fall/winter quarters
  - Oil prices falling and Texas rig count flattening
  - Inflation coming down, but not as quickly as anticipated
  - Inverted yield curve; the rates on short term investments (6 mo to 2 yr) are higher than rates on longer term.



# FY 2024 Total City Budget **\$1.5 Billion**



**General Fund**  
**\$291.9 Million**

**Enterprise Funds**  
**\$292.6 Million**

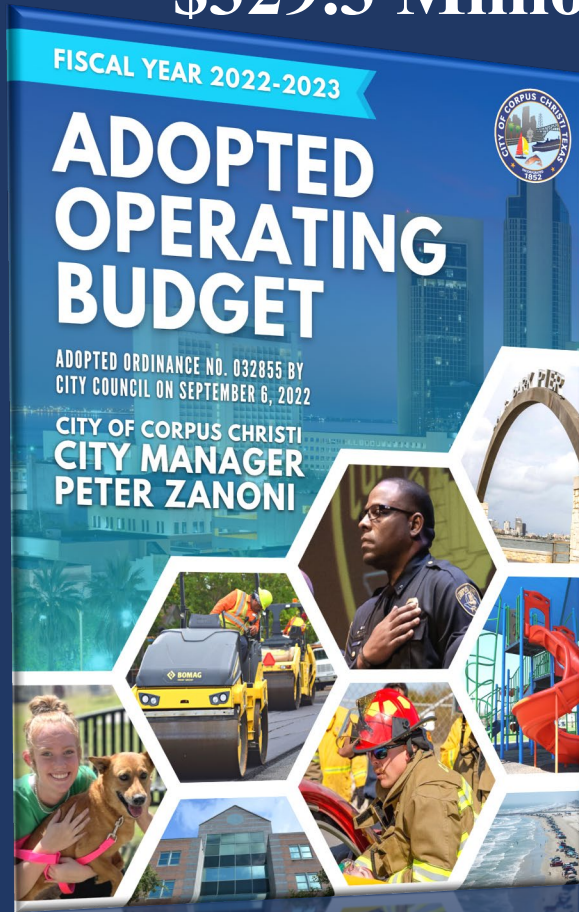
**Special Revenue Funds**  
**\$195.8 Million**

**Debt Funds**  
**\$124.5 Million**

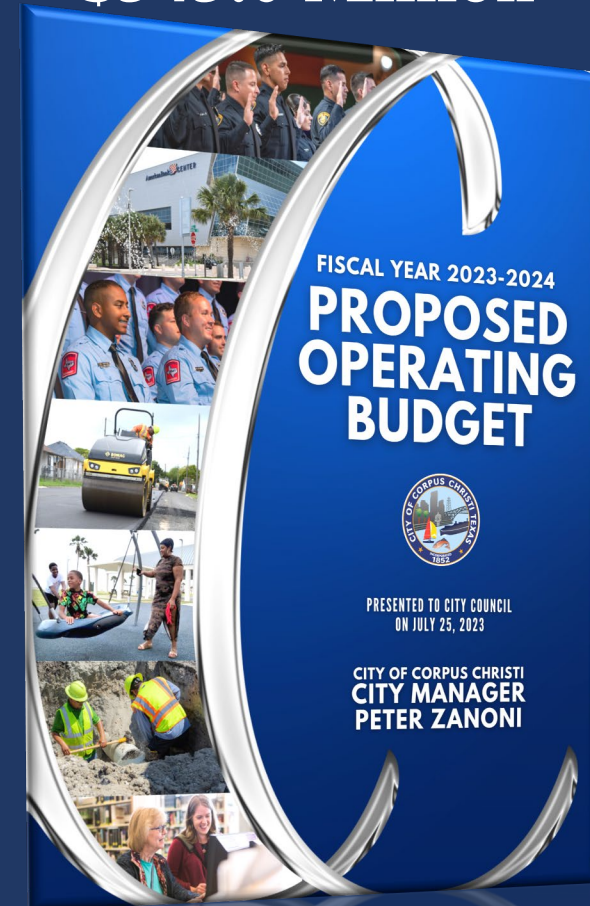
**Capital Budget**  
**\$604.1 Million**

# FY 2024 Proposed Budget General Fund (with transfers)

FY 2023 Adopted Budget  
\$329.3 Million



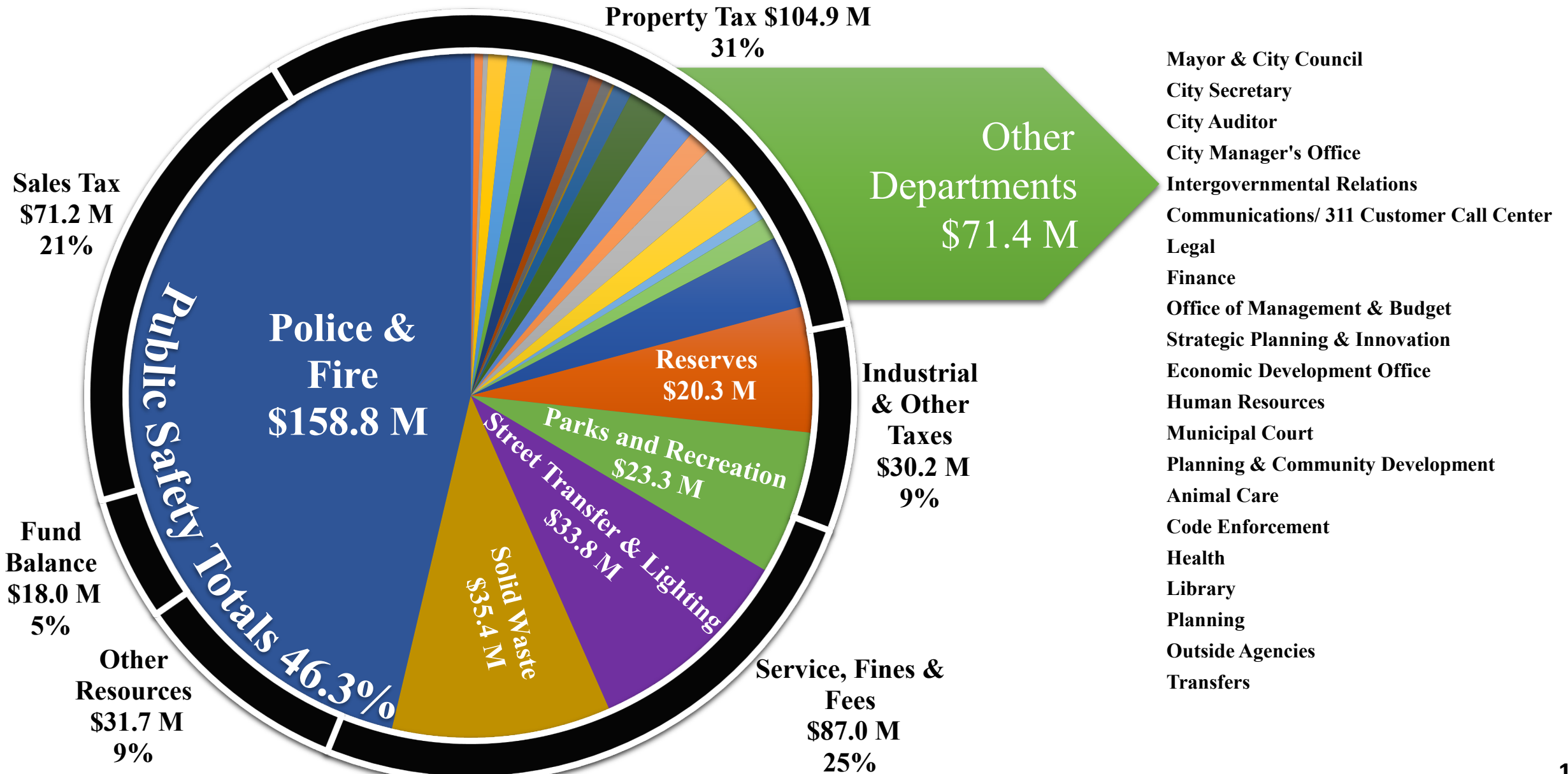
FY 2024 Proposed Budget  
\$343.0 Million



4.2%  
Increase



# FY 2024 General Fund Budget: \$343.0 Million



# General Fund Revenue over FY 2023 Adopted Budget



Revenue Sources	Change over FY 2023 Adopted Budget	
	%	Amount
Property Tax	5.8%	\$5.7M
Sales Tax	3.5%	\$2.4M
All Other Revenues	5.8%	\$17.9M

❖ Additionally, budget utilizes \$18.0M in one-time revenue from FY 2023 better ending balance

# Property Taxable Value & Rate

	FY 2023	FY 2024
<b>Property Values</b>	<b>13.64%</b>	<b>6.55%</b>
New Value	2.20%	2.19%
Reappraisals	11.44%	4.36%
<b>Tax Rate</b>	<b>0.620261</b>	<b>0.620261</b>

- **No change to FY 2024 Property Tax Rate**
- **Truth in Taxation calculation being finalized by Appraisal District and Tax Assessor/Collector – tax rate and revenues subject to change**
- **State Law limits property tax revenue growth to 3.5% on reappraisals; budget meets requirement**



# City Property Tax Rate



FY 2022	FY 2023	Proposed FY 2024
\$0.646264	\$0.620261	\$0.620261
	Reduction of 2.6¢	

❖ Tax Rate per \$100 of valuation

# Recently Passed Property Tax Legislation



## Senate Bill (SB) 2

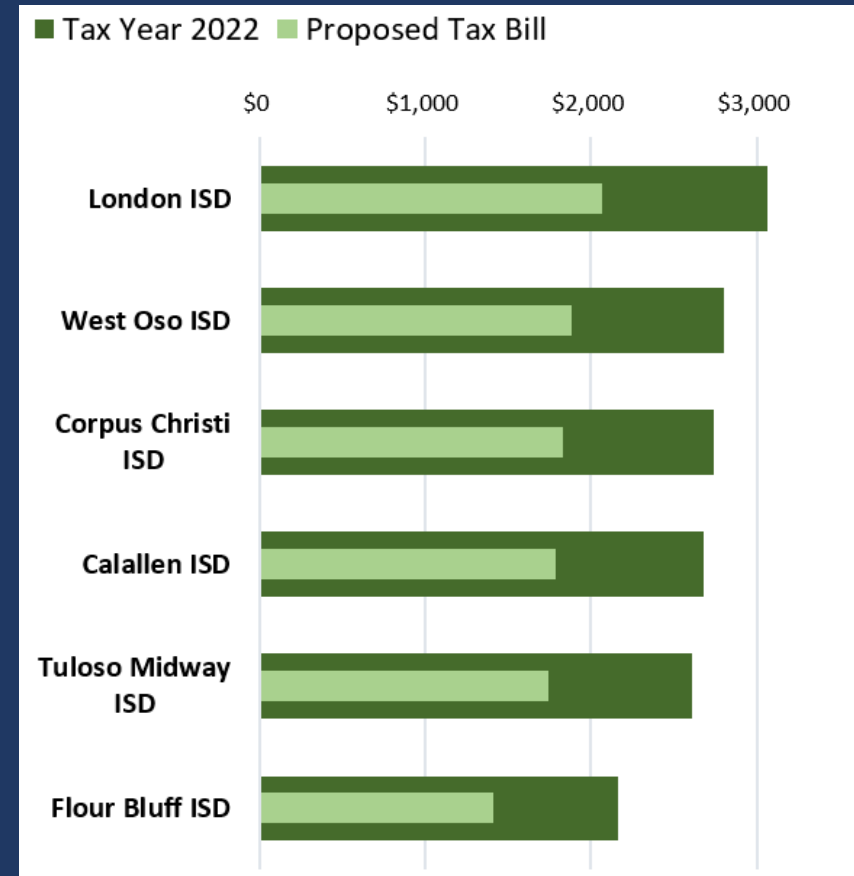
- ❖ Increase residential homestead exemptions for school districts from \$40,000 to \$100,000
- ❖ Increase residential homestead exemptions for school districts for those over-65 or disabled from \$50,000 to \$110,000
- ❖ Mandated school district property tax rate reduction of approximately 10.7¢ per \$100 valuation
- ❖ Impose a temporary 20% limitation on appraised value increases for non-homestead real property valued at less than \$5,000,000
  - Limitation will be indexed to inflation
  - Will expire on December 31, 2026

# Recently Passed Property Tax Legislation



If approved, the typical Corpus Christi homeowner would save around \$900 in school property taxes in 2023

School tax amounts for a \$265,923 home in each Corpus Christi area school district



*Assumes a 10.7¢ reduction in school district property tax rates; actual rate reduction may vary by district.*



# Sample Tax Bill for CCISD

## INCREASE OF HOMESTEAD EXEMPTION

Current Homestead Exemption	
Assessed Value for Average Homestead	\$265,923
Less: Current Homestead Exemption	( 40,000)
Net Assessed Value	\$225,923
Multiplied by the CCISD tax rate	x\$1.211100/ <sub>100 valuation</sub> \$
Property Taxes	\$2,736.15

SB 2 Homestead Exemption	
Assessed Value for Average Homestead	\$265,923
Less: New Homestead Exemption	( 100,000)
Net Assessed Value	\$165,923
Multiplied by the CCISD tax rate less 10.7¢	x \$1.104100/ <sub>valuation</sub> \$100
Property Taxes	\$1,831.96

\$904.20

Average Annual Savings

# Proposed City Property Tax Exemption Adjustments



## CITY OF CORPUS CHRISTI

	Tax Rate	Homestead Exemption (Effective over two years beginning FY 2025)	Over-65 / Disabled (Effective for FY2025)
Current	\$0.620261	10%-\$5,000 Min	\$50,000
Proposed FY 2025	\$0.620261	15%-\$5,000 Min	\$62,500
Estimated Annual Revenue Impact FY 2025		\$3,750,000	\$2,150,000
Proposed FY 2026	\$0.620261	20%-\$5,000 Min	\$62,500
Estimated Annual Revenue Impact FY 2026		\$3,750,000	-

# Sample Tax Bill for City of Corpus Christi

## PROPOSED INCREASE OF GENERAL HOMESTEAD EXEMPTION FROM 10% TO 15% - YEAR 1

### Current Homestead Exemption

Assessed Value for Average Homestead	\$265,923
Less: Current Homestead Exemption (10%)	( 26,592)
Net Assessed Value	\$239,331
Multiplied by the city tax rate	x\$0.620261/ \$100 valuation
Property Taxes	\$1,484.48

### Proposed Homestead Exemption

Assessed Value for Average Homestead	\$265,923
Less: Proposed Homestead Exemption (15%)	( 39,888)
Net Assessed Value	\$226,035
Multiplied by the city tax rate	x\$0.620261/ \$100 valuation
Property Taxes	\$1,402.00

\$82.48

Annual Savings

# Sample Tax Bill for City of Corpus Christi

## PROPOSED INCREASE OF OVER-65/DISABLED HOMESTEAD EXEMPTION – YEAR 1

Current Over-65/Disabled Exemption		Proposed Over-65/Disabled Exemption	
Assessed Value for Average Homestead	\$265,923	Assessed Value for Average Homestead	\$265,923
Less: Current Homestead Exemption (10%)	( 26,592)	Less: Homestead Exemption (15%)	( 39,888)
Less: Current Over-65/Disabled Exemption	( 50,000)	Less: Proposed Local Over-65/Disabled Exemption	( 62,500)
Net Assessed Value	\$189,331	Net Assessed Value	\$163,535
Multiplied by the city tax rate	x\$0.62026 1/\$100 valuation	Multiplied by the city tax rate	x\$0.620261 /\$100 valuation
Property Taxes	\$1,174.35	Property Taxes	\$1,014.34

**\$160.01**  
**Annual Savings**

# Sample Tax Bill for City of Corpus Christi

## PROPOSED INCREASE OF GENERAL HOMESTEAD EXEMPTION FROM 15% TO 20% - YEAR 2

15% Homestead Exemption	
Assessed Value for Average Homestead	\$265,923
Less: Homestead Exemption (15%)	( 39,888)
Net Assessed Value	\$226,035
Multiplied by the city tax rate	x\$0.620261/ \$100 valuation
Property Taxes	\$1,402.01

Proposed 20% Homestead Exemption	
Assessed Value for Average Homestead	\$265,923
Less: Proposed Homestead Exemption (20%)	( 53,185)
Net Assessed Value	\$212,738
Multiplied by the city tax rate	x\$0.620261/ \$100 valuation
Property Taxes	\$1,319.53

\$82.48

Annual Savings

Combined 2 Year Annual Savings \$164.96

# Sample Tax Bill for City of Corpus Christi

## PROPOSED INCREASE OF OVER-65/DISABLED HOMESTEAD EXEMPTION – YEAR 2

Current Over-65/Disabled Exemption		Proposed Over-65/Disabled Exemption	
Assessed Value for Average Homestead	\$265,923	Assessed Value for Average Homestead	\$265,923
Less: Homestead Exemption (15%)	( 39,888)	Less: Current Homestead Exemption (20%)	( 53,185)
Less: Current Over-65/Disabled Exemption	( 62,500)	Less: Proposed Local Over-65/Disabled Exemption	( 62,500)
Net Assessed Value	\$163,535	Net Assessed Value	\$150,238
Multiplied by the city tax rate	x\$0.62026 1/\$100 valuation	Multiplied by the city tax rate	x\$0.620261 /\$100 valuation
Property Taxes	\$1,014.34	Property Taxes	\$931.87

\$82.47

Annual Savings

Combined 2 Year Annual Savings \$242.48

MOODY'S

STANDARD  
& POOR'S

Fitch Ratings

## General Fund Reserves & Financial Rating

- 20% Financial Reserve requirement \$65.0M
- Projected FY 2024 financial reserves are \$77.9M or 24%
- In June 2023, the three major rating agencies Moody's, Standard and Poor's and Fitch all reaffirmed the City's financial rating of Aa2, AA and AA respectively
- These ratings are in the *high quality* category

# Police

## 9 More Police Officer Positions

- Total Police Officer count increases to 500
- Two Police Academies (September 2023 and June 2024)
- Officer position converted to Police Lieutenant (\$32K)
- Officer position converted to Police Captain (\$54K)
- Add Police Athletic League support position (\$65K)

## Equipment

- Increase funding for marked vehicle replacement (\$250K)
- Funding for Flour Bluff Substation generator (\$75K)

## Support for Training Academy

- New Police Training Academy at Del Mar South opening July 2024
- Funding for ongoing maintenance (partial year - \$50K)







# Police Officer Positions

- 5-Year Staffing plan was developed beginning FY 2020
- Goal was to add 5 positions per year (total 25)
- Goal exceeded by two-times
- 54 Police Officer positions added

Year	Increase	Sworn Positions
2019		446
2020	+5	451
2021	+5	456
2022	+10	466
2023	+25	491
2024	+9	500

# Fire

## 9 More Firefighter Positions

- Addition of 9 new Firefighter positions for 4 person staffing  
Total Firefighter count increases to 455
  - Fire Academy scheduled for January 2024
  - Add 1 Deputy Emergency Management Coordinator (\$48K)
- 4<sup>th</sup> year of .984% City contribution increase to Fire Retirement Fund

## Equipment

- Replace 5 Operations Response Vehicles (\$352K)
  - Replace 3 Medic Units (\$1.3M)
  - Replace 1 Fire Engine (\$1.2M)
- Purchase 1 Type 7 Brush Vehicle (\$56K)

## Support for Fire Station # 3

- Fire Station # 3 at Morgan ongoing operational maintenance (\$10K)



# Streets



➤ **3<sup>rd</sup> City budget to include additional Residential Streets Transfer (\$6.1M)**

➤ **Bridge Inspection Analysis included in current FY 2023 budget and will continue into FY 2024**

➤ **Traffic Signal Mast Arm Assessment (\$500K)**

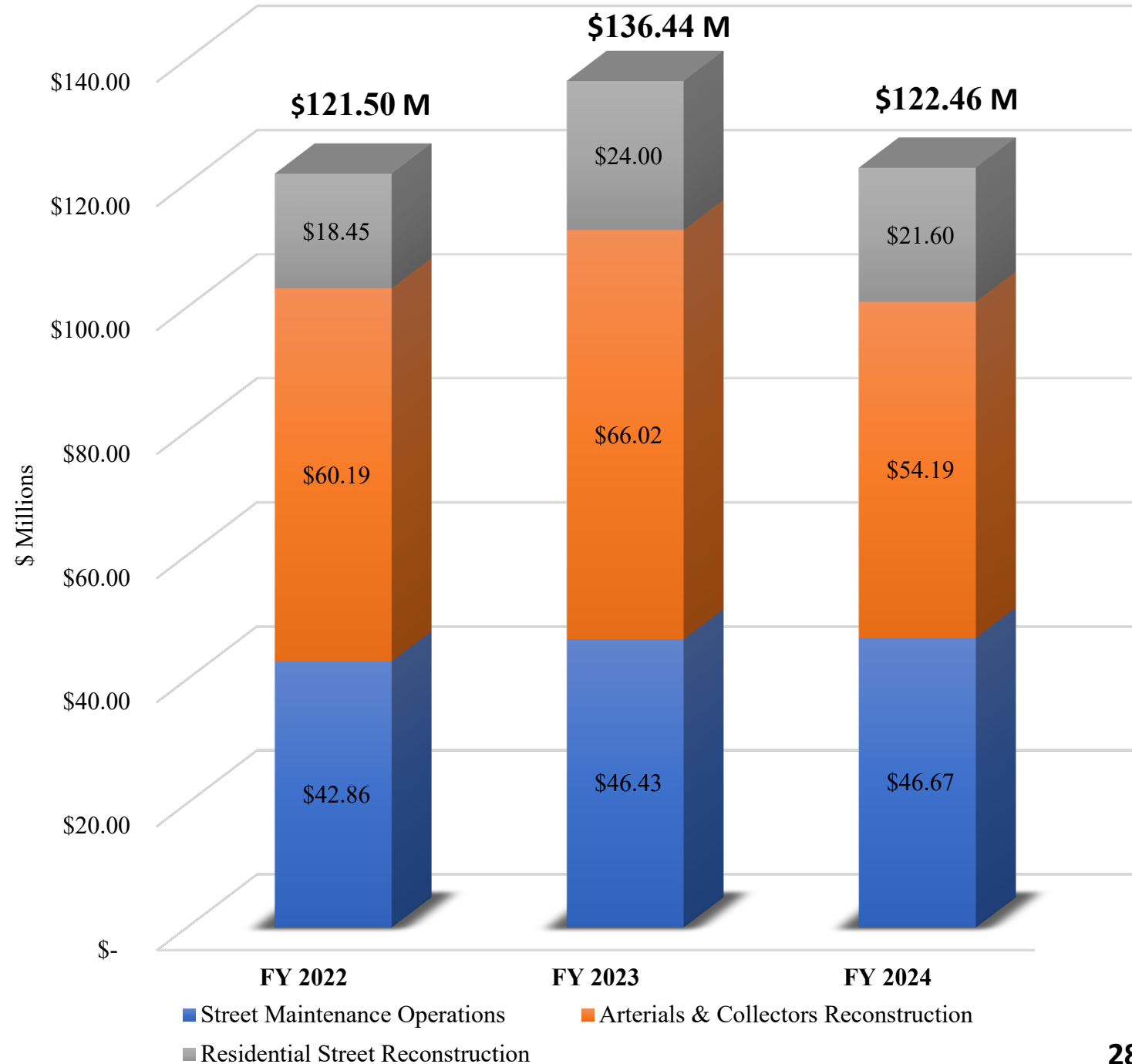
➤ **Updated Pavement Condition Index (PCI) Assessment (\$1.5M)**

➤ **SPID Landscape Maintenance with TXDOT agreement (\$500K)**



# Street Maintenance & Reconstruction

**\$122 Million in  
FY 2024**



## Fiscal Year 2022

*Street  
Maintenance*  
\$42,857,995

*Arterials &  
Collectors*  
\$60,188,554

*Residential  
Streets*  
\$18,454,211

**Total: \$121,500,760**

## Fiscal Year 2023

*Street  
Maintenance*  
\$46,427,074

*Arterials &  
Collectors*  
\$66,015,527

*Residential  
Streets*  
\$24,003,765

**Total: \$136,446,366**

## Fiscal Year 2024

*Street  
Maintenance*  
\$46,667,848

*Arterials &  
Collectors*  
\$54,190,782

*Residential  
Streets*  
\$21,602,405

**Total: \$122,461,035**

**\$380M in Three Years**

# Street Maintenance Fee



- **Adopted June 2013 by City Council; became effective January 2014**
- **Authorized at the same rate for 10 years**
- **Automatically sunseting on December 31, 2023**
- **Propose continuation of Street Maintenance Fee without a sunset provision (annual review)**

➤ **No proposed fee change for FY 2024**

	<b>Current Monthly Fee</b>
Residential	Single Family: \$5.38; Multifamily: \$2.42
Non-Residential	\$5.38 x (SF/1500SF) x TF (trip factor)

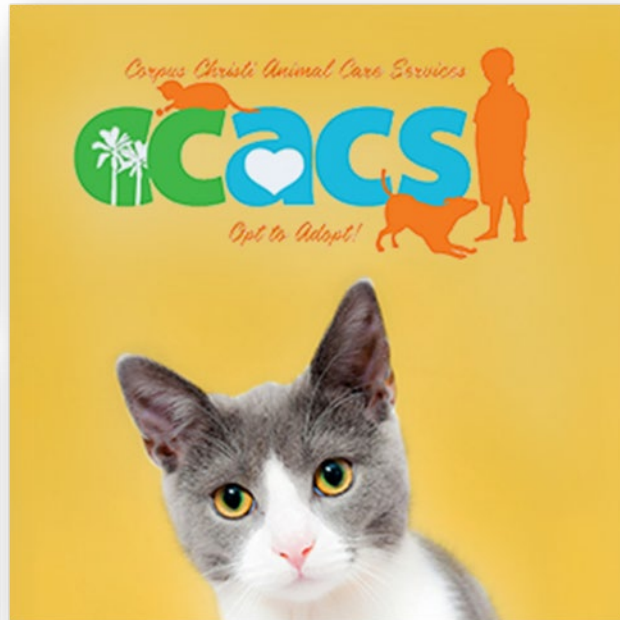
# #LIGHTUPCC

## Light-Up CC Initiative

- Phase I:
  - Completed in 2023
  - \$2.1M City initiative to convert over 15,000 streetlights to LED
- Phase II:
  - \$1M lighting study and potential implementation in FY 2024
  - Identify needed street lighting such as on Flour Bluff Drive

# CORPUS CHRISTI

# Animal Care Services



- 6 additional Kennel Techs (\$213K)
- 4 additional Animal Care Officers and 2 vehicles (\$308K)
- Total authorized count from 47 positions to 57 positions
- Additional spay/neuter funding (\$250K)
- RFP for Operations Review underway
- Director position advertised with national recruiting firm



# Parks & Rec

## Capital Improvement Projects to be Completed in FY 2024



### New Operations and Maintenance Budgets for:

- **Bill Witt Aquatic Center (\$185K)**  
(add 38 positions)
- **Water Garden (\$135K)**
- **Cole Park Splash Pad (\$19K)**
- **North Beach Restroom (\$25K)**



- **Athletic Field Business Program Change at Greenwood, Salinas, and Bill Witt (\$1M)**  
(add 13 positions and operations budget)



# Harbor Bridge Northside Parks

➤ Washington Coles Park  
(\$8.9M)

➤ T.C. Ayers Park (\$2.4M)

➤ Dr H.J. Williams Park  
(\$1.97M)

➤ Ben Garza Park  
(\$990K)



# Parks Development Fund (\$333.4K)

- **D5: Bill Witt Park – Perimeter Fencing Design (\$250K)**
- **D5: London Park – Shade Structure over Playground (\$21K)**
- **D4: Parker Park – New Benches (\$1.4K)**
- **D4: Waldron Park – Shade Structure (\$16K)**
- **D3: Botsford Park – Playground with mulch fall zone (\$30K)**
- **D1: Mobile Park - Shade Structure with Picnic Table and Grill (\$15K)**

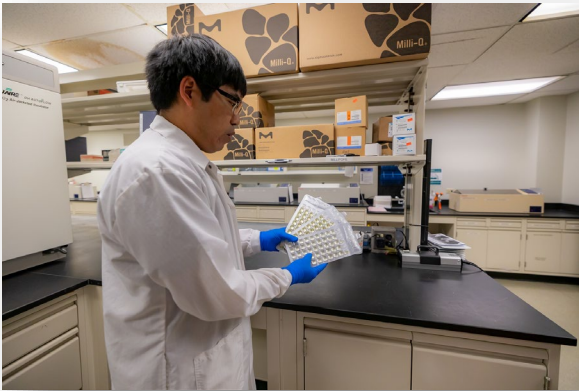


# Library



- **Add 2 Librarian positions at La Retama (\$98K)**
- **Security Guard service for all City Libraries, all operating hours (\$159K)**

# Health Department



➤ **Community Needs Assessment (\$300K)**

➤ **Public Health Summit (\$200K)**

➤ **Neighborhood Fitness Program (\$250K)**

➤ **Replacement of exercise equipment at Senior Centers (\$150K)**

➤ **Swimming Lessons (\$300K)**

➤ **County Cooperative Agreement is up for renewal; County requested more time to finalize terms of agreement**

➤ **County will not consider a 5% increase until after the appraisal district certifies values (\$88K)**

➤ **Mobile Clinic Services were previously provided twice a month, without the \$88K, must reduce service to once a month**

# Municipal Court



- **Update Municipal Court Software (\$225K)**
- **Eliminate City Marshal program 6 positions (\$495K)**
- **The Presiding Judge will be reviewing all traffic fines in FY 2024 for potential adjustment**

# City-Wide Sustainability Initiatives (\$4.84M)



- No New Department in FY 2024
- Strategic Planning & Innovation Office to complete assessment of all sustainability positions and programs
  - Tourism Sustainability Plan (\$50K)
    - Gulf beach survey (\$125K)
    - Tree Canopy Study (\$50K)
  - Light-Up CC Lighting Study and potential implementation (\$1M)
  - Addition of Deputy Emergency Management Coordinator (\$48K)
    - Addition of Safety Coordinator Position (\$55K)
      - More Street Sweeping (\$508K)
      - Storm Water Channel Maintenance (\$2.2M)
      - Solid Waste Composting Program / additional Shredder/Grinder (\$278K)
    - Cooling / Heating Center enhancements (\$150K)
      - Air Quality Monitoring (\$25K)
  - Generator for Flour Bluff Police Substation (\$75K)
  - Continuation of Tree Planting Program (\$250K)
  - Increase funding to Botanical Gardens (\$30K)

# Tourism



## HOT Revenues Budget

FY 2023	FY 2024	Variance
\$17.5M	\$21.5M	\$4.0M

## FY 2024 Hotel Occupancy Tax (HOT) budget

- Funding for Visit Corpus Christi (\$7.2M)
- Convention Center Capital Funding (\$1.2M)
- Funding for Art Museum, Museum of Science & History, Botanical Garden and Texas State Aquarium (\$1.3M)



# Water and Wastewater

- Operating budgets for FY 2024 include no additional positions and continue programmatic levels as FY 2023
- Capital budget plan is consistent with the 5-year plan established in FY 2023 with minor adjustments
  - Rates are reviewed every two years
- Proposed monthly rates effective January 2024
  - This budget establishes better equity in our rate structure



# Rate Study and Model Development

NewGen  
Strategies & Solutions

NEWGEN STRATEGIES AND SOLUTIONS, LLC  
8140 NORTH MO-PAC EXPRESSWAY, #1-240  
AUSTIN, TEXAS 78759



# Water

## Establishing equity within rate structures

### Water Charges

- **Raw water charge per 1,000 gallons**  
Includes \$0.05 per 1,000 Water Supply Development Fee
- **Commercial / Residential**  
Meter charge includes first 2,000 gallons
- **Large Volume**  
Meter charge includes the first 10 million gallons
- **Volumetric charge per 1,000 gallons**

### WATER - Volumetric Rates

		CURRENT	PROPOSED
LARGE VOLUME	Inside	\$ 3.94	\$ 4.02
	Outside	\$ 1.95	\$ 4.02
COMMERCIAL	Inside	\$ 5.56	\$ 5.67
	Outside	\$ 4.22	\$ 5.67
RESIDENTIAL	Inside	\$ 5.08	\$ 5.18
	Outside	\$ 3.11	\$ 5.18

# Water

## SAMPLE MONTHLY BILLS

➤ Residential, 3/4" meter, 6,000 gallons

Current	Proposed	\$ Inc
\$ 39.06	\$ 40.88	\$ 1.82

➤ Commercial, 3" meter, 20,000 gallons

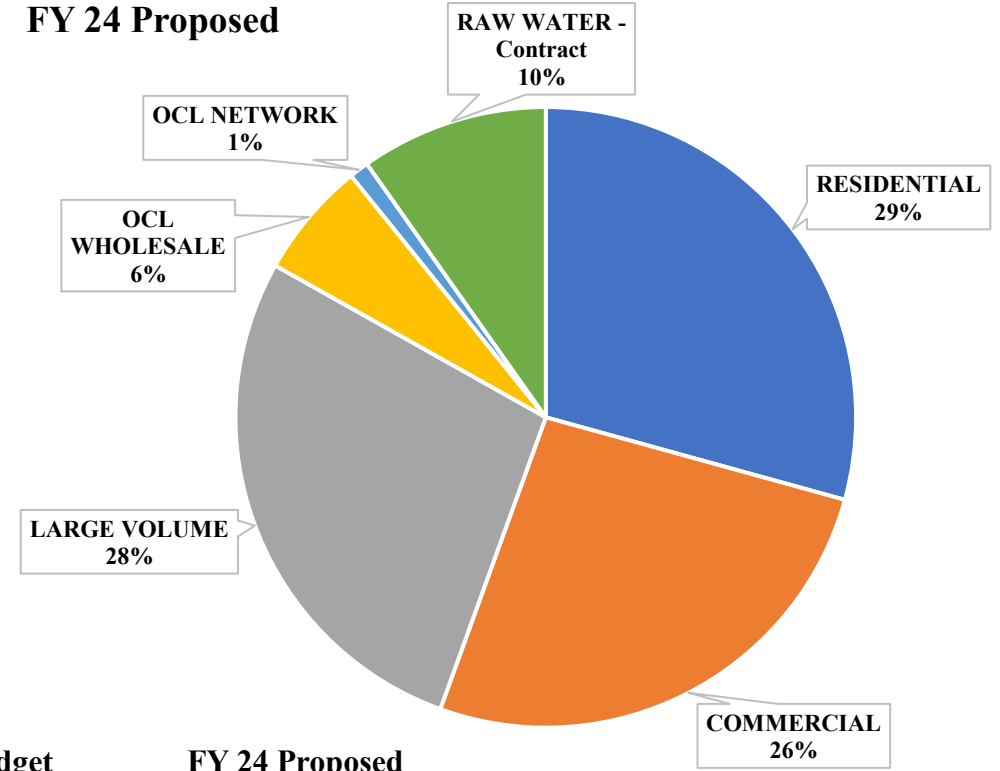
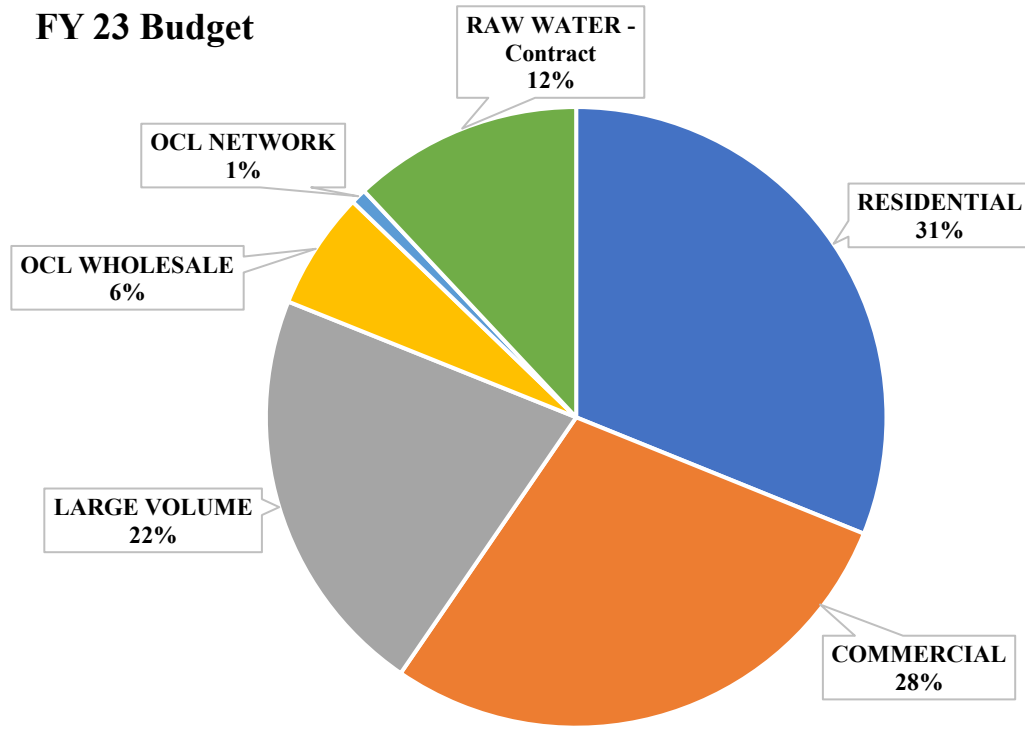
Current	Proposed	\$ Inc
\$ 222.84	\$ 326.06	\$ 103.22

➤ Large Volume, 10" meter, 90 million gallons

	Current	Proposed	\$ Inc
Inside City Limits	\$ 427,348	\$ 462,836	\$ 35,488
Outside City Limits	\$ 284,651	\$ 463,844	\$ 179,193



# Water Revenue Year-Over-Year Comparison by Customer Classification



Customer Group	FY 23 Budget	FY 24 Proposed
RESIDENTIAL	\$ 33,497,250	\$ 37,304,000
COMMERCIAL	\$ 30,625,000	\$ 33,422,000
LARGE VOLUME	\$ 23,160,000	\$ 35,176,000
OCL WHOLESALE	\$ 6,600,000	\$ 7,725,000
OCL NETWORK	\$ 865,000	\$ 1,291,000
RAW WATER -Contract	\$ 12,900,000	\$ 12,463,000
<b>TOTAL</b>	<b>\$ 107,647,250</b>	<b>\$ 127,381,000</b>

# Wastewater

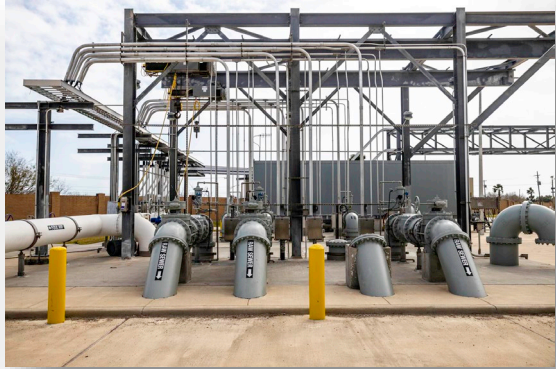
## Establishing equity within rate structures

### Wastewater Charges

- **Minimum charge**  
Includes first 2,000 gallons
- **Volume charge per 1,000 gallons**
  - Residential customer is based on winter quarter average
  - Commercial and multi-family customer based on monthly usage

		CURRENT		PROPOSED	
RESIDENTIAL	Inside	\$	7.02	\$	7.37
COMMERCIAL	Inside	\$	5.26	\$	7.37
RESIDENTIAL	Outside	\$	15.60	\$	11.06
COMMERCIAL	Outside	\$	10.50	\$	11.06

# Wastewater



## SAMPLE MONTHLY BILLS

➤ **Residential, 5,000 gallons**

Current	Proposed	\$ Inc
\$ 54.64	\$ 57.03	\$ 2.39

➤ **Commercial, 20,000 gallons**

Current	Proposed	\$ Inc
\$ 140.78	\$ 180.50	\$ 39.72

# Storm Water Program

In FY 2022, City joined other major Texas cities and approved a Storm Water maintenance program. Overall goal is to reduce flooding and improve water quality.



STORM WATER SERVICES		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Storm Water Inlet Cleaning & Maintenance <sup>1</sup>		3.5 years	1.3 years	1.3 years	1.3 years	1.3 years	1.3 years
Vegetation Management - ROW Mowing <sup>2</sup>		20x	20x	20x	20x	20x	20x
In-House Street Sweeping & Cleaning <sup>2</sup> (Non-existent prior to FY 2022)	Residential	2x	2x	2x	3x	4x	4x
	Collectors	2x	4x	6x	8x	10x	12x
	Arterials	8x	8x	10x	10x	10x	12x
Minor Channel (“Bar Ditches”) Cleaning & Maintenance <sup>1</sup>		<i>As Requested</i>	<i>As Requested</i>	6.0 years	3.0 years	3.0 years	3.0 years
Major Channel / Natural Creek Way Cleaning & Maintenance <sup>1</sup>		2.0 years	2.0 years	2.0 years	2.0 years	2.0 years	2.0 years

Note: (1) Cycle length; (2) Cycles per year



# Storm Water Fee

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>Base Program</b>	\$ 16.0 M	\$ 20.04 M	\$ 22.97 M	\$ 29.63 M	\$ 34.37 M	\$ 38.12 M
<b>Improvements</b>	\$ 2.00 M	\$ 3.57 M	\$ 6.66 M	\$ 4.74 M	\$ 3.75 M	\$ 2.00 M
<b>Total</b>	<b>\$ 18.00 M</b>	<b>\$ 23.61 M</b>	<b>\$ 29.63 M</b>	<b>\$ 34.37 M</b>	<b>\$ 38.12 M</b>	<b>\$ 40.12M</b>

<b>Residential Rate Tier 1</b>	\$ 4.59	\$ 5.77	\$ 6.63	\$ 7.74	\$ 8.69	\$ 9.63
<b>Residential Rate Tier 2</b>	\$ 6.12	\$ 7.69	\$ 8.84	\$ 10.32	\$ 11.59	\$ 12.84
<b>Residential Rate Tier 3</b>	\$ 10.71	\$ 13.46	\$ 15.47	\$ 18.06	\$ 20.28	\$ 22.47
<b>Non-Residential Rate</b>	\$ 6.12 per ERU	\$ 7.69 per ERU	\$ 8.84 per ERU	\$ 10.32 per ERU	\$ 11.59 per ERU	\$ 12.84 per ERU

\*Equivalent Residential Unit (ERU)

# Solid Waste

➤ Residential rate increased 4 years ago

➤ Proposed increase around 4% to residential and commercial customers

➤ Based on cost-of-service modeling



Monthly	Current Fee	Proposed Fee	\$ Increase	% Increase
Residential	26.70	27.85	1.15	4.3%
Commercial	51.49	53.83	2.34	4.5%

# Sample Utility Bill for Residential Customer



Service	Current Fee	Proposed Fee	Change
Water <sup>1</sup>	\$ 39.06	\$ 40.88	\$ 1.82
Wastewater <sup>2</sup>	\$ 54.64	\$ 57.03	\$ 2.39
Storm Water	\$ 7.69	\$ 8.84	\$ 1.15
Natural Gas	\$ 18.60	\$ 18.60	\$ 0.00
Streets	\$ 5.38	\$ 5.38	\$ 0.00
Solid Waste	\$ 26.70	\$ 27.85	\$ 1.15
<b>Per Month</b>	<b>\$ 152.07</b>	<b>\$ 158.58</b>	<b>\$ 6.51</b>
% increase			4%
<sup>1</sup> Based on 6,000 gallons water usage			
<sup>2</sup> Based on 5,000 gallons winter quarter average			

# City Rates for Service



**Property Tax** – No proposed rate adjustment

State property tax relief

City property tax relief in FY 25 / FY 26

**Water** – Proposed rate adjustment

**Wastewater** – Proposed rate adjustment

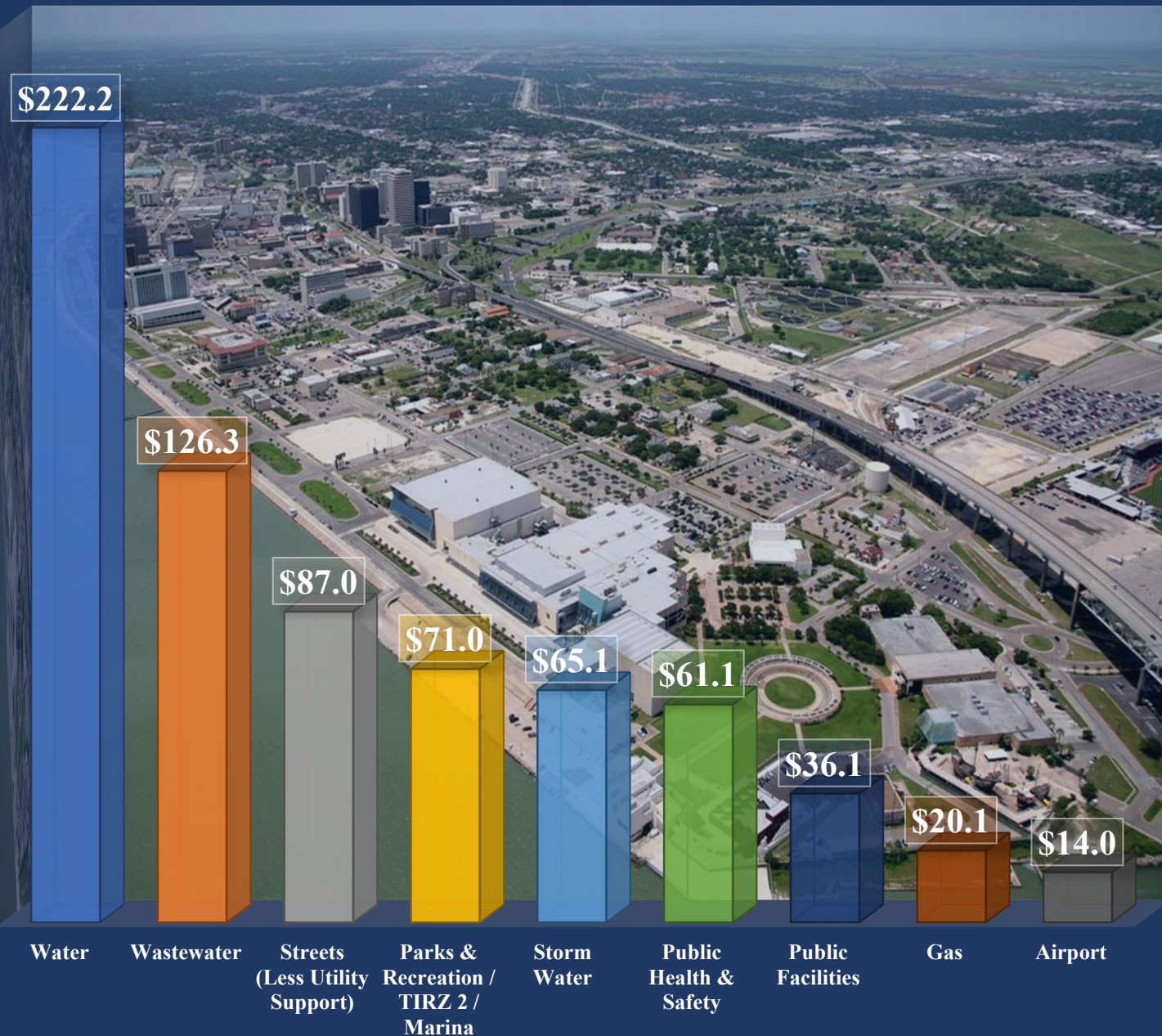
**Storm Water** – Proposed rate adjustment

**Gas** – No proposed rate adjustment

**Solid Waste** – Proposed rate adjustment

**Street Maintenance Fee** – No proposed rate adjustment

# FY 2024 Capital Budget \$702.9 Million



Funding Uses by Program	Amount	% of Total
Water	\$ 222.2M	32%
Wastewater	\$ 126.3M	18%
Streets (Less Utility Support)	\$ 87.0M	12%
Parks & Rec / TIRZ 2 / Marina	\$ 71.0M	10%
Storm Water	\$ 65.1M	9%
Public Health & Safety	\$ 61.1M	9%
Public Facilities	\$ 36.1M	5%
Gas	\$ 20.1M	3%
Airport	\$ 14.0M	2%
<b>Total FY 2024 Capital Uses</b>	<b>\$ 702.9M</b>	<b>100%</b>

# Employee Compensation in FY 2024



- 3.5% Average Merit Pay budgeted for all Civilian Employees (range 0-5%)
- Police has a new CBA contract to begin October 1: 8% salary increase for all sworn positions
- Fire increases based on current CBA; negotiations for new contract to begin in FY 2024



# City Retirees

- Budget includes funding for added or better monthly benefit increases in retirement payment checks to Police, Fire, and General Retirees
- As a result of the 88<sup>th</sup> Legislative Session, the City proposes a non-retroactive COLA for all TMRS (Sworn and Civilian) retired employees at 30% of CPI starting January 2024
- Budget includes \$500K to provide Firefighter retirees an estimated monthly benefit increase of \$110 effective October 2023 (pending required approval from Fire active membership)



# Employee Health Benefits paid by City in FY 2024

- Police medical insurance premiums paid by City projected to **remain level** (all on CDHP)
- Fire medical insurance premiums paid by City projected to **increase by 12%** for Fire PPO and **increase by 12%** for Fire CDHP plans
- Civilian medical insurance premiums paid by City projected to **increase by 14%** for Citicare PPO Plan and **increase by 10%** for Citicare CDHP plan



# Employee Health Benefits paid by Employees in FY 2024



- 14% annual **increase** paid by employees that use the Citicare PPO (Employee + Family Plan)
- 10% annual **increase** for the employees that use the Citicare CDHP (Employee + Family Plan)
- 12% annual **increase** for employees that use Fire PPO and Fire CDHP (Employee + Family Plan)
- No change to Sworn Police Officers

# FY 2024 Budgeted Positions

- Increase Police Officer Positions by 9
- Increase Firefighter Positions by 9
- General Fund Civilian positions decrease by 117 primarily from the reduction in After Hour Kid Power unfilled positions



# Next Steps



## City Council Budget Workshops

(August 1<sup>st</sup>, 3<sup>rd</sup>, 10<sup>th</sup>, 21<sup>st</sup>, 24<sup>th</sup>)



## Budget Community Input Sessions

(August 7<sup>th</sup>, 9<sup>th</sup>, 10<sup>th</sup>, 14<sup>th</sup>, 16<sup>th</sup>)



## Public Hearings

(Tax Rate - August 29<sup>th</sup>)

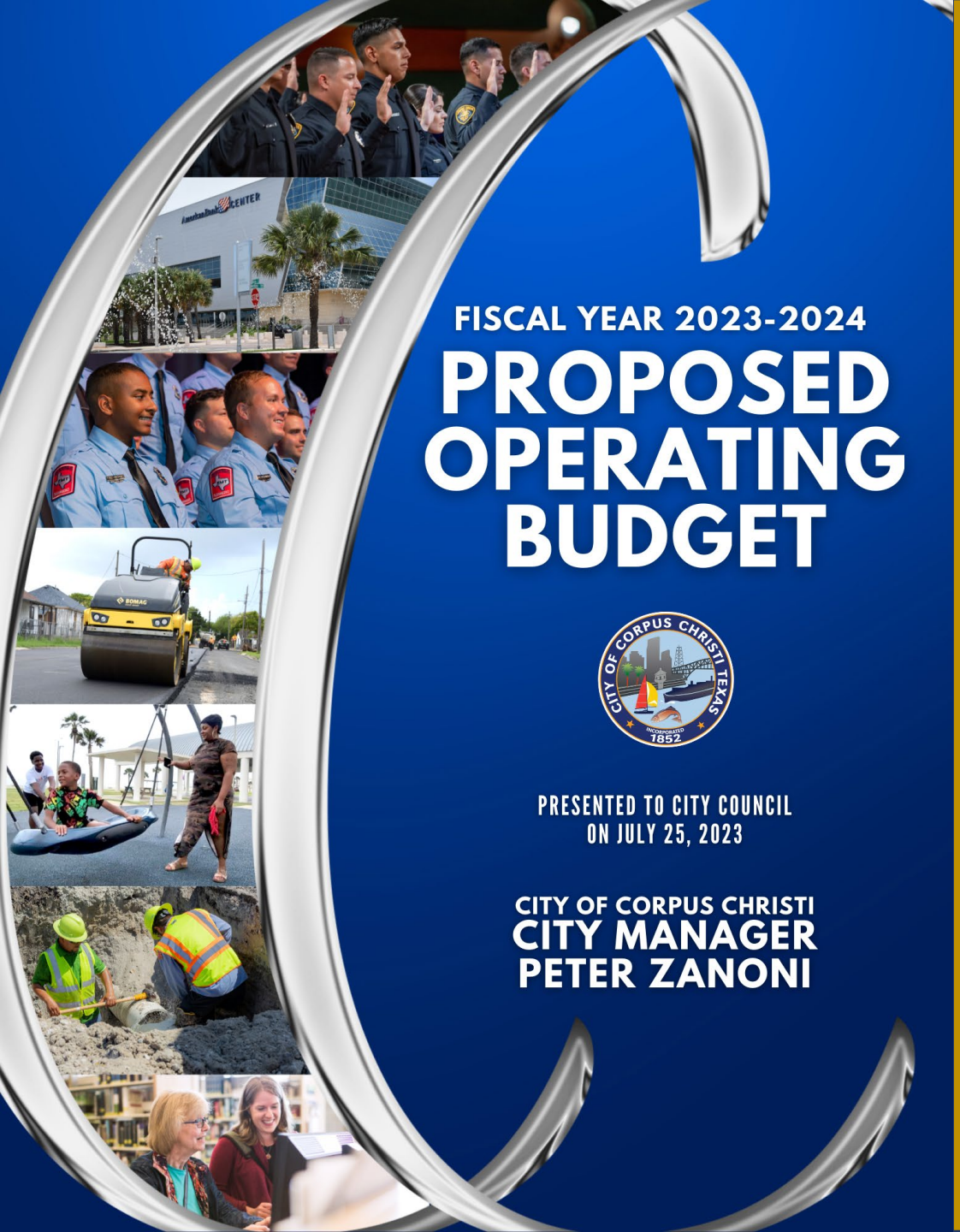
(Budget – August 29<sup>th</sup>)



## Budget and Tax Rate Adoption

(1<sup>st</sup> reading August 29<sup>th</sup>)

2<sup>nd</sup> reading September 5<sup>th</sup>)



FISCAL YEAR 2023-2024  
**PROPOSED  
OPERATING  
BUDGET**



PRESENTED TO CITY COUNCIL  
ON JULY 25, 2023

**CITY OF CORPUS CHRISTI  
CITY MANAGER  
PETER ZANONI**

# FY 2024 PROPOSED ANNUAL OPERATING & CAPITAL BUDGET

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Presented by:  
City Manager Peter Zanoni

July 25, 2023