

PROPOSED OPERATING BUDGET FY 2013-2014

1

**PUBLIC HEARING
July 9, 2013**



PROCESS USED FOR BUDGET DEVELOPMENT

2

- Team-based Approach
- Budget focused on core mission
- Resources analyzed, expenditure targets given
- Zero-based type budget approach:
 - Set departmental targets
 - Built from ground up (from core) vs. top down
 - Decision packages
- Each department made detailed presentation



GUIDING CONCEPTS: *OBLIGATION TO FUTURE*

3

- Achieve Core Mission
- Sustainable
- Continuous Improvement



MISSION & MISSION ELEMENTS

4

Mission

The mission of the City of Corpus Christi, Texas is to ***deliver municipal services*** which meet the ***vital health, safety*** and ***general welfare needs*** of the residents and which ***sustain*** and ***improve*** their quality of life.

As we work to achieve this mission, we will employ ***fiscal discipline, continuous improvement, first-rate customer service, and straight forward communications***. In this work, we will ***tolerate no mediocrity***.

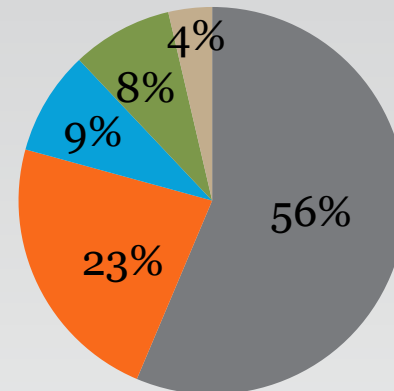
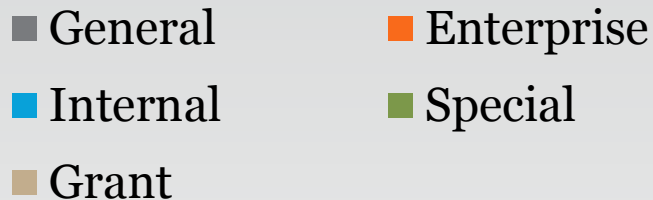


EMPLOYEES

5

FUND	FY 2012	FY 2013	FY 2014
General	1,922	1,781	1,777
Enterprise	714	719	722
Internal	269	271	274
Special	138	259	265
Subtotal	3,043	3,029	3,038
Grants	140	111	115
Total	3,183	3,140	3,153

Total Employees

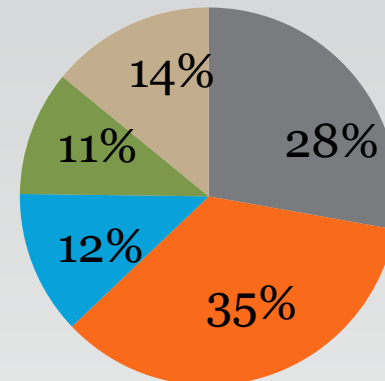
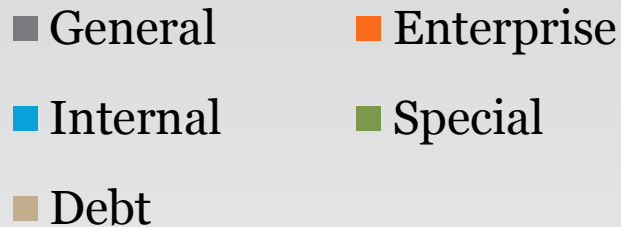


REVENUE

6

FUND	Actual FY 2012	Estimated FY 2013	Proposed FY 2014
General	203,670,048	213,387,729	211,658,913
Enterprise	245,908,265	252,717,423	267,232,232
Internal	86,762,586	92,308,673	93,746,646
Special	57,607,814	78,266,358	81,565,319
Debt	93,708,187	277,793,317	111,791,760
Total	687,656,901	914,473,500	765,994,869

Total Revenue



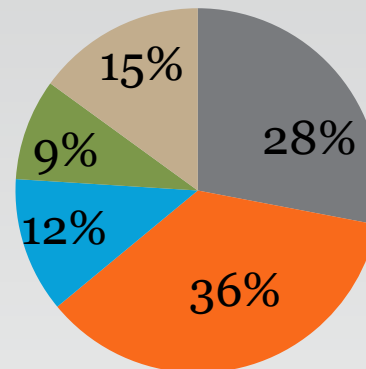
TOTAL EXPENDITURES BY FUND

7

FUND	Actual FY 2012		Estimated FY 2013		Proposed FY 2014	
	\$	%	\$	%	\$	%
General	196,681,025	30%	209,375,126	23%	211,658,913	28%
Enterprise	222,690,455	35%	263,284,699	28%	272,357,145	36%
Internal	79,926,809	13%	101,232,692	11%	93,898,608	12%
Special	49,045,203	8%	81,388,634	9%	69,061,384	9%
Debt	89,775,247	14%	271,960,766	29%	116,848,268	15%
Total	638,118,740	100%	927,241,916	100%	763,824,318	100%

Total Expenditures

- General
- Enterprise
- Internal
- Special
- Debt



GENERAL FUND

8

- Five Year Projection
- Managed Competition
- Compensation Equity
- Solid Waste action plan from competitive assessment
- Additional ambulances
- Fire Department alternative hires
- Increase Police Academy
- Municipal Court - new software system, two additional detention officers, two additional City Marshals, one Bail Bond Clerk & move Juvenile /Environmental Court from Wilson Plaza



GENERAL FUND (Cont.)

9

- Street Fund Contribution
- One additional Beach Permit staff
- Maintenance of Public Art
- Contracts Manager
- Office of Management & Budget Director
- Intern Program

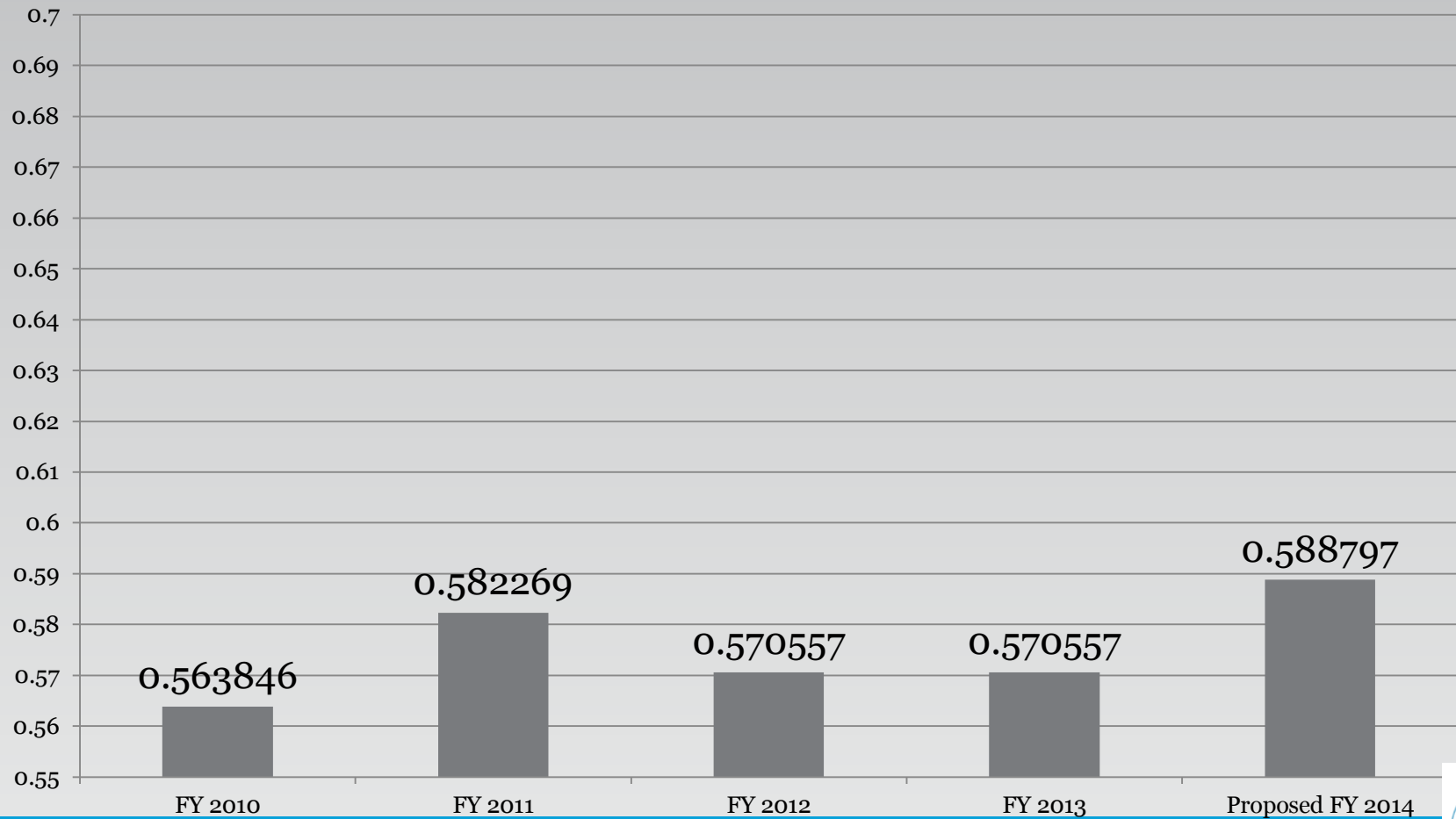


5-Year Property Tax Rates

(M&O/I&S)

10

Adopted Tax Rate per \$100 Valuation



GENERAL FUND

PROJECTED CHANGE IN FUND BALANCE

11

• Estimated Beginning Balance 8/1/13		\$ <u>40,824,016</u>
• Projected Changes		\$ <u>-0-</u>
• Total Projected Ending Balance 7/31/14		\$ <u>40,824,016</u>
• Restricted	\$ <u>23,165,891</u>	
• Unrestricted	\$ <u>17,658,125</u>	
• Total Projected Ending Balance 7/31/14		\$ <u>40,824,016</u>
• Target at 25%	\$ <u>52,914,728</u>	



INTERNAL SERVICE/SPECIAL REVENUE

12

- Replacement of PeopleSoft System
- Health Insurance Projected Rate Increases
 - General – Basic 6%
Premium 20%
 - Fire – No increase
 - Police – 3%
- HOT Fund
 - Increased Gulf Beach maintenance
- Street Fund
 - Added revenue and expenditures for Street Maintenance Fee including 7 additional FTEs



INTERNAL SERVICE FUNDS

PROJECTED CHANGE IN FUND BALANCE

13

• Estimated Beginning Balance 8/1/13		<u>\$ 50,069,811</u>
• Projected Changes		<u>\$ <151,962></u>
• Total Projected Ending Balance 7/31/14		<u>\$ 49,917,849</u>
• Restricted	<u>\$ 25,446,838</u>	
• Reserve for Catastrophic Loss/ Health Care Reform Impact	<u>\$ 9,000,000</u>	
• Unrestricted	<u>\$24,471,011</u>	
• Total Projected Ending Balance 7/31/14		<u>\$ 49,917,849</u>
• Target at 3% / Risk Fund / GASB45 Liability/ Catastrophic Loss/Health Care Reform Impact	<u>\$ 46,092,914</u>	

SPECIAL REVENUE FUNDS

PROJECTED CHANGE IN FUND BALANCE

14

- Estimated Beginning Balance 8/1/13 \$ 58,918,241
- Projected Changes \$12,503,935
- Projected Ending Balance 7/31/14 \$ 71,422,176



ENTERPRISE FUNDS

15

Utility Rate Impact

Utility		2012	2013	2014
Water:	ICL Residential (7,000 gal)	5.60%	5.00%	5.85%
	ICL Commercial (50,000 gal)	7.20%	7.10%	8.35%
	ICL Large Volume (25 mgl)	9.90%	8.50%	9.07%
	OCL Large Volume (100 mgl)	4.20%	-4.50%	4.97%
Wastewater		1.30%	0%	8.67%
Gas		0%	0%	2.50%



ENTERPRISE FUNDS

PROJECTED CHANGE IN FUND BALANCE

16

• Estimated Beginning Balance 8/1/13		<u>\$105,385,589</u>
• Projected Changes		<u>\$(5,124,913)</u>
• Total Projected Ending Balance 7/31/14		<u>\$100,260,676</u>
• Restricted	<u>\$ 73,861,901</u>	
• Unrestricted	<u>\$26,398,775</u>	
• Total Projected Ending Balance 7/31/14		<u>\$100,260,676</u>
• Target	<u>\$41,020,715</u>	

POTENTIAL BUDGET AMENDMENTS

17

Previously Presented Amendments:

- Reduce Wastewater Rate 12.56% to 8.67%
= Revenue reduction \$2,248,125
- Reduce Water ICL Residential Rate from 6.88% to 5.85%
= Revenue reduction \$500,201

Potential Amendments:

- Increase Hotel Occupancy Tax revenue-\$263,169
- Increase Gulf Beach maintenance-\$180,400
- Increase bay beaches maintenance-\$142,980
- Add Military Task Force contribution-\$75,000



POTENTIAL BUDGET AMENDMENTS (Cont.)

18

- Reduce Fire Health Insurance rate increase-\$473,789
- Increase General Fund transfer to Street Fund-\$9,540
- Increase Street Fund revenues and expenditures for Street Maintenance Fee and increased General Fund transfer-\$5,711,992
- Increase Business & Job Development revenue for Small Business Development – Intern program-\$46,027
- Reduce Golf Fund revenue due to completion of lease purchase arrangement-\$136,145
- Increase expenses for Golf Capital Reserve Fund for Golf Course improvements-\$45,000



KEY DATES

19

July 16, 2013 - 1st Reading of Proposed Operating Budget and Proposed Capital Budget & Capital Improvement Planning Guide

July 25, 2013 - Receipt of Certified Appraised Tax Roll from Nueces County Appraisal District

July 30, 2013 - 2nd Reading & Final Adoption of Operating & Capital Budgets

