GUIDE TO READING THE OPERATING BUDGET

This section explains the format and contents of the FY2010 Budget document. The major sections of the budget are described below.

THE MAYOR'S BUDGET MESSAGE

The Mayor's budget message to the City Council outlines the priorities upon which the FY2010 Budget was prepared. Service highlights and significant changes are discussed.

SUPPLEMENTARY INFORMATION

This section provides a City of Houston fact sheet with leading economic indicators, the authorization for the budget, and a detailed discussion of the budget methodology. An economic forecast, overview of the budget, overview of funds, and financial and budgetary policies are also presented. Summary information for all funds is presented by department.

GENERAL FUND

This section includes a fund summary, a General Fund resources summary, and a General Fund expenditure summary. These summaries are followed by General Fund departmental operating budgets.

The General Fund departments are grouped by function. The functions and their component departments are as follows:

PUBLIC SAFETY AND JUSTICE

- Houston Emergency Center
- Fire
- Municipal Courts/Administration
- Municipal Courts/Justice
- Police

SERVICES
HUMAN AND CULTURAL SERVICES

- Convention & Entertainment
- Health and Human Services
- Housing and Community Development
- Library
- Parks and Recreation

DEVELOPMENT AND MAINTENANCE

- General Services
- Planning and Development
- Public Works & Engineering (PWE)
- Solid Waste Management

ADMINISTRATIVE SERVICES

- Administration and Regulatory Affairs
- Affirmative Action
- City Council
- City Secretary
- Controller's Office
- Finance
- Human Resources
- Information Technology
- Legal
- Mayor's Office

GENERAL GOVERNMENT

GENERAL FUND DEBT SERVICE

A brief departmental narrative outlines the department's responsibilities, budget, and service level. A departmental organization chart shows divisions and/or programs with staffing and expenditure levels.

Also included is a graph that presents a nine-year departmental expenditure history and the adopted budget. Within a departmental summary, related totals may vary slightly due to rounding.

- Department/Budget Summary

  This form includes summaries of expenditures, revenues, staffing levels for the FY2008 Actual, FY2009 Budget, FY2009 Estimate, FY2010 Budget and FY2010 highlights of services or new programs. The FY2009 Estimate (FY2009 Projected) is based on the March 2009 Monthly Financial and Operations Report (MFOR) for general, enterprise, special revenue, and internal service funds.

- Programs by Department

  This form summarizes departmental program objectives, expenditures, staffing levels, and performance measures for the FY2008 Actual, FY2009 Estimate, and FY2010 Budget.

- Personnel Summary

  This schedule lists positions by job classification code. The total is adjusted to full-time equivalents (FTEs).

- Department Expenditure Line Item Detail

  This form provides department expenditure information by line item for the FY2008 Actual, FY2009 Budget, FY2009 Estimate, and FY2010 Budget.

- Department Revenue Summary

  This form provides department revenue information by revenue source for the FY2009 Budget, FY2009 Estimate and FY2010 Budget.

ENTERPRISE FUNDS

The City of Houston has four Enterprise Fund operations: Aviation, Convention and Entertainment Facilities, Parking Management and the Combined Utility System. These funds have the same budget presentation as described for General Fund departments, with the exception of the Fund Summary that follows the departmental narrative. Aviation's Airport Capital Outlay Fund and Combined Utility System's Water and Sewer System Operating Fund are separate funds for the purchase of capital outlay items. The Combined Utility System Operating Fund pays the debt service, in addition to making operating transfers to the Combined Utility System General Purpose Fund. This fund is used for capital outlays, discretionary payments, transfers to storm water, and other permissible activities. In general, the Fund Summary includes the following items for the FY2009 Budget, the FY2009 Estimate, and the FY2010 Budget:

- Beginning fund balance/equity
- Current revenues and other sources
- Maintenance and operating expenditures/expenses
- Other expenditures/uses
- Operating reserve
- Planned ending fund balance/equity
- Total budget

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources, which are restricted to expenditures for specified purposes. In FY2010, the Special Revenue Funds include the following:

- Asset Forfeiture
- Auto Dealers
- Building Inspection (FY2009-FY2010 Sign Administration combined with Building Inspection)
- Cable Television
- Child Safety
- Digital Houston
- Digital Automated Red Light Enforcement Program
- Fleet/Equipment Acquisition
- Historic Preservation Fund
- Houston Emergency Center
- Houston TranStar Center
- Juvenile Case Manager Fund
- Mobility Response
- Municipal Courts Building Security
- Municipal Courts Technology Fee
- Parks and Recreation Special Revenue
- Police Special Services
- Solid Waste Recycling
- Supplemental Environmental Protection

INTERNAL SERVICE FUNDS

Internal Service Funds are established for the purpose of providing services to City departments on a cost-reimbursement basis. Services provided by personnel in this fund type are charged to the department receiving the services. The Internal Service Funds section includes the following operations in FY2010:

- Health Benefits
- Long-Term Disability

The presentation format for the Internal Service Funds is identical to the Enterprise Funds.

CAPITAL AND EQUIPMENT

The Capital and Equipment Program is not subject to the annual budget cycle. The equipment in this program is financed by the issuance of Commercial Paper (CP). A separate appropriation is established after the issuance of CP.

REVOLVING FUNDS

Revolving Funds are also established to provide services on a cost-reimbursement basis and as an administrative convenience. Generally speaking, supplies and services are delivered or acquired on behalf of a department, which is later billed. For example, the Central Services Revolving Fund pays the electrical bills for departments and is then reimbursed. This procedure also allows for the accurate allocation of costs by department and fund by using the modified accrual basis of accounting. These funds are sub-funds of the General Fund. The format for the Revolving Funds is identical to the Enterprise Funds.

The Revolving Funds section includes the following operations in FY2010:

- Central Services
- Project Cost Recovery
- Enterprise Geographical Information System (EGIS)
- In-House Renovation
- Fleet Management

- Property and Casualty
- Workers Compensation

DEBT SERVICE FUNDS

This section consists of a narrative explaining the purpose of these funds, highlights of the FY2009 Budget, the reserve policy, and Fund Summary tables. In addition, this section includes the Annual Financing Plan (AFP), which outlines the proposed schedule for various debt issuances in the upcoming fiscal year.

APPENDICES

This section includes the glossary, which defines key budget terms and expenditure line item details for the General Fund, Enterprise and Special Revenue Funds, and Citywide funds. These include line item details for the FY2008 Actual, the FY2009 Budget, the FY2009 Estimate, and the FY2010 Budget.

A departmental cross reference is included in the appendices. This is an alphabetical listing by department, of all funds and where they are located in the FY2010 Operating Budget, by section, and page number. Schedules for revenue supported debt service are included in the appendices. Also included is a summary of the FY2010 City Council actions as well as the FY2010 Budget Ordinance.