

City of Amarillo

FY 2023/2024 Proposed Budget

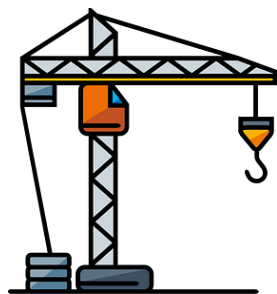
Presented to Amarillo City Council July 25-28, 2023 and
August 9-10, 2023



2023/2024 Budget Highlights



Additional resources for Police, Fire, Animal Management & Welfare, and Emergency Communications to enhance public safety



Continued funding for Capital Projects and Streets



Addressing rising costs in several vital areas including commodities, materials, supplies, construction, and attracting and retaining personnel



4% raises and annual leave buyback program for all employees plus continued funding of longevity pay for Police and Fire and discretionary retention pay (DRP) for civilian employees including the holiday voucher program

2023/2024 Budget Summary

Budget Category	2022/2023	2023/2024	% Change
General Fund Operating	\$239,300,951	\$244,784,702	2.3%
Water & Sewer Operating	58,614,367	69,423,705	18.4%
Capital Improvement Projects	114,352,664	83,110,421	(27.3)%
Special Revenue Operating	39,875,546	35,828,811	(10.1)%
Fleet Services Operating	12,530,989	13,956,215	11.4%
Insurance Operating	39,801,333	39,435,911	(0.9)%
Debt Service	68,298,159	55,984,165	(18.0)%
Airport Operating	14,188,377	15,722,148	10.8%
Drainage Utility Operating	3,940,026	3,908,395	(0.8)%
Information Technology Operating	9,046,519	9,351,191	3.4%
Capital Improvement Transfers	3,216,767	3,724,936	15.8%
LESS: Interfund Transfers	(112,335,250)	(107,853,549)	(4.0)%
TOTAL BUDGET	\$490,830,448	\$467,377,051	(4.8)%

2023/2024 Proposed Fee Changes

FEE CATEGORY	PROPOSED INCREASE	ADDITIONAL REVENUE
Solid Waste Collection (Residential)	14.53%	\$2,424,414
Solid Waste Collection (Commercial)	5.00%	\$321,369
Solid Waste Disposal	5.00%	\$174,999
Environmental Health	Various	\$881,144
Parks & Recreation-Golf	Various	\$160,084
Parks & Recreation-Tennis	Various	\$15,000
Parks & Recreation-Zoo	Various	\$100,000
Parks & Recreation Athletics	Various	\$11,200
City Marshal	Various	\$112,360
Water & Sewer	5.00%	\$4,899,765
Drainage Utility	5.00%	\$361,209

Sales Tax Ten-Year History

Fiscal Year	City Collections	% Change
2012/13	\$ 52,126,017	8.02 %
2013/14	54,413,835	4.39 %
2014/15	55,482,697	1.96 %
2015/16	56,093,996	1.10 %
2016/17	55,544,448	(0.98)%
2017/18	57,403,769	3.35 %
2018/19	59,175,698	3.09 %
2019/20 ¹	59,831,000	1.11 %
2020/21	67,507,499	12.83 %
2021/22	74,488,831	10.34 %

10-year Change: \$22,362,814
Compound Annual Growth Rate 4.05 %

¹ COVID-19

City collections (1.50%) only, includes year-end audit adjustment for accrual

Sales Tax Rate:

State	6.25%
City	1.50%
AEDC	0.50%
Total Rate	8.25%

The total local portion of sales tax cannot exceed 2.00%.

Sales Tax Current Year Collections

	2021/22 Actual	2022/23 Actual	Increase/ (Decrease)	Percent Change	2022/23 Budget	Budget vs. Actual	Percent Change	Revised 2022/23 Budget	Trended 2022/23 Budget
ACTUAL COLLECTIONS									
OCTOBER	\$5,610,276	\$6,252,273	\$641,997	11.44%	\$5,550,329	\$701,944	12.65%	\$6,252,273	\$6,252,273
NOVEMBER	6,464,660	6,784,004	319,344	4.94%	5,985,581	798,423	13.34%	6,784,004	6,784,004
DECEMBER	5,770,568	5,948,003	177,435	3.07%	5,167,603	780,400	15.10%	5,948,003	5,948,003
JANUARY	6,011,917	6,112,105	100,188	1.67%	5,250,705	861,400	16.41%	6,112,105	6,112,105
FEBRUARY	7,313,441	8,002,354	688,913	9.42%	7,463,469	538,885	7.22%	8,002,354	8,002,354
MARCH	5,232,696	5,556,167	323,471	6.18%	5,013,156	543,011	10.83%	5,556,167	5,556,167
APRIL	5,140,820	5,437,216	296,396	5.77%	4,696,855	740,361	15.76%	5,437,216	5,437,216
MAY	7,173,868	7,381,500	207,632	2.89%	6,016,178	1,365,322	22.69%	7,381,500	7,381,500
JUNE	5,884,094	5,792,853	(91,241)	-1.55%	4,883,874	908,979	18.61%	5,792,853	5,792,853
JULY	5,965,563	6,061,218	95,655	1.60%	5,385,082	676,136	12.56%	6,061,218	6,061,218
TOTAL ACTUAL	60,567,903	63,327,693	2,759,790	4.56%	55,412,832	7,914,861	14.28%	63,327,693	63,327,693
EXPECTED COLLECTIONS									
AUGUST	7,220,309				6,830,610			6,830,610	7,549,555
SEPTEMBER	6,058,619				5,759,259			5,759,259	6,334,892
TOTAL EXPECTED	\$13,278,928				\$12,589,869			\$12,589,869	\$13,884,447
TOTAL	\$73,846,831	\$63,327,693			\$68,002,701			\$75,917,562	\$77,212,140
						PROJECTIONS VS. BUDGET		\$7,914,861	\$9,209,439
						PERCENTAGE ABOVE BUDGET (YTD)		11.64%	

FY 2023/2024 Proposed
\$73,500,000

Gross Receipts Business Tax



Electric Utility – 5%

Also referred to as
Franchise Fees



Gas Utility – 5%

Set by agreement
with the entity for
use of City right-of-
way



Telephone Utilities* – per line charge



Cable TV* – 5%



City-owned Utilities – water and sewer based on a
per account charge

* Changes during the 2019 Legislative Session now allow a cable Company to pay only the greater of their cable TV or telephone utility franchise tax

Gross Receipts Business Tax

FY 2022/23 Through June 2023

	Annual Budget	Budget Thru Month	Actual Thru Month	% of Annual Budget	Variance Thru Month	% Var Thru Month
Electricity	\$ 10,714,297	\$ 7,428,437	\$ 8,084,631	75.5%	\$ 656,194	8.8%
Gas	4,403,056	3,569,245	3,683,361	83.7%	114,116	3.2%
Water	3,594,106	2,692,199	2,702,812	75.2%	10,613	0.4%
Sewer	1,530,810	1,146,659	1,149,021	75.1%	2,362	0.2%
Telecomm	647,952	526,191	569,081	87.8%	42,890	8.2%
Cable	1,235,341	974,124	847,404	68.6%	(126,720)	(13.0)%
Franchise	\$ 22,125,562	\$ 16,336,855	\$ 17,036,310	77.0%	\$ 699,455	4.3%

Gross Receipts Business Tax History

	<u>Electric</u>	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Telecomm</u>	<u>Cable</u>	<u>Total</u>
2012/13	\$7,828,363	\$2,702,644	\$2,123,217	\$910,551	\$1,258,977	\$1,888,471	\$16,712,223
2013/14	\$8,425,707	\$3,274,169	\$2,223,094	\$949,679	\$1,280,464	\$2,131,480	\$18,284,593
2014/15	\$8,584,097	\$3,108,617	\$2,257,921	\$969,675	\$1,172,305	\$2,133,949	\$18,226,564
2015/16	\$7,745,095	\$2,540,409	\$2,281,820	\$975,834	\$1,080,156	\$2,155,243	\$16,778,557
2016/17	\$8,483,308	\$2,998,058	\$2,331,235	\$990,446	\$1,026,621	\$2,133,117	\$17,962,785
2017/18	\$8,788,795	\$2,888,563	\$2,533,836	\$1,076,667	\$956,054	\$1,964,847	\$18,208,762
2018/19	\$8,222,133	\$2,479,968	\$2,612,581	\$1,123,413	\$938,233	\$1,974,509	\$17,350,837
2019/20	\$7,583,335	\$2,522,229	\$2,962,719	\$1,263,320	\$870,476	\$1,759,296	\$16,961,375
2020/21	\$8,971,532	\$3,326,621	\$3,126,240	\$1,333,901	\$751,520	\$1,577,610	\$19,087,424
2021/22	\$10,261,180	\$4,292,852	\$3,146,818	\$1,336,332	\$705,481	\$1,305,317	\$21,047,980
10-year Change:	\$2,432,817	\$1,590,208	\$1,023,601	\$425,781	\$(553,496)	\$(583,154)	\$4,335,757
Compound Annual Growth Rate:	3.05 %	5.28 %	4.47 %	4.35 %	(6.23)%	(4.02)%	2.60 %

Hotel Occupancy Tax (HOT) - Ten-Year History

Fiscal Year	City Collections	% Change
2012/13	\$ 5,691,119	13.77 %
2013/14	5,937,402	4.33 %
2014/15	6,341,559	6.81 %
2015/16	6,777,185	6.87 %
2016/17	6,610,423	(2.46)%
2017/18	6,932,936	4.88 %
2018/19	7,208,732	3.98 %
2019/20 ¹	5,431,173	(24.66)%
2020/21	8,545,313	57.34 %
2021/22	9,585,539	12.17 %

10-year Change: \$3,894,420
Compound Annual Growth Rate 5.96 %

¹ COVID-19

City collections (7.00%) only, includes year-end audit adjustment for accrual

HOT Tax Rate:

State	6.00%
City	7.00%
Venue District*	2.00%
Total Rate	15.00%

* The Amarillo-Potter Events Venue District was created by voter approval in September 1997.

The City portion of HOT tax cannot exceed 7.00% unless otherwise authorized by the State. HOT Tax Revenue is a “dedicated” revenue source. This means that the revenue received from HOT Taxes must be used to promote tourism within the City.

Hotel Occupancy Tax Current Year Collections

	2021/22 Actual	2022/23 Actual	Increase/ (Decrease)	Percent Change	2022/23 Budget	Budget vs. Actual	Percent Change	Revised 2022/23 Budget	Trended 2022/23 Budget
ACTUAL COLLECTIONS									
OCTOBER	\$732,290	\$765,048	\$32,758	4.47%	\$746,936	\$18,112	2.42%	\$765,048	\$765,048
NOVEMBER	726,590	716,202	(10,388)	-1.43%	741,121	(24,919)	-3.36%	716,202	716,202
DECEMBER	747,843	749,907	2,064	0.28%	762,800	(12,893)	-1.69%	749,907	749,907
JANUARY	726,407	627,889	(98,518)	-13.56%	740,935	(113,046)	-15.26%	627,889	627,889
FEBRUARY	814,184	569,855	(244,329)	-30.01%	830,468	(260,613)	-31.38%	569,855	569,855
MARCH	551,348	550,520	(828)	-0.15%	562,375	(11,855)	-2.11%	550,520	550,520
APRIL	914,145	846,160	(67,985)	-7.44%	932,427	(86,267)	-9.25%	846,160	846,160
MAY	664,916	696,979	32,063	4.82%	695,635	1,344	0.19%	696,979	696,979
JUNE	777,870	803,616	25,746	3.31%	829,233	(25,617)	-3.09%	803,616	803,616
JULY ¹	1,079,020	1,052,944	(26,076)	-2.42%	1,069,130	(16,186)	-1.51%	1,052,944	1,052,944
TOTAL ACTUAL	7,734,613	7,379,120	(355,493)	-4.60%	7,911,060	(531,940)	-6.72%	7,379,120	7,379,120
EXPECTED COLLECTIONS									
AUGUST	977,146				1,231,725			1,231,725	932,197
SEPTEMBER	873,780				955,936			955,936	833,586
TOTAL EXPECTED	\$1,850,926				\$2,187,661			\$2,187,661	\$1,765,783
TOTAL	\$9,585,539	\$7,379,120			\$10,098,721			\$9,566,781	\$9,144,903

¹ - July 2023 receipts are still preliminary

**FY 2023/2024 Proposed
\$9,293,332**

PROJECTIONS VS. BUDGET **\$(531,940)** **\$(953,818)**

PERCENTAGE ABOVE BUDGET (YTD) **-5.27%**



Utilities Sales

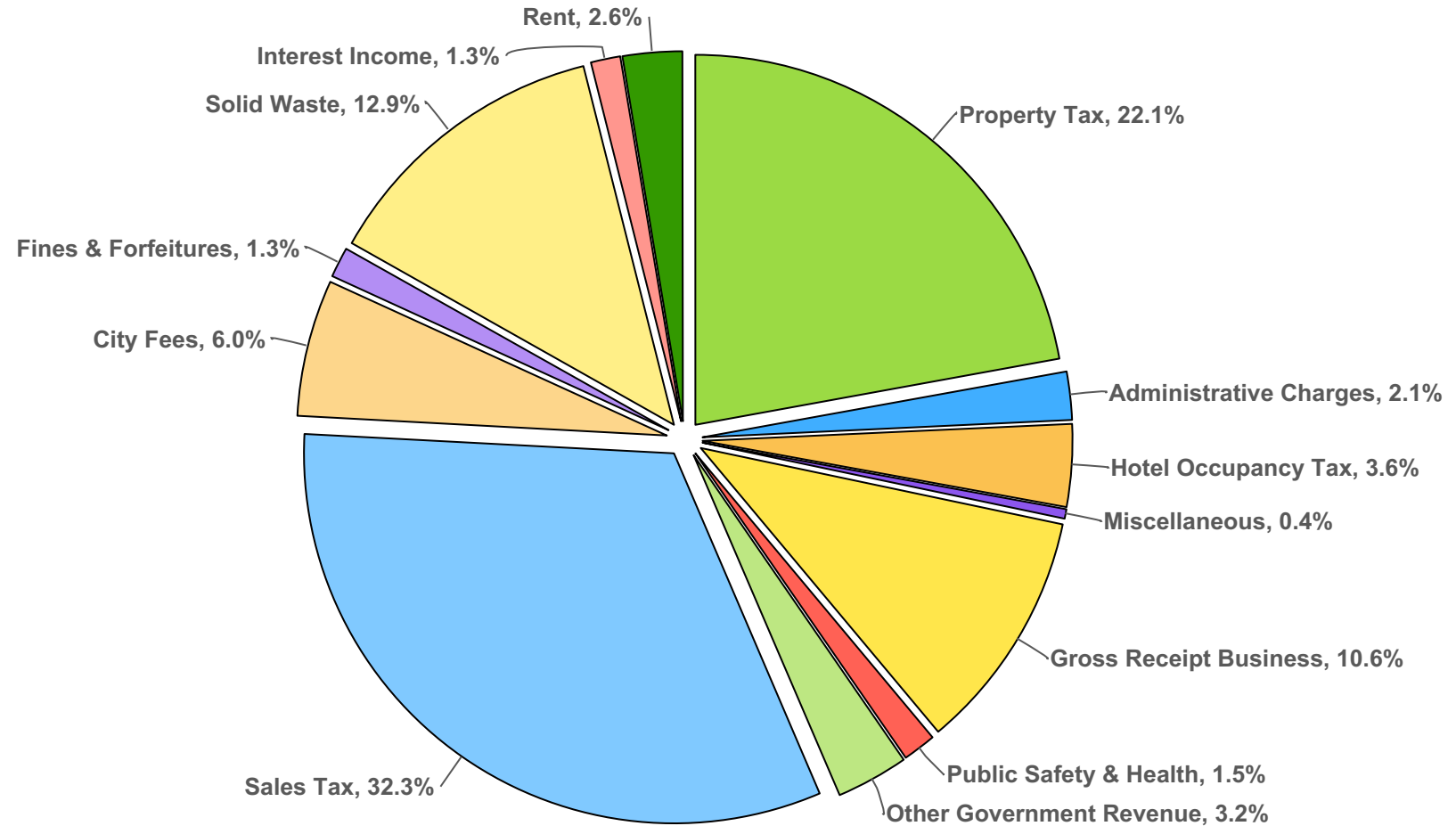
FY 2022/23 Through June 2023

	Annual Budget	Budget Thru Month	Actual Thru Month	% of Annual Budget	Variance Thru Month	% Var Thru Month
Residential	\$ 16,685,589	\$ 12,444,309	\$ 12,486,814	74.8%	\$ 42,505	0.3%
Commercial	6,427,378	4,820,535	4,883,672	76.0%	63,137	1.3%
Landfill	3,851,163	2,726,824	2,530,488	65.7%	(196,336)	(7.2)%
Solid Waste	\$ 26,964,130	\$ 19,991,668	\$ 19,900,974	73.8%	(90,694)	(0.5)%
Water	\$ 66,594,783	44,450,810	39,965,319	60.0%	(4,485,491)	(10.1)%
Sewer	29,800,112	21,722,831	21,428,365	71.9%	(294,466)	(1.4)%
W&S	\$ 96,394,895	\$ 66,173,641	\$ 61,393,684	63.7%	\$ (4,779,957)	(7.2)%
Drainage	\$ 7,403,572	\$ 5,552,676	\$ 5,720,559	77.3%	\$ 167,883	3.0%

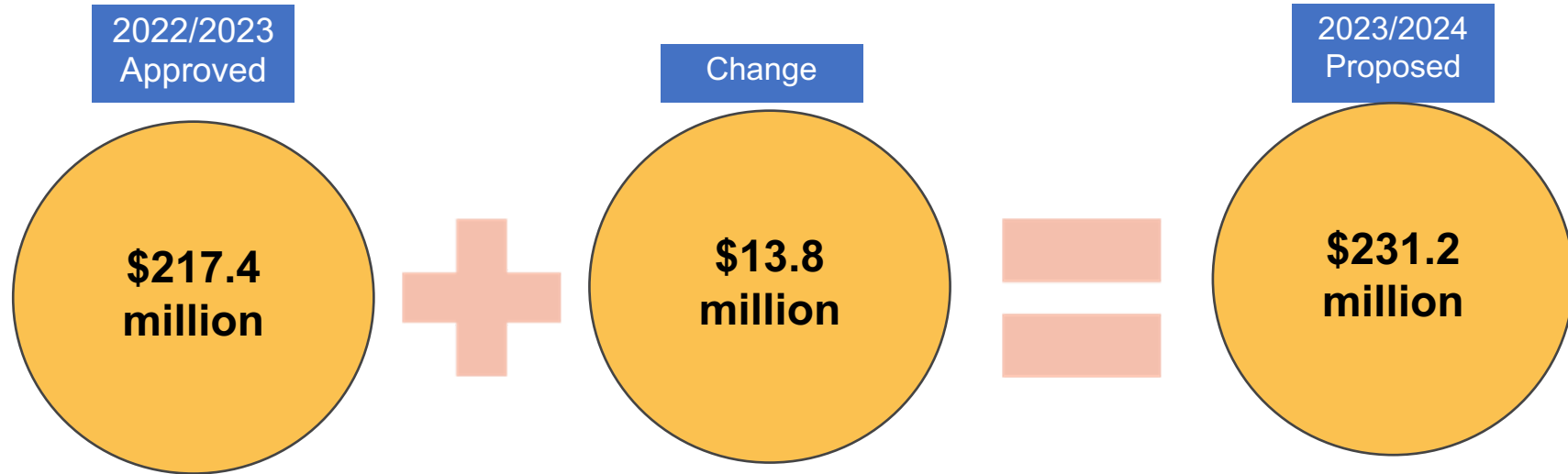
Golf Operations History

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Revised Estimate	2023 Dept Request
Total Revenues	\$ 2,989,083	\$ 2,877,495	\$ 2,631,642	\$ 3,427,210	\$ 3,578,452	\$ 3,655,267	\$ 4,018,891	\$ 4,101,909
Total Expenditures	4,607,858	4,771,494	4,167,496	4,243,091	4,249,344	4,515,054	4,653,627	4,872,496
Net Subsidized Expenditures	\$ 1,618,775	\$ 1,893,999	\$ 1,535,854	\$ 815,881	\$ 670,892	\$ 859,787	\$ 634,736	\$ 770,587
Recovery Rate	64.9%	60.3%	63.1%	80.8%	84.2%	81.0%	86.4%	84.2%

2023/2024 General Fund Revenue



General Fund Revenue Changes

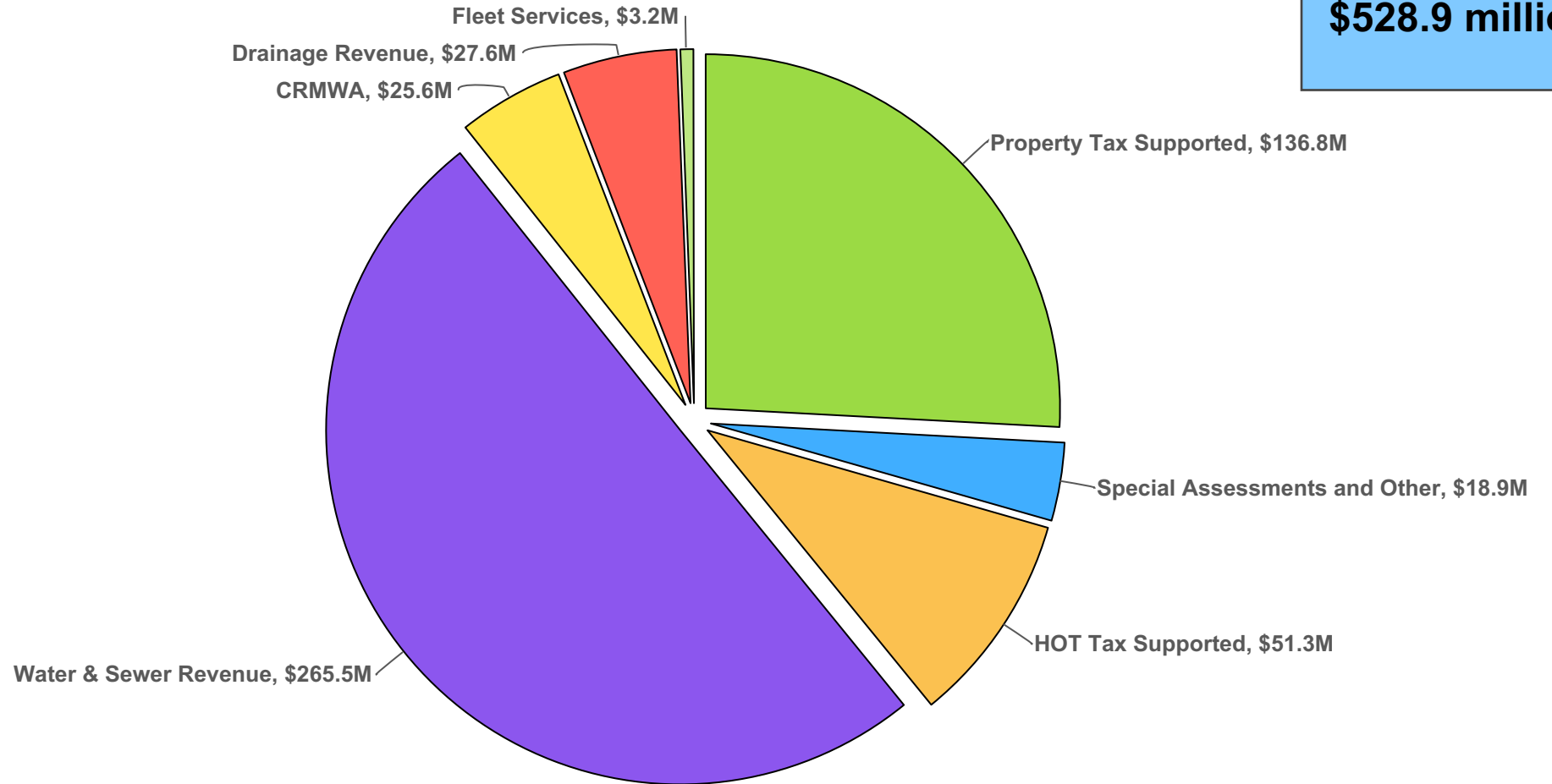


Significant Changes

Sales Tax	\$ 5.6 million
Solid Waste	\$ 2.6 million
Interest Income	\$ 2.6 million
Gross Receipt Business	\$ 2.4 million
Other	\$ 0.6 million
	<u>\$ 13.8 million</u>

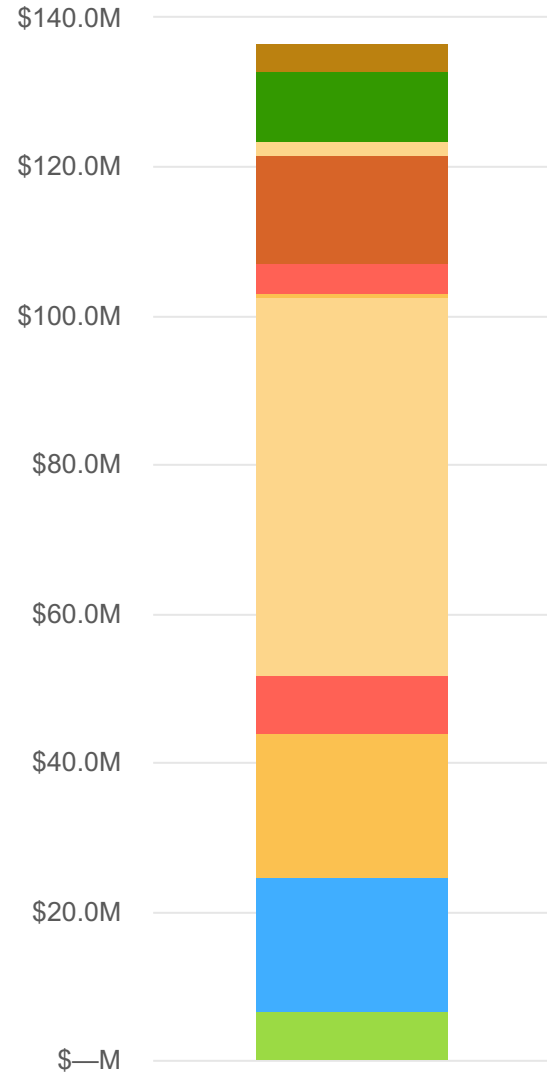
Total Debt by Funding Source

**Total Debt:
\$528.9 million**



Total Debt outstanding at 10/01/2023

Property Tax Supported Debt



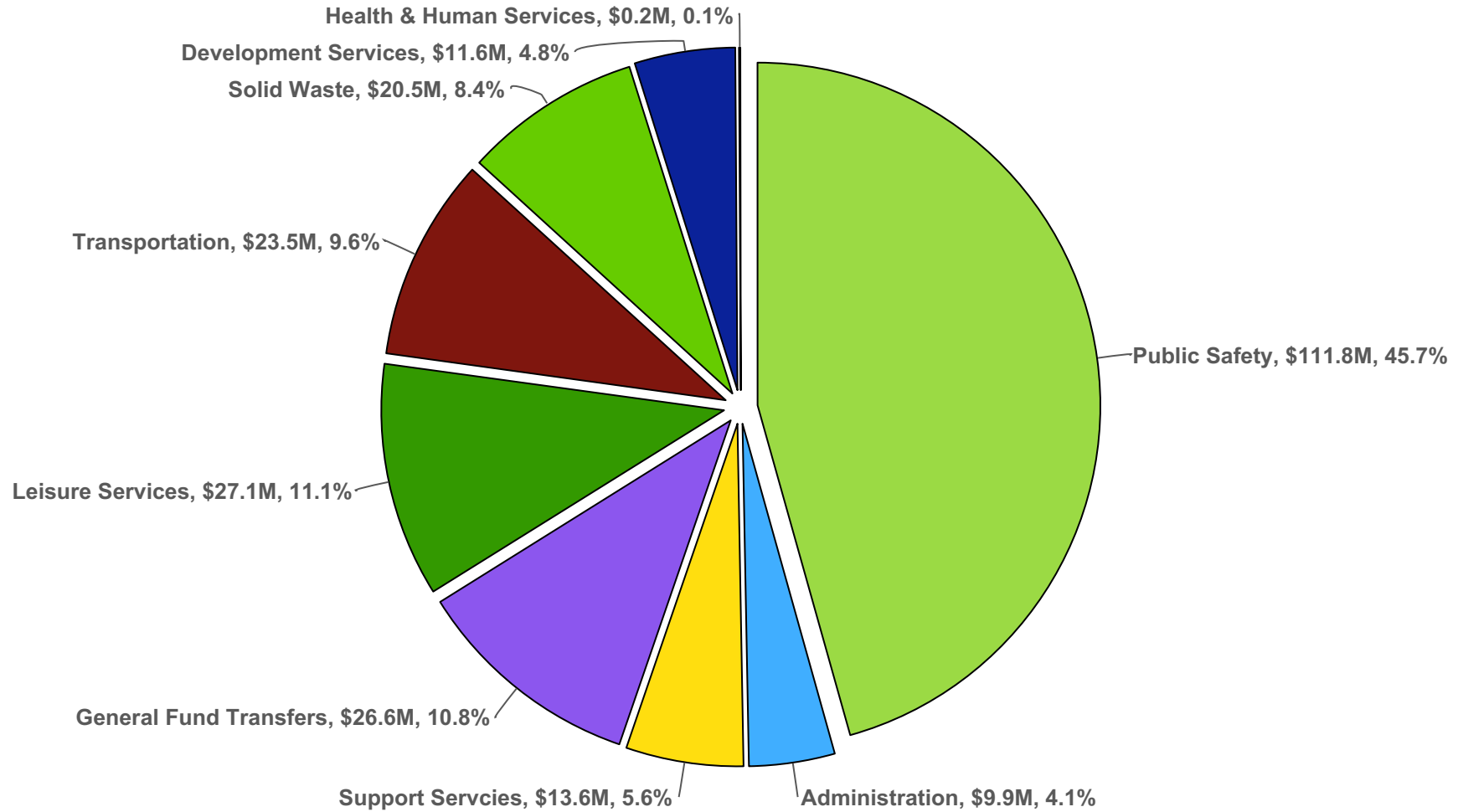
- Tax Notes Series 2022 - ERP Software System
- Tax Note Series 2022 - City Hall Renovation (50%)
- Tax Note Series 2020 - Johnson Street Properties
- CO Series 2022 - Athletic Field Lighting Project
- CO Series 2020 - Thompson Pool
- CO Series 2017 - Radio Project
- CO Series 2010 - Grand Street Bridge
- GO Series 2021 - Proposition 1 Streets
- GO Series 2020 - Proposition 2 Public Safety
- GO Series 2018 - Proposition 1 & 2 Streets & Public Safety
- GO Series 2017 - Proposition 1 & 2 Streets & Public Safety
- GO Series 2017 Refunding - (2007 bonds) Police, Fire, Public Health, Streets, Parks

Total Property Tax Supported Debt: \$136.8 million

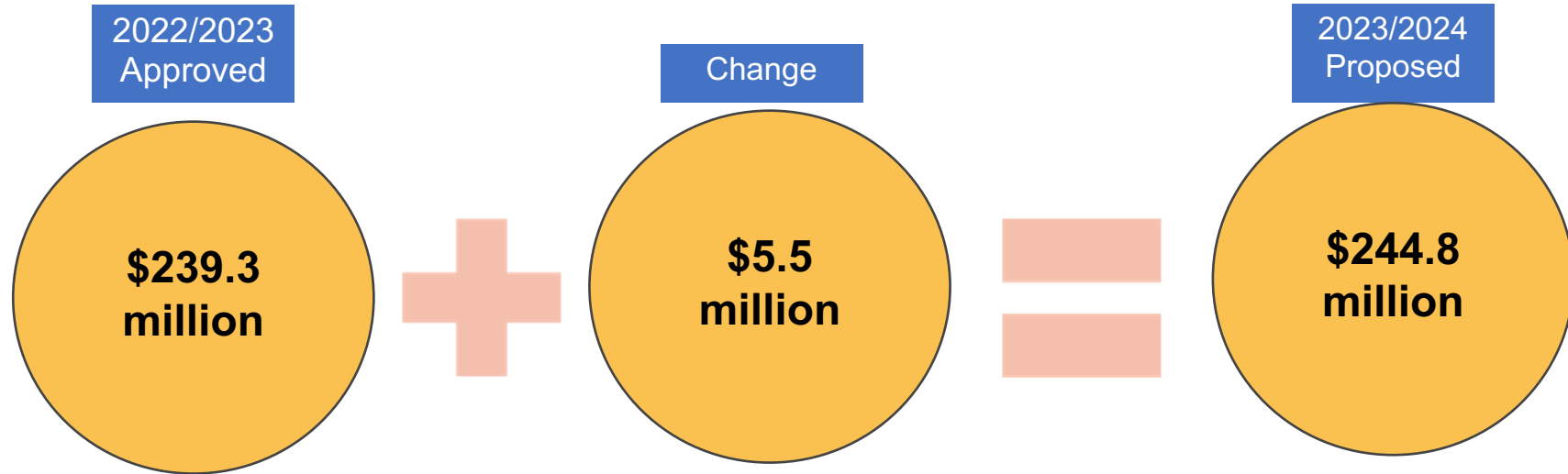
Annual Debt Service

Description	Fiscal Year 2022/2023	Fiscal Year 2023/2024
Annual Debt Service	\$55.5 million	\$54.7 million
Annual Budget	\$490.8 million	\$467.4 million
Debt Service as % of Budget	11.3%	11.7%

2023/2024 General Fund Expenditures



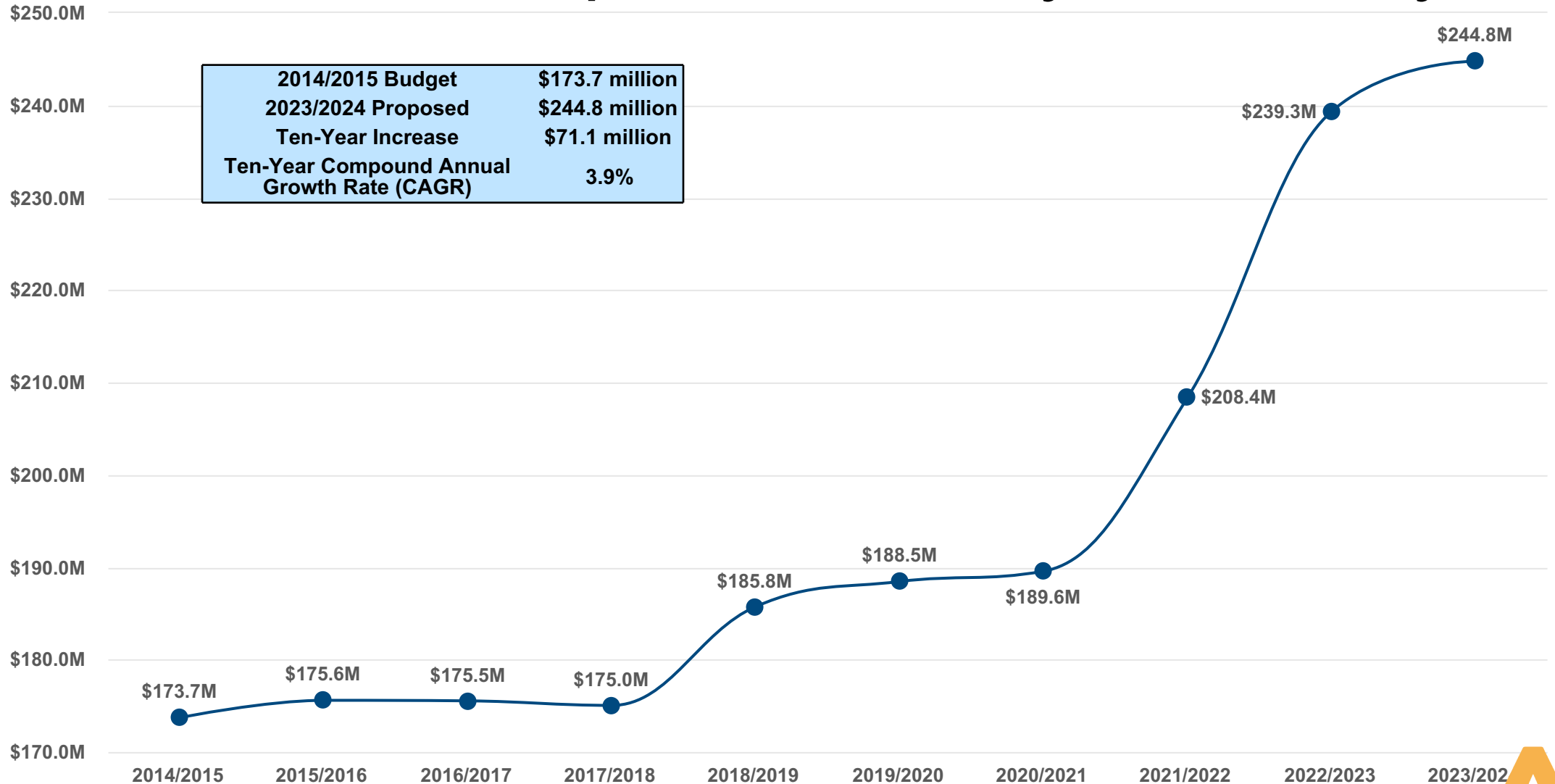
General Fund Expense Changes



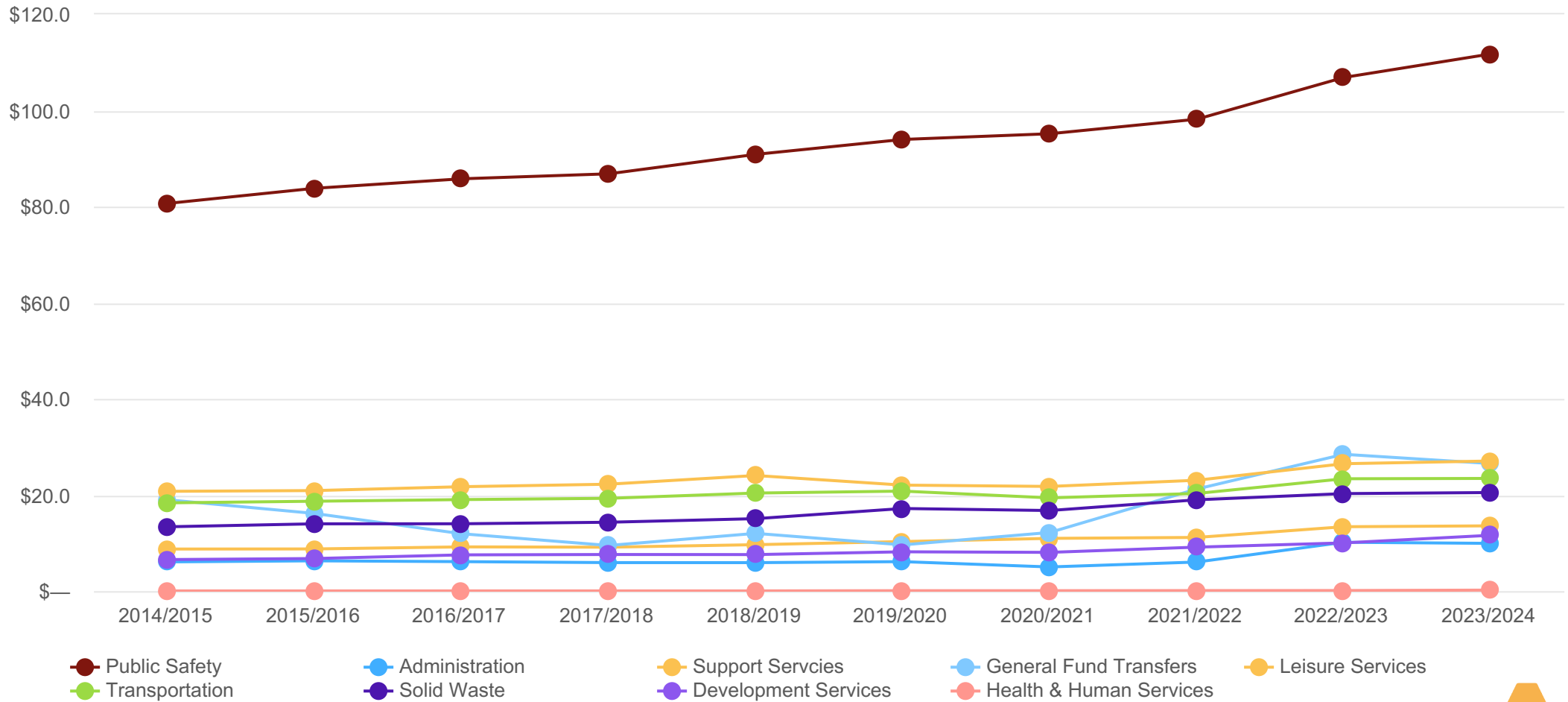
Significant Changes

Personal Services changes \$ 5.8 million

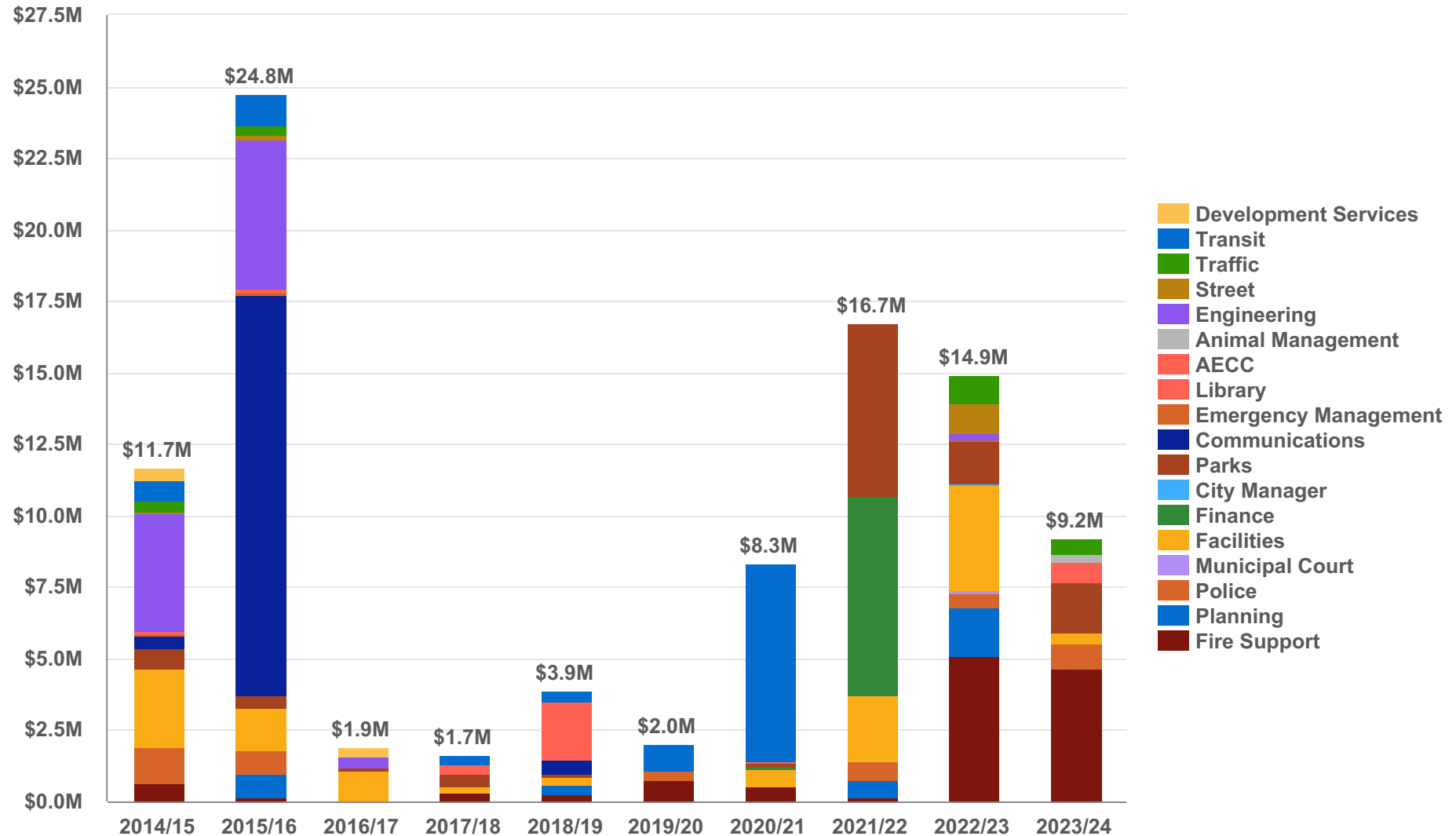
General Fund Expenditure 10-year History



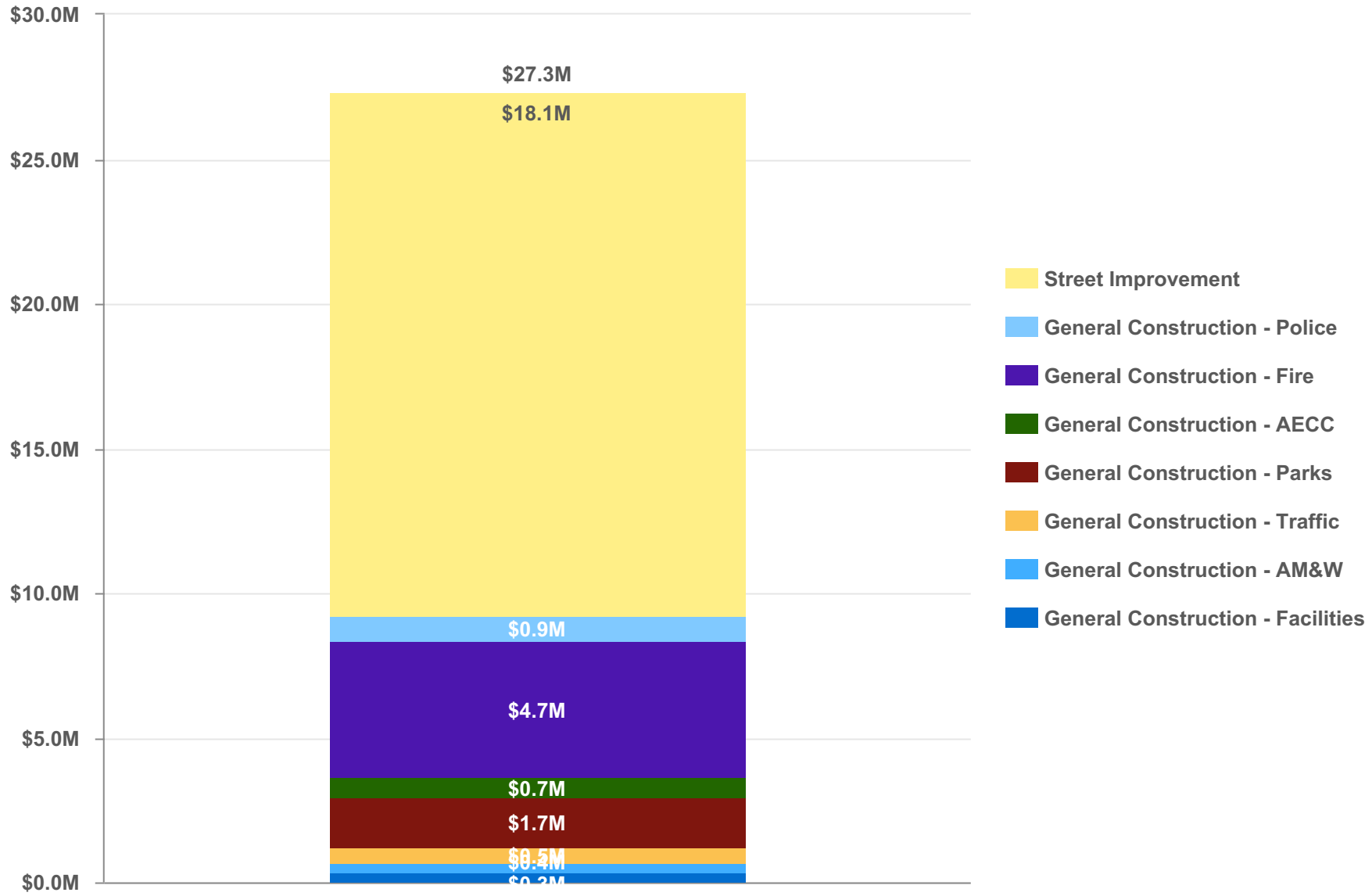
General Fund Expenditure by Category -10-Year Trend



Capital Improvement Program General Construction Fund – Ten Year History



General Fund Capital Improvement Program ²⁴ 2023/2024 Budget



Future Budget Priorities



Add additional funding for repair and maintenance of aging City infrastructure including streets, water and sewer facilities, drainage facilities, and other City facilities



Plan for expansion of City services to address growth

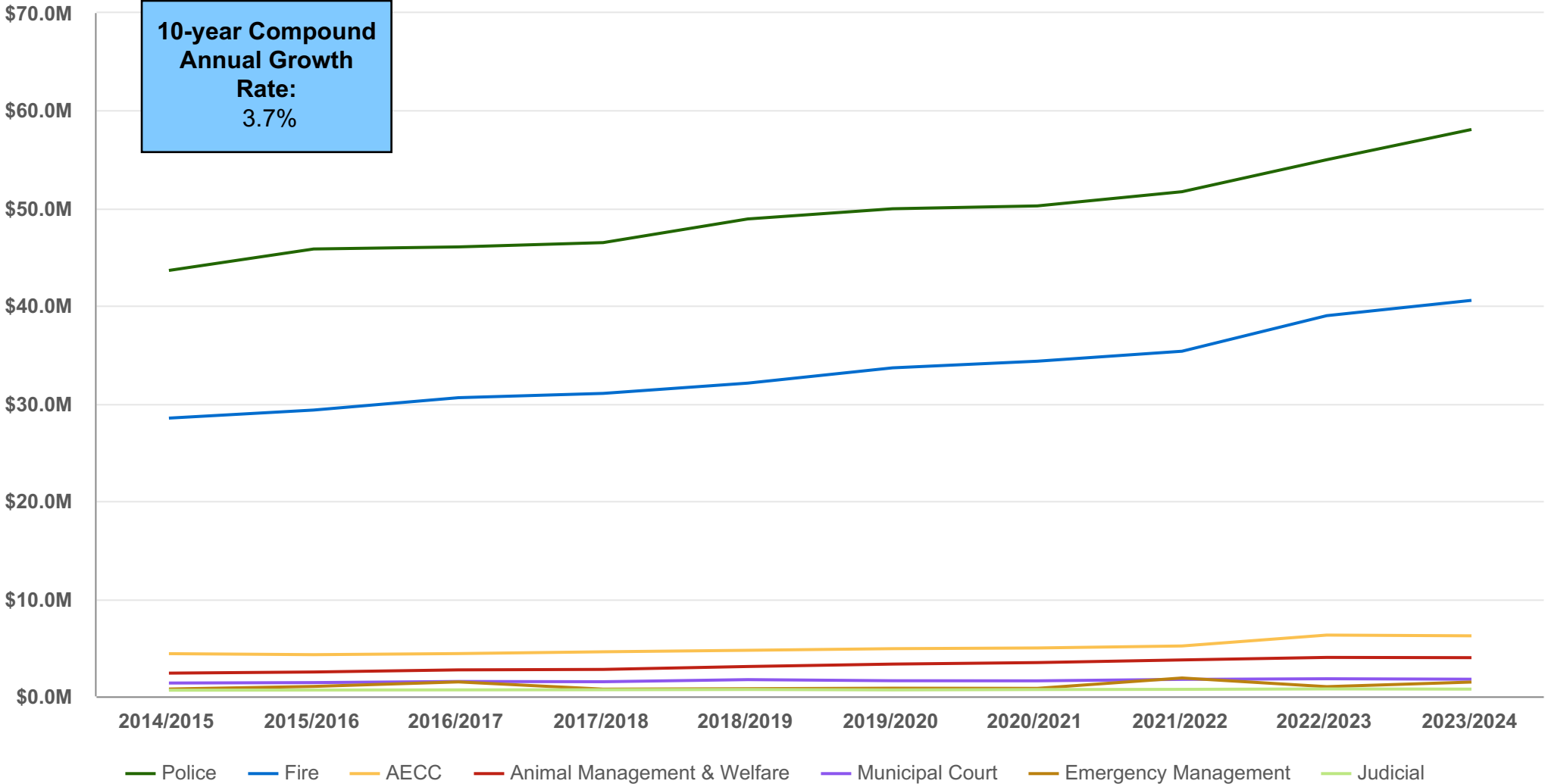


Address staffing recruitment and retention for Public Safety and all other City personnel to maintain current service levels city-wide as the community continues to grow and as the labor market becomes more competitive

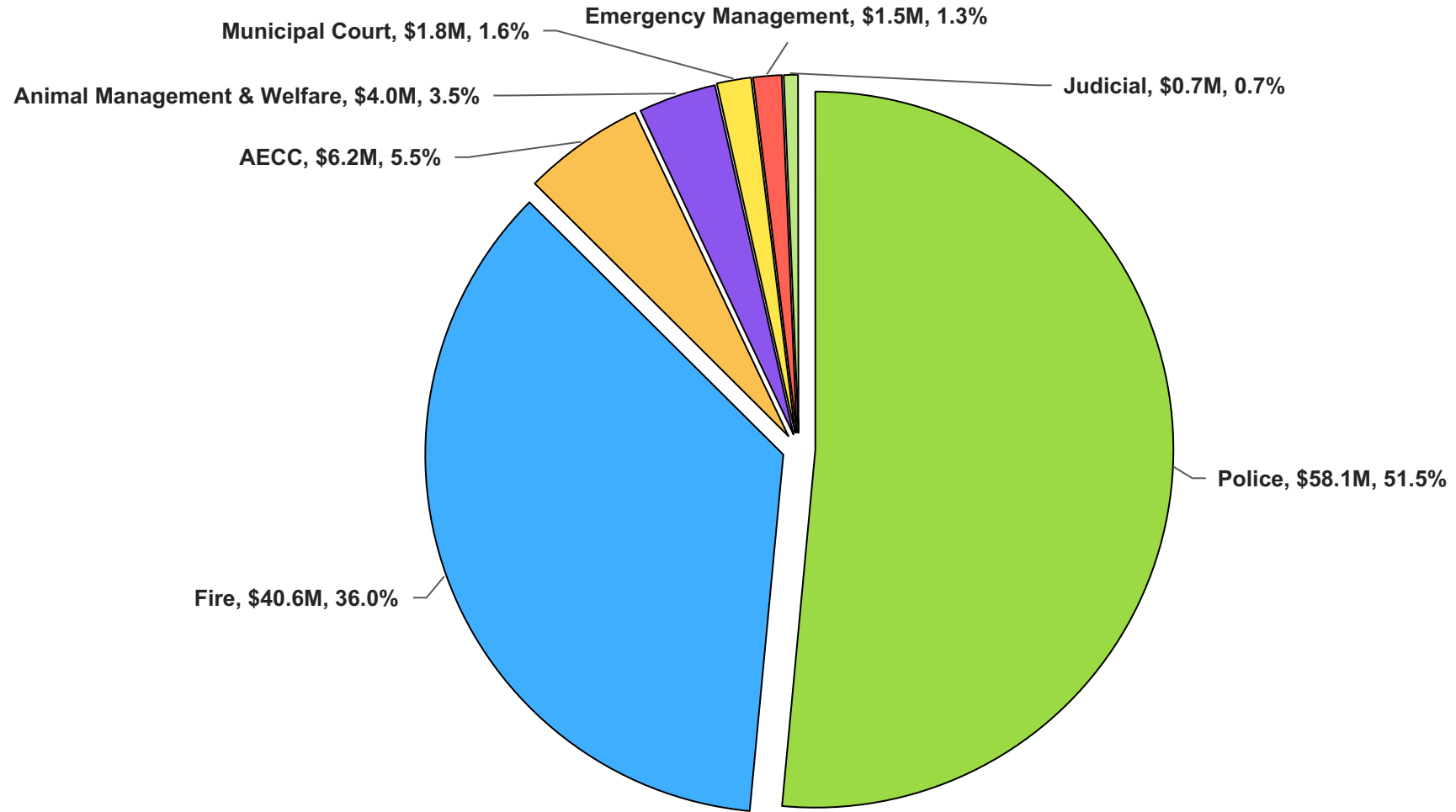


Public Safety

Public Safety Expenditure 10-year History ²⁷



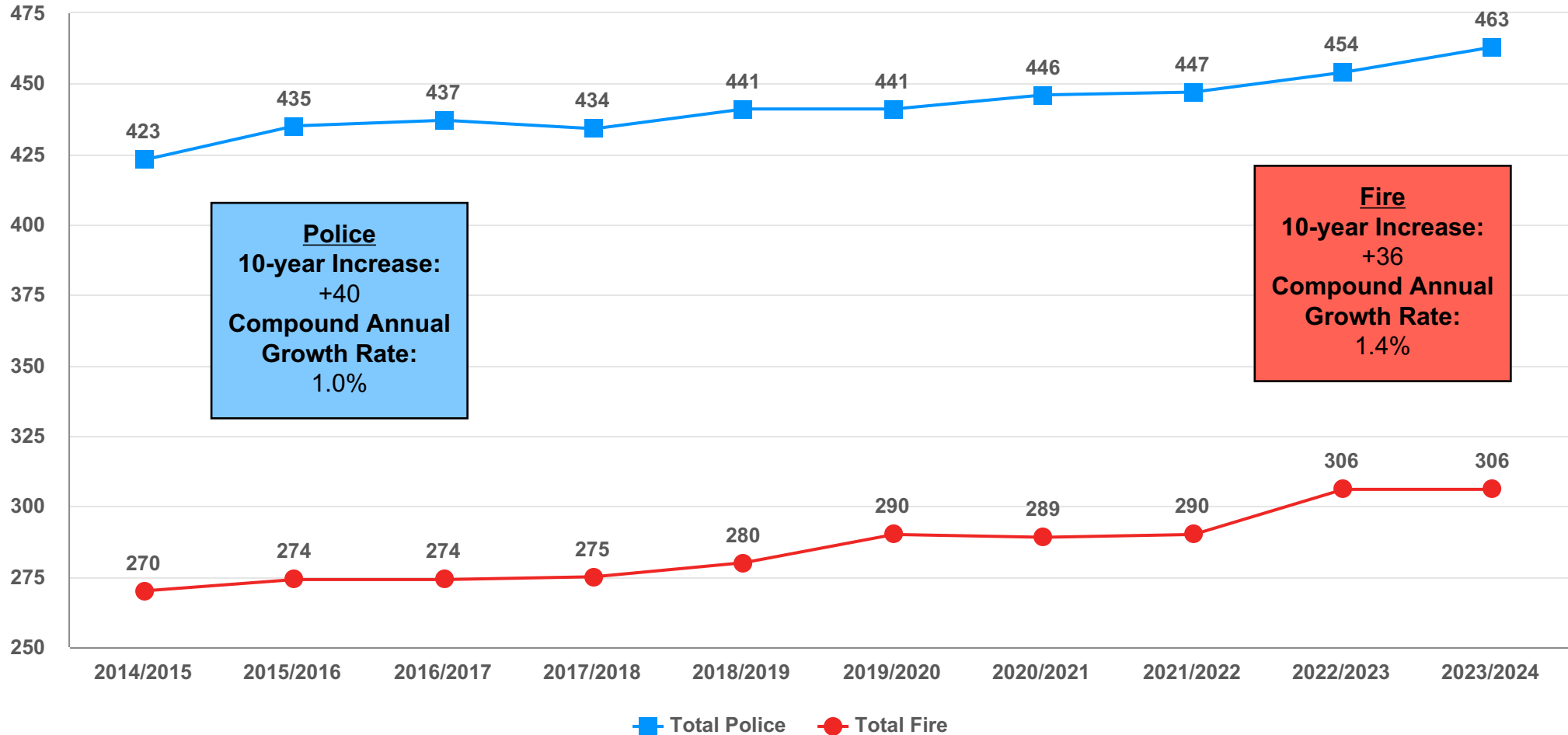
Public Safety 2023/2024 Expenditures



Police & Fire Expenditure 10-year History



Police & Fire Budgeted Positions 10-year History

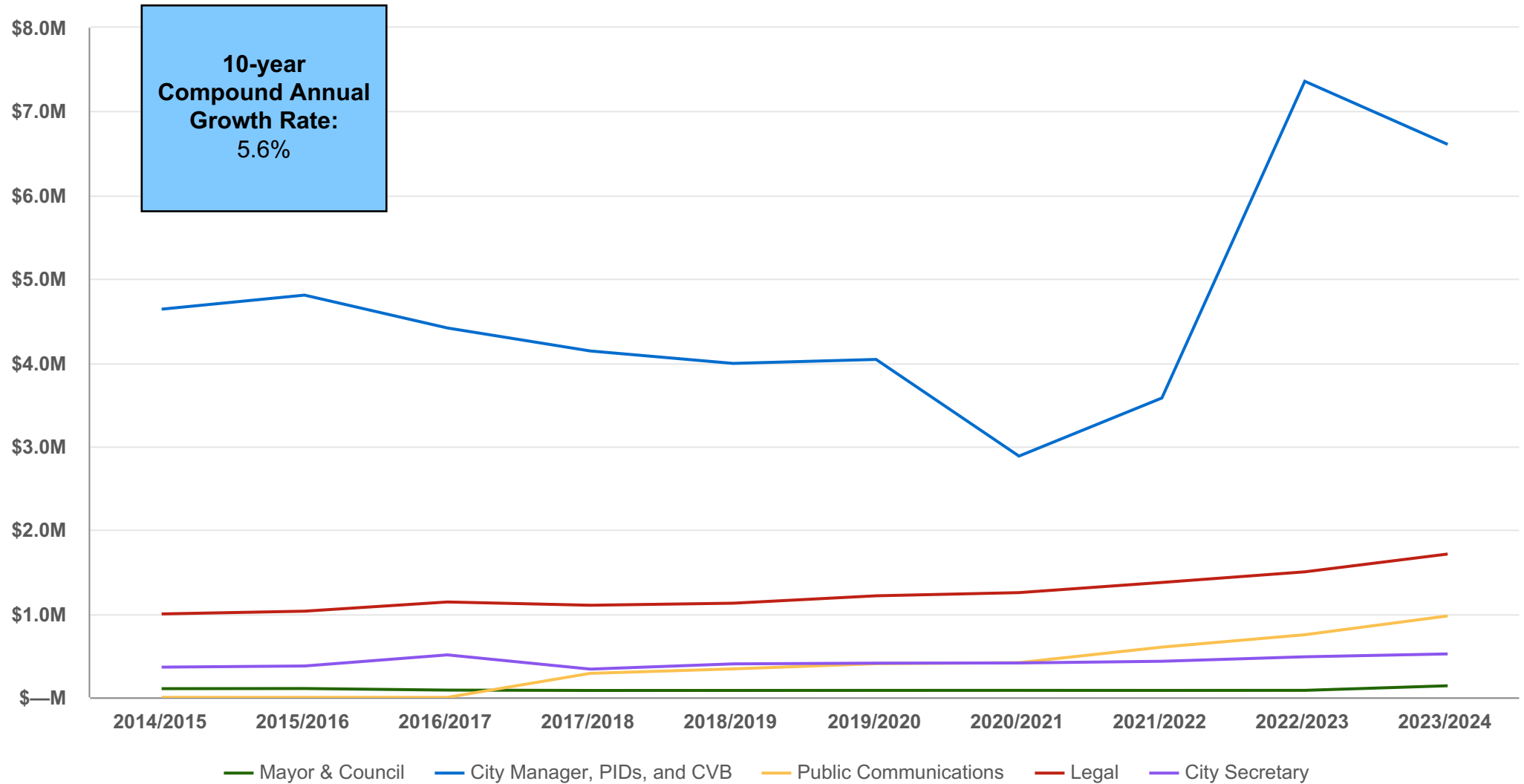


Counts include both sworn and civilian

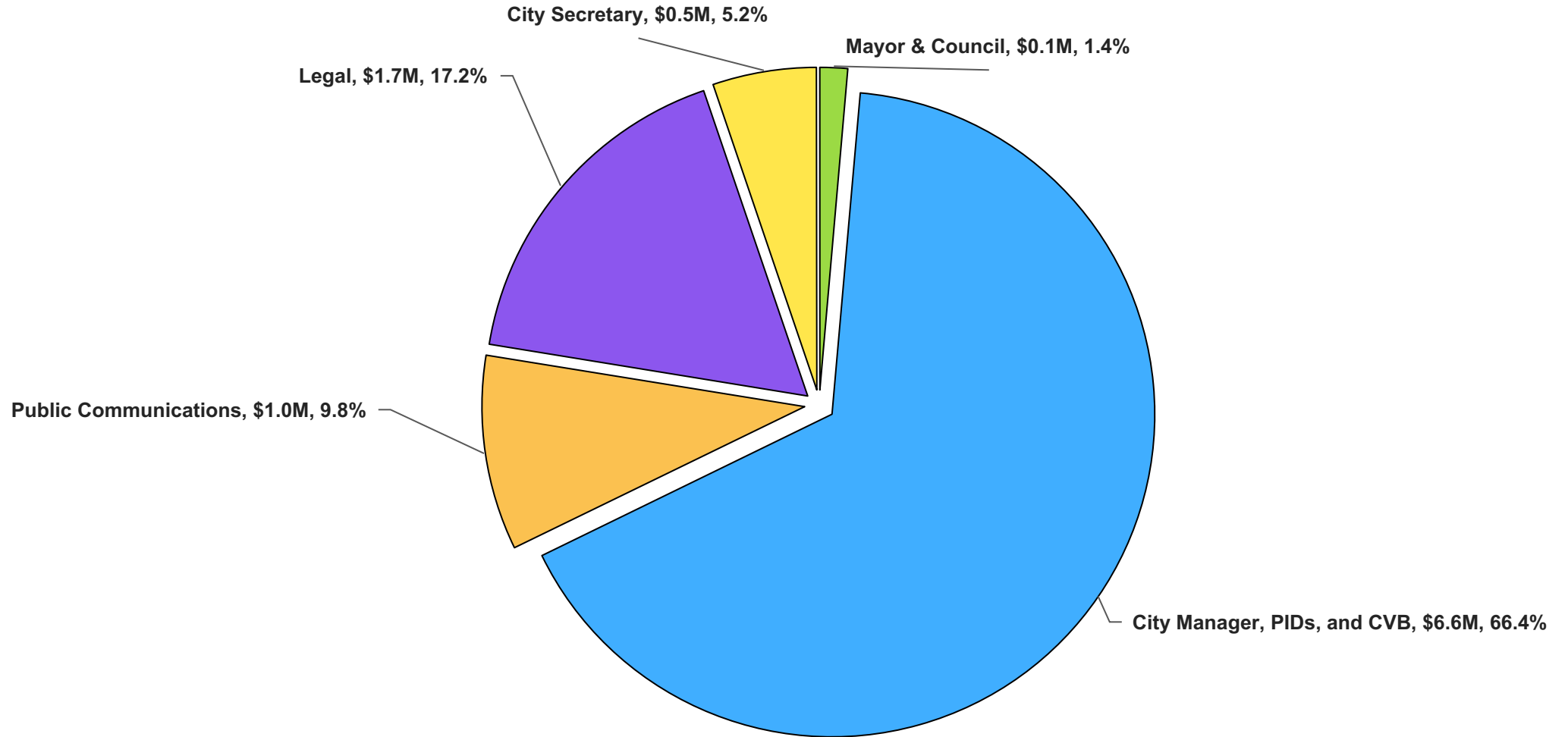


Administration

Admin Expenditure 10-year History



Administrative 2023/2024 Expenditures





Support Services

Support Services Expenditure 10-year History

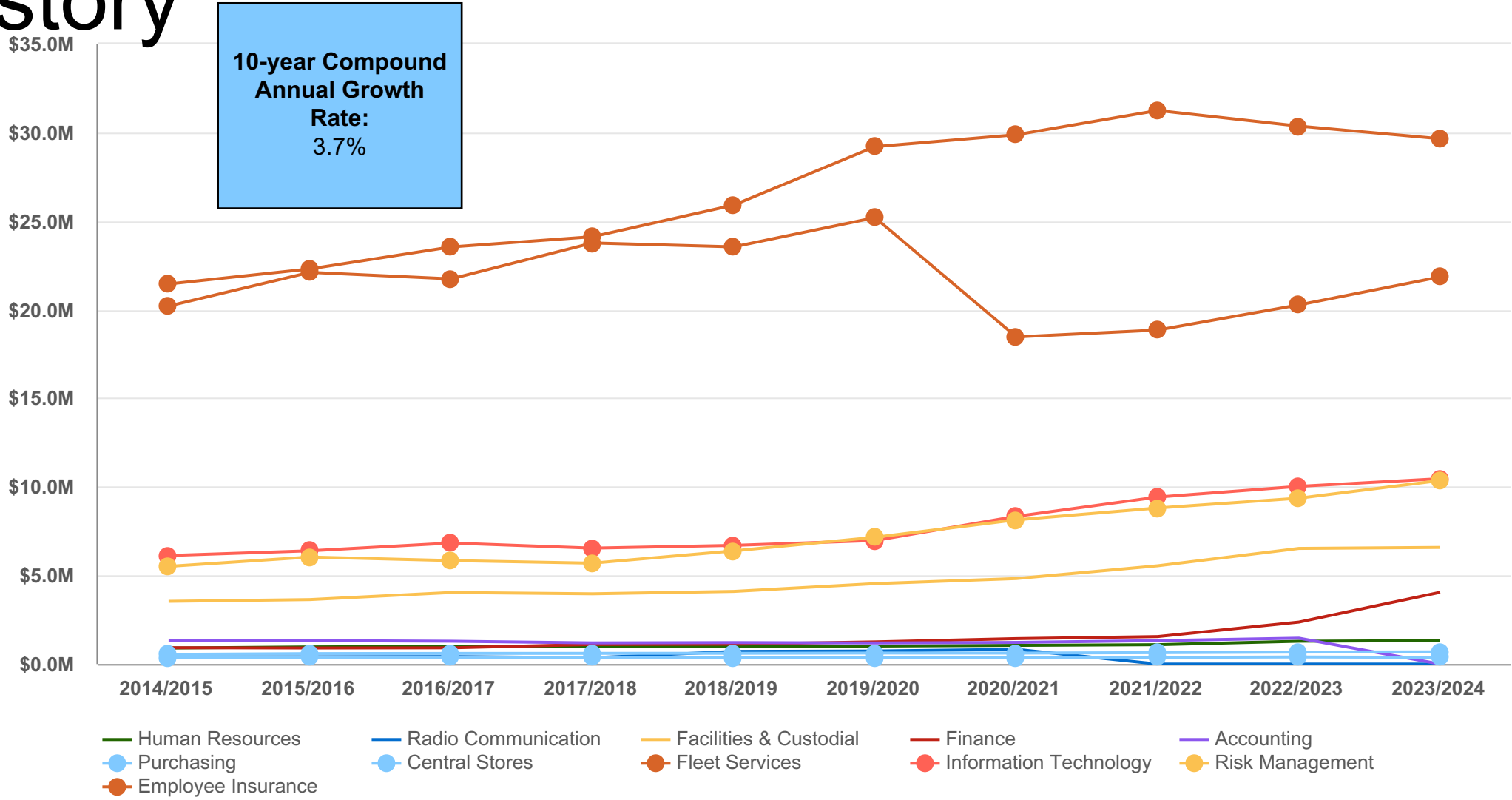


Chart does not include General Fund Transfers



Support Services 2023/2024 Expenditures

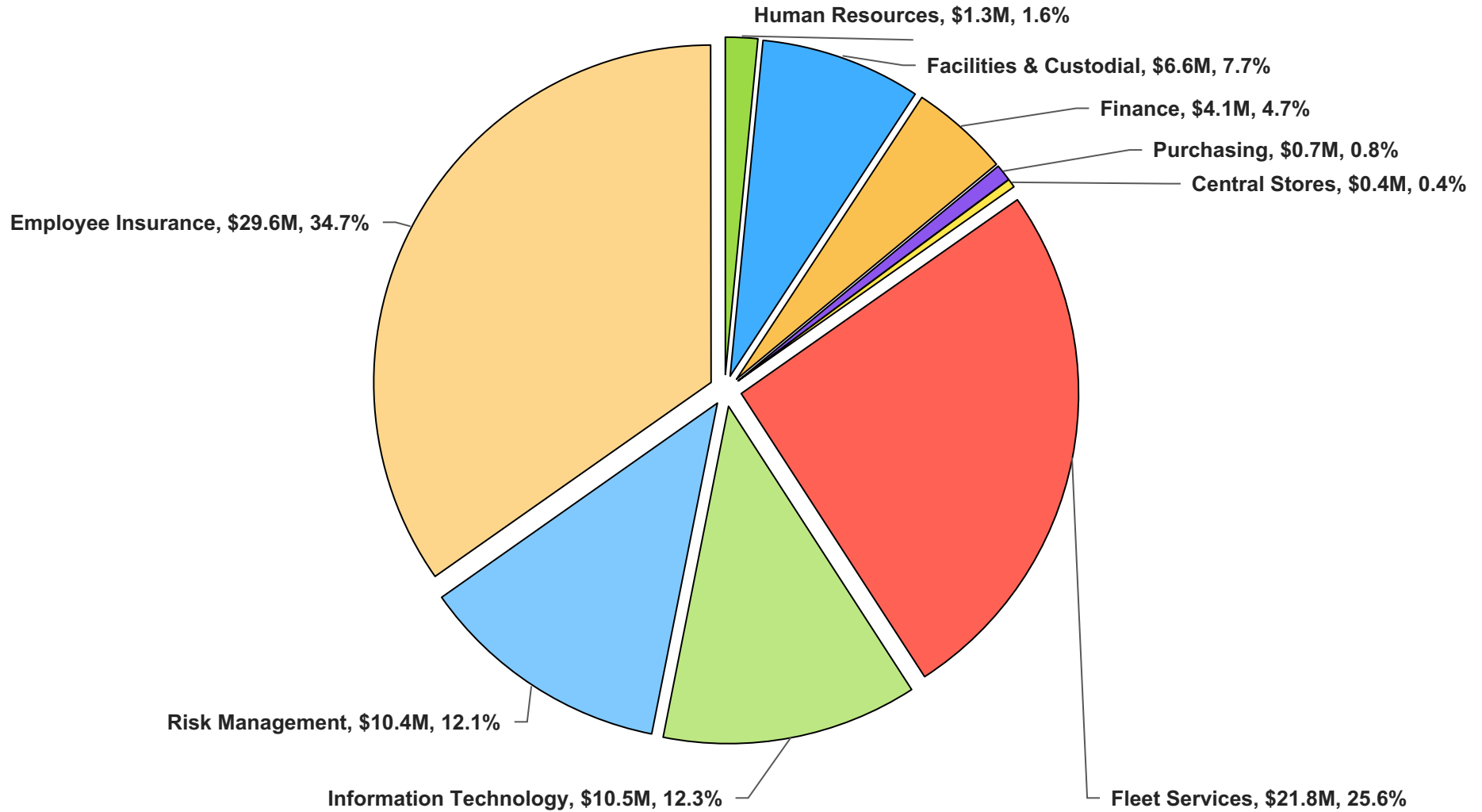
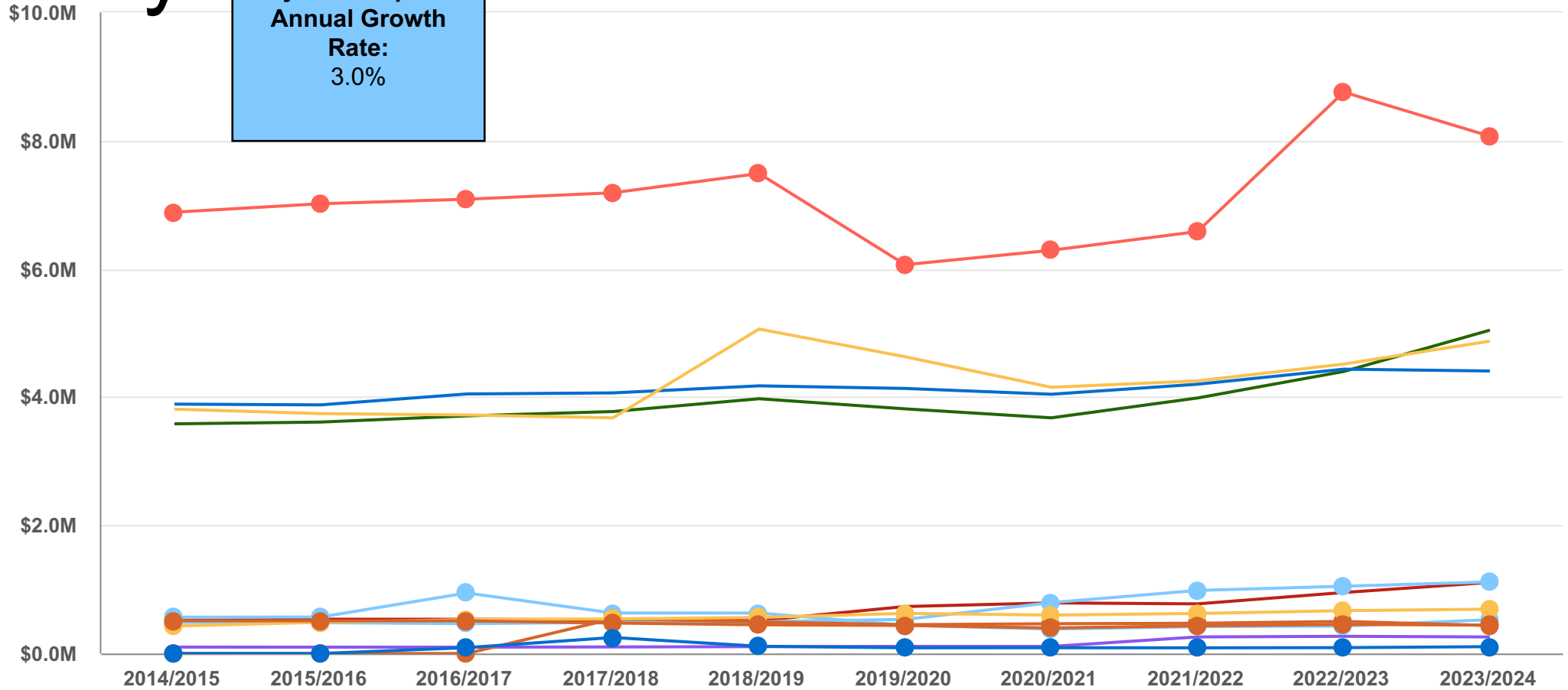


Chart does not include General Fund Transfers



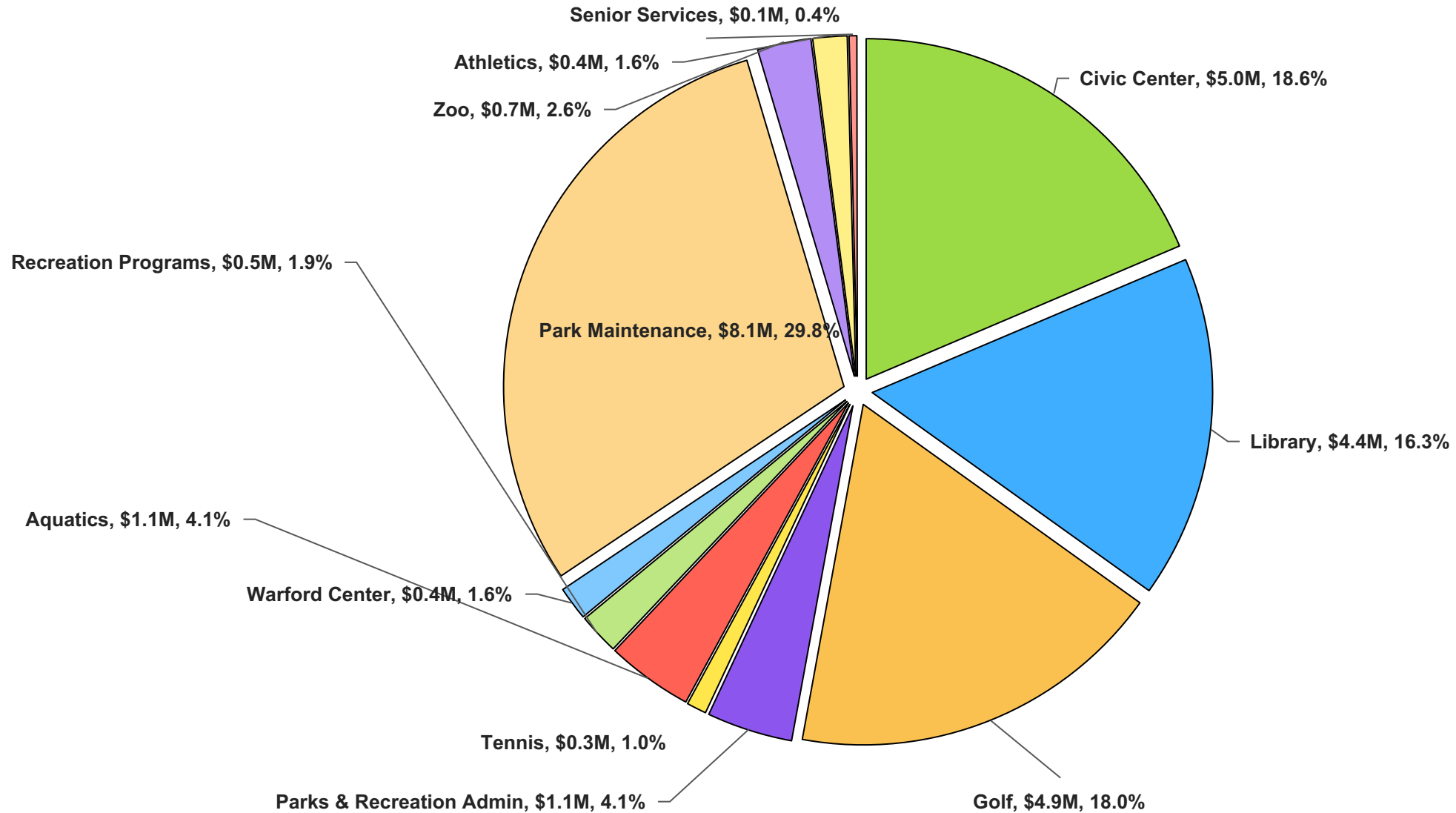
Leisure Services

Leisure Services Expenditure 10-year History



- Civic Center
- Library
- Golf
- Parks & Recreation Admin
- Tennis
- Aquatics
- Recreation Programs
- Warford Center
- Park Maintenance
- Zoo
- Athletics
- Senior Services

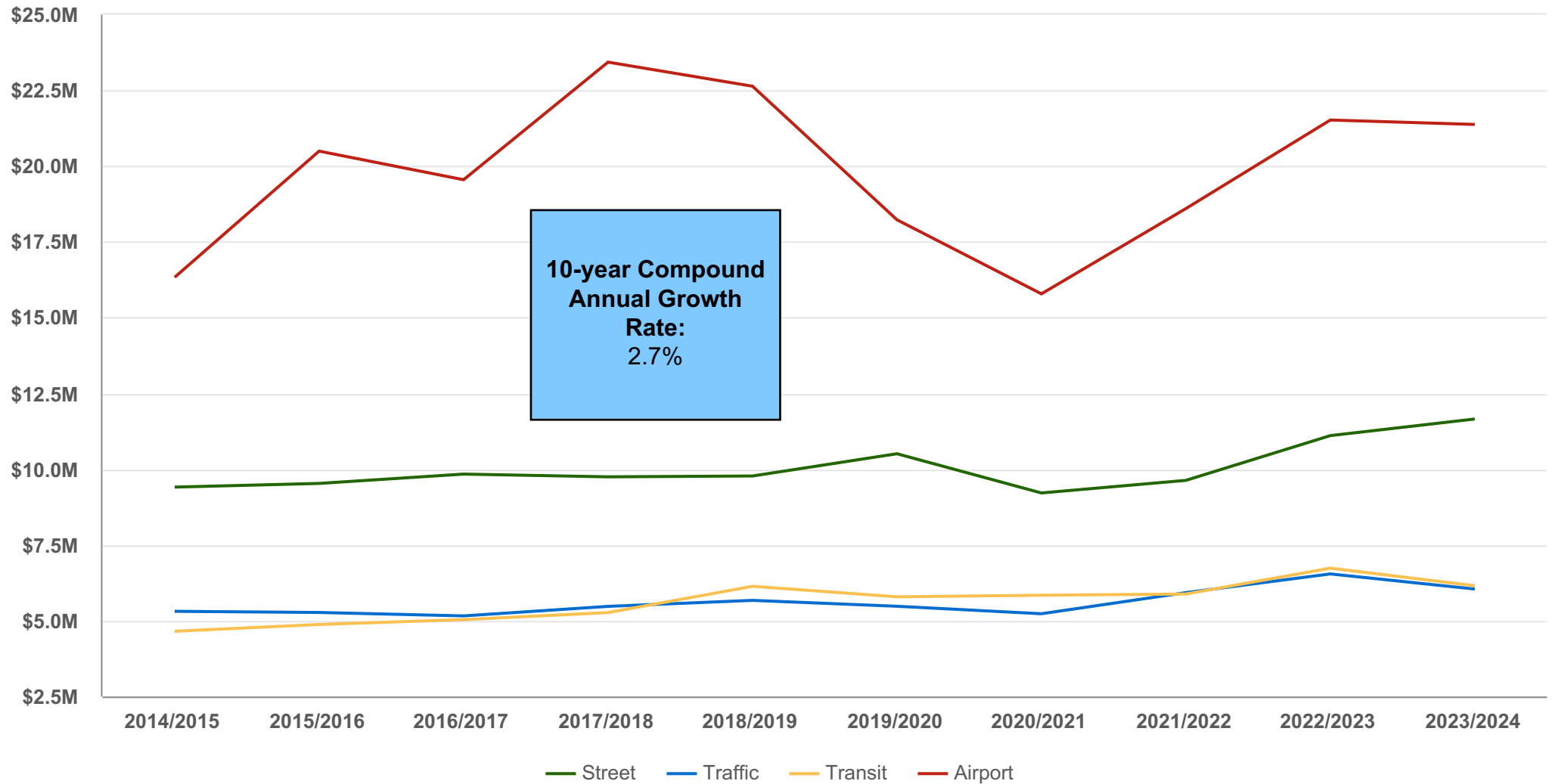
Leisure Services 2023/2024 Expenditures



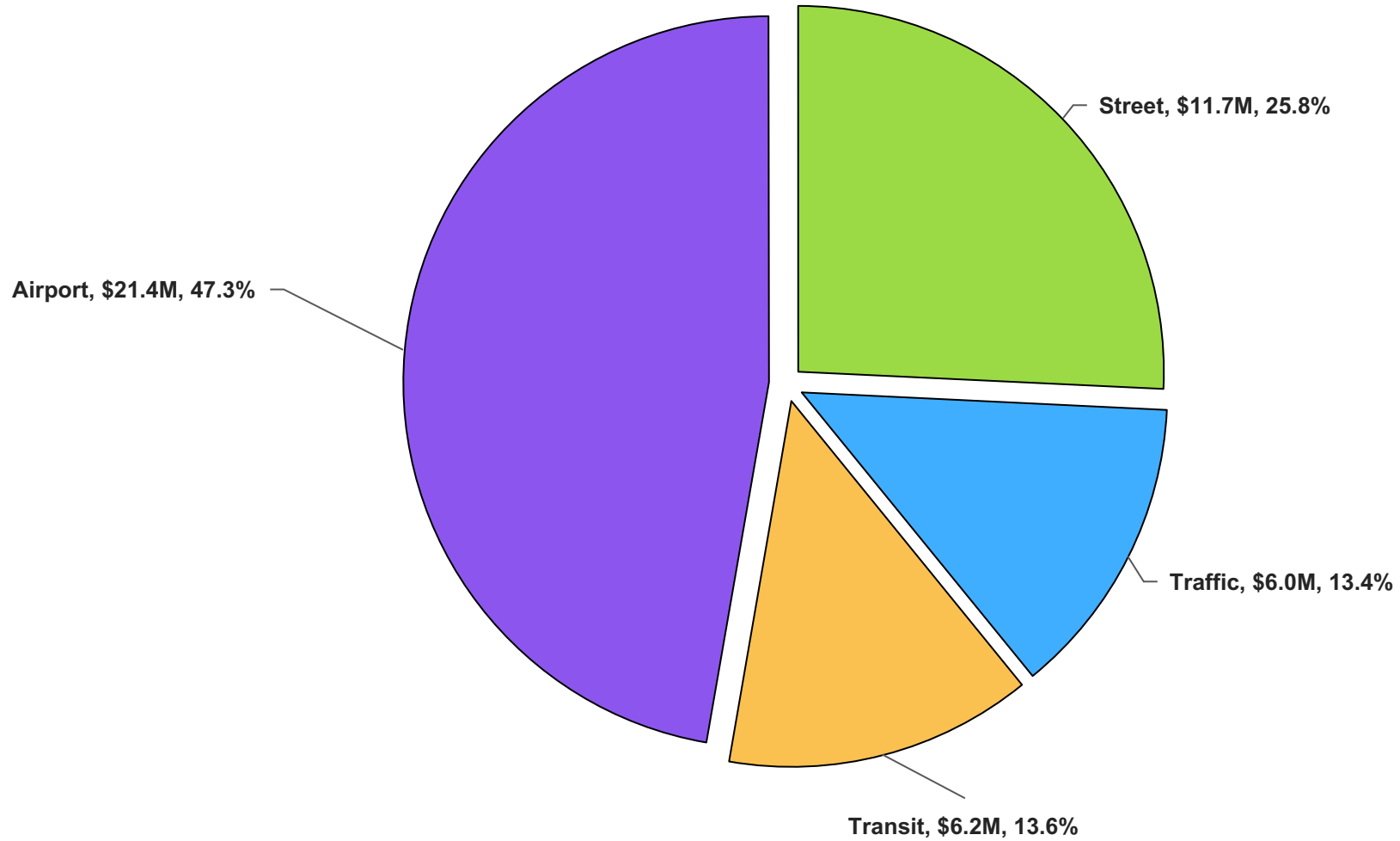


Transportation

Transportation Expenditure 10-year History ⁴¹



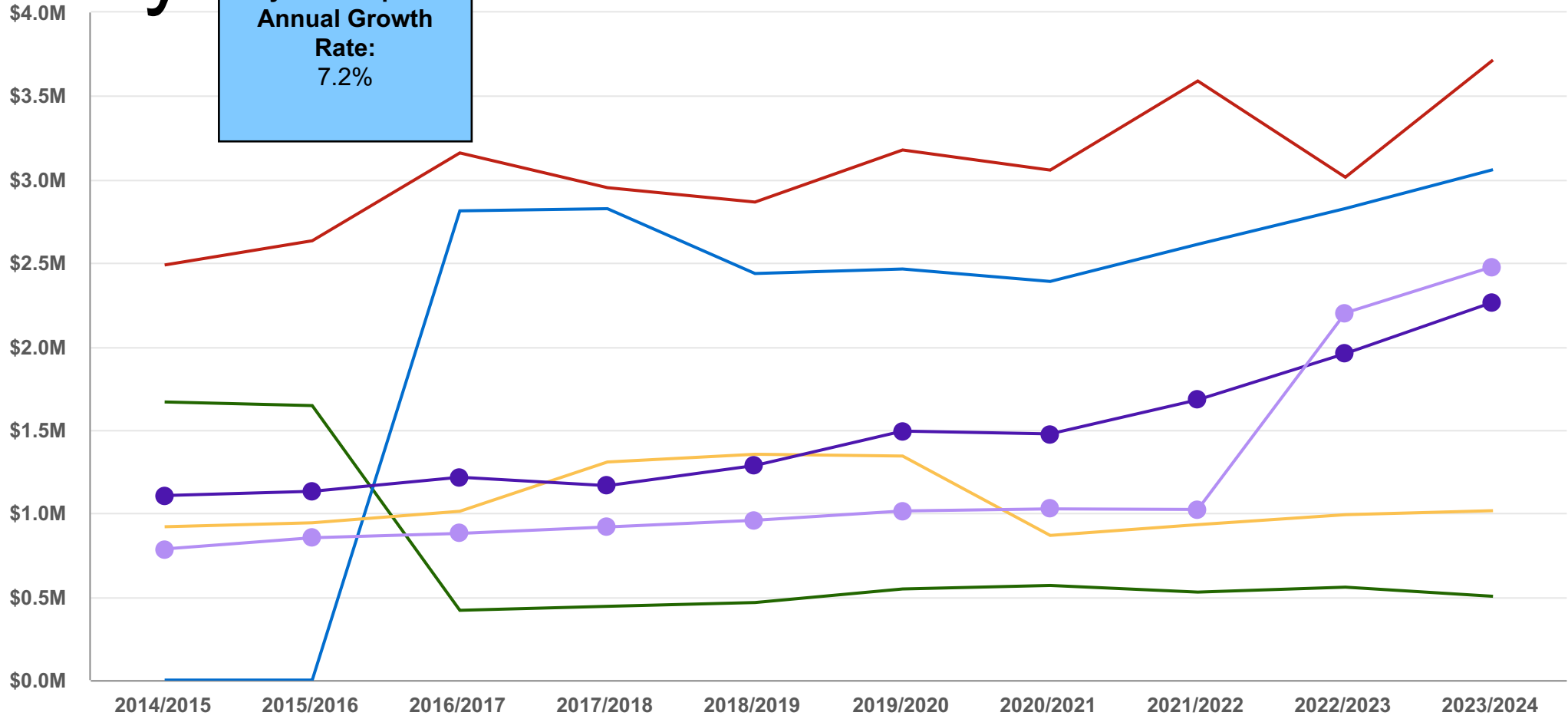
Transportation 2023/2024 Expenditures





Development Services

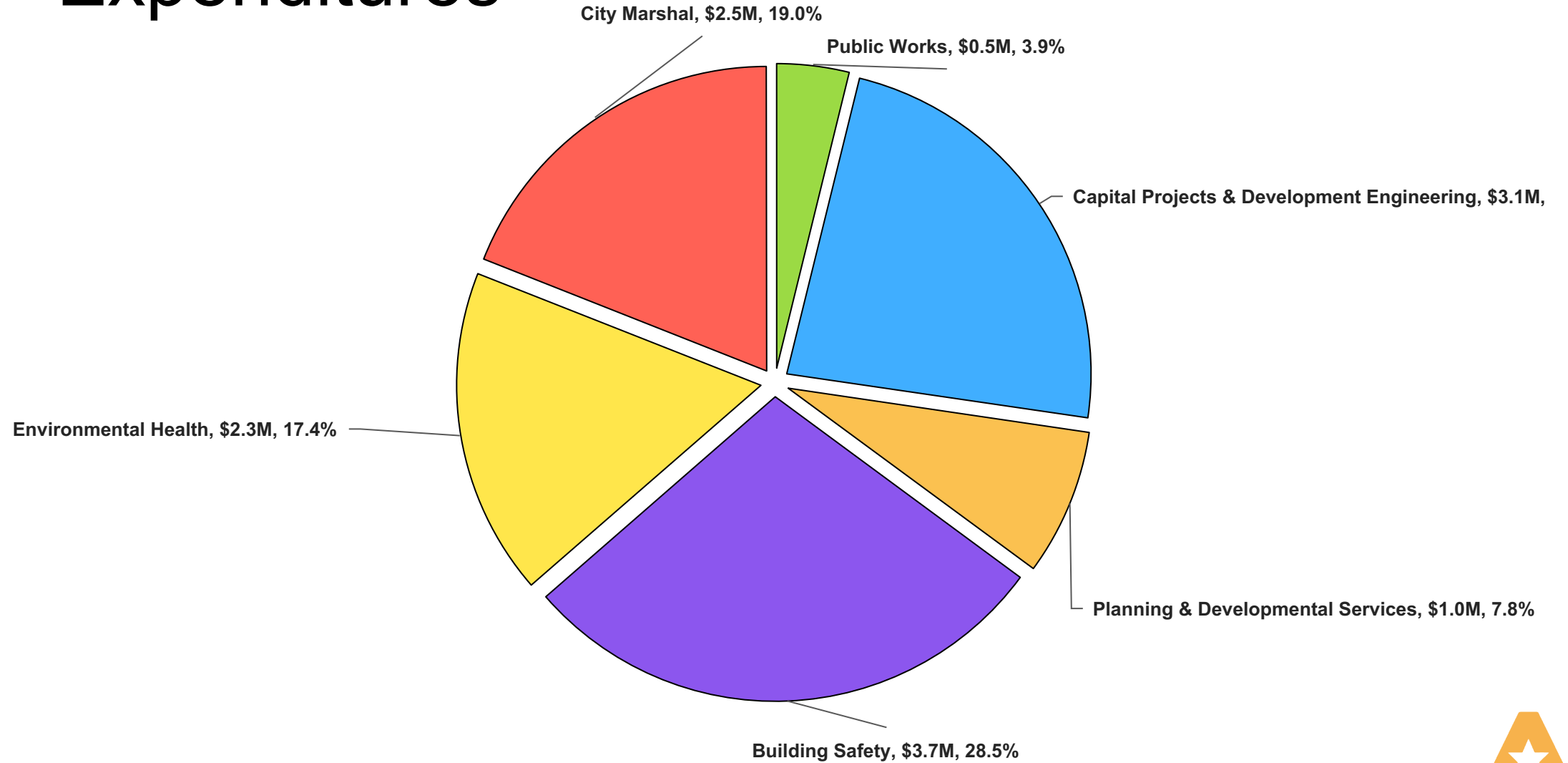
Development Services Expenditure 10-year History



- Public Works
- Capital Projects & Development Engineering
- Planning & Developmental Services
- Building Safety
- Environmental Health
- City Marshal



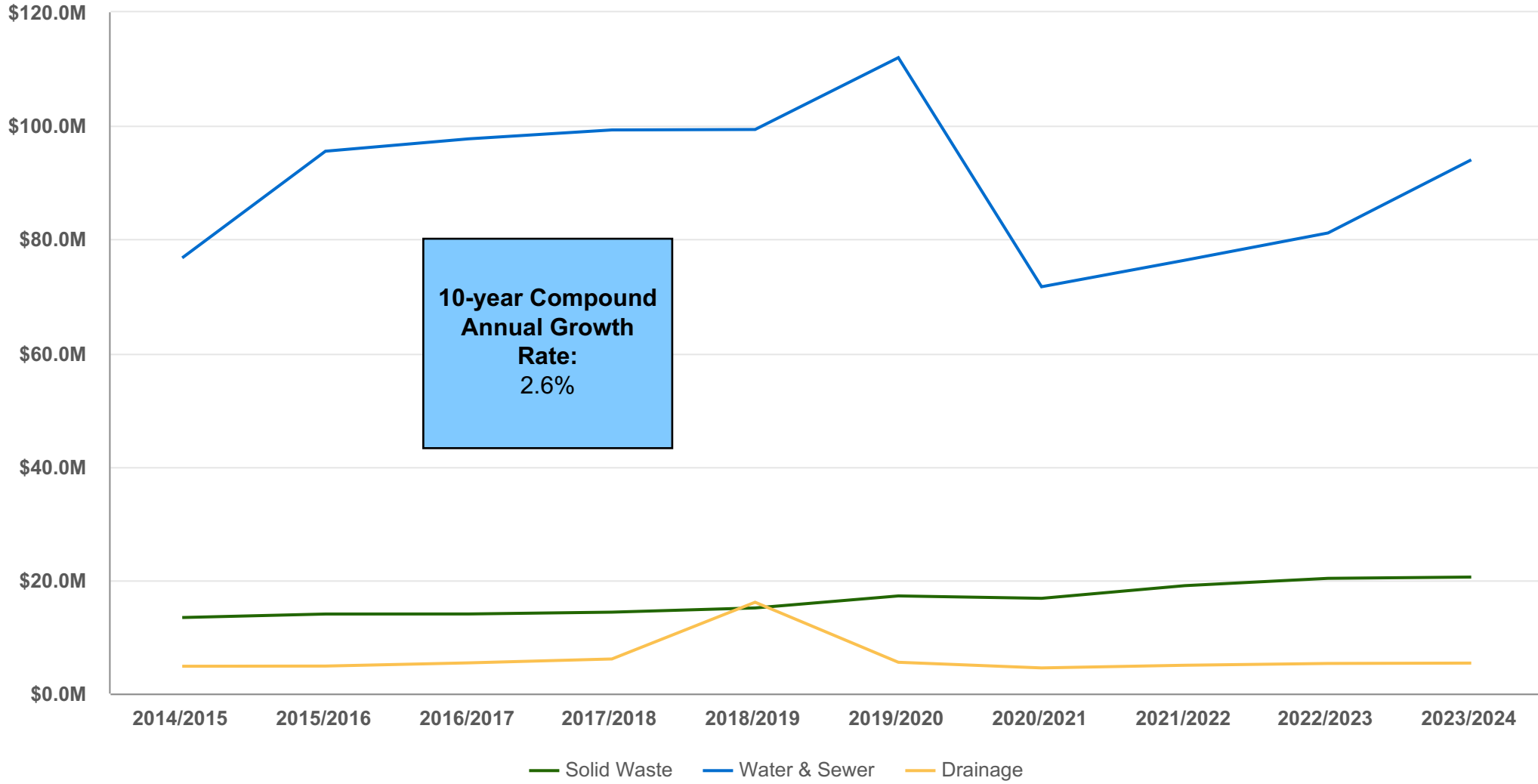
Development Services 2023/2024 Expenditures



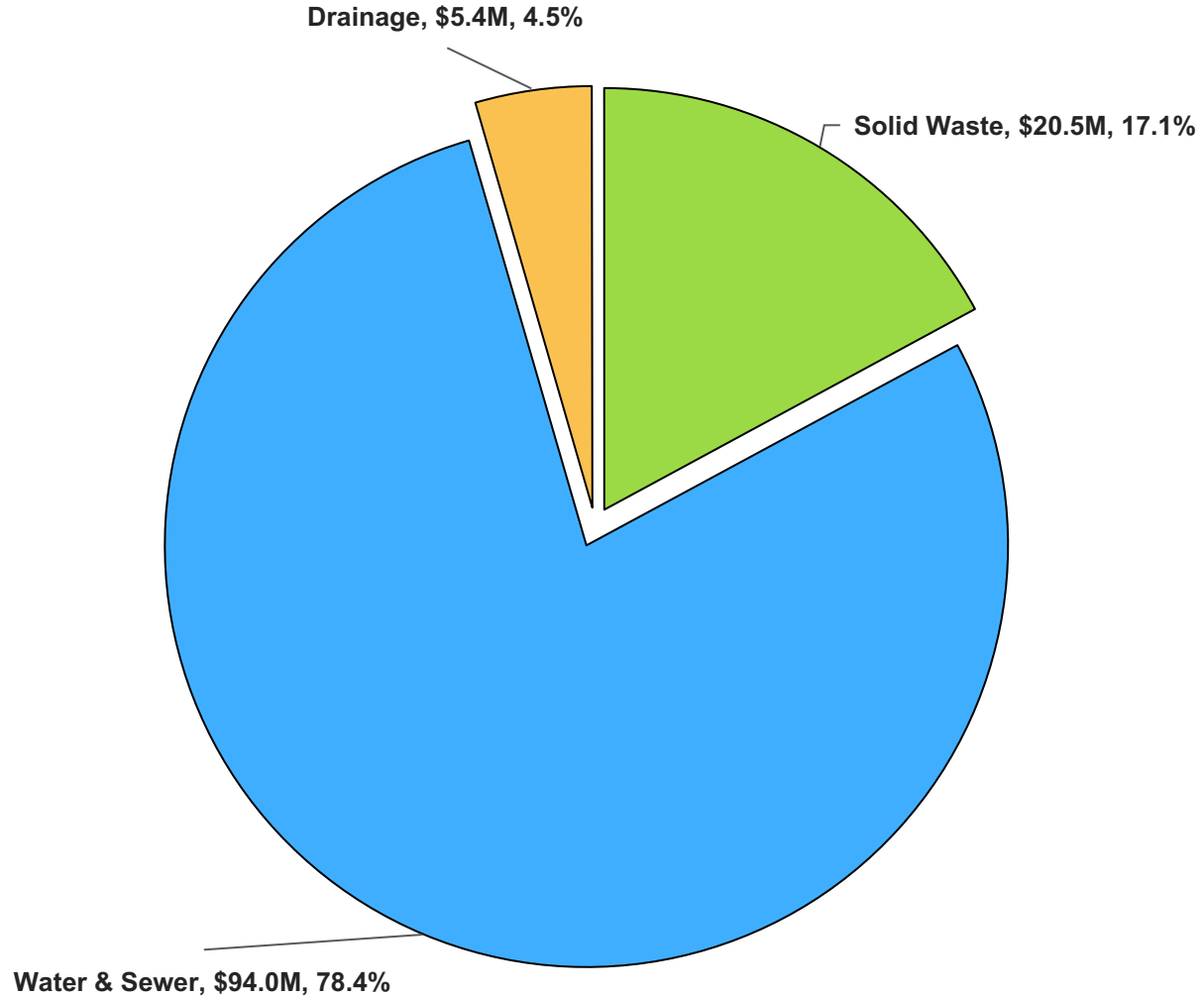


Utility Services

Utility Services Expenditure 10-year History ⁴⁷



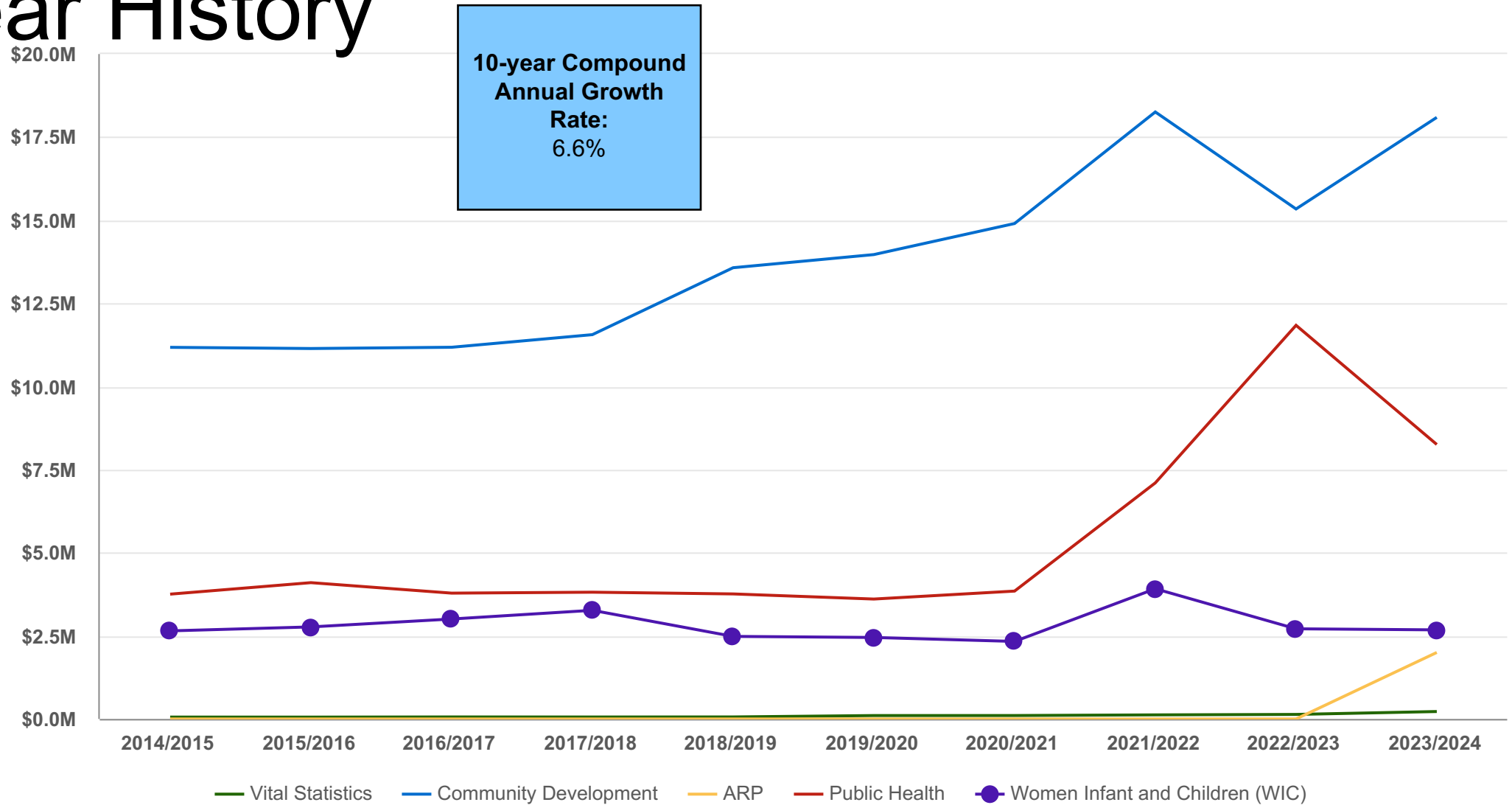
Utility Services 2023/2024 Expenditures



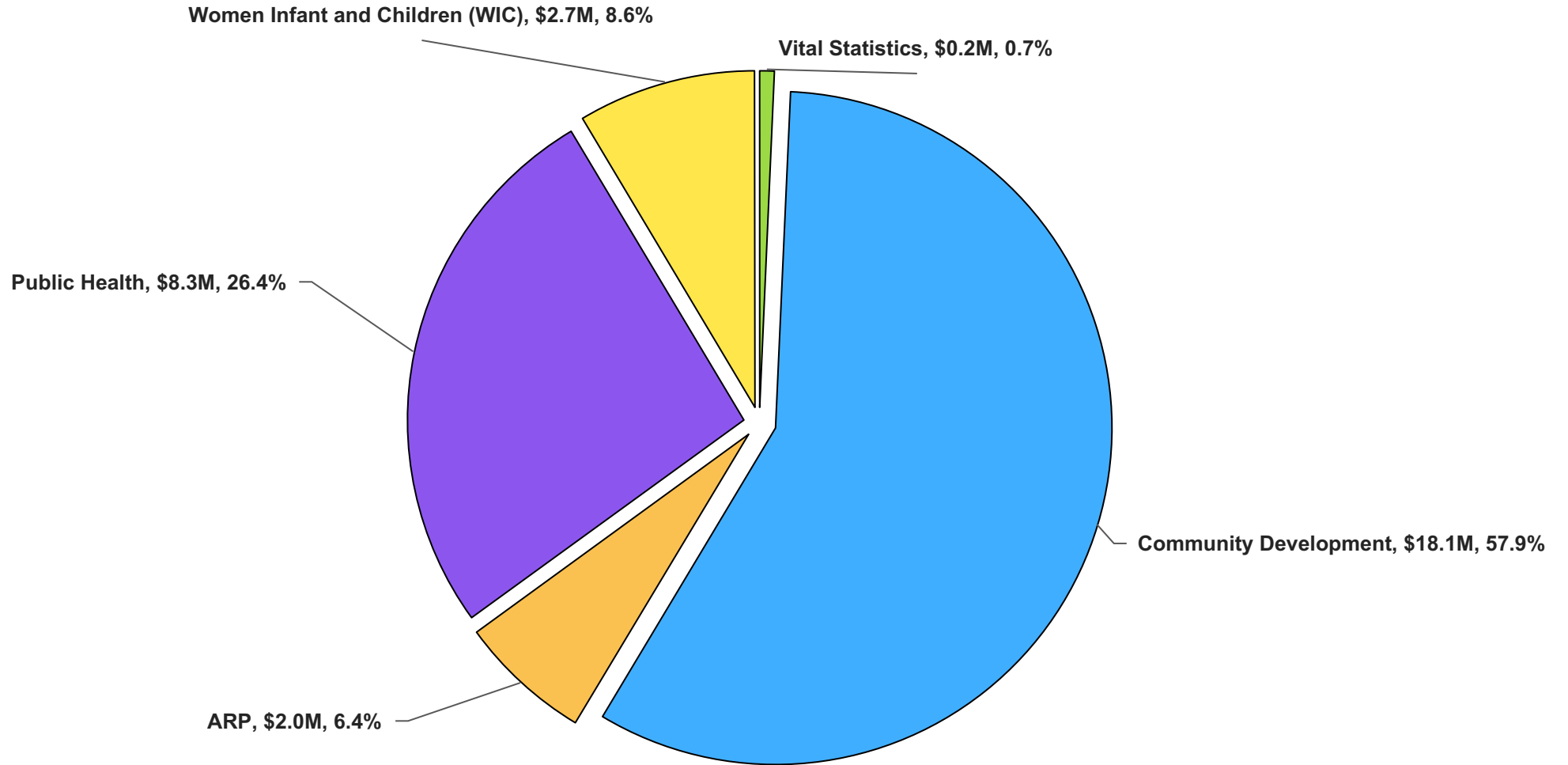


Health & Human Services

Health & Human Services Expenditure 10-year History



Health & Human Services 2023/2024 Expenditures





Capital Improvement Program

Capital Improvement Program FY 2023/2024 Project Categories

