AUTHORITY

The City of Houston's Operating Budget is proposed and approved in accordance with state law, the City Charter, and the City Code of Ordinances.

- The Mayor submits the Operating Budget and the Capital Improvement Plan (CIP) to the City Council for approval. The Operating Budget and Capital Improvement Plan include the following features:
  - Revenues, expenditures, and fund balances for FY2010 Actual; FY2011 Estimate; and the proposed budget for FY2012,
  - All City funds, over which the City Council has discretionary approval authority,
  - Proposed estimates for the tax rate and the water and sewer rate for the upcoming fiscal year,
  - All projects for which appropriations will be made in the subsequent fiscal year, and
  - All outstanding obligations and indebtedness of the City.
- The City Council then reviews the Operating Budget and Capital Improvement Plan under the following actions:
  - Calls, publicizes, and conducts public hearings on the Operating Budget and CIP,
  - Proposes and approves recommended changes to the Operating Budget and CIP, and
  - Considers a separate ordinance, which approves the Operating Budget, a motion which adopts the Capital Improvement Plan, and an ordinance which appropriates funds for approved budgetary purposes and projects.
- After the City Controller certifies that funds are available for all appropriations, the Council is presented with an appropriation ordinance.

Prior to the first day of the fiscal year, the City Council is authorized by the City Charter to adopt an ordinance appropriating funds to support the operations of City government. The ordinance usually appropriates most of the proposed budget. The level of appropriation will vary by fund, given the fiscal condition of the fund. This appropriation serves as an interim spending plan authorization until the General Appropriation Ordinance is considered by City Council. At the time of General Appropriation, most of the property tax revenue has been received and the City Controller is able to certify that funds are available for the entire budget.