

Budget Workshop FY2019



Retirement Costs - TMRS

- All eligible City Employees are under the Texas Municipal Retirement System except for sworn firefighters.
- The City currently contributes 22.46% of Salaries and Wages and is scheduled to increase to 24.46% in January 2019.

Plan Design		
	Current	Scheduled Jan. 2019
Deposit Rate	6%	7%
Matching Ratio	2 to 1	2 to 1
Updated Service Credit	100%	100%
COLA	70%	70%
Vested	5 yrs.	5 yrs.

Revenues FY 2018

REVENUE SOURCE	FY2018 Budget	FY2018 Estimate
PROPERTY TAX	\$72,001,866	\$71,989,294
SALES TAX	\$53,934,000	\$56,000,000
SOLID WASTE	\$39,240,528	\$39,077,225
FRANCHISE FEES	\$17,454,365	\$16,787,072
PUBLIC SAFETY	\$14,777,468	\$13,129,515
INDUSTRIAL DISTRICT	\$11,000,000	\$9,640,203
INTERFUND CHARGES	\$7,550,574	\$7,580,567
ADMINISTRATIVE CHARGES	\$6,662,393	\$6,663,722
MUNICIPAL COURT	\$5,035,162	\$4,830,821
RECREATION SERVICES	\$4,359,521	\$4,075,712
OTHER TAXES	\$1,978,199	\$1,899,255
INTERGOVERNMENTAL	\$1,956,563	\$1,909,975
OTHER	\$2,224,724	\$2,207,073
HEALTH SERVICES	\$1,298,500	\$1,319,499
TOTAL	\$239,473,863	\$237,109,933

FY 2018 expense reductions currently under way

- Vacant position salary and retirement savings for 6 months ended 03/31/2018

General Fund	All Other Funds
\$1,523,414	\$4,460,537

- Professional Services spending freeze

General Fund Budgeted	General Fund Expended or Contracted	All Other Fund Budgeted	All Other Fund Expended or Under Contract
\$17,747,908	\$17,216,715	\$36,343,387	\$30,803,798

- Travel freeze

General Fund Budgeted	General Fund Travel expended as of 03/31/2018	All Other Fund Budgeted	All Other Fund Travel expended as of 03/31/2018
\$550,299	\$139,740	\$370,038	\$93,647

General Fund Projected Obligations & Considerations for FY 2019

Expenditures:

• Police (2% Wages)	806,503
• Fire (3% Wages)	1,281,000
• General Fund Employees Step (2.5%)	1,188,000
• Retirement Increase (2%)	1,400,000
• General Fund Debt	5,075,647
• Revenue Deficit	2,844,940
TOTAL	<hr/> 12,596,090

• Police Health Benefits Increase	3,900,000
• Fire Health Benefits Increase	3,200,000
TOTAL	<hr/> 7,100,000

Health Benefits Update

- Interviewed finalists selected from proposals received
- Best and final offers were received on Tuesday
- On-going dialogue with Public Safety regarding health benefits

Potential Solid Waste Fee Increase

- Potential Solid Waste Fee Increases needed for:
 - a) Increase in Debt Service
 - b) Cash purchase of Refuse and Recycling carts
 - c) Potential Landfill Contract Amendments
 - d) Landfill Operations & Maintenance Increases

	Current Residential Solid Waste Bill	Proposed Residential Solid Waste Bill		Current Commercial Solid Waste Bill	Proposed Commercial Solid Waste Bill
Solid Waste Charge	\$18.84	\$21.05	Solid Waste Charge	\$35.75	\$37.96
Taxes & Fees	\$5.47	\$5.65	Taxes & Fees	\$7.68	\$7.86
TOTAL	\$24.31	\$26.70	TOTAL	\$43.43	\$45.82
Residential Increase of \$2.21+ Add'l Sales Tax			Commercial Increase of \$2.21 + Add'l Sales Tax		

United Corpus Christi Chamber of Commerce

Residential Street Recommendations

- Continue to utilize portion of Industrial District revenue (approximately \$541,000 annually).
- Include minimum of \$5.5 M annually in bond programs for residential streets.
- Increase residential Solid Waste Fees \$2 in FY 2019 with another \$1 in FY 2020 and \$1 in FY 2021 (Each \$1 increase equals approximately \$1 M annually for total of \$4.1 M annually by FY 2021).
- Implement voter approved 2¢+2¢+2¢ property tax rate increase (approximately \$3.4 M annually first year growing to \$10.2 M in FY 2021).

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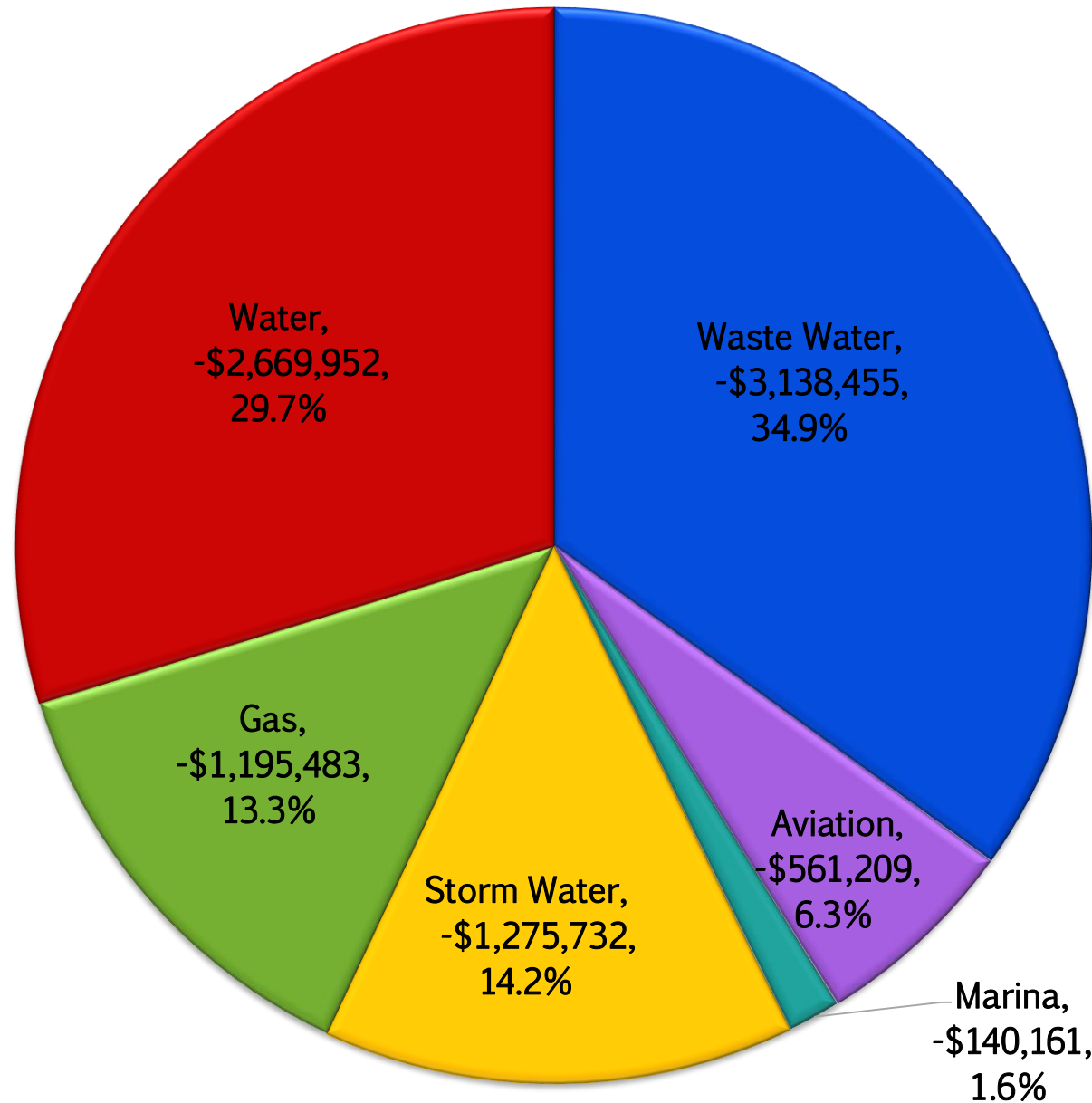
Revenue Considerations

- Reduction of the over 65 property tax exemption.
(Currently \$50,000)
- Current value of over 65 exemption is approximately \$6 M annually.
- In legal review

Enterprise Funds

- Went through same process as General Fund & Internal Service Fund Departments
- No rate increases anticipated for Water or Wastewater.
- Potential restructure of Gas Rate by increasing the meter charge and reducing the volume charge for FY 2019.
- Gas rate change would also simplify gas rates by reducing the number of blocks from 44 to 4 and reducing rate classes from 5 to 2

Potential Enterprise Fund Reductions \$8,980,992



Potential Enterprise Fund Reductions \$8,980,992 cont.

Department	Description of Reduction	\$
Aviation	Reduction in staff, capital expenditures and operating.	-\$561,209
Gas	Reduction in staff. Elimination of new customer rebates, new customer gas marketing.	-\$1,195,483
Marina	Reduction in staff and operating.	-\$140,161
Storm Water	Elimination of temp staff and contracts. Reduction in transfers to Streets, Parks and Rec, Solid Waste and Engineering.	-\$1,275,732
Water	Elimination of temp staff. Increased charge for tap fees.	-\$2,669,952
Waste Water	Elimination of temp staff. Reduction in Indefinite Delivery Indefinite Quantity contracts for collection system repair & maintenance.	-\$3,138,455

Potential Utility Transfer

- Authorized by Texas Government Code 1502.059
- Other Texas Cities currently transferring \$ from Utilities to the General Fund:
 - Arlington
 - Austin
 - Garland
- Possible that transfer to the General Fund from Utilities could be made without rate increase

Other Considerations

- Property Tax increase for Public Safety Only (1¢ in property tax increase equates to \$1.7 million in additional revenue annually)
- Other Fee increases



Discussion