

FY 2026 Budget Goal Setting Workshop

May 8, 2025



CITY OF CORPUS CHRISTI



Welcome & Overview

Peter Zanoni,
City Manager



Budget Calendar & Fiscal Policies

Heather Hurlbert,
Assistant City Manager

FY 2026 Budget Calendar



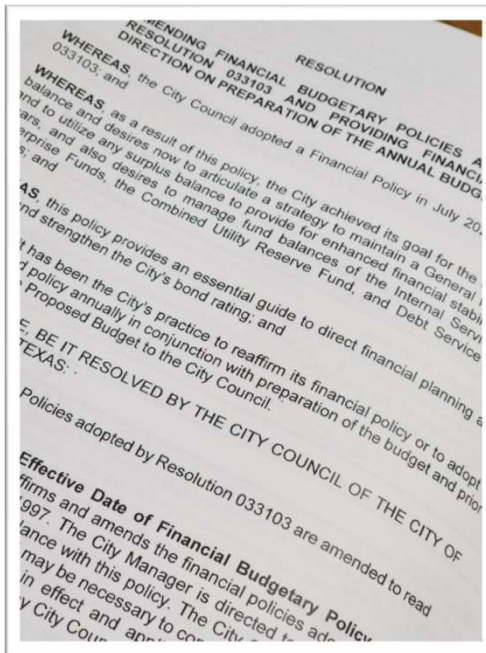
- **May 8:** City Council Goal Setting
- **May – July:** City Manager Meetings with Departments
- **July 29:** FY 2026 Proposed Budget presented to City Council
- **August:** Community Input Sessions and City Council Budget Workshops
- **September 2:** Public Hearing on the Tax Rate and Proposed FY 2026 Budget; 1st Reading of Proposed Operating and Capital Budget, 1st Reading of Tax Rate
- **September 9:** 2nd Reading of Proposed Operating and Capital Budget, 2nd Reading of Tax Rate



Financial Policies



• June 24: Present Financial Policies to the City Council



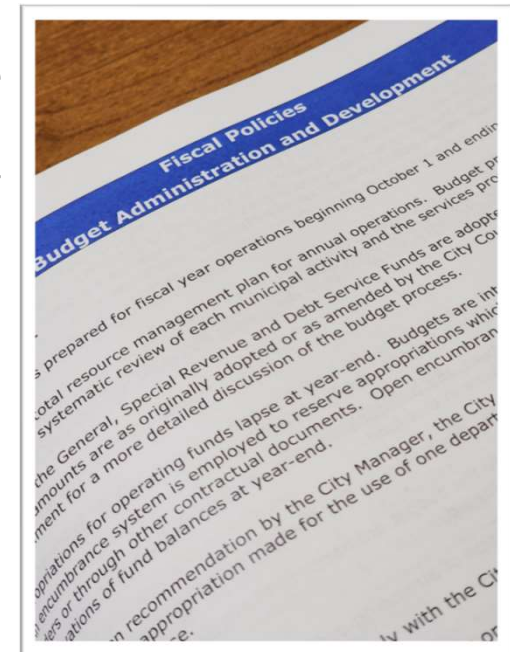
- **General Fund** – Unassigned fund balance of between 17% to 20% reserved for Major Contingencies
- **Internal Service Funds** – Unassigned fund balance reserve of up to 5%
- **Group Health Plans** – Maintain fund balance to pay admin costs and run-out claims and to hold a reserve for catastrophic claims equaling 10% of projected claims
- **General Liability and Worker's Compensation Funds** – Maintain a fund balance to fund long-term liabilities, incurred by not reported expenses, and a risk margin for adverse development of claims; to provide a 25% catastrophic reserve; and 25% of cost for purchased insurance
- **Enterprise Funds** – Unreserved fund balance of 25% of annual appropriations

Financial Policies



• June 24: Financial Policies to the City Council

- **Debt Service Funds** – Unreserved fund balance of 2% of annual debt service appropriations
- **Funding for Street Maintenance** – Higher of 6% of General Fund revenue or \$10.8 million; plus 5% of industrial district revenue
- **Funding for Residential Street Reconstruction Fund** – 5% of industrial district revenue plus 1% of General Fund revenue
- **Operating Contingencies** –
 - General Fund - \$500,000
 - Enterprise, Internal Service, and Special Revenue Funds – Up to 2% of annual appropriations
- **Capital Improvement Plans/Funding**
 - Short and long-range CIP





Financial Overview: General Fund (GF)

Amy Cowley, Director of
Management & Budget



Revenues



Revenue Assumptions



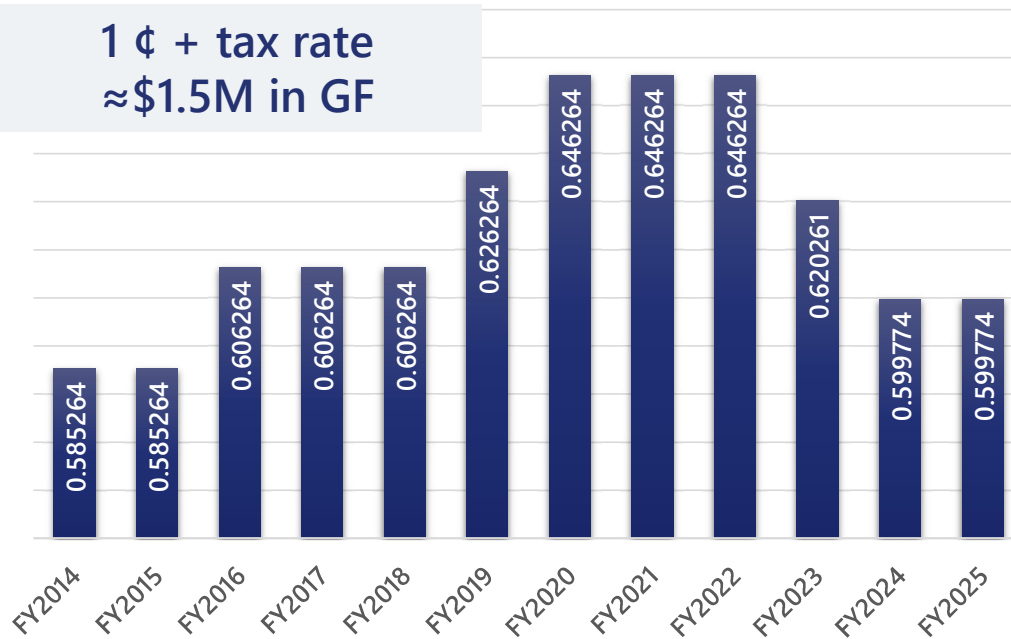
1. Property Tax (30% of total GF revenues)
 - 2.5% growth in revenues
 - 0.5% in existing values
 - 2.0% in new values
 - No change to tax rate
 - Not included in forecast:
 - Corpus Christi Housing Authority potential revenue impact of \$3.5M from purchase of apartments
 - Two Power Plants purchased by CPS
2. Payment In-Lieu of Tax (PILOT) (8% of total GF revenues)
 - New contract terms - improvements at 74.5% (was 62.5%)
3. Sales Tax (21% of total GF revenues)
 - No projected growth in Sales Tax revenue

Property Tax Rate



Adopted Tax Rate per \$100 Valuation

1 ¢ + tax rate
≈ \$1.5M in GF



Tax rate reduced by \$0.04649 since 2020

FY 2019 – increased tax rate by \$0.02 and dedicated it to Streets

FY 2020 – increased tax rate by \$0.02 and dedicated it to Streets

FY 2024 – tax rate decreased to a rate lower than FY 2018

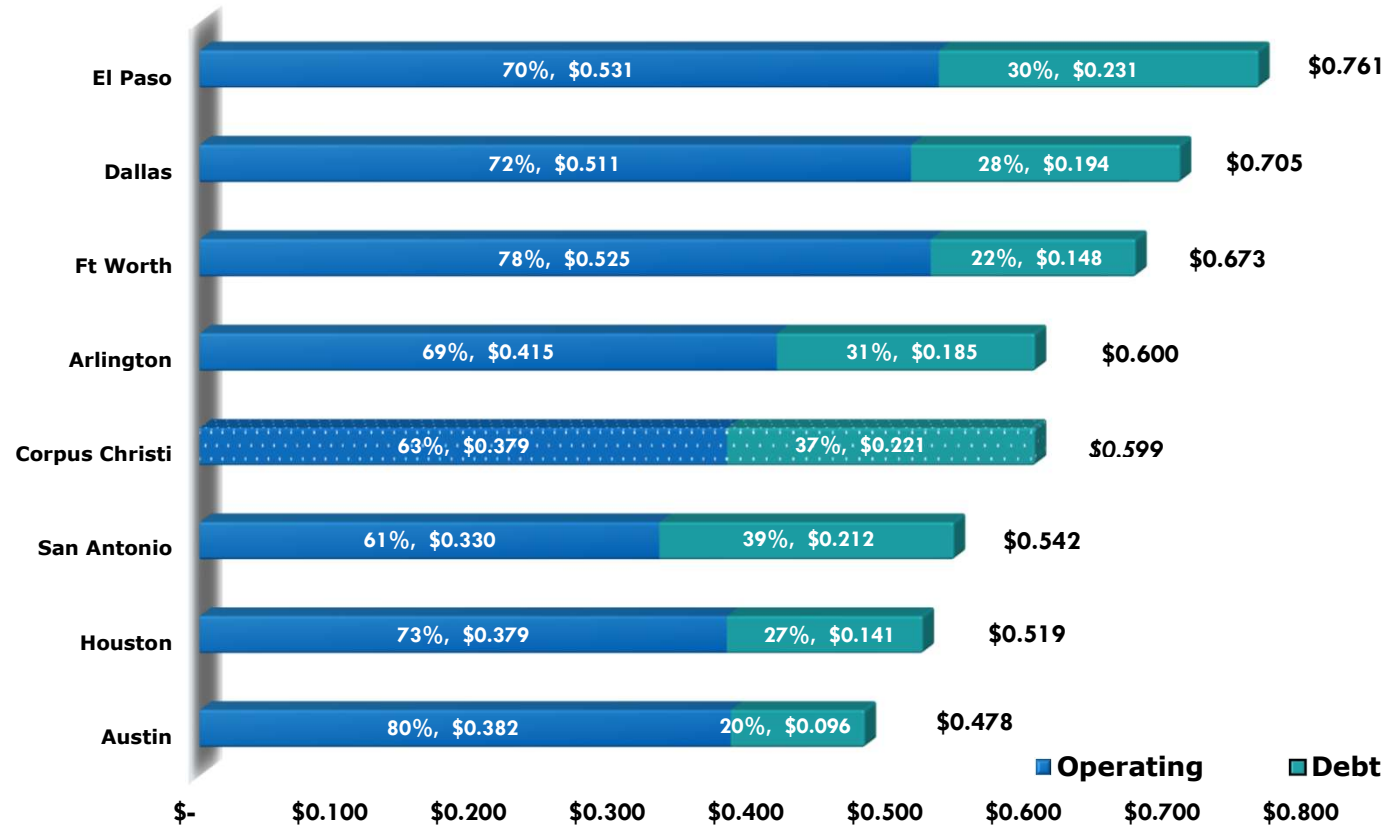
- FY 2025 Adopted Tax Rate = \$0.599774
 - Highest rate allowable without a vote was \$0.644212 (Voter-Approval rate plus the unused increment of \$0.022957)
 - Revenue foregone by keeping tax rate at \$0.599774 is \$12M

Forecast assumes NO change in the tax rate

Property Tax Rate Comparison



FY 2025 Operating and Debt Service Rates per \$100 Valuation



Property Tax Rate & Exemption Comparison

City	Property Tax Rate	Avg. Taxable Homestead Value	Tax on Avg. Homestead	Local Option Homestead	Over-65 / Disabled Exemption	Senior Tax Freeze
Austin	0.477600	\$510,307	\$2,437	20%	\$154,000	N
Dallas	0.704700	\$324,413	\$2,286	20%	\$153,400	N
Houston	0.519190	\$309,902	\$1,609	20%	\$260,000	N
Fort Worth	0.672500	\$235,217	\$1,582	20%	\$80,000	Y
El Paso	0.761405	\$204,683	\$1,558	0.01%	\$42,500	N
Arlington	0.599800	\$238,788	\$1,432	20%	\$60,000	N
San Antonio	0.541590	\$226,293	\$1,226	10%	\$85,000	Y
Corpus Christi	0.599774	\$201,829	\$1,211	20%	\$62,500	Y

Circuit Breaker Exemption

State Legislature approved a Circuit Breaker exemption for non-homestead properties beginning in Tax Year 2024:

- 20% cap on taxable value growth for non-homestead properties valued at \$5,000,000 or less, with an escalation factor (\$5,160,000 in tax year 2025)
- \$200M taxable value not realized in Tax Year 2024
- Resulted in \$1.2M less revenue in Fiscal Year 2025



Expenses



Cost Assumptions



1. No additional funding from the General Fund required to maintain Street funding levels
 - \$4.5M / Yr of new Type B funding for arterials and collectors
 - \$35.0M residential street voter-approved bond funding
2. \$0.9M for Police Collective Bargaining (Year 3 of 4)
3. \$1.5M for Fire Collective Bargaining (Year 2 of 4)
4. Other potential mandated increases to support completed bond program projects (example: 2 new Police Substations, Harbor Bridge Parks and Aquatic Center)
5. \$2.0M for merit increase (3% average) for 3,000 Civilian employees
6. \$13.0M for increase in Health Benefits contributions
7. \$1.5M for 10% increase to commodities and equipment due to inflation





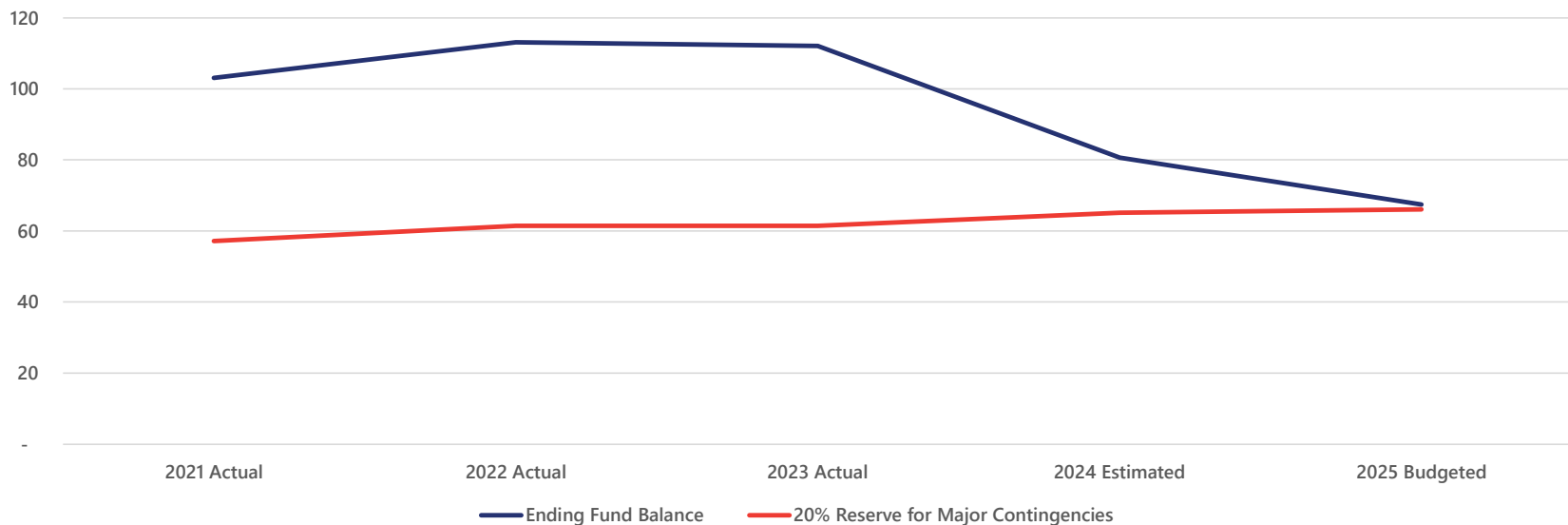
Reserves



Change in General Fund Reserves (Fund Balance)



General Fund Reserves vs. Reserve for Major Contingencies (\$ in Millions)



- Budgeted Fund Balance is \$67.5M
 - \$66.1M is to meet Financial Policy requirement of 20% reserve
 - \$1.4M is considered unreserved

- Chart demonstrates planned drawdown utilized for:
 - Streets
 - Public Safety equipment
 - Quality of Life Amenities



Forecast



General Fund Forecast for FY 2026 – Revenues



Revenues (\$ in Millions)	FY24 Actuals	FY25 Estimate	FY26 Forecast
Property Tax	\$ 103.8	\$ 102.9	\$ 105.5
Industrial District	20.5	24.1	32.1
Sales Tax	72.1	72.5	72.6
Franchise Fees	13.9	13.7	13.5
Public Safety	17.6	18.2	19.3
Solid Waste	52.5	47.1	46.5
Interest on Investments	8.7	4.0	4.1
Oil & Gas Leases	3.0	4.0	4.3
TASPP	0.8	0.9	0.9
Other Revenues	31.1	42.1	42.7
Total Revenues \$	\$ 324.0	\$ 329.5	\$ 341.5

General Fund Forecast for FY 2026 – Expenses



Expenses (\$ in Millions)	FY24 Actuals	FY25 Estimate	FY26 Forecast
General Government	\$ 35.1	\$ 33.1	\$ 34.5
Public Safety	167.0	181.0	178.4
Health, Library, Parks, Solid Waste	66.6	69.9	71.6
Transfer to Street & Res Street Fund	46.1	38.2	31.9
Refund IDA	-	-	-
Police CBA	-	-	0.9
Fire CBA	-	-	1.5
Merit Increases	-	-	2.0
Commodities increase 10% (Tariffs)	-	-	1.5
Other Expenses	24.6	30.4	29.4
Total Expenses \$	\$ 339.4	\$ 352.6	\$ 351.7

General Fund Forecast for FY 2026



	FY26 Forecast	
Beginning Balance (\$ in Millions)	\$	73.5
Total Revenues		341.5
Total Funds Available		415.0
Total Expenses		351.7
Ending Balance	\$	63.3
Reserve for contingencies @ 20%		70.3
Unreserved Fund Balance over 20%		(7.0)



Police Department

Mike Markle,
Police Chief



FY 2025 Budget Initiatives



- \$2.2M for Police Collective Bargaining (Year 2 of 4)
 - 3% increase April 1, 2025
 - One-time Stipend of \$2,000
- One-time purchase of 40 marked vehicles and upfitting
 - Ford F150's ordered, arrived
 - Upfitting for radios and IT – obtaining quotes for council action
- Far South substation construction contract approved.
 - anticipated construction completion by July 2026
- Northwest substation construction contract approved.
 - anticipated construction completion by July 2026





Police Staffing Plan



History of staffing:

FY 2020 451
FY 2021 456
FY 2022 466
FY 2023 491
FY 2024 501
FY 2025 501
FY 2026 501

Actual strength as of May 2, 2025 is 478 sworn officers

23 sworn officers under authorized strength

No pending separation in next 3 months

Average annual attrition is 25

85th Police Academy to begin July 14 with potential 35 cadets





Police Staffing Plan



Police Sworn Position Increases:

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Planned	5	5	5	5	5	0	25
Actual	5	5	10	25	10	0	55

- No additional sworn officer positions in FY 2025
- Sworn officer positions currently at 501



Police Staffing Plan



Add 10 officers per year over 10 years

➤ Goal 601 budgeted sworn

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	10 Yr Total
10	10	10	10	10	10	10	10	10	10	100



FY 2026 Mandated Increases



- \$0.9M for Police Collective Bargaining (Year 3 of 4)
 - 3% increase April 1, 2026
- Maintenance on two new substations
 - July - Sept = \$38,900





Fire Department

Brandon Wade,
Fire Chief



Fire Department Staffing



History of staffing:

- FY 2021 414
- FY 2022 422
- FY 2023 446
- FY 2024 455
- FY 2025 456*



CCFD is projected to be fully staffed at 456 Sworn firefighters when Fire Academy 46 graduates on May 23, 2025.

*Provisional position - Association President



Fire Department Staffing



	Full Time	Part-Time/ Seasonal	TOTAL
Filled	454	0	454 (96%)
Sworn	439	0	439
Civilian	15	0	15
Vacant	19	0	19 (4%)
Sworn	17	0	17
Civilian	2	0	2
Total	473	0	473

38 cadets in academy - 18 graduating May 2025, 20 graduating in May 2026



Fire Department Staffing



Fire - Four Person Staffing

- City currently has 22 fire apparatus
 - 8 have 4-person staffing
 - 14 have 3-person staffing
 - Additional 86 Firefighters needed to achieve 4-person staffing on all 22
- Sworn Fire Fighter positions currently (FY25) – 456*



5-Year Plan

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
Positions	18	17	17	17	17	86

*Provisional position - Association President



Fire Department Staffing

Year	Sworn Complement Increase	Sworn Authorized Count	Operations – Minimum Daily Staffing
FY26 (Year 1)	18	473	108
FY27 (Year 2)	17	490	111
FY28 (Year 3)	17	507	114
FY29 (Year 4)	17	524	117
FY30 (Year 5)	17	541	120
FY31 (Year 6)	-	541	122



FY 2026 Mandated Increases



Fire - Collective Bargaining Agreement

- \$1.5M for Year 2 of 4
 - 4% increase

HB 198

- A political subdivision that employs firefighters shall offer occupational cancer screening to each firefighter every year
- Annual cancer testing and medical physicals
- \$320,000





Parks & Recreation Department

Robert Dodd,
Parks & Recreation Director

Parks and Recreation Amenities

Parks (196)

Outdoor Basketball Courts (85)

Golf Courses:

Lozano Golf Center*
Oso Beach Golf Course*

Gyms:

Ben Garza Gym
Corpus Christi Gym (at Natatorium)



Disc Golf Courses:

Lamar Park
Oso Creek Park
Waldron Park
West Guth Park

Skate Parks:

Cole Park
West Guth Park
Wranosky Park

Sports Fields (78):

Baseball Fields: 26	Softball Fields: 11
Soccer Fields: 25	Football Fields: 3
Kickball Fields: 12	Cricket Field: 1

Tennis Courts:

Al Kruse Tennis Center (Pickleball Courts)*
H.E.B. Tennis Center (Pickleball Courts)*
Parker Park (Pickleball Courts)
Pebble Park
St. Andrews Park



* City-owned, privately-operated

Parks and Recreation Amenities

POOLS (7)

- West Guth Pool
- Collier Pool
- HEB Pool
- Greenwood Pool
- CC Natatorium (CCISD/City)
- Oso Pool
- Bill Witt Aquatic Center



SPLASH PADS (5)

- Cole Park
- Lindale Park
- Salinas Park
- West Haven Park
- Bill Witt Park

INTERACTIVE FOUNTAIN (2)

- Bayfront Fountain
- Watergarden

Parks and Recreation Amenities



SENIOR CENTERS (8)

- Broadmoor Senior Center
- Ethel Eyerly Senior Center
- Garden Senior Center
- Greenwood Senior Center
- Lindale Senior Center
- Northwest Senior Center
- Oveal Williams Senior Center
- Zavala Senior Center*

RECREATION CENTERS (4)

- Joe Garza Recreation Center
- Lindale Recreation Center
- Oak Park Recreation Center
- Oso Recreation Center



* City-owned, privately-operated

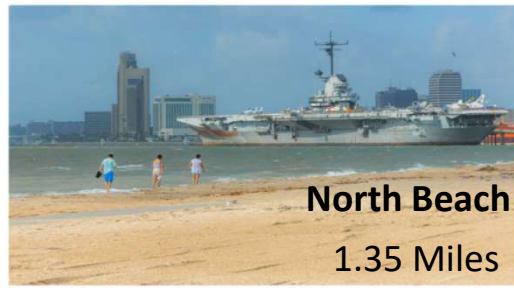
Parks and Recreation Amenities

BEACHES AND MARINA

Gulf Beach
7.8 Miles



North Beach
1.35 Miles



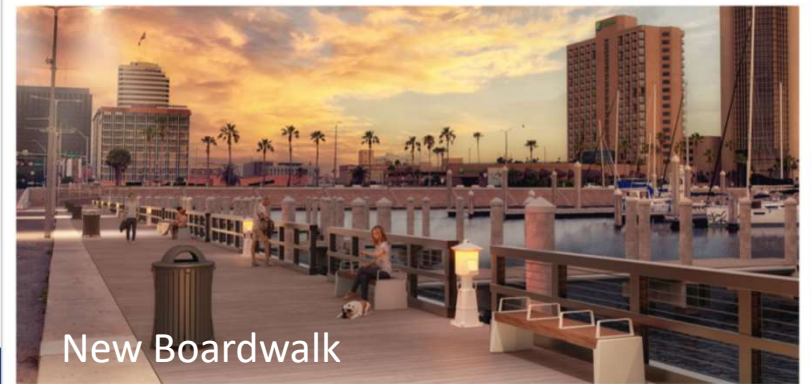
Marina



McGee Beach
.33 Miles



New Boardwalk



FY 2025 Budget Increases for Mandates

Maintenance Budgets for Mandates:

- ❖ Bill Witt Aquatic Center Maintenance - \$55K (\$435K annual budget)
- ❖ Watergardens Maintenance - \$297K (\$432K annual budget)
- ❖ Cole Park Splash Pad Maintenance - \$6K (\$25K annual budget)



FY 2026 Mandates

Maintenance/Operations Budgets for Hillcrest Parks & Aquatic Center:

- ❖ Northside Aquatic Facility (T.C. Ayers Aquatic Center) - \$200K *approx.*



- ❖ Ben Garza Park, Dr. H.J. Williams Park, T.C. Ayers Park, Washington Coles Park - \$1.1M

City Wide Park Upgrades

Summary of recent park upgrades:

FY 2025

Airline Park Playground	Miriam Boby Home at Heritage Park *
Airport Playground	North Beach Sand cleanup *
Barge Dock Gates*	Oleander Parking lot
Ben Garza Locker Room Improvements (CDBG)	Oleander Point
Bill Witt Park	Parker Park Dog Park
Casa Linda Playground	Playground Mulch Installation
Corpus Christi Bay Trail	Rancho Vista Park*
Cole Park	Salinas Park
Crushed Granite Trails *	Salinas Park Playground Restoration
Gulf Beach Parking Structure	Shoreline Median Beautification
Hans & Pat Suter Playground	South Sea Playground
Hans & Pat Suter Boardwalk *	Tom Graham Park*
Hans & Pat Suter Park	Water Conservation Tree T-Pee Implementation
Hans & Pat Suter Parking Lot	West Guth Dog Park
HEB Tennis Center Tree Cleanup	West Guth Playground ADA Connectivity *
Holly Park Playground	Westchester Park
Kiwansas field improvement	Westgate Park
Lamar Park	Wooldridge Park Playground
Memorial Benches *	* <i>Unbudgeted</i>

FY 2024

Holly Hike and Bike Trail
 Installed AEDs in all Boater Facilities
 Lakeview Erosion Control
 North Beach Improvements
 Peary Place Parking Lot and Entrance
 St. Denis Park Playground
 Surfside Restroom Facility

PARD does not have an operating budget for equipment replacement or upgrades.

In FY 2023, one-time funding of \$2.0M was transferred to the Parks CIP Fund for City-Wide Park Upgrades.



Code Compliance

Michael Dice,
Development Services
Director

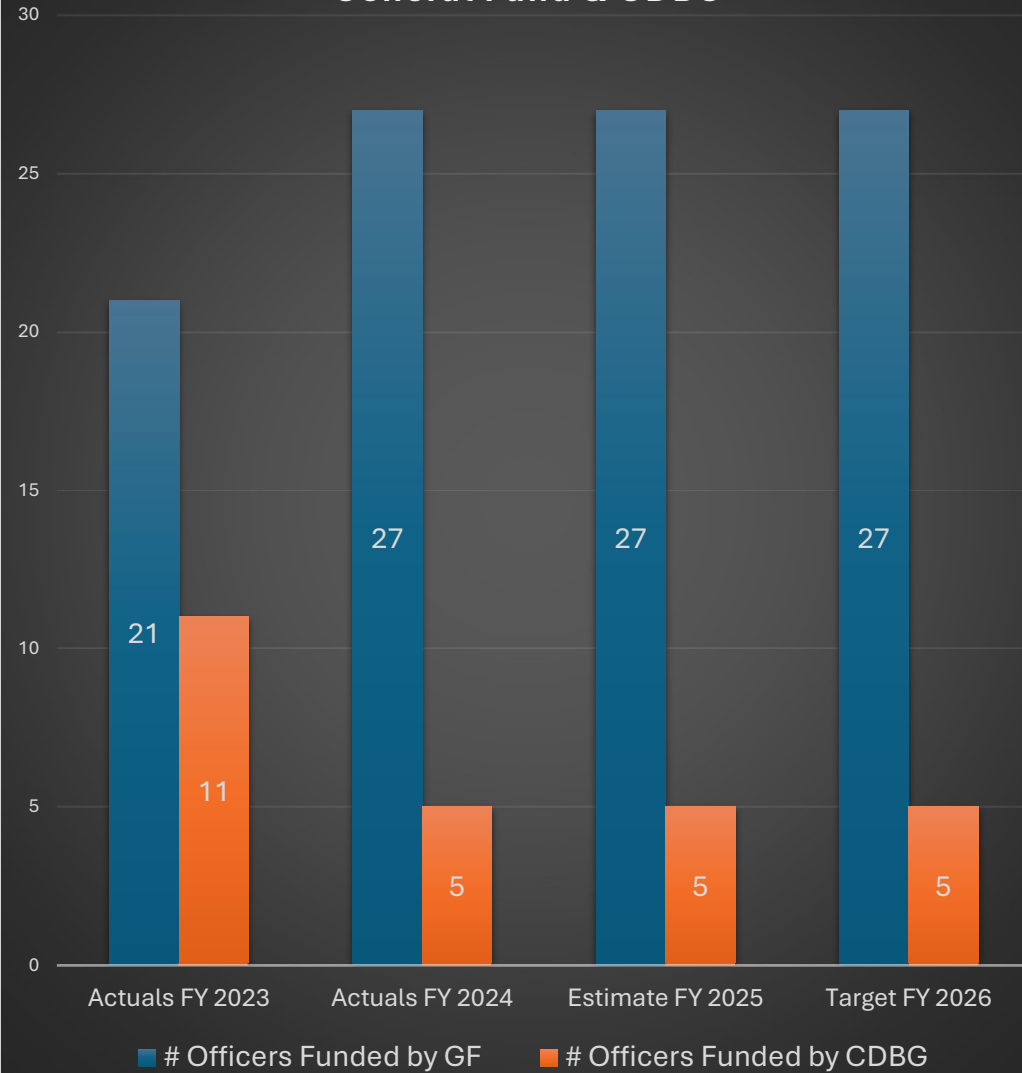
Code Compliance



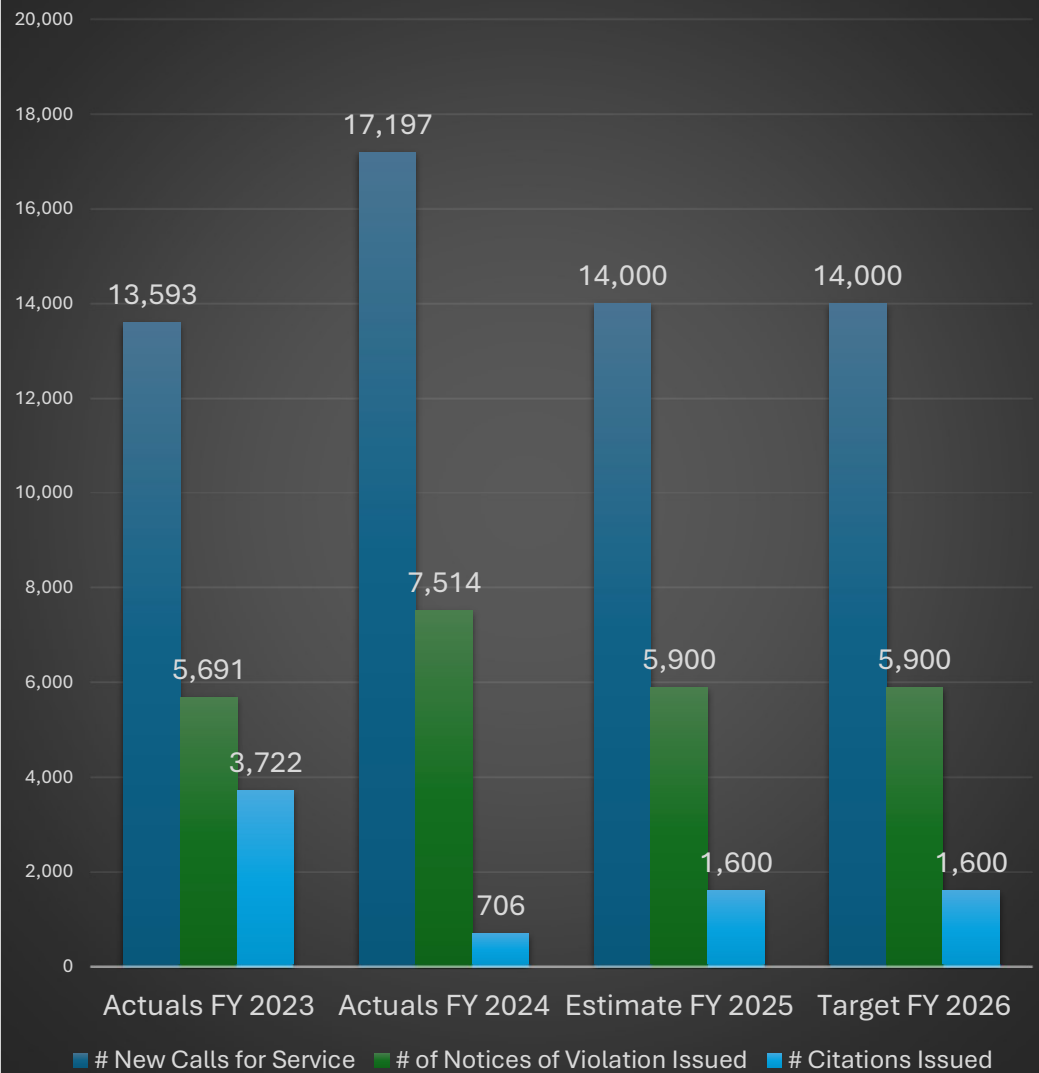
Agenda:

- Code Compliance Officers 2023 – 2026
- Customer Service Metrics
- Abatement Funding 2023 – 2026
- Demolitions and Abatements 2023 - 2026

Compliance Officers Funded by General Fund & CDBG



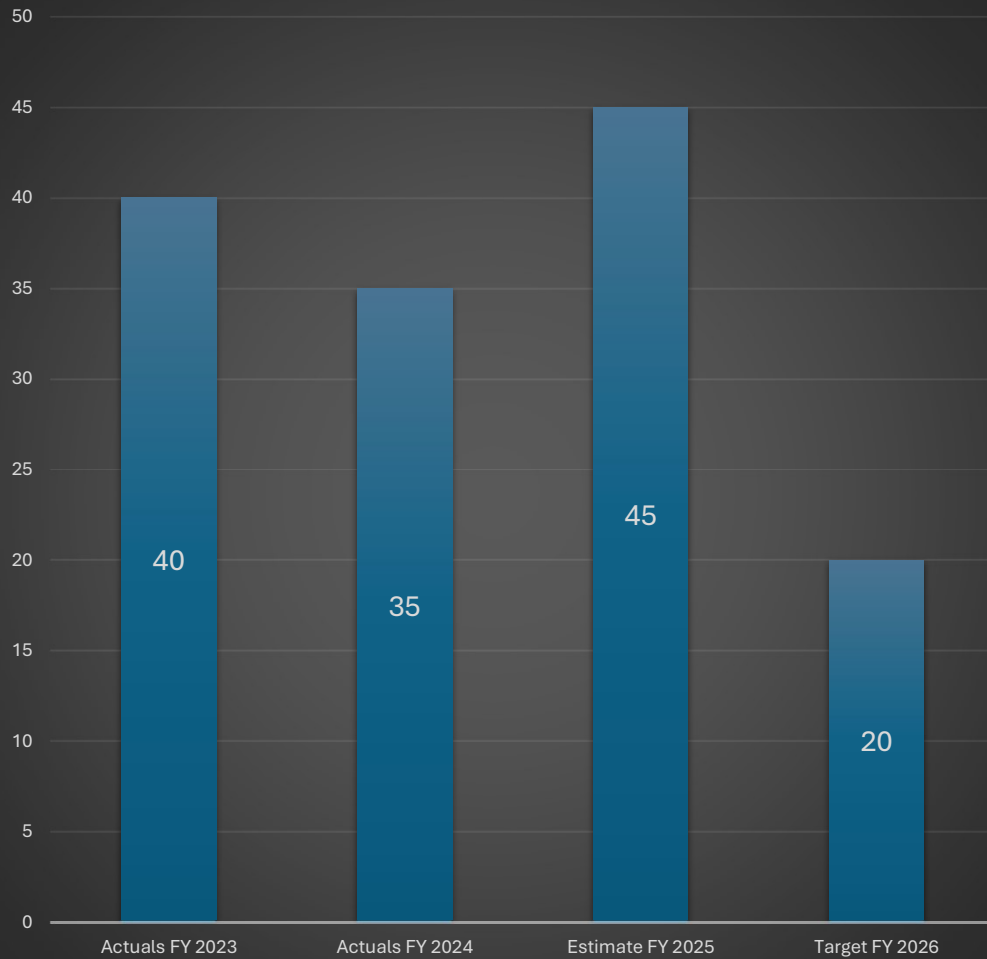
Customer Service Metrics



Demolition & Abatement Funds

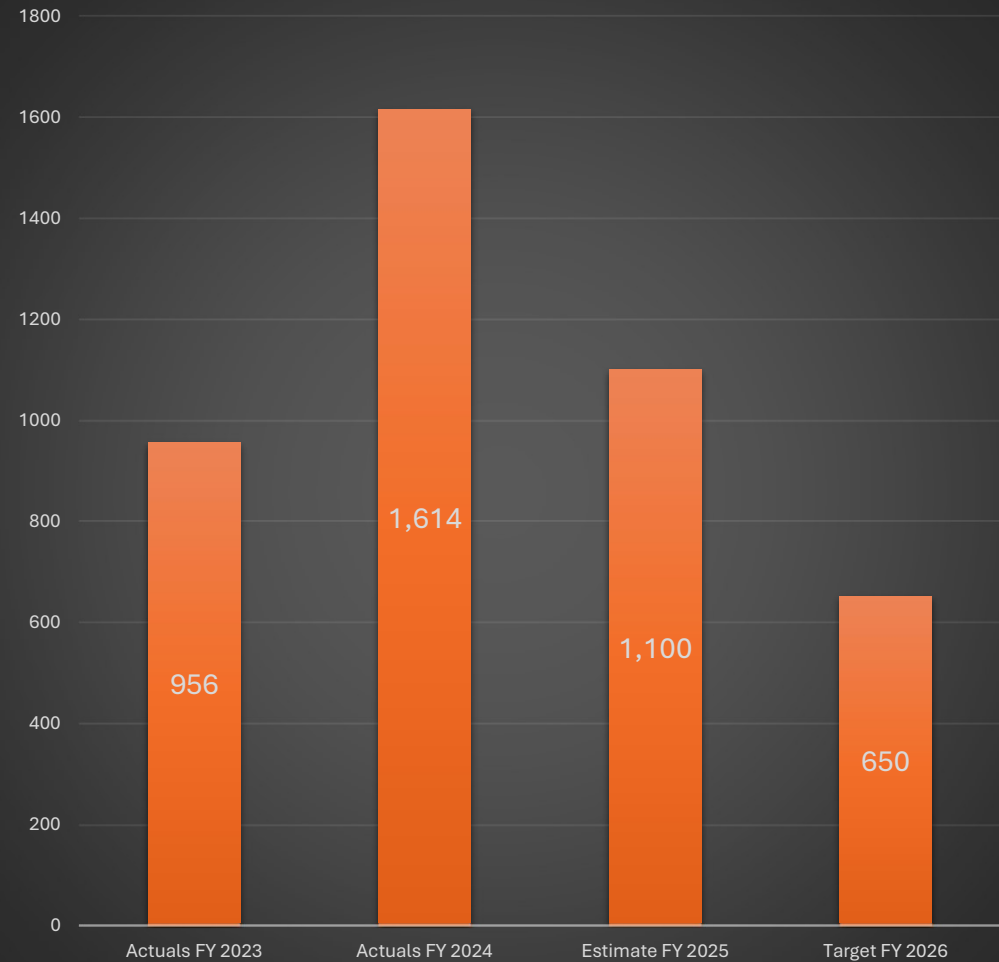


Total Structures Demolished



■ # Substandard Structures Demolished

Total Property Abatements



■ # Property Abatements Completed



Solid Waste

Philip Aldridge,
Interim Solid Waste Director

Historical Solid Waste Fee Increases



There are no plans to increase rates in FY 2026, however we plan to conduct a cost-of-service study to incorporate Gas-to-Energy and Compost operations. Below is a summary of historical increases with a table of current rates.

Approved FY 2024 Rate Increases:

- 4.3% for residential customers (\$1.15 per month) - Previous increase was FY 2019
- 5.0% for Cefe Landfill commercial customers
- 10.0% for Transfer Station commercial customers

Current Key Rates	
Description	Current
Residential Collection - Monthly	\$27.85
Commercial Collection - Monthly	\$53.83
Transfer Station - Per Ton	\$51.80
Cefe Valenzuela Landfill - Per Ton	\$44.22
Cefe V. Landfill Contract Rate - Per Ton	\$33.17

Solid Waste fee increases were based on a 2021 cost of service study, to maintain the same level of contribution to the General Fund. In FY2025 Solid Waste eliminated 50% of the Brush crew and all of Litter Crew for \$925K budget reduction. In addition, Solid Waste is projected to receive \$1.5M in additional revenue over proposed this year from the Landfill Gas to Energy project.

Recommended Rate Increase Percentages

	FY 2022	FY 2023	FY 2024	FY 2025
Residential	10.0%	5.0%	5.0%	0.0%
Commercial Cart	10.0%	5.0%	5.0%	0.0%
Transfer Station	15.0%	15.0%	10.0%	0.0%
Landfill	10.0%	7.5%	5.0%	0.0%

Actual Rate Increase Percentages

	FY 2022	FY 2023	FY 2024	FY 2025	Residential Proposed Increases 10% in FY22 5% in FY23
Residential	0.0%	0.0%	4.3%	0.0%	
Commercial Cart	10.0%	5.0%	4.5%	0.0%	
Transfer Station	15.0%	15.0%	10.0%	0.0%	
Landfill	10.0%	7.5%	5.0%	0.0%	

Revenue and Expense with General Fund Contribution

	FY 2022	FY 2023	FY 2024	FY 2025
Actual Revenue	\$43,240	\$44,520	\$47,580	\$51,788
Actual Expense	(\$29,523)	(\$33,490)	(\$33,301)	(\$35,784)
General Fund				
Transfer	\$13,717	\$11,030	\$14,279	\$16,004
Debt Service	(\$5,324)	(\$5,923)	(\$6,580)	(\$6,953)
Net General				
Fund Revenue	\$8,393	\$5,107	\$7,699	\$9,051
(figures in \$millions)				(projected)



Library

Laura Garcia,
Library Director

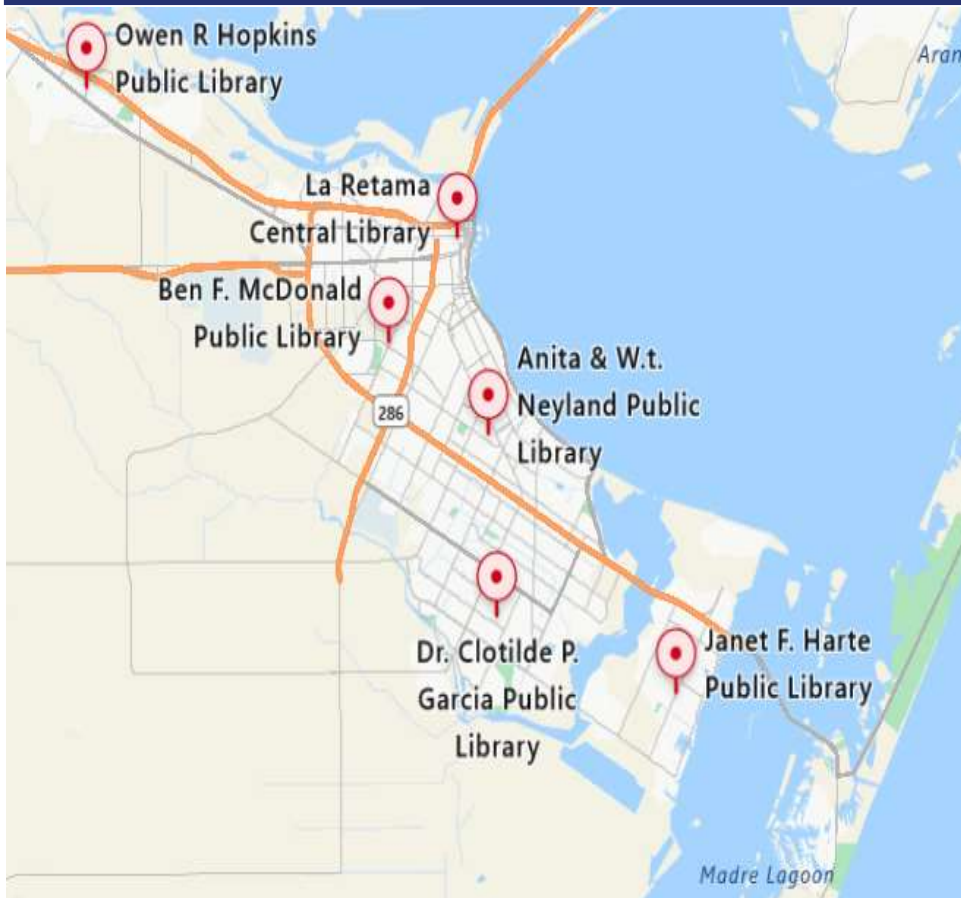


Mission Statement

Improve literacy, enhance knowledge, and create a sense of community by making information easily accessible to the public



Library Branch Locations



1. **Owen R. Hopkins**
- District 1
2. **La Retama Central Library (Main)**
- District 1
3. **Ben F. McDonald**
- District 2
4. **Anita & W.T. Neyland**
- District 2
5. **Dr. Clotilde P. Garcia**
- District 5
6. **Janet F. Harte**
- District 4

FY 2019- FY 2025 Enhancements



- **Staff Enhancements \$311,656**

- Addition of Assistant Director position
- Addition of 2 Librarian positions
- Addition of Sr. Library Assistant
- Increased hours of part-time staff

- **Service Enhancements \$958,665**

- Replaced computer equipment, upgraded network, increased security guard hours, implemented radio frequency identification for self service, implemented regions first free sensory room for children.

- **Facility Enhancements \$6,634,423**

- Replaced La Retama Central roof, plumbing reroute La Retama Central and Neyland, improved public restroom accessibility, installed fire sprinkler system at Hopkins, received funding for La Retama Central generator, and Bond project 2022 for exterior improvements for La Retama Central.
-

Department Needs



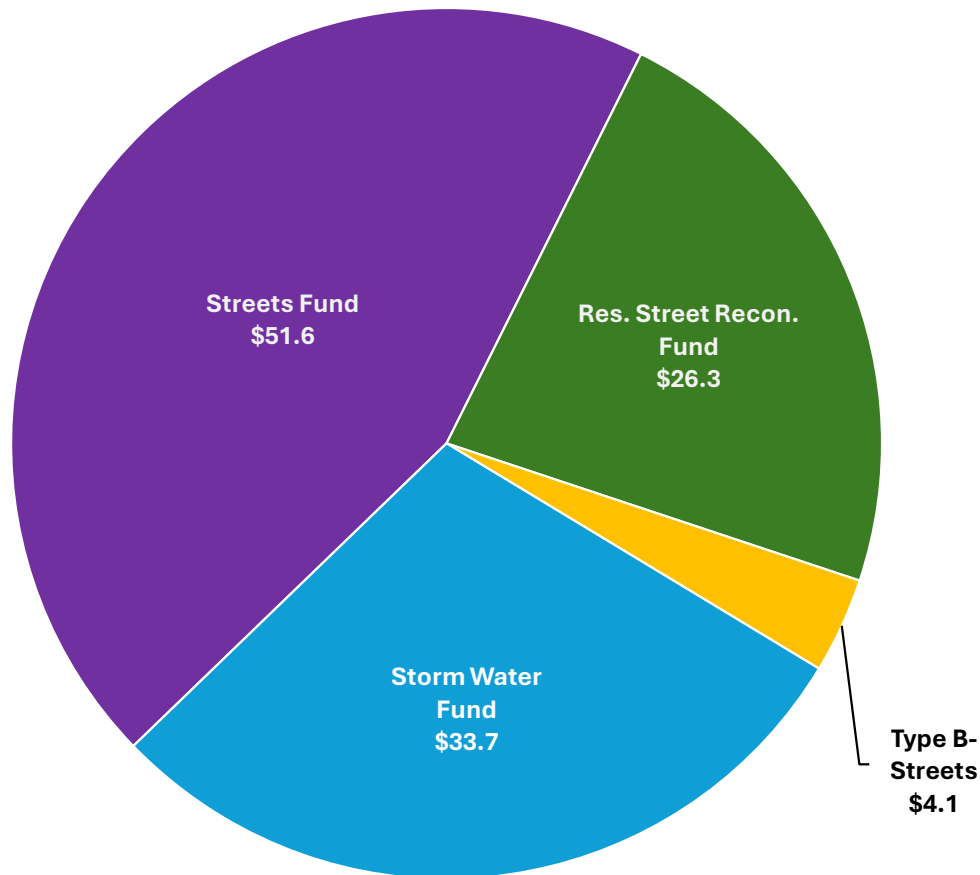
	Current	Need	Total
Full-time Library Assistants	24	12	36
Senior Library Assistants/Circulation Supervisors	1	6	7
Part-time Library Aide	6	4	10
Administrative Support III	-	1	1
Collection Development Manager	-	1	1
Technical Services Cataloger	-	1	1
Technical Services Processing	-	2	2
Reference Librarians	1	2	3
Youth Services Coordinator	-	1	1
Adult Services Coordinator	-	1	1
Increase materials budget	\$360k	\$140k	\$500k
Book Vending Machine – Outreach Service	0	1	1



Financial Overview: Street Funds

Ernesto De La Garza,
Public Works Director

FY 2025 PUBLIC WORKS OPERATING BUDGET: \$115.7M



Funds (\$ in Millions)	FY 2025 Adopted Budget
Streets Fund	\$51.6
Res. Street Recon. Fund	26.3
Type B-Streets	4.1
Storm Water Fund	33.7
Total	\$115.7

	FY 2025
Streets Positions	159
Storm Water Positions	147
Total	306

Street Adopted Budget FY 2023 – FY 2025

(\$ in millions)

Fiscal Year 2023

Fiscal Year 2024

Fiscal Year 2025

Street
Maintenance
\$46.4

Arterials &
Collectors
\$66.0

Residential
Streets
\$20.0

Total: \$132.4

Street
Maintenance
\$47.8

Arterials &
Collectors
\$54.2

Residential
Streets
\$20.0

Total: \$122.0

Street
Maintenance
\$54.3

Arterials &
Collectors
\$42.7

Residential
Streets
\$32.4

Total: \$129.4

Streets Funding

Source of Funds

- 10% Industrial District In-Lieu
- 2¢ + 2¢ Property Tax
- 7% General Fund Revenue
- Utility Funds Transfer
- RTA Street Services Contribution
- Sales Tax
 - half 1/8 cent less \$500k for Housing
 - half 1/8 cent beginning 10/1/2025

In prior years we have transferred more than the required 7% from the General Fund

Majority of funding is transferred from the General Fund



Street User Fee



- Adopted June 2013 by City Council; Effective January 2014
- Authorized for 10 years before automatically sunseting on January 1, 2024

Monthly Fee

	FY 2023 (\$ in Millions)
Residential: \$5.38	6.5
Non-Residential: \$5.38 x (SF/1500SF) x TF (trip factor)	5.5
Total Street User Fee Revenue	12.0

- City Council may re-authorize this fee
- Amount should be adjusted for inflation

Streets Funding

- With the conclusion of the Street User Fee and the drawdown of unreserved General Fund Balance, a total of \$19M is no longer available for Streets

Fund	Amount
Street User Fee	\$13M
Res. Street Reconstruction	\$6M
Total	\$19M

Funding is available for:

Arterials and Collectors

- Type B Sales Tax Authorization (Begins 10/1/2025)
- Residential Streets: Voter-approved bond funds

	Amount FY 2026
Type B – Arterials & Collectors	\$4.5M
Bond Funding – Residential Streets	\$17.5M
Total	\$22M



We have adequate funding for streets in FY 2026, however, to continue this level of funding in FY 2027 we will have to identify a different funding source



Financial Overview: Storm Water Fund

Ernesto De La Garza,
Public Works Director

Storm Water Fee



Five Year Plan for Storm Water Enhancements

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Base Program	\$ 15.8 M	\$ 21.8 M	\$ 24.5 M	\$ 29.8 M	\$ 34.37 M
Improvements	\$ 2.0 M	\$ 1.5 M	\$ 4.7 M	\$ 3.9 M	\$ 3.75 M
Total	\$ 17.8 M	\$ 23.3 M	\$ 29.2 M	\$ 33.7 M	\$ 38.12 M
Residential Rate Tier 1	\$ 4.59	\$ 5.77	\$ 6.63	\$ 7.74	\$ 8.69
Residential Rate Tier 2	\$ 6.12	\$ 7.69	\$ 8.84	\$ 10.32	\$ 11.59
Residential Rate Tier 3	\$ 10.71	\$ 13.46	\$ 15.47	\$ 18.06	\$ 20.28
Non-Residential Rate	\$ 6.12 per ERU	\$ 7.69 per ERU	\$ 8.84 per ERU	\$ 10.32 per ERU	\$ 11.59 per ERU

* ERU = Equivalent Residential Unit



Storm Water Service Enhancements

STORM WATER SERVICES		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Storm Water Inlet Cleaning & Maintenance ¹		3.5 years	1.3 years	1.3 years	1.3 years	1.3 years
Vegetation Management ROW Mowing ²		20x	20x	20x	20x	20x
In-House Street Sweeping Program ²	Neighborhoods	2x	2x	2x	3x	4x
	Collectors	2x	4x	6x	8x	10x
	Arterials	8x	8x	10x	10x	10x
Minor Channel ("Bar Ditches") Cleaning & Maintenance ¹		As Requested	As Requested	6.0 years	3.0 years	3.0 years
Major Channel / Natural Creek Way Restoration & Maintenance ¹		2.0 years	2.0 years	2.0 years	2.0 years	2.0 years
CCTV of 679 Miles of Underground System \$850k/Year		N/A	N/A	35 Miles	35 Miles	35 Miles

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

FY 2022-2026 Five-Year Enhancement Forecast

PROPOSED IMPROVEMENTS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Inlet Cleaning and Inspection Crew Enhancement					
FY 23: Add one 7.0 FTE crew and capital equipment					
Emergency Storm Water Infrastructure Improvements					
FY 23: Funding for emergency capital storm water projects					
Staff Professional & Technical Development Training					
FY 23: Funding for technical staff training and certifications					
In-House Street Sweeping Program Enhancements					
FY 24: Purchase 2 Street Sweepers & Add 5 Sweeper Operators					
FY 25: Purchase 2 Street Sweepers & Add 2 Sweeper Operators					
FY 26: Add 1 Sweeper Operators					
Minor Channel Maintenance Service Enhancements					
FY 24: Add one 8 FTE crew and capital equipment					
FY 26: Add one 8 FTE crew and capital equipment					
FY24 One-Time Pump Station Improvements					
FY25+ Vegetation Management Targeted ROW Herbicide Program					
FY 24: Add one 2.0 FTE crew and capital equipment					
Maintenance of Storm Water Lines Service Enhancement					
FY 25: Add one 8.0 FTE crew and capital equipment					

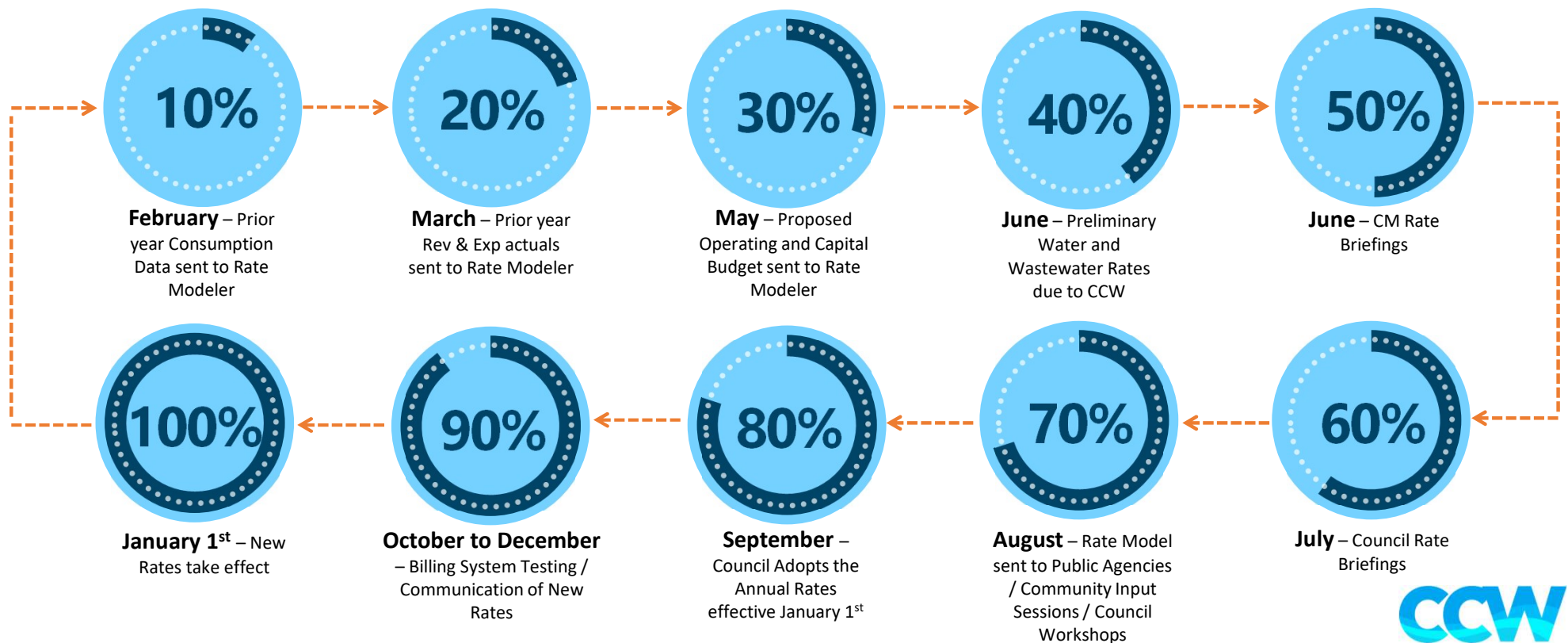


Financial Overview: Corpus Christi Water

Drew Molly,
CCW Chief Operating Officer

CCW Cost of Service Study & Rate Development Timeline

- Since 2024 CCW conducts a Cost-of-Service study and sets water and wastewater rates on annual basis
- Prior to 2024 rates were set biennially



New Rate Model Achievements

FY24 Achievements	FY25 Achievements
FY24 revenues by customer class moves close to Cost-of-Service	FY25 revenues by customer class move even close to Cost-of-Service
Water Volume Rates Outside City Limits = Inside City Limits	Water Minimums Outside City Limits = Inside City Limits
Wastewater Volumes Rates Residential = Commercial	Wastewater Volume Rates Outside City Limits = Inside City Limits
\$2.5 million budgeted for Water and Wastewater CIP cash funding	\$16 million budgeted for Water and Wastewater CIP cash funding
Maintain Debt Service Coverage of 1.15 for Water and Wastewater	Maintain Debt Service Coverage of 1.15 for Water and Wastewater
Meter Equivalency Units – AWWA standard established	50% of Legacy Storm Water Debt from Wastewater Inside City Limits Minimum Charge
	Residential Water Volume Rate Tier 2 lowered, and Tier 4 added

CCW Rate Outlook

Water and Wastewater rate will increase in the coming years for all customer classes

Water Rate Escalators:

- Formosa Water Agreement
- Mary Rhodes Pipeline schedule 4 pumping costs
- Acquisition of new water sources
- Legacy Storm Water Debt
- Continuation of the 10-year capital improvement plan to upgrade the system and make it more resilient and improve capacity (FY26 will be the fifth year of the plan)
- Material and Labor inflationary increases

Wastewater Rate Escalators:

- Consent Agreement Costs
- Continuation of the 10-year capital improvement plan to upgrade the system (FY26 will be the fifth year of the plan)
- Material and Labor inflationary increases



Average Residential Bill

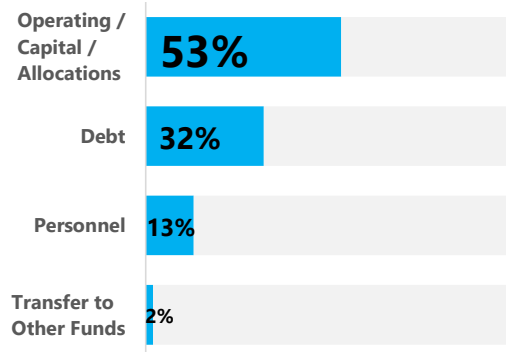
Water - Average Residential (6,000 gallons per month)					Estimate as of May 2024			
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026*	FY 2027*	FY 2028*	FY 2029*
Minimum Charge - 5/8"	\$12.92	\$12.92	\$12.02	\$15.83	\$17.17	\$19.00	\$24.71	\$31.19
Volume - 6,000 gallons	20.32	20.32	20.32	15.76	17.12	18.96	24.68	31.16
Raw Water Charge - 6,000 gallons	5.82	5.82	6.72	5.70	6.18	6.84	8.82	11.10
	\$39.06	\$39.06	\$39.06	\$37.29	\$40.47	\$44.80	\$58.21	\$73.45
Decrease/Increase from prior year (\$)	\$(6.12)	\$-	\$-	\$(1.77)	\$3.18	\$4.33	\$13.41	\$15.24
Decrease/Increase from prior year (%)	-13.5%	0.0%	0.0%	-4.5%	8.5%	10.7%	29.9%	26.2%
CPI Inflation	3%	4%	5%	6%				
* Estimate based on FY25 Rate Study								

Wastewater - Average Residential (5,000 gallons per month)					Estimate as of May 2024			
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026*	FY 2027*	FY 2028*	FY 2029*
Minimum Charge - 5/8"	\$33.58	\$33.58	\$33.58	\$35.11	\$40.35	\$45.30	\$51.15	\$57.93
Volume - 5,000 gallons	21.06	21.06	21.06	24.21	27.81	31.23	35.28	39.96
	\$54.64	\$54.64	\$54.64	\$59.32	\$68.16	\$76.53	\$86.43	\$97.89
Decrease/Increase (\$)	\$1.97	\$-	\$-	\$4.68	\$8.84	\$8.37	\$9.90	\$11.46
Decrease/Increase (%)	3.7%	0.0%	0.0%	8.6%	14.9%	12.3%	12.9%	13.3%
CPI Inflation	3%	4%	5%	6%				
* Estimate based on FY25 Rate Study								

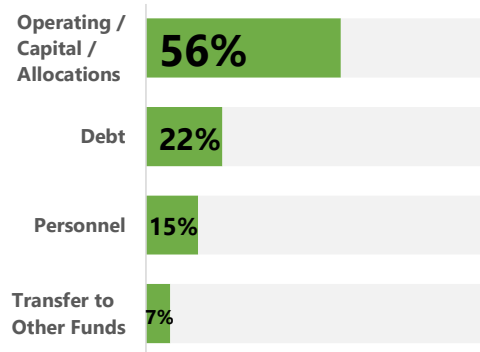


CCW Budget Allocation and Inflation

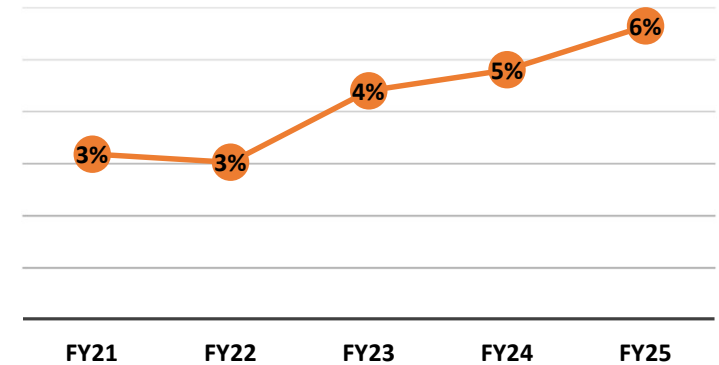
Water Budget Allocation



Wastewater Budget Allocation



CPI - Water & Wastewater Maintenance



- Corpus Christi Waters primary budget allocations are associated with day-to-day operating expenses (Chemicals, Meters, Piping, Personnel, etc.)
- Inflation in the past 5 years associated with utility operations has increased 21%
- Operation budgets for CCW in the past 5 years have increased by 16%
- Water Rate in the past 5 years has decreased -18.1%
- Wastewater Rate in the past 5 years has increased 12.3%

CCW Debt Ratio vs. AWWA Benchmarking

AWWA Utility Benchmarking report 2024 - Historical trends for a utility's annual debt ratio are shown in Figures 6-8, 6-9, and 6-10 for water, wastewater, and combined utilities, respectively. Over the periods shown, the median debt ratio ranged from approximately 29 to 42 percent for water utilities, 18 to 56 percent for wastewater utilities, and 31 to 43 percent for combined utilities.

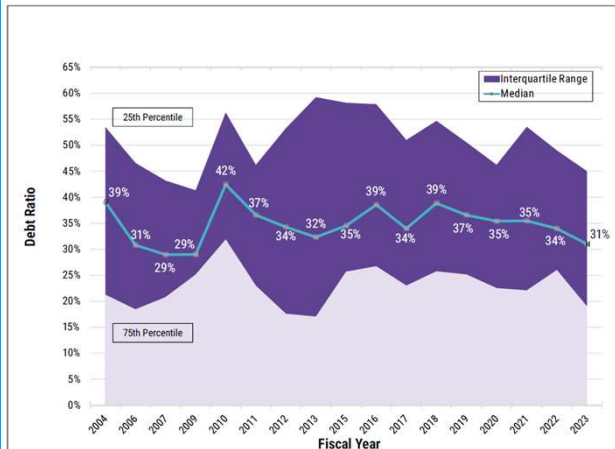


Figure 6-8 Water utility—debt ratio

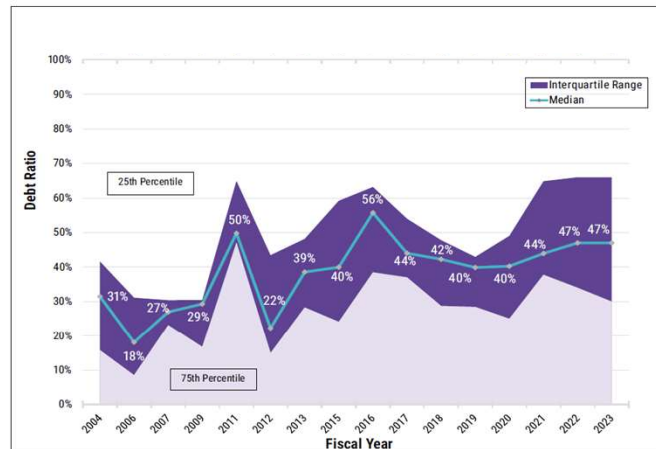


Figure 6-9 Wastewater utility—debt ratio

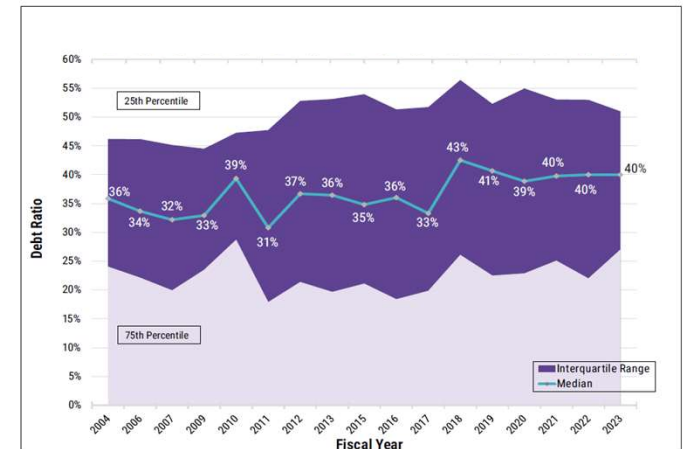


Figure 6-10 Combined utility—debt ratio

- CCW compares very favorably to the 157 participating utility systems in the AWWA report with the debt ratio for Water of 32% in FY25, 1% above the median, and 22% for Wastewater in FY25, 25% below the median.
- For the combined number CCW is at 28% versus the AWWA benchmark median of 40%.

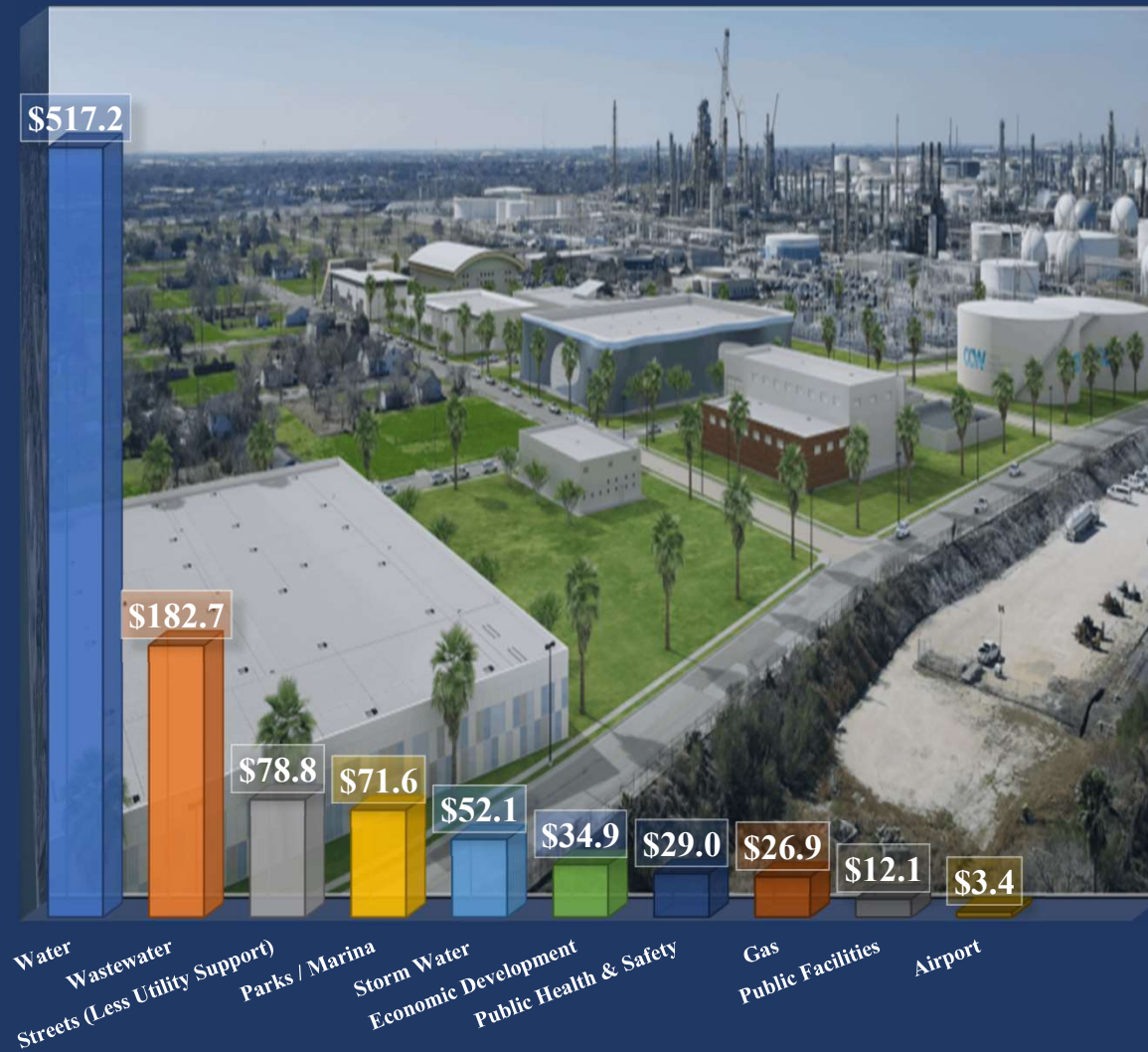




Financial Overview: Capital Improvement Plan

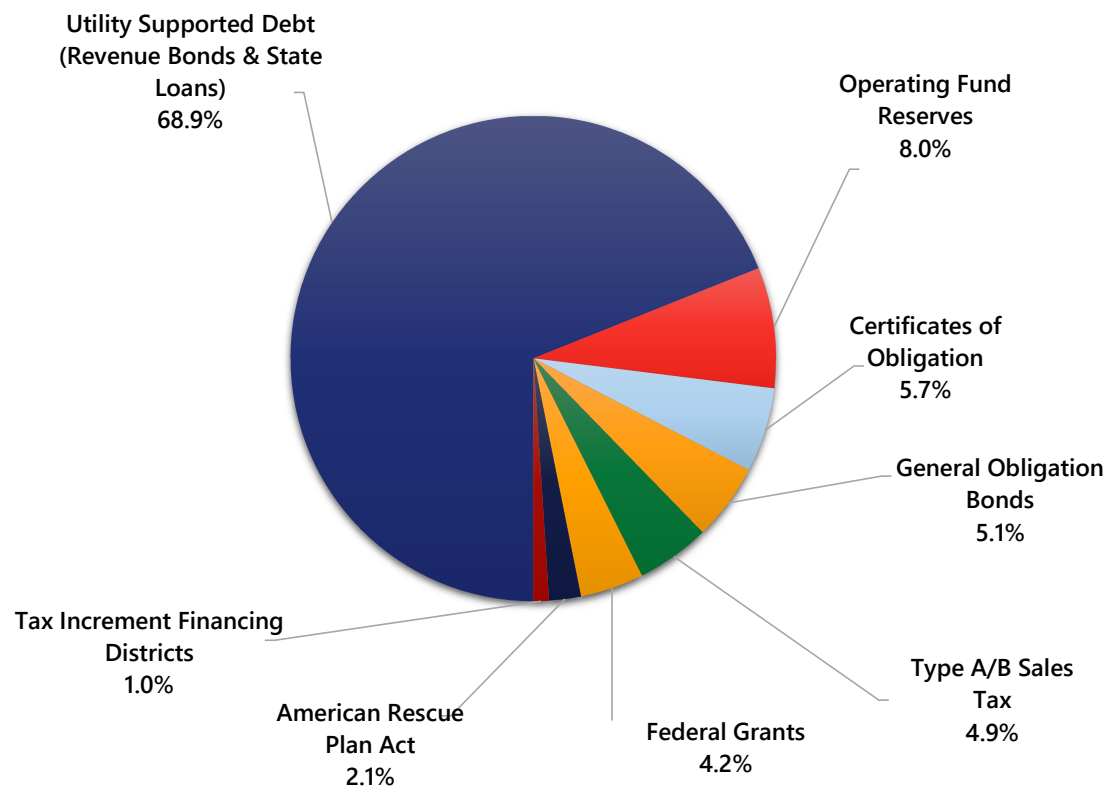
Amy Cowley, Director of
Management & Budget

FY 2025 Capital Budget \$1,008.7 Million



Funding Uses by Program	Amount (\$s in Millions)	% of Total
Water	\$ 517.2	51.3%
Wastewater	182.7	18.1%
Streets	78.8	7.8%
Parks & Rec / Marina	71.6	7.1%
Storm Water	52.1	5.2%
Economic Development	34.9	3.4%
Public Health & Safety	29.0	2.9%
Gas	26.9	2.7%
Public Facilities	12.1	1.2%
Airport	3.4	.3%
Total FY 2025 Capital Uses	\$ 1,008.7	100%

FY25 CIP Funding Sources



Funding Sources by Program	Amount (\$ in Millions)
Utility Supported Debt (Revenue Bonds and State Loans)	\$695.3
Operating Fund Reserves (Cash from Operating Funds)	81.1
Certificates of Obligation (Debt supported by Property Tax)	57.0
General Obligation Bonds (Debt supported by Property Tax)	51.3
Type A/B Sales Tax (Cash funding from Sales Tax)	49.6
Federal Grants (Cash funding from grants)	42.6
American Rescue Plan Act (Cash funding from Federal Gov.)	21.4
Tax Increment Financing District (Cash funding from Property Tax)	10.4
Total FY 2025 Capital Sources	\$1,008.7



Financial Overview: Debt Service

Heather Hurlbert,
Assistant City Manager

City of Corpus Christi, Texas



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Victor Quiroga
Managing Director
711 N Carancahua St
Suite 518
Corpus Christi, Texas
78401
361.278.1310
victor@spfmuni.com

Dan Wegmiller
Managing Director
248 Addie Roy Road
Suite B103
Austin, Texas 78746
512.820.6086
dan@spfmuni.com

Common Debt Financing Tools

Texas Cities have *four* primary and most common debt issuance options that include:

Type:	General Obligation Bonds	Certificates of Obligation ⁽¹⁾	Tax Notes	Revenue Bonds
Purpose:	General Purpose	General Purpose	General Purpose	Enterprise System
Voter Authorization:	Yes ⁽¹⁾	No ⁽²⁾	No	No
Amortization Requirements	Not to exceed 40 years	Not to exceed 40 years	Not to exceed 7 years from date of issuance	Not to exceed 40 years
Source of Payment:	I&S Taxes ⁽³⁾	I&S Taxes ⁽³⁾ and/or revenues	I&S Taxes ⁽³⁾	Revenues
Interest Rate:	Strongest Credit; Lowest Interest Rates	Similar to General Obligation Bonds	Similar to General Obligation Bonds	Higher than General Obligation Bonds

⁽¹⁾ If a bond election failed, Certificates of Obligation may not be issued for that purpose within 3 years of the election.

⁽²⁾ Publication of notice required; petition during notice period could require an election.

⁽³⁾ I&S Tax Rate is not subject to rollback.

Outstanding Debt Summary as of September 30, 2025

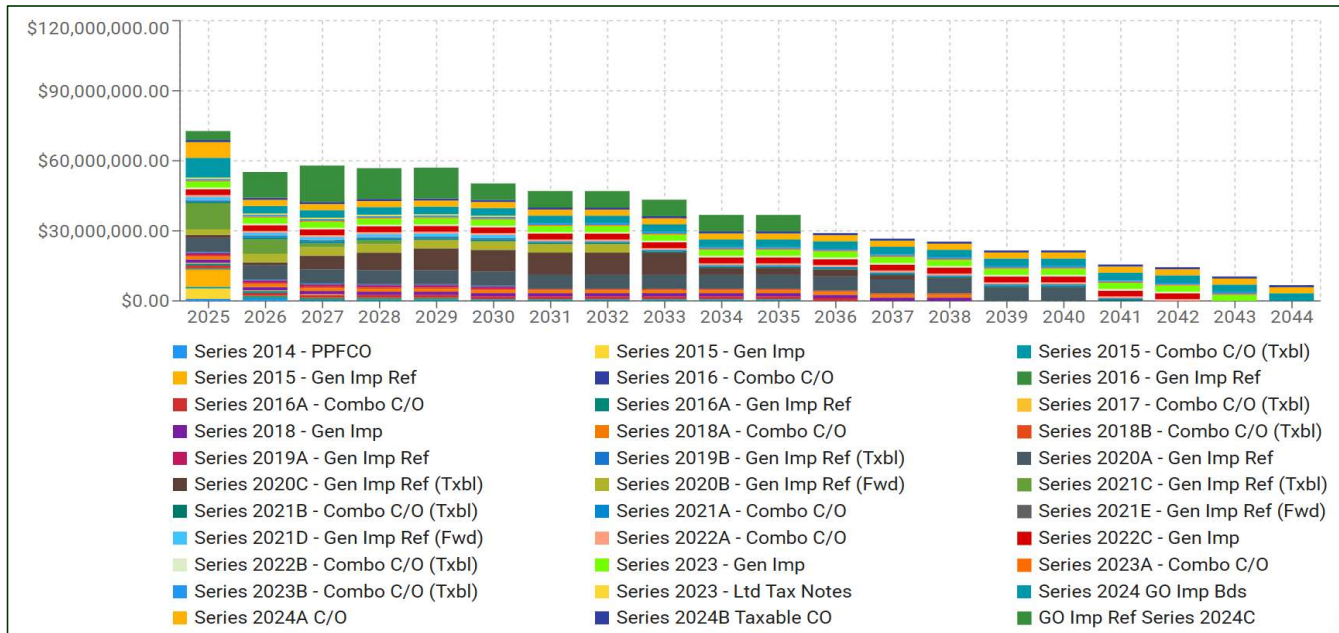
Security Mechanism	Principal Outstanding (as of 9/30/25)	Per Capita (Pop. 317,742)
Property Taxes (General Obligation) *	\$497,945,000	\$1,567
Utility System	<u>1,285,053,000</u>	<u>4,044 **</u>
Total	\$1,782,998,000	\$5,611

(*) **Excludes remaining \$250 million** of voter authorized bonds; includes self-supporting debt from Solid Waste, Airport and Utility Systems

(**) The Utility System is a regional provider of services and is estimated to serve around 500,000 customers when accounting for municipal customers.

Property Tax-Secured (GO) Debt by Financing Tool

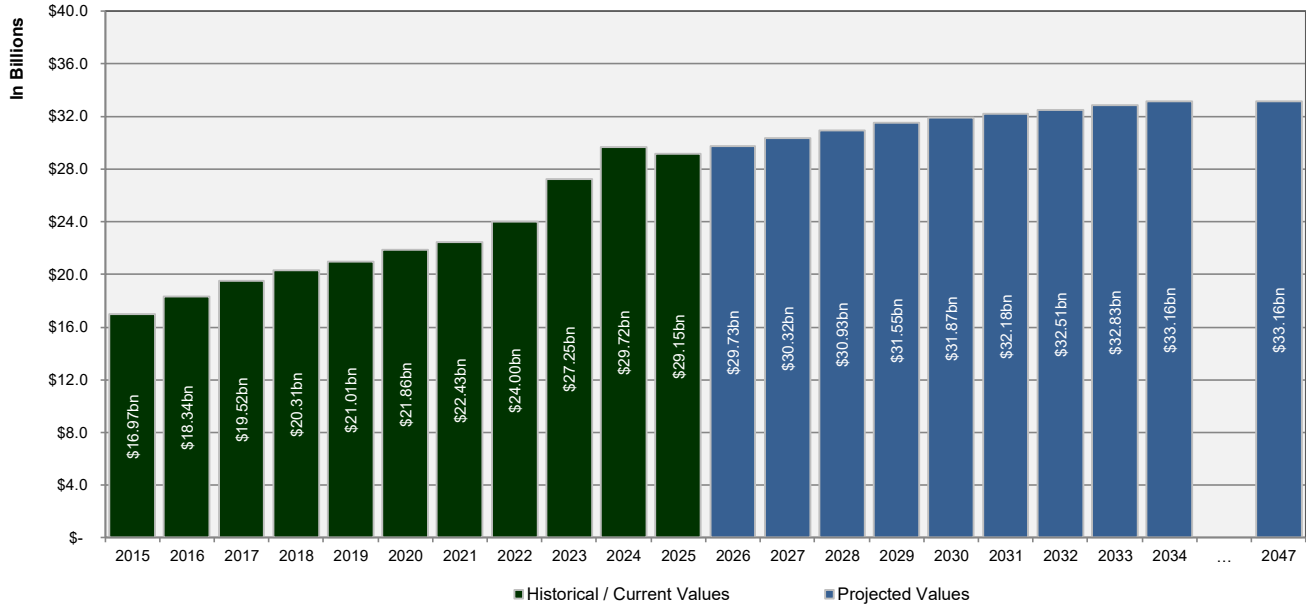
- **Outstanding Bond Issues: 33**
- **Outstanding Principal as of 9/30/2025: \$497,945,000**
- **Final Payment Year: 2044**



Property Tax-Secured (GO) Debt Service Payments

FYE 9/30:	Principal	Interest	Fiscal Year Total
2026	34,600,000.00	20,602,295.55	55,202,295.55
2027	38,865,000.00	19,095,580.50	57,960,580.50
2028	39,390,000.00	17,461,590.14	56,851,590.14
2029	41,260,000.00	15,787,298.61	57,047,298.61
2030	36,125,000.00	14,189,326.64	50,314,326.64
2031	34,310,000.00	12,744,393.70	47,054,393.70
2032	35,745,000.00	11,289,662.40	47,034,662.40
2033	33,465,000.00	9,877,935.85	43,342,935.85
2034	28,240,000.00	8,590,580.55	36,830,580.55
2035	29,510,000.00	7,319,890.32	36,829,890.32
2036	22,855,000.00	6,179,954.67	29,034,954.67
2037	21,460,000.00	5,213,713.59	26,673,713.59
2038	21,125,000.00	4,259,425.68	25,384,425.68
2039	18,255,000.00	3,362,515.60	21,617,515.60
2040	19,120,000.00	2,508,890.40	21,628,890.40
2041	13,835,000.00	1,752,423.25	15,587,423.25
2042	13,320,000.00	1,117,050.50	14,437,050.50
2043	9,885,000.00	568,163.75	10,453,163.75
2044	6,580,000.00	166,637.50	6,746,637.50
Total	497,945,000.00	162,087,329.20	660,032,329.20

Historical and Projected Taxable Values

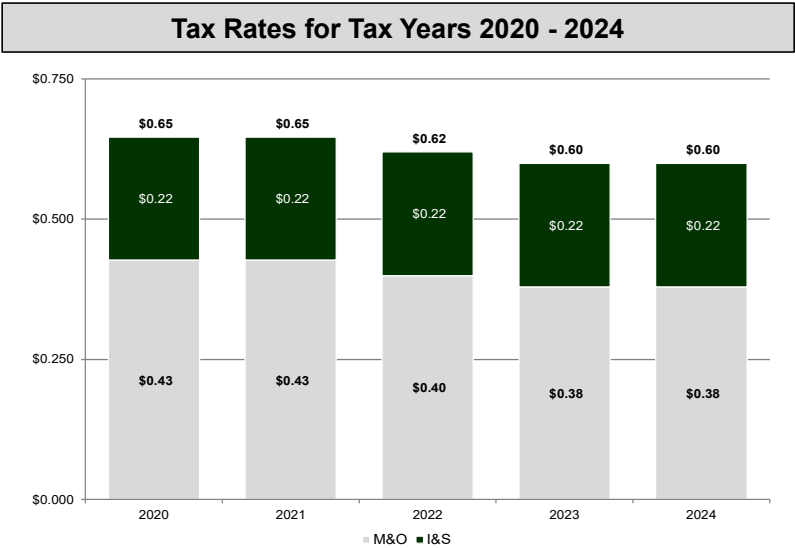


Historical and Projected Annual AV Growth													
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 to 2029	2030 to 2034	Thereafter
9.23%	8.11%	6.39%	4.05%	3.45%	4.05%	2.59%	7.01%	13.55%	9.04%	-1.91%	2.00%	1.00%	0.00%
10-Year Average: 5.63%					5-Year Average: 6.06%					Projected			

Note: FY 2015 to FY 2024 data provided by the City's Annual Comprehensive Financial Report ("ACFR") dated September 30, 2024. ACFR values do not exclude TIF values.
Values beginning in FY 2024 exclude TIF values in order to match assumptions used for budgeting purposes.

Property Tax Rate

Current Rate	Amount
Maintenance & Operations (M&O) Tax Rate	\$0.3788
Debt Service (I&S) Tax Rate	<u>\$0.2209</u>
Total Tax Rate	\$0.5998



Update on Property Tax Exemptions

- In recent years, the City increased its homestead, over-65, and disabled exemptions to provide greater tax relief for residents, while maintaining existing tax limitation protections.

<u>Category</u>	<u>Previous</u>	→	<u>Current</u>
Homestead Exemption	10% (min. \$5,000)	→	20% (min. \$5,000)
Over 65 Exemption	\$50,000	→	\$62,500
Disabled Person Exemption	\$50,000	→	\$62,500
Tax Freeze for Elderly/Disabled	Approved 2004 (No Change)	✓	Approved 2004 (No Change)
Freeport Property Tax	Not Taxed (No Change)	✓	Not Taxed (No Change)
Non-Business Vehicles & Boats	Not Taxed (No Change)	✓	Not Taxed (No Change)
Tax Collection	Nueces County Tax Assessor-Collector	✓	Nueces County Tax Assessor-Collector
Split Payments/Discounts	Not Permitted (No Change)	✓	Not Permitted (No Change)

November 2022 Bond Program: \$125,000,000

- **Successful Bond Election Date: November 8, 2022**
 - **Bond funding accessed to date: \$50,000,000**
 - **Bond funding remaining: \$75,000,000**

Proposition	Purpose	Amount	For / Against
A	Streets	\$92,500,000	49,791 (66.9%) / 24,659 (33.1%)
B	Park & Recreation	\$20,000,000	45,723 (61.6%) / 28,472 (38.4%)
C	Public Safety	\$10,000,000	55,351 (74.1%) / 19,320 (25.9%)
D	Library	\$2,500,000	43,829 (59.3%) / 30,118 (40.7%)

November 2024 Bond Program: \$175,000,000

- **Successful Bond Election Date: November 5, 2024**
 - **Bond funding accessed to date: \$0**
 - **Bond funding remaining: \$175,000,000**

Proposition	Purpose	Amount	For / Against
A	Streets	\$89,500,000	67,230 (68.1%) / 31,469 (31.9%)
B	Park & Recreation	\$37,650,000	60,921 (62.0%) / 37,405 (38.0%)
C	Public Safety	\$45,000,000	72,914 (74.2%) / 25,330 (25.8%)
D	Library	\$2,250,000	58,141 (60.1%) / 38,638 (39.1%)

FY 2025 Estimated Project Funding Needs

- Estimated Amount by Property Tax-Secured Financing Tool:
 - General Obligation Bonds: \$30,000,000
 - Certificates of Obligation: \$43,200,000
 - Tax Notes: \$11,120,000

Upcoming Discussion and Action

March 13, 2025

- I. Fiscal Year 2025 Financing Plan Presentation
- II. Consideration of Notice of Intent Resolution



Legislative Update

Heather Hurlbert,
Assistant City Manager

HB 9



- Increases the exemption on Business Personal Property from \$2,500 to \$250,000
 - *Potential committee substitute*-Decrease the amount from \$250,000 to \$125,000
- This would be effective for tax year 2025

HB 19



- Uniform election date of November for all bond elections and tax rate increases
- Caps debt service payments for tax-backed debt to 20% of the average property tax collections over the last three years
 - *Potential committee substitute*-Applied to only debt issued after September 1, 2025
- Limits issuance of CO's to only the following situations and for only limited purposes:
 - Compliance with laws
 - Public Health Emergencies
 - Disaster Recovery

HB 5267



- Limit expenditures from all available sources of revenue in a fiscal year to the greater of:
 - Total expenditures from all sources of revenue from the preceding fiscal year
 - Total expenditures from the prior year multiplied by one plus the sum of the population growth and the inflation rate
- Expenditures can exceed the limit if:
 - Approved by voters
 - Governor declares or renews a state of disaster
- Revenues would exclude money received from bonds, grants, donations, and gifts.

SB 924



- Eliminates services that are offered over the internet, including streaming content, from the definition of *Cable Service*
- Eliminates direct to home satellite services, video services provided by a commercial mobile service provider, and video programming assessed through the internet from the definition of *Video Service*
- By eliminating these type of services from the definitions, they are no longer subject to the telecom franchise fee
 - Potential revenue loss to the City is estimated at \$2.1M



Closing

Peter Zanoni,
City Manager



FY 2026 Budget Goal Setting Workshop

May 8, 2025



CITY OF CORPUS CHRISTI