GLOSSARY

ACCOUNT: An accounting unit established to record expenditures or revenues by detailed categories.

ACCOUNTING SYSTEM: The total set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

ACCRUAL BASIS: The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at that time).

ACTIVITY: A specific unit of work or service performed (e.g. response to medical emergencies).

ACTIVITY INDICATOR: A quantitative measure of an activity, which assists in analyzing the effectiveness and efficiency of a budget activity unit or program. Indicators may include quality, productivity, or workload measures.

AD VALOREM PROPERTY TAX: General property taxes levied on the assessed valuation of real and personal property.

ADA: Americans with Disabilities Act.

ADVANTAGE FINANCIAL MANAGEMENT SYSTEM 2000 (ADV2): The Advantage Financial 2.0, from American Management Systems Inc. (AMS) is the latest version of AMS's Financial Management System for State and Local Governments. Advantage 2000 replaces the GFS, GHRS, and ADPICS systems with an integrated suite of financial and administrative applications. Significant advantages provides the City the ability to install subsequent releases of AMS software. It also enhances user access to the financial system through use of PC software, such as Graphical User Interface (GUI).

ADOPT-A-LOT PROGRAM: The Adopt-a-Lot Program provides funding for community groups to purchase tools and equipment to maintain public and privately owned vacant lots in target areas identified by the Neighborhood Protection Program which have been neglected by the property owners.

ALS: Advance life support.

AMSA: Association of Metropolitan Sewage Agencies.

APPROPRIATION: An authorization by City Council, which permits officials to incur obligations and expend City resources. Appropriations are usually made for fixed amounts which extend for a fiscal year. Appropriations for capital improvement projects, however, extend until completion, which usually extends beyond the current fiscal year.

APPROPRIATION ORDINANCE: The official enactment by City Council establishing the legal authority for City officials to obligate and expend City resources.

ARBITRAGE: Classically, the simultaneous purchase and sale of the same or an equivalent security to profit from price discrepancies. In government finance, the most common occurrence of arbitrage involves the investment of bond proceeds in an investment that yields a higher interest rate, resulting in interest revenue in excess of interest costs.

ASSESSED VALUATION: The value placed upon real and personal property by the chief appraiser of the appraisal district as the basis for levying property taxes.

ASSETS: Property with monetary value owned by the City.

AUDIT: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to accomplish the following:

- ascertain whether financial statements fairly represent financial positions and results of operations;
- test whether transactions have been legally performed;
- ascertain whether transactions have been recorded accurately and consistently;
- ascertain the stewardship of officials responsible for governmental resources; and
- identify areas for possible improvements in accounting practices and procedures.

BALANCED BUDGET: Total expenditures for any fiscal year shall not exceed total receipts/revenue for that same fiscal year.

BALANCE SHEET: A statement purporting to present the financial position of an entity by disclosing the value of its assets, liabilities and equities as of a specified date.

BASE LAYER: A set of data that other data layers and attributes are referenced to or associated with. Example: A road has three base layers, a right-of-way, a certain type of surface/paving material, and a certain number of lanes.

BLS: Basic life support.

BOD: Biochemical Oxygen Demand.

BOND: A certificate issued by a government or company promising to pay a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically issued to fund specific capital improvement expenditures.

BUDGET: A plan of financial operations including an estimate of proposed expenditures and revenues for a fiscal period. The budget establishes funding levels for continuing service programs, operation and maintenance of public facilities, and principal and interest payments on bonded indebtedness. Recurring replacement of capital outlay and minor new capital outlay items are included.

BUDGET CALENDAR: The schedule of key dates or milestones, which the City follows in the preparation and adoption of the budget.

BUDGET DOCUMENT: The document used by the authority responsible for preparing the budget to present a comprehensive financial program to City Council or another legislative body.

BUDGET ORDINANCE: An ordinance considered and adopted by City Council to formally enact the annual operating budget for a fiscal year.

BUDGET UNITS: The basic building blocks of the departments budget requests; the principal subdivision of a department's activities for budget preparation.

BUDGETED FUNDS: Funds that are planned for certain uses but have not been formally or legally appropriated by City Council. The budget document that is submitted for Council approval is composed of budgeted operating funds.

BUSINESS AREA: An organizational unit of financial accounting that represents a separate area of operations or responsibilities within an organization and to which value changes recorded in Financial Accounting can be allocated.

CAD SYSTEM: Computerized Assisted Dispatch System (Police and Fire Department).

CAPITAL ASSETS: Assets of significant value and having a useful life of several years. Capital assets are also referred to as fixed assets.

CAPITAL EXPENDITURES: Funds expended for additions or physical improvements to public facilities, infrastructure, plants or equipment.

CAPITAL IMPROVEMENT PLAN (CIP): Five-year plan for capital improvement projects detailing the schedule for design, land acquisition, and construction. Funding sources for the projects are also identified.

CAPITAL IMPROVEMENT PROJECT: An investment in the infrastructure or physical plant of the City. Examples include streets and drainage facility construction, fire stations, and major reconstruction or repair of buildings.

CAPITAL OUTLAY: Expenditures for the acquisition of capital assets. Includes the cost of land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment.

CAPITAL PROGRAM: A group of capital projects classified according to common purpose and common funding sources.

CAPITAL PROJECT: Any substantial nonrecurring physical improvement with a 15-to-20 year life expectancy. This includes land purchases, new facilities, initial equipment purchases to furnish new facilities, and all related planning, engineering, and architectural design.

CARRY-OVER BALANCE: Balances in each fund at the end of the fiscal year that will be the beginning fund balances of the next fiscal year. Generally this includes savings (total expenditures that are less than appropriations), canceled encumbrances (contracts completed for less than the encumbered amount), and actual revenues which exceed estimates.

CARRY-OVER EXPENDITURES: Expenditures budgeted and encumbered in one fiscal year for materials, equipment, etc., but not spent until the following fiscal year. These expenditures are re-encumbered at the beginning of the new fiscal year. Therefore, these expenditures must be "carried over," i.e., re-budgeted in the new fiscal year to provide funds when the goods are delivered.

CASH BASIS: The method of accounting in which revenues are recorded when received in cash and expenditures are recorded when actually paid.

CASE MANAGEMENT SYSTEM: An integrated computer system that will network with various systems within several departments such as the Police Department, Municipal Courts Administration, Municipal Courts Justice Department and the Legal Department to bring about a paperless work environment.

CBD: Central Business District.

CCTV: Closed-circuit television.

CDBG: Community Development Block Grant.

CERTIFICATES OF OBLIGATION: Short-term debt sold for the purchase of major capital outlay, building demolition, and infrastructure improvements. Property tax and mixed beverage tax receipts are pledged for repayment of principal and interest.

CEU: Continuing Education Units.

CFR: Crash/fire/rescue.

CHART OF ACCOUNTS: Standard classifications by which all financial transactions are recorded and summarized for budgetary and reporting purposes. Revenue and expenditures are classified according to responsible department or division, expenditure or revenue type, and asset or liability (or balance sheet) type.

CIP: Capital Improvement Plan.

CIP SALARY RECOVERY: A revolving fund used to pay the costs of department employees who directly and indirectly work on CIP-related projects. These costs are then recovered from the appropriate CIP project fund.

CLAIMS LAG LIABILITY: An estimate of the value of health insurance claims costs that have not been received and reported at a given time. This lag is caused by delays in billings by doctors and hospitals and by payment requests by health plan participants. This is also sometimes called IBNR (Incurred But Not Reported).

CLEAN NEIGHBORHOOD PROGRAM: Administered by the Solid Waste Management Department. The goal of this program is to make Houston the cleanest large city in the nation.

CLEARANCE RATE: A comparison of the number of cases solved to the actual number of incidents reported to the police and fire departments.

COHGIS: City of Houston Geographic Information System is a database used to capture, store and update geographic data and attributes related to the data. COHGIS is used to analyze, manipulate and display the data in map or report form.

COMBINED UTILITY SYSTEM: An enterprise program created to inherit the activities and replace the Storm Drainage Program. The objective is to help control neighborhood drainage and flooding in conjunction with efforts of the Harris County Flood control District.

COMMERCIAL PAPER (TAX-EXEMPT): Issued by various municipalities as an interim funding tool. A promissory note secured by pledged revenues and a revolving credit agreement. Maturities range from 1 to 270 days.

COMMITMENT ITEM: Represents individual revenues and expenditure line items within a financial management area. Reflect the functional structure of an organization in Funds.

COMMITMENT ITEM GROUP: Description of the Commitment item group.

CONTINGENCY: A budgetary reserve usually set aside for emergencies or unforeseen expenditures not otherwise budgeted. A contingency may also be set for a program or service for which the exact costs are not determined.

CONTRACTS: Agreements between the City and vendors covering the purchase of supplies or services.

CONTRACTUAL SERVICES: Expenditure items for services the City receives from an internal service fund or an outside company or governmental agency. Utilities and rent are examples of contractual services.

COST ALLOCATION PLAN: Based on cost accounting principles, costs incurred by General Fund central services departments (e.g. Legal, Human Resources, Finance and Administration) are calculated and allocated to funds that benefit from the services. Costs allocated are from audited, actual expenditures. However, allocations may be performed on a budget basis also. There are two types of cost allocation plans: full cost and OMB-A87. The OMB-A87 plan is implemented according to restrictive federal guidelines. The full cost plan generally recovers additional costs not allowed under the OMB-A87 plan.

COST CENTER: An organizational unit within a controlling area that represents a defined location of cost incurrence.

COST CENTER GROUP: Hierarchical grouping of cost centers created to facilitate data entry and reporting.

CPTED: Crime Prevention Through Environmental Design.

CRC: Capacity Reservation Charge.

CSC: Civil Service Commission.

DDC: Defensive Driving Course.

DEBT SERVICE: Payment of principal and interest on an obligation resulting from the issuance of bonds, certificates of obligation notes or time warrants.

DEBT SERVICE FUND: A governmental fund established to repay principal and interest on outstanding debt. This fund is usually under the modified accrual basis of accounting.

DEMAND BONDS: Debt issuances with a demand ("put") provision that requires the issuer to repurchase the bonds upon notice from the bondholder at a price equal to the principal plus accrued interest. To ensure their ability to redeem the bonds, issuers of demand bonds frequently enter into standby purchase agreements and purchase and re-marketing agreements.

DEVELOPER ADVANCES: Initial investment provided by developers for tax increment reinvestment zone improvements before "tax increment" is generated.

DSC: Driver Safety Course.

ECRE: Engineering, Construction, and Real Estate Group of the Public Works and Engineering Department.

EEOC: Equal Employment Opportunity Commission.

EFFECTIVE TAX RATE (ETR): The tax rate that produces the same tax levy as the previous year's levy. The calculation of the ETR follows a formula, stipulated by State law, that factors in changes in tax value, exemptions and debt service requirements. Increases above the effective tax rate that exceed three percent and eight percent require special public notices and City Council action.

E-GOVERNMENT: The Internet has made it possible for government to provide services electronically on a seven-day-a-week, twenty-four-hour basis or non-stop government. Government services like permits, paying water bills, and paying traffic or parking fines can be done over the Internet. In the future, the City may expand these services to include other services like purchasing and courts case management.

EMS: Emergency Medical Service.

EMT: Emergency Medical Technician.

ENCUMBRANCES: Obligations in the form of purchase orders, contracts or salary commitments, which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is released.

ENTERPRISE FUND: A fund established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominantly self-supporting by user charges. This type of fund uses the accrual basis of accounting. The City has three enterprise funds: Aviation, Public Utilities, and Convention and Entertainment Facilities. These funds are also known as proprietary funds.

EPA: Environmental Protection Agency.

EPE: Employee Performance Evaluation.

EQUIPMENT ACQUISITION PROGRAM: A program used by the City as an alternative to acquiring capital equipment through cash purchase. This program is financed by certificates of obligation/commercial paper to procure major capital outlay items such as automobiles, trucks, tractors and computer equipment.

EQUITY PAY ADJUSTMENT: Changes in the rate of compensation for similar positions in a class based on the following: evidence of high levels of employee turnover; disparities between similar jobs within or outside the organization; and/or pay differences among individuals with the same job that are not based on experience or education.

ERP: Enterprise Resource Planning. Technologies supporting the accounting, purchasing, payroll, Human Resources and Asset Inventory Functions of a Business or Government Enterprise.

ESP: Employee Suggestion Program.

ESTIMATE: Annualized projections of either revenues or expenditures.

ETJ: Extra-Territorial Jurisdiction.

EXPENDITURES: Costs of goods received or services rendered that are recorded in the accounting system. Accounts are kept on an accrual or modified accrual basis and expenditures are recognized whether or not cash payments have been made. Where accounts are kept on a cash basis they are recognized only when cash payments have been made.

EXTRA BOARD ASSIGNMENT: An optional work assignment, which constitutes hours worked in excess of the fire fighter's regular work hours, but less than 182 hours worked within any 24-day work cycle.

FIDUCIARY FUNDS: This category of funds includes Trust and Agency funds that account for assets held by a government as a trustee or agent. Examples of this fund include pension and benefit funds. These funds, depending on their use, can either be on an accrual or modified accrual basis of accounting.

FISCAL YEAR: A twelve-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. The City of Houston`s fiscal year is from July 1 to June 30.

FIXED RATE OBLIGATION: Debt, which bears interest at a fixed rate.

FMLA: Family Medical Leave Act.

FMS: An acronym for Financial Management System, the City's accounting system.

FULL FAITH AND CREDIT: A pledge of the general taxing power for payment of debt obligations. Bonds carrying such pledges are referred to as general obligation bonds or full-faith-and-credit bonds.

FULL-TIME EQUIVALENT (FTE): Total estimated annual person-hours for all employees expected to fill positions within an organization for all or a portion of a year divided by 2,088. The annual paid hours for a full-time employee working 26.1 pay periods is 2,088, including holidays, vacation, and sick leave. For example, a seasonal employee who works for eight pay periods (approximately four months) would have an FTE of .31 (8pp x 80 hours/2,088). Other terms synonymous with FTE include worker year, staff year, or man year.

FUND: An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying out specific activities or attaining certain objectives.

FUND BALANCE: Unexpended and unencumbered monies left over in any fund from previous years and available for appropriation.

GENERAL FUND: The largest fund within the City. It was established to finance and account for the general receipts and expenditures and is operated under a modified accrual basis. This fund may be used for any legitimate municipal purpose. The sources of revenues for this fund include property and sales taxes, licenses and permits, fines, fees, and others. This fund is used for most basic operating services such as public safety, human and cultural services, parks and recreation, public works, and general government administration.

GENERAL OBLIGATION BONDS: See Public Improvement Bonds.

GFS: Government Financial System was implemented effective July 1, 1989. GFS replaced ARMS 80 as the City's financial system for all expenditures and revenues (also called FMS, Financial Management System). Significant changes in financial and budgetary accounting occurred as a result of GFS implementation, including more detailed accounting for operating expenditures and revenues, and inception-to-date accounting and reporting for capital projects and grants.

GHRS: Government Human Resources Systems – A fully integrated payroll and personnel system designed to meet various needs in accordance with a variety of pay, leave, and work rules and to provide a comprehensive set of human resource applications.

GIMS: Geographic Information Management System – A computerized map of the water, wastewater and storm water infrastructure systems, whereby the intelligence of the software provides answers to queries about the various systems.

GOVERNMENTAL FUND: A category of funds that include General, Special Revenue, Capital Projects, and Debt Service funds. Usually under the modified accrual basis of accounting these funds account for the customary governmental activities.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD – STATEMENT 34 (GASB 34): A governmental accounting standard board statement that requires two financial statements of governmental funds: a balance sheet and a statement of revenues, expenditures, and changes in fund balances. In addition, Management's Discussion and Analysis (MD&A) is required. Funds have been redefined and account groups have been eliminated. Major funds will be reported instead of fund types.

GREEN LIGHTS PROGRAM: A program that promotes energy efficiency and reduction of energy consumption, resulting in lower energy costs.

HALAN: Houston Area Library Automated Network.

HAZCOM: Hazardous Communications Act.

HEALTH BENEFITS FUND: A fund established to account for the City's employee health, dental and life insurance programs. Through assessment to other funds based on payroll, this fund receives revenues which defray claims costs of the City's medical plans and life and dental insurance. Employees and retirees also contribute based on the cost of the insurance plan or HMO in which they are enrolled. This fund includes costs for employees who handle the administrative activity and manage the third party administrative contract.

HCAD: Harris County Appraisal District.

HEC: Houston Emergency Center.

HFD: Houston Fire Department.

HPD: Houston Police Department.

HISD: Houston Independent School District.

IBNR: Incurred But Not Reported is a measurement of the value of outstanding claims costs that have not been received and reported.

IESWTR: Interim Enhanced Surface Water Treatment Rule.

IMS: Information Management System.

INCEPTION-TO-DATE: The period during which financial activity has occurred for a multi-year capital project or grant. Such period begins with the initial authorization of funding by City Council which only rarely coincides with the beginning of the City's fiscal year, July 1.

INTERFUND TRANSFERS: Transfers of resources from one fund to another, usually for the reimbursement of services provided or for debt service or capital outlay funds.

INTERIM FINANCIAL REPORTING: For the City of Houston, this term means monthly financial reports.

INTERNAL SERVICE FUND: A fund established for the purpose of providing services to City departments on a cost reimbursement basis. Services provided by the employees in this type of fund are billed to the departments receiving the services. The billing is similar to a billing that would be received from an outside vendor. Services often provided through this approach include data processing, print shop, supplies, and vehicle maintenance and replacement.

IP TELEPHONY: IP Telephony is an abbreviated form of the phrase Internet Protocol Telephony. IP Telephony is a technology term that refers to the combining of the use of voice and data communication lines into a single communication network. Instead of voice and data communications using two separate mediums, the technology consolidates to use one communications network.

IT: Information Technology.

JUDGMENT: An amount to be paid or collected by a government as the result of a court decision, including a condemnation award in payment for private property taken for public use.

JUDGMENT BONDS: Bonds issued to finance legal judgments.

JUDGMENT PAYABLE: The liability incurred as the result of a legal judgment.

LAN: Local Area Network.

LEPC: Local Emergency Planning Committee.

LIABILITY: Debt or other legal obligation arising out of a transaction in the past which must be liquidated, renewed or refunded at some future date. This term does not include encumbrances.

LIMITED PURPOSE ANNEXATION: A Strategic Partnership Agreement with local utility districts. The City may annex properties within the district for "limited purposes". Within these areas, the City levies a 1% sales Tax, which is typically split with the utility district. Further, the City collects no ad valorum taxes and provides limited services and in most cases the City provides only health inspection services. Another condition of the Agreement is a deferral of "full purpose" annexation for a period of thirty years.

LONG-TERM DEBT: Debt with a maturity date beyond one year after the date of issuance.

M & O: Maintenance and Operation.

MAGNET SCHOOL: A school (public elementary school, public secondary school, public elementary education center or public secondary education center) of choice that provide the standard required curriculum of general education to students while using special learning themes, such as science and technology. These themes serve to attract students to the magnet schools.

MATURITY: The date on which the principal or stated value of investments or debt obligations is due and may be reclaimed.

MDT: Mobile Data Terminal (Police Department).

MEET & CONFER AGREEMENT: The statutorily created process and procedure that allows for election of a majority bargaining agent that has sole and exclusive authority to negotiate with a public employer concerning wages, salaries, rates of pay, hours, working conditions, grievance, labor disputes, other terms and conditions of employment and other administrative matters of interest to police officers at the City of Houston.

METRO: Metropolitan Transit Authority (MTA).

MGD: Million Gallons Daily.

MODIFIED ACCRUAL BASIS: The method of accounting under which revenues are recorded when measurable and available and expenditures are recorded when the transaction is measurable, the liability is incurred and current resources will liquidate the liability.

MOTION: An order or decision of City Council, which is less formal than an ordinance. Motions are used to accept work on construction, issue purchase orders, and appoint members to a board or commission.

MSC: Multi-Service Center.

MUD: Municipal Utility District.

MWDBE: Minority/Women/Disadvantaged Business Enterprise.

NEIGHBORHOOD ORIENTED GOVERNMENT (NOG): A philosophy and/or concept about the delivery of City services. The goal is to make City services more accessible to the people by engaging them in a meaningful way to identify and solve problems in the neighborhoods.

NEIGHBORHOODS-TO-STANDARD: A neighborhood improvement program that brings together a conglomerate of entities, such as local utility companies, local transportation agencies and any other entity that works in conjunction with the City of Houston to revitalize and stabilize older neighborhoods.

NFPA: National Fire Protection Association.

NTU: Nephelometric Turbidity Unit is a standard of measurement to record turbidity. Turbidity is the cloudiness of water and is the result of materials floating in it.

OBJECTIVE: A clear statement of a desirable accomplishment within a short-term time span, which represents an interim step or measured progress toward a goal.

OCLC: Ohio College Library Center.

OLO: On-Line Offense (Police Department).

OPERATING FUNDS: Resources are derived from recurring revenue sources and used to finance on-going operating expenditures and pay-as-you-go capital projects.

ORDINANCE: A formal written document signed by the Mayor. An ordinance is the equivalent of a municipal statute, passed by the City Council, or equivalent body, and governing matters not already covered by federal or state law. Ordinances commonly govern matters of municipalities such as zoning, building, safety, etc. Ordinances are used to award contracts, appropriate funds, establish tax abatement districts, amend or add new materials to the Code of Ordinances, or revise anything already done by ordinance.

PAID TIME OFF (PTO): A leave program governing police officers' use of sick and vacation time that became effective in September 2001.

PARKS-TO-STANDARD: A parks improvement program that brings currently developed parks up to a uniform condition, including typical amenities, security, safety, and accessibility. The program also develops and implements standards for programming design and construction; commonly used materials and equipment; compliance with state and national mandates, compliance with the American with Disabilities Act (ADA); and hazardous material abatement.

PAY FOR PERFORMANCE: The pay for performance program represents efforts toward a performance-based program for municipal employees. Under the program, after the initial year of implementation, employees would be eligible for a performance-based increase 12 months from date of hire or effective date of last pay adjustment.

PCard: Purchasing Card.

P.C.: Personal Computer.

PDBE: Persons with Disabilities Business Enterprise.

PERFORMANCE BASED BUDGETING: A budgeting method focusing on program accomplishments in addition to program costs.

PERFORMANCE MEASURE: A unit of measure for determining a program's effectiveness in achieving its objectives.

PERSONNEL ORDINANCE: A City ordinance that defines the maximum number and type of authorized employee positions.

PERSONNEL ROSTER: A list of positions by type and number which sets an upper limit on the number of employees that can be on the current payroll or in the process of being hired. All rostered positions must first appear on the Personnel Ordinance.

PHASE DOWN PROGRAM: A program that provides an option to the current lump sum cash distribution of sick, vacation and compensatory time leave balances by allowing police officers to take leave and extend the payment of their accrued Paid Time Off (PTO) and compensatory accounts over a period of time up to and including their total leave balances.

PIP: Positive Interaction Program.

PM: Preventive Maintenance.

POLICIES: The principles used to guide management decisions.

POSITION CONTROL: An automated management tool designed to help management control personnel service expenses. Management gains the ability to monitor and control the on-going economic effect of staffing decisions.

POTABLE: Fit to drink.

PRIME ACCOUNTS: Accounts established to record expenditures or revenues by major categories.

PRIORITIES: Established preferences in the allocation of resources and services.

PROGRAM: A discrete service or group of related services provided by an organizational unit designed to achieve the organization's goals and objectives.

PROGRAMMATIC BUDGETING: A budgeting method focusing on outputs relating to proposed expenditures grouped into programs, which identify goals and objectives to be accomplished if the program is funded.

PROMPT PAYMENT ACT: Act 1993, 73rd Texas State Legislature, ch. 268 effective September 1, 1993 requires that local governments make every effort to pay vendors within 30 days after the receipt of invoice, receipt of goods or performance of service. Any payment made after 30 days is considered overdue and an interest penalty of 1% per month of the payment amount shall be imposed. This penalty is to be paid automatically without the vendor requesting payment.

PROPOSITION 1: Charter Amendment approved by voters in November 2004, which limits the growth of Property Tax revenue to the lower of the increase in population and CPI, or 4.5%.

PROPOSITION 2: Charter Amendment approved by voters in November 2004, which limits the growth of the City's Combined Revenues to the increase in population and CPI.

PROPRIETARY FUNDS: A category of funds that include Public Works and Engineering - Public Utilities, Aviation, and Convention and Entertainment Facilities activities. These activities have characteristics (i.e., self-supporting through user fees and charges) similar to private sector entities. These funds are accounted for using the full accrual basis of accounting. These funds are also known as enterprise funds.

PUBLIC IMPROVEMENT BONDS (PIBs): Long-term debt issued to finance the capital improvement projects. Also known as general obligation bonds, these bonds require voter approval prior to issuance. These bonds are repaid with property tax receipts.

PUC: Public Utility Commission.

PWE: Public Works and Engineering Department.

QUINT: A term used to describe a fire vehicle that has the basic capabilities of both an engine and ladder company. It is equipped with a 500-gallon water tank, 1,500 GPM pump, and storage space for supply/attack hose replicating an engine company. It also has a 75-100 foot aerial ladder, hydraulic extrication tools, and an assortment of ladder truck equipment/tools.

QC/QA: Quality Control/Quality Assurance.

RATING: The credit-worthiness of the City as evaluated by independent agencies. The ratings are performed by Standard and Poor's, Fitch, and Moody's Investors Service, usually before the sale of debt.

RCA: Request for Council Action.

RESERVE: An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

RESIDUAL EQUITY TRANSFERS: Nonrecurring or non-routine transfer of equity between funds.

RESOURCES: Total dollars available for appropriation including estimated revenues, fund transfers and beginning fund balances.

REVENUE: An increase in (sources of) fund financial resources other than from interfund transfers and debt issue proceeds. Revenues should be classified by fund and source.

REVENUE ESTIMATE: A formal estimate of how much revenue will be earned from a specific revenue source for some future period, typically, a future fiscal year, or an end-of-year estimate.

REVOLVING FUND: A special type of fund established to promote improved financial reporting and administrative convenience. The City has five revolving funds: Central Services, Fire Reconstruction, Fleet Maintenance, Property and Casualty, and Workers Compensation. For annual comprehensive financial reporting purposes, funds of this type are considered sub-funds of the General Fund.

ROW: Rights-of-Way.

SAP:..

SCHOOLS-TO-STANDARD PROGRAM: This program focuses on the City's infrastructure, such as crossing signs/lights, sidewalks, streetlights, etc. around schools.

SELF-INSURANCE FUND: All or most costs associated with workers compensation and legal claims are funded by the City without insurance policies issued by outside vendors. The City, in effect, is assuming all associated risks and claims and is operating as its own insurance company. Self-insurance became prevalent after policy coverage became unavailable or prohibitively expensive.

SCADA: Systems Control and Data Acquisition.

SDWA: Safe Drinking Water Act.

SEWPP: Southeast Water Purification Plant.

SIMHOUSTON: SimHouston is a program developed strictly for the City of Houston using the Sim Desk product. Sim Desk is a package of productivity tools like wordprocess, spreadsheet and database management. This program has been initiated at the Houston Public Library.

SIP: Strategic Information Plan.

SOURCE OF REVENUES: Classification of revenues according to their source or point of origin.

SPECIAL REVENUE FUND: A governmental fund established to account for the proceeds of special revenue sources, which are restricted to expenditures for specific purposes.

SRF: State Revolving Fund.

STD: Sexually transmitted diseases.

STRATEGIC OFFICER STAFFING PROGRAM (SOSP): A program designed to provide temporary staffing throughout the Police Department for positions created by the absence of other officers, or for special assignments established by the department. Police officers volunteering to work SOSP positions are compensated with straight time pay (base salary and longevity) or compensatory time at the department's discretion.

STRATEGIES: Plans of action recommended to implement policies.

TAX AND REVENUE ANTICIPATION NOTES (TRAN): Notes issued prior to the receipt of taxes or other revenue. These notes are issued to meet temporary cash flow requirements that are repaid with revenue receipts expected later in the year.

TAX INCREMENT REINVESTMENT ZONES (TIRZs): Reinvestment Zones created by the City that use tax increment revenue generated by increased value in the zone to promote development and redevelopment in that zone.

TIRZ REVENUE: Revenue generated by increased value in Tax Increment Reinvestment Zones (TIRZ), created by the City to promote development and redevelopment. As development in each zone occurs, the property taxes generated by the increase in value attributable to those improvements, or "tax increments," are placed in separate funds designated for each zone. In addition to the City of Houston, contributions from Harris County and HISD are collected and deposited to the TIRZ fund.

TAX LEVY: The total amount to be billed for general property taxes for operating and debt service purposes. Revenues will be less than the levy because of delinquencies, tax roll errors, and court cases contesting assessed property value.

TAX RATE: The amount of tax levied for each $100 of assessed property value. The tax rate is applied to the assessed valuation to derive the tax levy.

TAX RATE LIMIT: The maximum legal property tax rate at which a municipality may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes.

TCHR: Texas Commission on Human Rights.

TDH: Texas Department of Health.

TELEMETRY: The science of technology of automatic measurement and transmission of data by wire, radio or other means of remote sources.

TCEQ: Texas Commission on Environmental Quality.

TSS: Total Suspended Solids.

TWC: Texas Water Commission.

TWDB: Texas Water Development Board.

UCS: Utility Customer Service.

UNIT COST: The cost required to produce a specific product or unit of service.

URBAN FORESTRY PROGRAM: A program in the Parks and Recreation Department's Field Operation Division. Urban Forestry is responsible for a healthy urban forest through tree planting, pruning and needed tree removal.

USER FEES: The payment of a fee for direct receipt of a public service by the party benefiting from the service.

VARIABLE RATE DEBT (VRD): Debt which bears interest that changes or varies at predetermined intervals (daily, weekly, monthly, etc.) selected by the issuer. The issuer may also have the option to convert the variable rate to a fixed rate. The issue then becomes a fixed-rate obligation and cannot be returned to the variable rate mode.

WAN: Wide Area Network.

WWTP: Wastewater Treatment Plant.

WCR: Wastewater Capacity Reservation.

WHISTLE BLOWER'S HOTLINE: A telephone service that is available 24 hours a day to provide anonymity in reporting allegations of employee misconduct that is criminal and administrative in nature.

WIC: Women-Infants-Children.

Y2K COMPUTER COMPLIANT: A worldwide rush to combat the computer problem known as Y2K. An effort to resolve programming flaws that would have prevented some computers from recognizing the year 2000.

YIELD: The rate earned on an investment based on the cost of the investment.

ZERO-BASED BUDGETING (ZBB): A type of program budget. It is designed to require managers to start at zero budget levels every year and justify all costs as if the programs involved were being initiated for the first time.