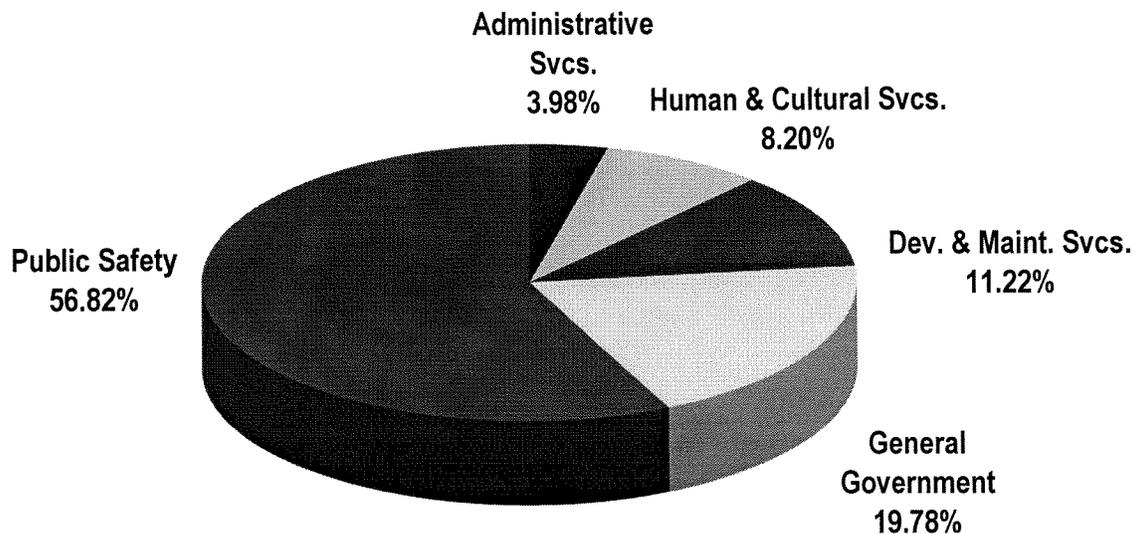

GENERAL FUND EXPENDITURE/OTHER USES SUMMARY

General Fund expenditures and other uses make up the largest portion of the City's FY2006 Budget. These expenditures and other uses are funded by revenues and other sources from property and sales taxes, franchise fees, licenses and permits, charges for services, grants, miscellaneous and other sources. (For a detailed explanation, see the General Fund Resources Summary).

FY2006 General Fund expenditures and other uses are allocated among twenty (20) departments and five (5) functional areas. The functional areas include Public Safety and Justice, Development and Maintenance Services, Human and Cultural Services, Administrative Services, and General Government. The following graph illustrates the allocation of these expenditures and other uses.

GENERAL FUND EXPENDITURES/OTHER USES FY2006 BUDGET



Total = \$1,570,614,060

OVERVIEW

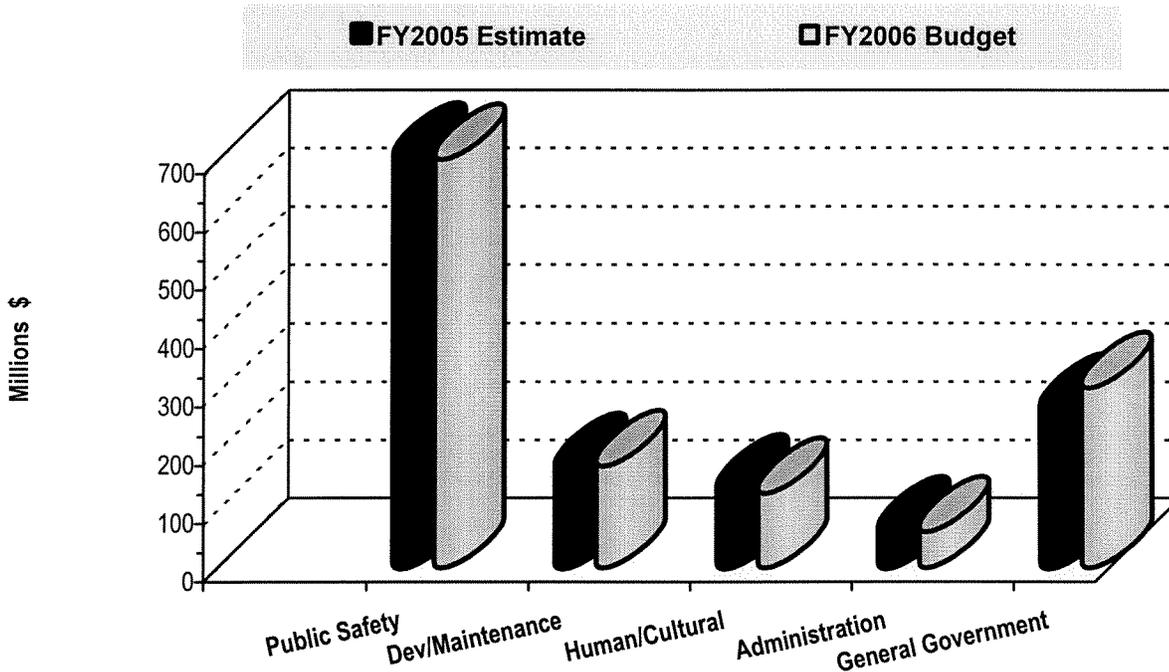
The largest single category of expenditures and other uses in FY2006 is Public Safety with 56.82 percent of the total, followed by General Government, Development and Maintenance Services, Human and Cultural Services, and Administrative Services with 19.78, 11.22, 8.20 and 3.98 percent, respectively.

General Fund expenditures will continue most current service levels; annualize programs begun in FY2005, and meet federal mandates.

The City will continue to comply with federally mandated regulations resulting from the Americans with Disabilities Act (ADA), rules governing underground storage tanks and the discharge of storm water. The City is subject to increased costs for some contractual services, garbage disposal services, as well as increases for Fire staffing, health benefits and classified compensation.

The following graph compares the FY2005 Estimate and FY2006 Budget by functional category. Please refer to the tables at the end of this section for comparisons among departments.

General Fund Expenditures/Other Uses FY2005 Estimate vs FY2006 Budget



The FY2005 Estimate for General Fund expenditures/other uses totals \$1,489.9 million with the FY2006 Budget increasing by \$80.7 million to \$1,570.6 million.

The following section provides highlights of FY2006 General Fund expenditures/other uses by functional category and department.

Public Safety and Justice

- The Public Safety and Justice functional category includes the departments of Police, Fire, Municipal Courts - Administration and Municipal Courts - Justice.
- The Police Department's FY2006 Budget includes annualized funding for classified pay raises approved in the 2001 Meet and Confer Agreement and as modified in FY2003, and in FY2004 also ordinated step and longevity increases. Increase for pension cost for both classified and civilian personnel. Funding is also included for three new cadet classes, Crime Lab Master and funding for contract jailers.
- The Fire Department's FY2006 Budget provides: 1) staffing for extended service for the opening of new Fire Station #86 at 14100 Briar Forest, new Fire Station #105 which will service the Summerwood and Lakeside Terrace area and permanent Fire Station #94 at 235 El Dorado; 2) proposed classified pay increases; 3) one new paramedic cadet class of 60; and, 4) overtime funding to maintain four person staffing on all engines and ladders.
- Municipal Courts will continue services at the current level including one day per week services at satellite locations in Kingwood, Clear Lake and Acres Homes. Municipal Courts is currently implementing a new integrated Case Management System (CMS). The ICMS will allow courts to monitor daily operations, and provide accurate and immediate information on court activity.

Development and Maintenance Services

The Development and Maintenance Services functional category includes the Building Services, Planning and Development, Public Works and Engineering, and Solid Waste Management Departments.

- The Building Services Department (BSD) will support effective building management practices, design, and construction methodology to minimize life cycle costs and optimize the useful life of City buildings. BSD will perform as the City's in-house developer, providing a full range of services including project, property, energy, environmental and security management.
- The Planning and Development Department mission is to support neighborhoods, development, and the City's GIS. The department plays a critical role in the Houston Hope program by developing community revitalization plans for Houston Hope Neighborhoods; developing a comprehensive reinvestment strategy for city neighborhoods; and developing comprehensive studies for large sections of the city.
- Public Works and Engineering Department goals for the FY2006 Budget include: funding for improving and promoting mobility through the Metro light rail integration, applying additional resources to the Mayor's initiative related to traffic signal optimizations and modifications and continuing to implement the Capital Improvement Plan by providing engineering/construction services, and initiating performance standards to ensure the division is in compliance with the Clean Air Act.
- The Solid Waste Management Department's core mission is to provide the citizens of Houston with cost-effective, environmentally sound and safe solid waste management services.

Human and Cultural Services

The Human and Cultural Services functional category includes the departments of Health and Human Services, Library and Parks and Recreation.

- The Health and Human Services Department goals for FY2006 include: improving communicable/infectious disease control, improving the environment and environmental outcomes within the City of Houston, improving departmental capacity to provide effective and efficient services to the community, improving community capacity to address health disparities and gaps in services through improved health information and dissemination, technical support and partnership development. Staffing reductions were achieved through reorganization and consolidation of management, supervisory and administrative positions.
- The Houston Public Library renovation and reopening of the Vinson, Carnegie Branch (Phase II), and the Frank Branch along with the commencing of major renovation of the Central Library Jesse Jones Building in FY2006 will be a primary focus. The projects will include the upgrade of interiors and bringing the facilities into compliance with Americans with Disabilities Act (ADA) regulations.
- The Parks and Recreation Department will continue to play a vital role in building a sustainable community and enhance the quality of life in Houston through parks, programs and partnerships. In FY2006, the department will continue to streamline their organization and operations to focus on the optimum delivery of three core services: 1) park development, enhancement; 2) and expansion, recreational programming; 3) maintenance and security.

Administrative Services

The Administrative Services functional category includes the departments of City Council, City Secretary, Office of the City Controller, Finance and Administration, Human Resources, Information Technology, Legal, and Office of the Mayor.

- The Controller's Office will continue to protect the financial integrity of Houston's City government. In FY2006, the department will continue to maintain internal audit coverage and manage an investment portfolio of over \$2.4 billion.
- The Finance and Administration Department serves the citizens of the community and provides support to the City departments through sound management of the City's financial activities. It implements and monitors policies and procedures concerning the financial, administrative, insurance management, procurement, and regulatory affairs of the City of Houston.
- The Information Technology Department will continue to improve the organization of information technology throughout the City; to leverage emerging technologies to reduce cost, limit growth in the workforce and improve services to citizens and employees; and to provide the most innovative and cost-effective technology services for managing the City of Houston.
- The Legal Department will continue to review the department's computer technology and support services. The department will also continue to seek opportunities for the City to recover funds. In FY2006, the department increased resources for enhanced focus on air pollution enforcement.

General Government

General Government expenditures/other uses include costs shared citywide, where costs cannot be attributable to any single department. The FY2006 Budget includes funding for the Houston Emergency Center's lease and operational payments, limited purpose annexation sales tax payments, elections, retiree health benefit rate increases, the zoo contract which oversees the operations at the zoo, debt service payments, Mayors After School Program and certain citywide membership fees.