

FISCAL YEAR 2022-2023

# PROPOSED BUDGET

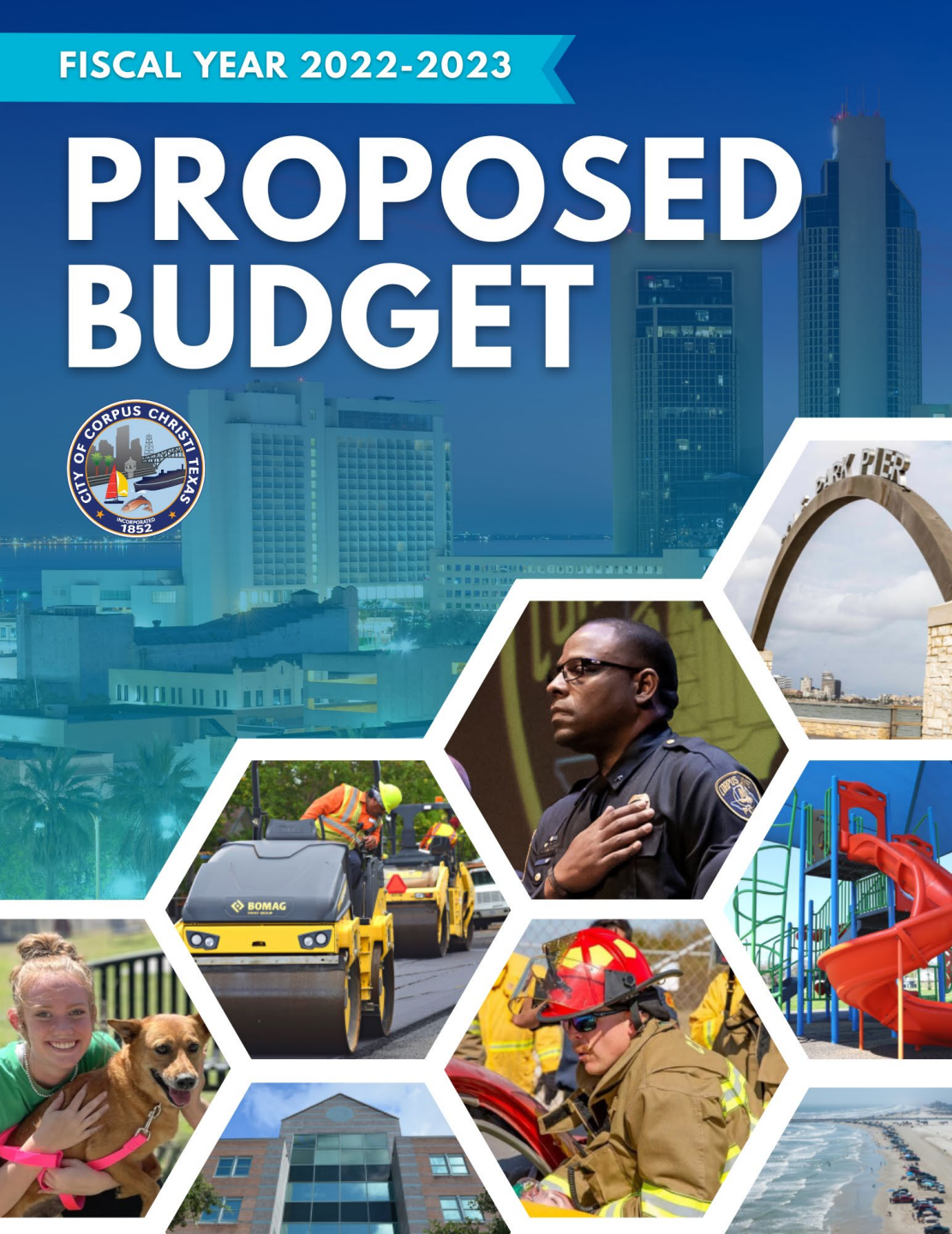


## FY 2023 PROPOSED ANNUAL OPERATING & CAPITAL BUDGET

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Presented by:  
City Manager Peter Zanoni

July 26, 2022



# FY 2023 PROPOSED BUDGET SUMMARY

(October 1, 2022 thru  
September 30, 2023)

Budget is Balanced

Budget Addresses Council &  
Community Priorities

Focus on Public Safety, Streets,  
Parks, Neighborhoods &  
City Utilities

Consistent with Council  
approved Financial Policies





# FY 2023 PROPOSED BUDGET COMMUNITY INPUT SESSIONS

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**August 8 - 6:00 to 7:00 p.m.**

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

**August 10 - 6:00 to 7:00 p.m.**

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

**August 11 - 6:00 to 7:00 p.m.**

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

**August 15 - 6:00 to 7:00 p.m.**

**District 4: Ethel Eyerly  
Senior Center**

**August 17 - 6:00 to 7:00 p.m.**

**District 5: Veterans Memorial High School**



# **FY 2023 PROPOSED BUDGET WORKSHOPS**

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**August 5**

**August 11**

**August 18**

**August 25**

**9:00 a.m. to 12:00 p.m.**

**City Council Chambers, 1201 Leopard Street**



# 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 review and final recommendation, the Office of Management and Budget prepares the Proposed Operating and Capital Budget for City Council review and consideration





# City of Corpus Christi Economic Outlook

**ESTRADA • HINOJOSA**  
INVESTMENT BANKERS



- Prior to preparing FY 2023 Budget, City Leadership met with our investment advisors Estrada/Hinojosa & Meeder/Patterson Group
- Based on their assessment, the economic outlook for City of Corpus Christi is moderate growth
  - Manufacturing activity increases but demand slows
  - Oil and gas expansion outlooks improve slightly
  - Travel sector enjoys pent-up demand
  - Service sector employment and capital expenditure index remain positive
- Housing activity remains strong with rezoning, plat, residential and commercial applications on the rise



# FY 2023 Total City Budget **\$1.4 Billion**



**General Fund**  
**\$279.6 Million**

**Enterprise Funds**  
**\$255.4 Million**

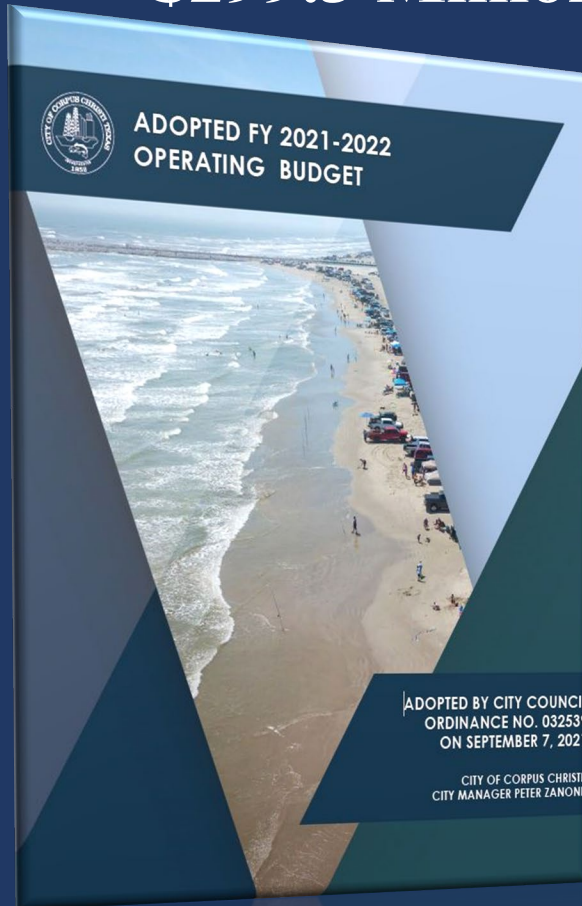
**Special Revenue Funds**  
**\$155.4 Million**

**Debt Funds**  
**\$122.5 Million**

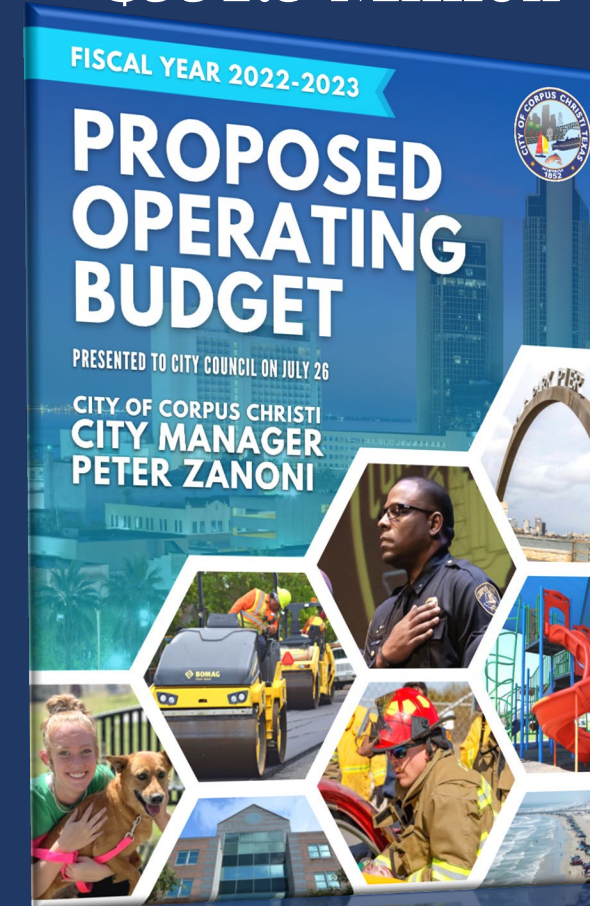
**Capital Budget**  
**\$558.6 Million**

# FY 2023 Proposed Budget General Fund (with transfers)

**FY 2022 Adopted Budget**  
**\$299.3 Million**



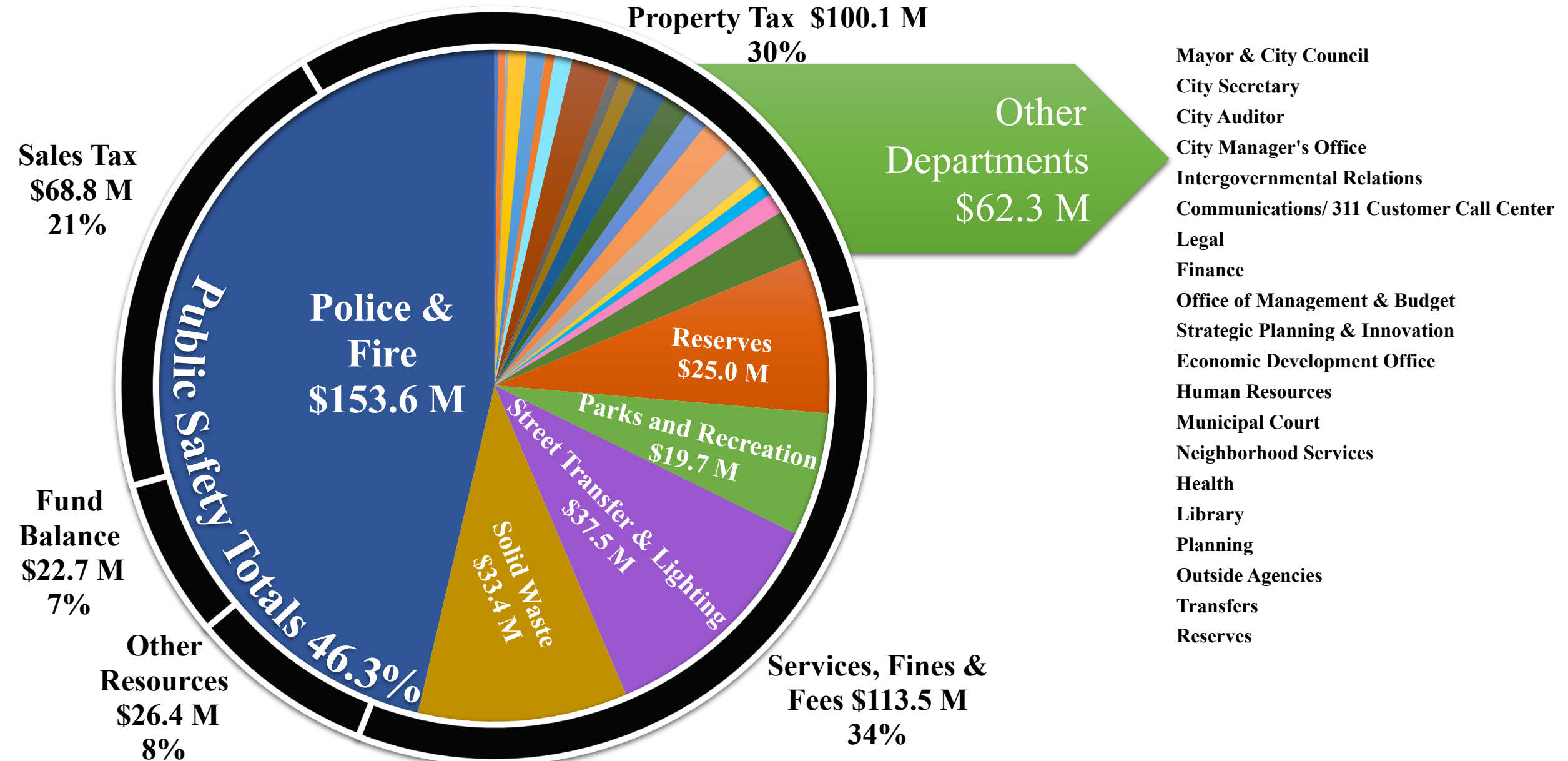
**FY 2023 Proposed Budget**  
**\$331.5 Million**



**10.7%**  
**Increase**



# FY 2023 General Fund Budget: \$331.5 Million



# General Fund Revenue Growth over FY 2022 Adopted Budget



Revenue Sources	Growth over FY 2022 Adopted Budget	
	%	Amount
Property Tax	6.4%	\$6.0M
Sales Tax	9.1%	\$5.8M
All Other Revenues	8.6%	\$11.0M

- ❖ Additionally, budget utilizes \$22.7M in one-time revenue from FY 2022 better ending balance



# Property Taxable Value Growth & Rate



	FY 2022	FY 2023
Property Values Growth	6.97%	13.35%
New Growth	1.49%	1.83%
Reappraisals	5.48%	11.52%
Tax Rate	0.646264	0.646264

- No change to FY 2023 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.

MOODY'S

STANDARD  
& POOR'S

Fitch Ratings

## General Fund Reserves & Financial Rating

- 20% Financial Reserve requirement \$61.8M
- Projected FY 2023 financial reserves are \$76.8M or 24.9%
- In June 2022, 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



# City of Corpus Christi Awarded \$67.55M



**American Rescue  
Plan Act of 2021**

## 1<sup>st</sup> Tranche of \$31.5M received June 2021

- \$27.1M or 86% spent or committed to date
  - ✓ \$11.4M for Wastewater lift station replacements
  - ✓ \$15.7M for Water line replacements and equipment
- \$4.4M anticipated be committed by end of fiscal year

## 2<sup>nd</sup> Tranche of \$36.05M received June 2022

- \$17M budgeted for Water line & Wastewater lift station replacements
- \$10M budget for Storm Water projects
- \$5M budget for North Beach Drainage
- \$4.05M budgeted for New Fire Station 3

# Police



## 25 More Police Officers

- Addition of 25 new Police Officer positions  
(Total Police count increases to 491)
- Two Police Academies (July 2023 and October 2023)
- Officer position converted to Police Captain (\$50K)
  - Additional funding for Overtime (\$250K)

## Equipment

- Funding for BearCat armored vehicle (\$400K)
  - Funding for 10 unmarked vehicles (\$250K)
- Funding of 3D scanner, comparison microscope and crime scene lighting (\$165K)

## New Training Academy

- Construction of new Police Training Academy at Del Mar South campus to begin in FY 2023 (\$21.1M) as approved in FY 2022



# 25 Police Officer Positions

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- In FY 2023, 15 positions will be funded from Crime Control District and 10 will be funded from General Fund
- Crime Control District fund balance expected to be \$5.2M at end of FY 2023
- Beyond FY 2023 \$1M annually of Crime Control District fund balance used to fund 15 positions
- Begin to transition positions from Crime Control District to General Fund in FY 2026 as needed



# Fire



## 24 More Fire Fighters

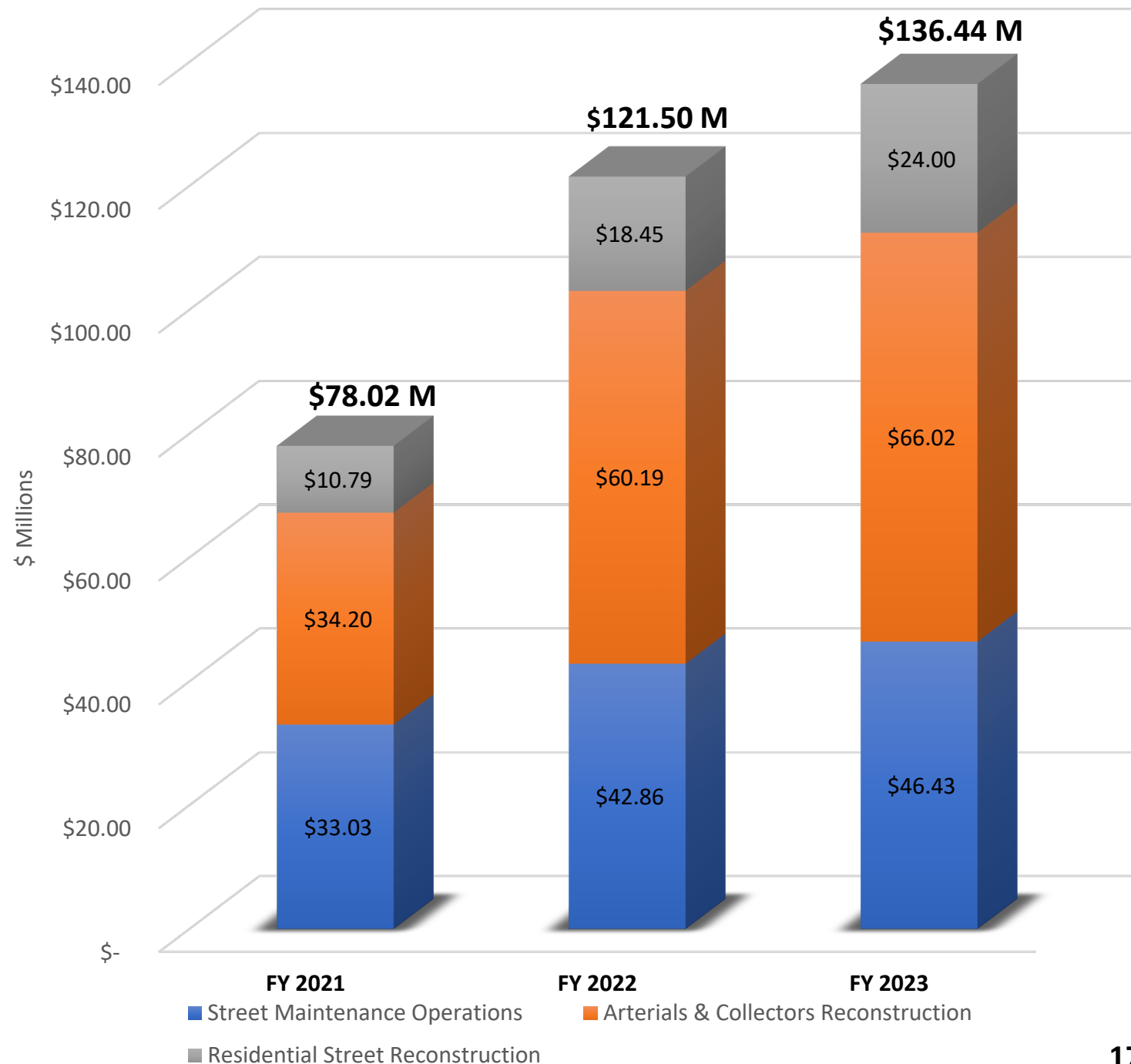
- Addition of 24 new Fire Fighter positions (8 for Medic Unit & 16 for 4 person staffing)  
Total Firefighter count increases to 446
- Fire Academy scheduled for January 2023
- 1 additional medic unit increases EMS units from 13 to 14 (\$540K)

## Equipment

- Replacement of alerting system (\$350K)
- New Fire Records Management system (\$200K)
- Purchase of 2 replacement 75-foot ladder trucks (\$2.8M)

## Facilities

- Construction of a replacement Fire Station # 3 located on Morgan Ave (\$10.7M) as approved in FY 2022 with additional \$2.5M added in FY 2023
- Funding for new EOC Building Planning & Assessment (\$100K)

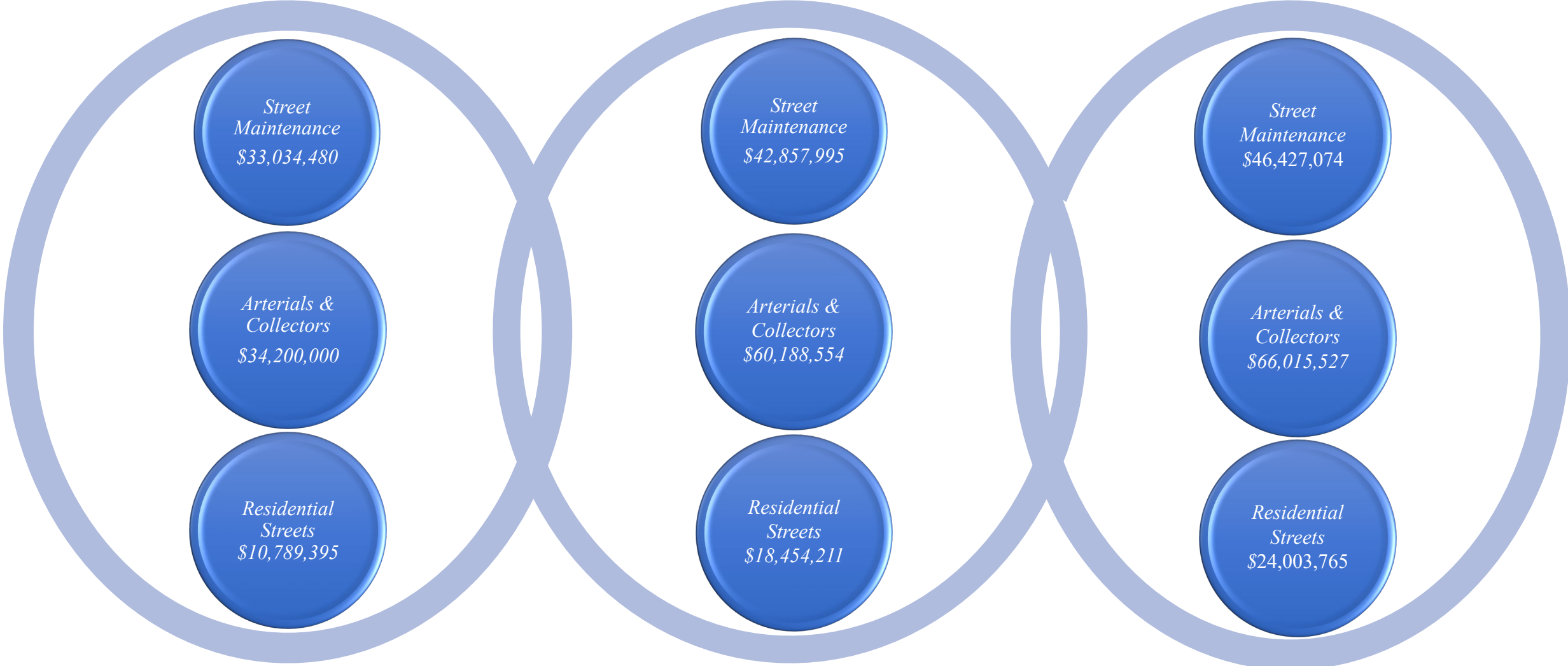


# 12% increase in Streets for FY 2023

## Fiscal Year 2021

## Fiscal Year 2022

## Fiscal Year 2023



Total: \$78,023,875

Total: \$121,500,760

Total: \$136,446,366

\$336M in Three Years

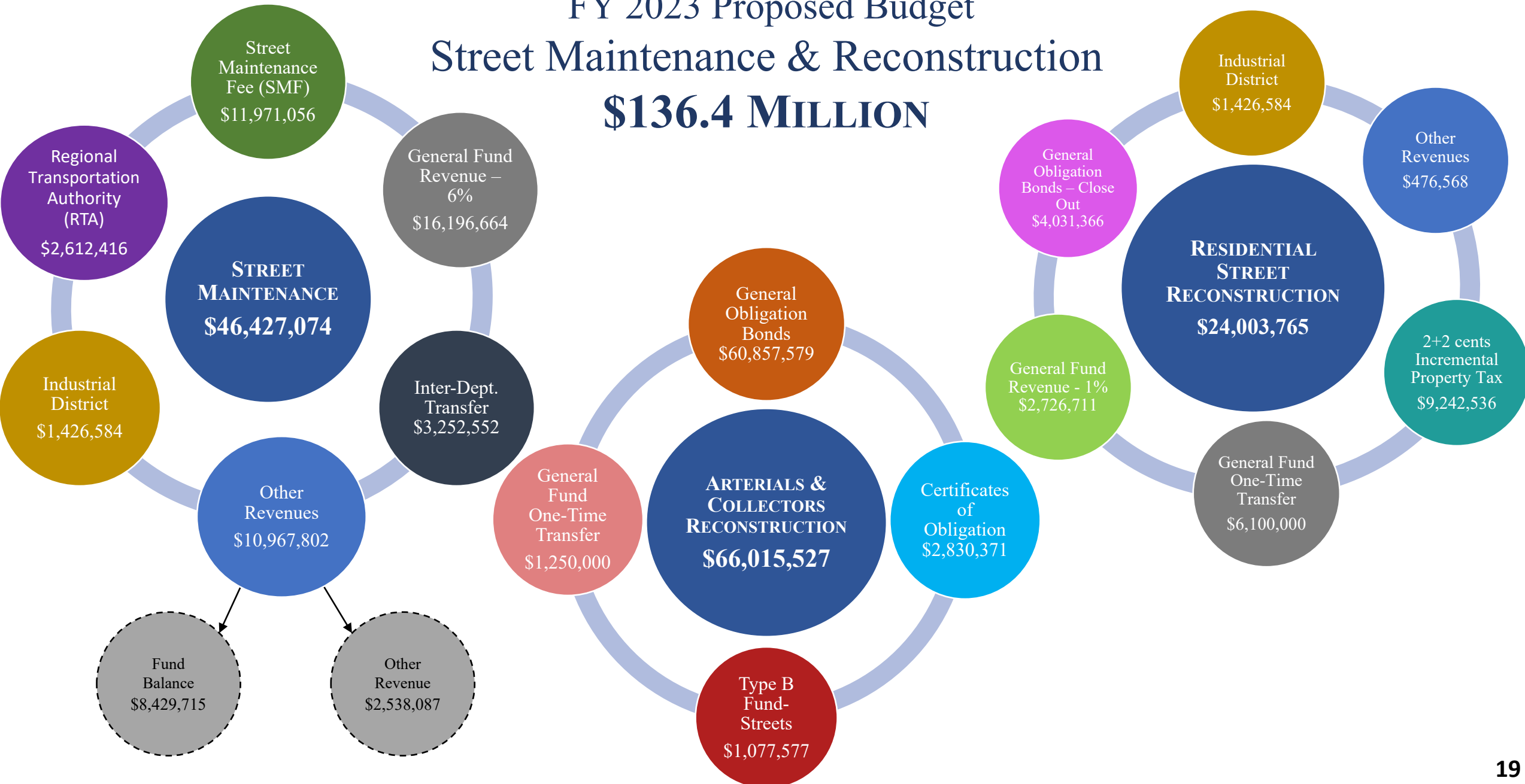


# Funding from 10 different sources

FY 2023 Proposed Budget

## Street Maintenance & Reconstruction

**\$136.4 MILLION**



# Streets



## Right-Of-Way Management

- Add 4 positions for Right-of-Way Management Team (\$660K)
- Add 3 positions for new Street and Traffic Engineering Survey Crew and 1 Engineer for plan review (\$400K)

## Vision Zero

- 5 Pedestrian Mobility & Safety Projects (\$2.75M)
- Funding for new Street Median for Kostoryz and Masterson (\$365K)
- Funding Traffic Signal Battery Backup System Installation (\$150K)
- Funding for new HAWK (High-Intensity Activated Crosswalk) signal at Staples and Barry (\$224K)



# Ocean Drive & Shoreline Blvd

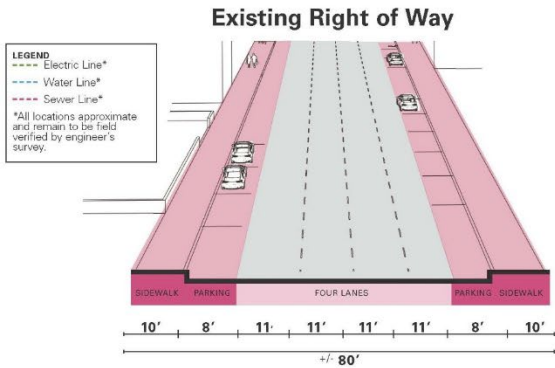


## ➤ Ocean Dr Sustainability 10-year Program included in CIP

Fiscal Year	Ocean Drive Segments	Scheduled Construction Activities	Total
FY 2023	IH37-Ennis Joslin	Crackseal Sealant; Flatwork Improv.	\$153K
FY 2024	Lomax- Louisiana	Ultrathin Asphalt Overlay; Flatwork Improv.	\$2.1M
FY 2025	IH37-Ennis Joslin	Crackseal Sealant; Flatwork Maint.; Signal Maint.	\$272K
FY 2026	IH37-Ennis Joslin	Crackseal Sealant; Flatwork Maint.	\$153K
FY 2027	IH37-Ennis Joslin	Ultrathin Asphalt Overlay; ROW Brick Paver Maint.; Flatwork Maint.; Signal Improv. (I37 & Shoreline)	\$13.3M
FY 2028	IH37-Ennis Joslin	Crackseal Sealant; Flatwork Maint.	\$153K
FY 2029	IH37-Ennis Joslin	Crackseal Sealant; Flatwork Maint.; Signal Maint.	\$272K
FY 2030	IH37-Ennis Joslin	Crackseal Sealant; Flatwork Maint.	\$153K
FY 2031	Lomax- Louisiana	Street Rehabilitation (Asphalt Mill & Overlay); Flatwork Maint.; Signal Improv.	\$5.3M
FY 2032	IH37-Lomax, Louisiana-Ennis Joslin	Street Rehabilitation (Asphalt Mill & Overlay); Flatwork Maint.; Signal Improv.	\$20.6M

- Ocean Dr Median Improvement 10-year program to address 94 medians from Louisiana to Ennis Joslin (\$100K annually for 10 years)
- Redesigned and construction of intersection and traffic signals at Ocean Dr and Airline Rd (\$1.2M)





pedestrian crossing distance  
from **60'** to **44'**

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**26%** decrease in walking distance



## \$8M Downtown Water Street Improvements

- Utility line replacement and upgrade on Water Street from IH37 to Kinney Ave
- \$6.4M to replace cast iron water pipe
- \$1.6M to replace wastewater pipe
- TIRZ#3 funding to be considered for street resurfacing, landscaping and other amenities



# #LIGHTUPCC

## Light-Up CC Initiative

- \$2.1M City initiative to convert over 15,000 streetlights to LED
- Initial funding included in FY 2022 budget
- Funding to complete the project secured in FY 2023 proposed budget
- Once completed an estimated annual energy savings of \$672K per year in the General Fund

# CORPUS CHRISTI



# New Gateway Signage

- \$2.31M budgeted for 2 new gateway signs with lighting at major city entrances and 1 monument sign at Labonte Park
- Proposed locations are IH37, US181 and Labonte Park
- Signs are first impression when entering city for residents and tourists



# Industrial/Commercial Area Enhancements

- \$4.3M Industrial Park Roadway Reconstruction (Council District 5 off Yorktown Blvd)
  - Doberman St from Bay Dr to Hull Dr
  - Pyrenees St from Bay Dr to Dalmatian Dr
  - Bay Dr from Yorktown Blvd to Schnauzer St
  - Industrial Park Roadway Land and Title work
- \$500K for Leopard St. Engineering Study (Lantana to Tuloso) to prepare a plan for future reconstruction
- \$250K for Leopard St. business façade improvement match program
- \$200K for consultant(s) to augment City team to renew Industrial District Agreements





# Parks & Rec

## More Amenities

- Funding for park amenities in all 5 Council Districts (\$2M)
  - Funding for Cole Park Plaza Shade Structure (\$1.95M)
    - New Dog Park in Flour Bluff (\$550K)
- Funding for Swantner Park Lighting Improvements (\$250K)

## Park Maintenance

- 5 maintenance positions for Bayfront Parks and Seawall (including at Selena Mirador) (\$215K)
  - Funding for Athletic Fields Mowing Contract (\$120K)
- Funding for maintenance of West Guth & Sherwood dog parks (\$66K)
- Funding for maintenance of North Padre Island Beach Storage Facility (\$100K)

## Beaches

- Add 3 positions and vehicles for expanded gulf beach cleaning (\$206K)
  - Add 2 lifeguards and 1 beach compliance officer and vehicles/equipment for gulf beaches (\$340K)
- Add 1 Safety Outreach Coordinator for the Junior Lifeguard Program and Beach Safety Education campaign (\$117K)



# North Beach Initiatives

- \$107K for 4 lifeguards and vehicles for new lifeguard unit on North Beach for summer season
- \$100K for Merchant & Vendor Pilot Incentive Program on the beach
- \$835K for North Beach Historical Plaza shade structure
- \$2.5M in SHOT funding to support the North Beach Restroom and Parking lot project
- \$100K for New North Beach Eco Park design proposed in Bond 2022







## New Gulf Beach Restroom Facility

- New restroom facility to include restrooms, showers and parking area
- The facility will also include equipment storage and locker rooms for lifeguards
- Located on Zahn Rd adjacent to the Gulf Beach and Packery Channel
- 4.5M in SHOT funding

# Economic Development



- Create new Economic Development Office to centralize economic development activity under one department
- Realign 4 existing positions and add 1 Business & Economic Coordinator and 1 Department Administrator (\$275K)
- New Economic Development Office will work closely with the Mayor's Office
- Continuation of contract and funding for the Regional Economic Development Corporation (\$700K) & Downtown Management District (\$995K)



# Health Department



- Add 2 Environmental Public Health Inspectors (\$102K)
- Add 1 Public Health Technician (\$45K)
- Move 1 Environmental Air Quality Scientist from Public Works to Health (\$84K)
- Health Department Building 3-Phase renovation project (\$5.4M in CIP for phase 1 of 3)



# Vital Statistics

➤ Add 2 Vital Records Clerks – for issuance of birth & death certificates (\$98K)



➤ Restructured out of Health District as part of new business model and moved under City Secretary

# Library



➤ Add 1 Librarian position and replacement of Library patron computers (\$138K)

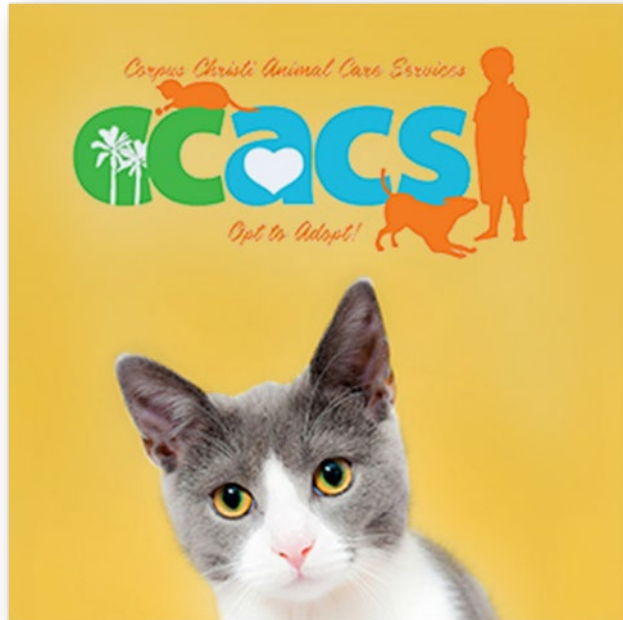
➤ Security Guard service for all operating hours at 5 library branches (\$110K)

➤ Funding for Library capital repairs (\$250K)

➤ La Retama Central Library Emergency Generator (\$500K)

➤ Location Study for new branch library in Council District 5 (\$100K)

# Neighborhood Services



## Animal Care

➤ Add 1 Veterinary Assistant and conversion of 1 temp Veterinary Assistant to full time (\$70K)

➤ Add 3 full time Animal Care Kennel Techs and 2 dispatchers (\$240K)

➤ Additional spay/neuter funding (\$500K)



# Municipal Court



➤ **Increase part-time Judges' hours for magistration services in the evenings, weekends and holidays (\$75K)**

➤ **Add 2 Court Clerks (\$115K)**

➤ **Municipal Court operations review (\$50K)**

# Communications



➤ Additional overtime funding for new 311 Customer Call Center (\$19K)

➤ Additional funding for training & event advertising (\$97K)

# Auditor



➤ **Addition of 1 Staff Auditor – brings City Auditor’s Office to 6 positions (\$71K)**



# Tourism



## HOT Revenues Budget

FY 2022	FY 2023	Variance
\$16.4M	\$17.5M	\$1.1M

## FY 2023 Hotel Occupancy Tax (HOT) budget

- Funding for Visit Corpus Christi (\$5.9M)
- Convention Center Capital Funding (\$3.3M)
- Funding for Art Museum, Museum of Science & History, Botanical Garden and Texas State Aquarium (\$1.3M)

**American Bank Center under new management since July 1 (OVG360 - Oak View Group)**

# Airport



➤ **New Outdoor Concourse Patio project (\$800K over two years)**

➤ **Terminal Building Roof Replacement & Window Glazing project (\$2.5M)**

➤ **Terminal Building Restrooms, Nursing Room and Service Animal Relief Area project (\$3.6M over two years)**

# Development Services



- Add 2 Plans Examiner and 1 Permit Technician positions (\$163K)
- Add 1 Records Management Specialist to manage contracts and records (\$63K)
- Add 7 Inspector positions plus vehicles and equipment (\$742K)
- Implement year 2 of 4-Year plan to adjust fees to market level



# Water



➤ Add 7 positions to create an additional Valve Construction and Preventative Maintenance Team (\$560K)

➤ Add 1 Work Coordinator to manage purchasing and inventory (\$78K)

➤ Convert 9 temporary positions to full time at the Utility Business Office (\$190K)

➤ For O.N. Stevens Water Treatment Plant, Capital Improvements investment of \$195M over the next three years with \$55M in FY 2023.

➤ For replacement and repairs of water lines citywide, Capital Improvements investment of \$148M over the next three years with \$50M in FY 2023.

# Wastewater



- Add 2 positions for pretreatment inspections (\$199K)
- Add 9 positions wastewater repairs and construction projects (\$940K)
- Add 2 positions for Lift Station maintenance (\$154K)
- Add 3 positions and vehicles to assist with work orders (\$480K)
- Add 8 positions to expand the concrete and restoration division (\$711K)
- Add 4 positions for Laguna Madre and Whitecap WWTP (180K)
- For all six Wastewater Treatment Plants, Capital Improvements investment of \$157M over the next three years with \$39M in FY 2023.
- For Lift Stations, Capital Improvements investment of \$66M over the next three years with \$34M in FY 2023.



# Gas



- **Add 2 positions to support Line Location Program (\$268K)**
- **Purchase of vehicles & machinery to modernize fleet (\$528K)**



# Storm Water Improvements

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>	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>		As Requested	As Requested	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
Base Program	\$ 16.0 M	\$ 20.04 M	\$ 23.61 M	\$ 28.59 M	\$ 32.27 M	\$ 35.17 M
Improvements	\$ 2.00 M	\$ 3.57 M	\$ 4.98 M	\$ 3.68 M	\$ 2.90 M	\$ 4.91 M
Total	\$ 18.00 M	\$ 23.61 M	\$ 28.59 M	\$ 32.27 M	\$ 35.17 M	\$ 40.08M

Residential Rate Tier 1	\$ 4.59	\$ 5.77	\$ 6.76	\$ 7.74	\$ 8.69	\$ 9.63
Residential Rate Tier 2	\$ 6.12	\$ 7.69	\$ 9.01	\$ 10.32	\$ 11.59	\$ 12.84
Residential Rate Tier 3	\$ 10.71	\$ 13.46	\$ 15.77	\$ 18.06	\$ 20.28	\$ 22.47
Non-Residential Rate	\$ 6.12 per ERU	\$ 7.69 per ERU	\$ 9.01 per ERU	\$ 10.32 per ERU	\$ 11.59 per ERU	\$ 12.84 per ERU

\*Equivalent Residential Unit (ERU)

Utility Assistance program to provide rate increase relief will continue in FY 2023

# Solid Waste

- Additional funding for Refuse and Recycling carts (\$274K)
- Add 1 lead Compliance Officer and 1 Compliance Admin position for recycling (\$159K)
- \$1.15 residential rate adjustment to offset rising diesel fuel prices, cart price increases and labor. Last rate adjustment four fiscal years ago.





# City Rates



**Property Tax** – No Proposed Rate Change

**Water** – No Proposed Rate Change

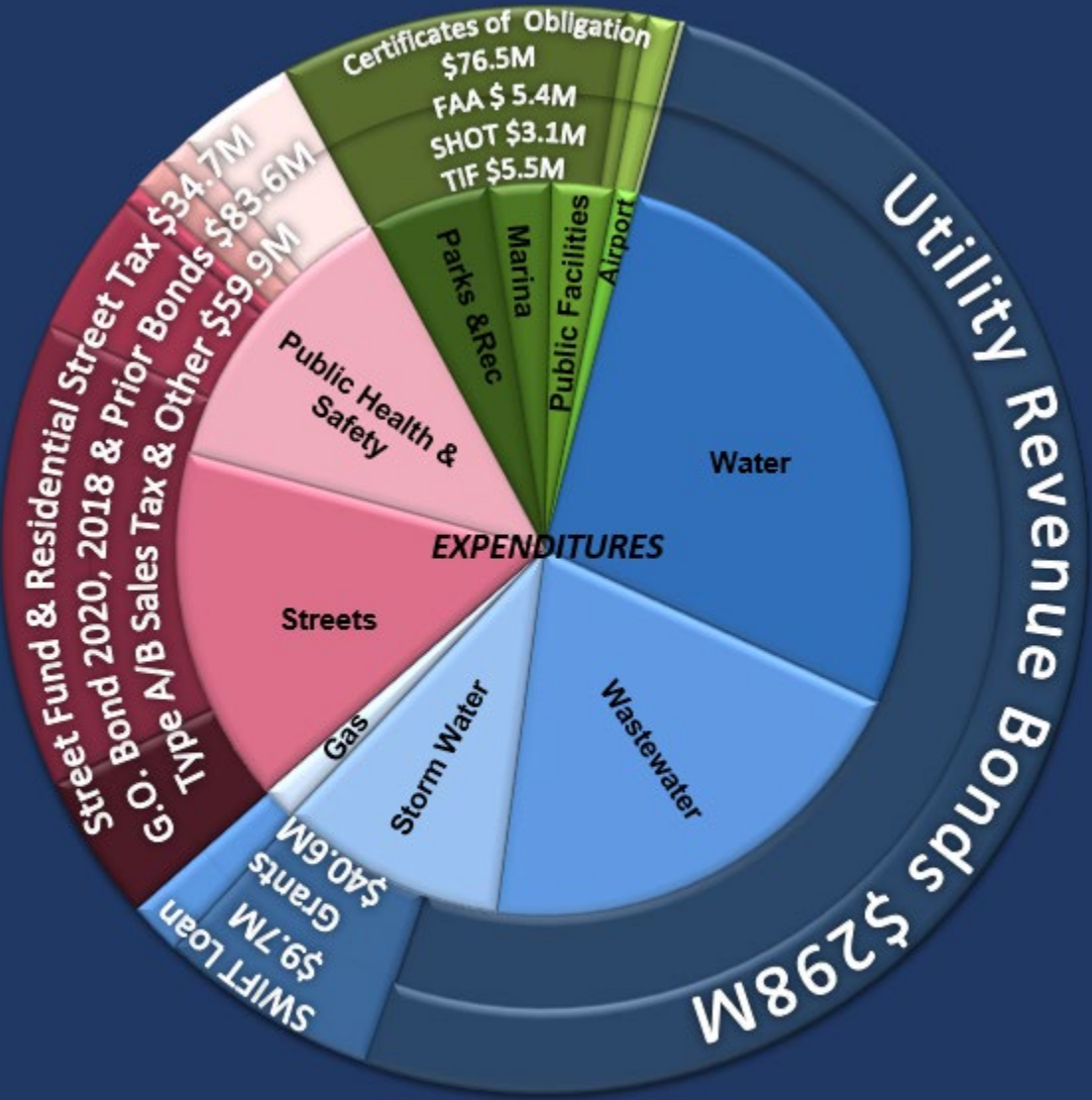
**Wastewater** – No Proposed Rate Change

**Gas** – No proposed service delivery rate change

**Storm Water** – Proposed monthly rate adjustment of \$1.57 for a typical residential customer (consistent with 5-year plan)

**Solid Waste** – Proposed monthly rate adjustment of \$1.15 for residential customers (commercial fee adjustments as well)

# FY 2023 Capital Budget \$617.0 Million



Funding Uses by Program	Amount	% of Total
Water	\$157.2M	25.5%
Wastewater	\$121.4M	19.7%
Streets (Less Utility Support)	\$104.7M	17.0%
Public Health & Safety	\$79.2M	12.8%
Storm Water	\$60.2M	9.7%
Parks & Recreation	\$59.5M	9.6%
Public Facilities	\$19.0M	3.1%
Gas	\$9.6M	1.6%
Airport	\$6.2M	1.0%
Total FY 2023 Capital Uses	\$ 617.0M	100%

FY 2023 TOTAL CAPITAL BUDGET: \$617 Million



# Employee Compensation in FY 2023

- 4% COLA for all Civilian Employees recommended in FY 2023 Budget to address inflation
- COLA for all Civilian Employees was supported by City Financial Advisors
- Police and Fire compensation increases based on current CBA. New CBA negotiations to begin in FY 2023 for Police and FY 2024 for Fire





# Employee Health Benefits paid by City in FY 2023

- Police medical insurance premiums paid by City projected to **remain level** (All on CDHP)
- Fire medical insurance premiums paid by City projected to **decrease by 10%** for Fire PPO and **12%** for Fire CDHP plans (Savings of \$700K)
- Civilian medical insurance premiums paid by City projected to **increase by 11%** for Citicare PPO Plan and **decrease by 10%** for Citicare CDHP plan



# Employee Health Benefits paid by Employees in FY 2023

- 11% annual **increase** paid by employees that use the Citicare PPO (Employee + Family Plan)
- 10% annual **decrease** resulting in savings for the employees that use the Citicare CDHP (Employee + Family Plan)
- No change to Fire
- No change to Police

# \$770K Employee Training and Career Development

- Funding for technical & professional development (\$117K)
- Certification Pays (\$326K)
- Increased funding for Employee Tuition Reimbursement (\$50K)
- CDL Training Program (\$276K)

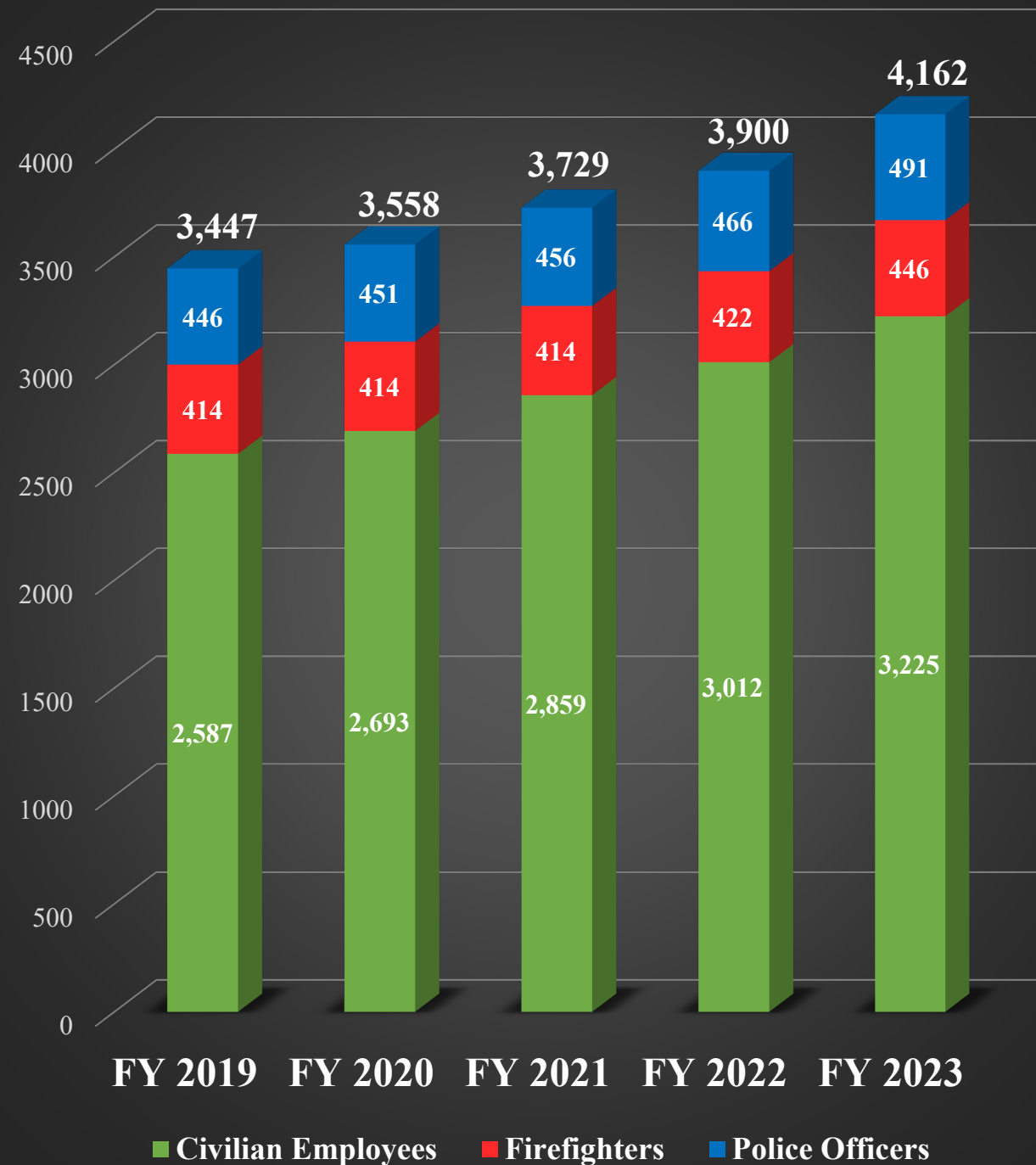


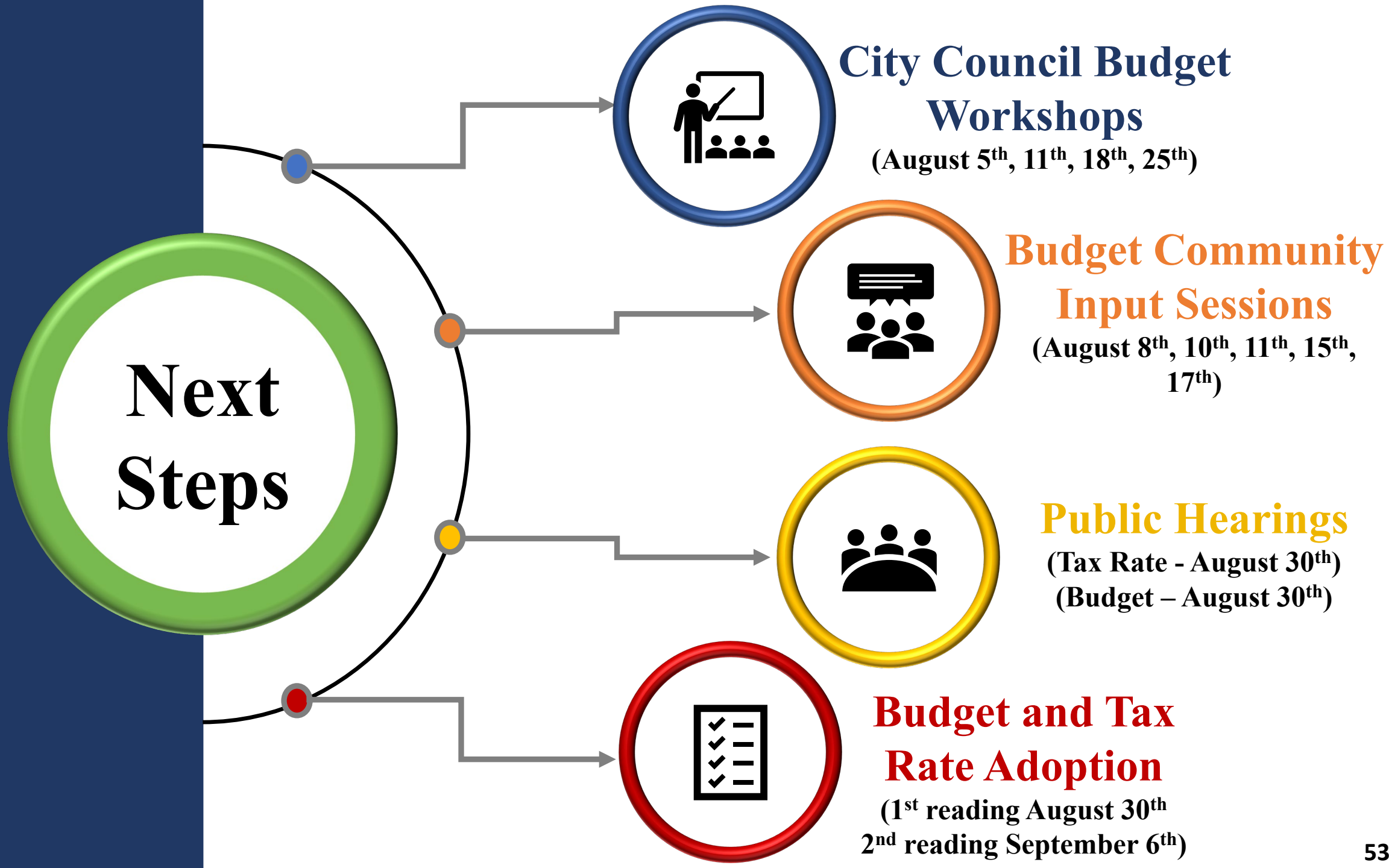


# FY 2023

## Budgeted Positions

- Addition of 25 Police Officers
- Addition of 24 Fire Fighters
- Addition of 20 positions transferred from County to City Health Department as part of new business model
- Addition of 3 Kennel Techs, 2 Veterinary Assistants, 2 Dispatchers
- Addition of 7 positions for Maintenance Team & 9 positions in the Utility Business Office
- Addition of 17 position for Wastewater construction and concrete restoration
- Addition of 7 positions for Right-Of-Way management and plan review
- Addition of 5 positions for 5 Inlet Cleaning & Maintenance
- Addition of 9 Inspector positions
- Addition of 2 Court & 2 Vital Statistics clerks





FISCAL YEAR 2022-2023

# PROPOSED BUDGET



## FY 2023 PROPOSED ANNUAL OPERATING & CAPITAL BUDGET

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Presented by:  
City Manager Peter Zanoni

July 26, 2022

