GUIDE TO READING THE OPERATING BUDGET

This section explains the format and contents of the FY2012 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 FY2012 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

- Fire
- Houston Emergency Center
- Municipal Courts
- Police

DEVELOPMENT AND MAINTENANCE SERVICES

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

GENERAL GOVERNMENT

HUMAN AND CULTURAL SERVICES

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

ADMINISTRATIVE SERVICES

- Administration and Regulatory Affairs
- City Controller
- City Council
- City Secretary
- Finance
- Human Resources
- Information Technology
- Legal
- Mayor's Office
- Office of Business Opportunity

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, and staffing levels for the FY2010 Actual, FY2011 Budget, FY2011 Estimate, FY2012 Budget and FY2012 highlights of services or new programs. The FY2011 Estimate (FY2011 Projected) is based on the March 2011 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 FY2010 Actual, FY2011 Estimate, and FY2012 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 departmental expenditure information by line item for the FY2010 Actual, FY2011 Budget, FY2011 Estimate, and FY2012 Budget.

- Department Revenue Summary

  This form provides departmental revenue information by revenue source for the FY2011 Budget, FY2011 Estimate and FY2012 Budget.

ENTERPRISE FUNDS

The City of Houston has three Enterprise Fund operations: Aviation, Convention and Entertainment Facilities 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 Water and Sewer Operating Fund pay 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 FY2011 Budget, the FY2011 Estimate, and the FY2012 Budget:

- Beginning fund balance/equity
- Current and projected revenues
- Current and projected expenditures
- Planned ending fund balance
- Fund balance distribution, where appropriate

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 FY2012, the Special Revenue Funds include the following:

- Asset Forfeiture
- Auto Dealers
- BARC
- Building Inspection
- Cable Television
- Child Safety
- Dedicated Drainage and Street Renewal Fund
- Digital Automated Red Light Enforcement Program
- Digital Houston
- Fleet and Equipment Acquisition
- Historic Preservation Fund
- Houston Emergency Center
- Houston TranStar Center
- Juvenile Case Manager Fund
- Mobility Response Team
- Municipal Courts Building Security
- Municipal Courts Technology Fee
- Parking Management
- Parks and Recreation Special Revenue
- Police Special Services
- Recycling Expansion Program
- Supplemental Environmental Protection
- Swimming Pool Safety Fund

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 FY2012:

- 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 has its own 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.

SERVICE CHARGEBACK FUNDS

Service Chargeback Funds, previously known as Revolving Funds are also established to provide services on a cost-reimbursement basis and as an administrative convenience. In these funds, 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 departments and funds that use the modified accrual basis of accounting. These funds are sub-funds of the General Fund. The format for the Service Chargeback Funds is identical to the Enterprise Funds.

The Service Chargeback Funds section includes the following operations in FY2012:

- In-House Renovation
- Fleet Management
- Property and Casualty
- Workers' Compensation
- Central Services
- Project Cost Recovery

DEBT SERVICE FUNDS

This section consists of a narrative explaining the purpose of these funds, highlights of the FY2012 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 FY2010 Actual, the FY2011 Budget, the FY2011 Estimate, and the FY2012 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 FY2012 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 FY2012 City Council actions as well as the FY2012 Budget Ordinance.