



CITY OF HOUSTON

Office of the Mayor

Bill White

Mayor

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May 16, 2007

To: Honorable Members of the City Council, City Controller and Citizens of Houston

I am pleased to submit the proposed budget for the fiscal year, which begins July 1, 2007, and ends June 30, 2008 (FY08). The City remains in sound financial condition and continues our commitment to providing more services within disciplined budgets.

This letter largely highlights our operating budgets. I will submit a six-year Capital Improvement Plan by the end of this month.

Public Safety First

Public Safety will take the highest priority, as it has over the past few years, with 66.3% of the City's General Fund Budget, minus debt service costs. The combined expenditures for Police, Fire and EMS will increase by \$53 million. To continue bringing crime rates down, the number of classified police officers will increase by 172. Other highlights include:

- Overtime programs, for both routine and special operations, equivalent to about 500 additional police officers.
- A 24-hour Crime Analysis Joint Operations Center that will enhance patrol and investigative responses to crime.
- \$3.5 million for the demolition of dangerous buildings in the range of 1,000 buildings, and the clean-up of approximately 9,000 weeded lots.

The Fire Department's budget contains four additional cadet classes, to provide better service. Other highlights include:

- Increased firefighter pay of 5.5%, consistent with the terms of the contract.
- Increased staffing of Telemetry, to improve ambulance service.
- Improved coverage in the far Northeast Houston area, with a new station.

Municipal courts will expand operations at the Westside Command Station, to improve customer service and collections.

Reducing Traffic Congestion

Our Mobility Response Team will be in the field this summer. We will also fund a citywide mobility plan that can be used to evaluate additions of new lane capacity and improved flow of traffic through access management. That plan would be the backbone of general planning efforts undertaken by the City.

Improving the Quality of Life in Our Neighborhoods

We have increased the budgeted funds for books and library materials.

We will build and maintain a larger hike and bike trail system, and many recreation centers will receive new fitness equipment.

Our Health and Human Services Department has increased funding for disease prevention and control of communicable diseases, inspectors, and environmental health initiatives.

Sustainable Growth

The City will diversify its electrical power supply, to reduce in order to mitigate our exposure to natural gas prices and provide price certainty for fiscal planning purposes. We will procure wind energy to provide us with a significant portion of our electricity requirements.

We are expanding a residential energy efficiency program, funded by housing bond funds and CenterPoint, to increase the energy efficiency to each residence by at least 10% in many of our older neighborhoods.

The budget includes a program to reduce waste by updating the recycling program, composting yard wastes, and converting trees and branches to wood chips. This program will include substantial enforcement for illegal dumping in abused neighborhoods, with the involvement of the Super Neighborhoods and Civic Associations.

Making City Hall More Responsive and Efficient

We continue to improve productivity and hold the line on property taxes.

This budget is based on property tax revenues which increase less than the combined rates of population and inflation growth last year.

The combined effect of the property tax rate cuts and the annual increases in the senior exemptions during the Administration amounts to a \$24 million cut in property taxes in FY08 compared with the rate and exemption in FY04.

We have taken advantage of the low interest rate environment to reduce interest rates. This has allowed us to maintain the property tax rate for debt service at about the same level as last year.

We will be investing more in equipment and supplies to increase productivity and address deferred maintenance.

We will have a civilian pay increase which, when combined with our benefits package, allows us to recruit and retain good employees.

I want to acknowledge the professionalism and dedication of department heads and others who have helped us through the process of developing this proposal. We've used honest, realistic accounting and concentrated our efforts to provide more services, more efficiently for the dollars spent. We continue to invest in our City workforce while maintaining high performance.

Our FY2008 Budget is disciplined and performance-based. Houstonians deserve no less.

Sincerely,

A handwritten signature in black ink that reads "Bill White". The signature is written in a cursive, flowing style.

Bill White
Mayor