

## SUMMARY OF FY2020 CITY COUNCIL ACTIONS

| ORDINANCE<br>NUMBER | DATE<br>ADOPTED | SUMMARY  |
|---------------------|-----------------|--|
| Motion #2019-0309A  | June 19, 2019   | Each Council Member shall have the authority to designate any or all of their own unspent council office current fiscal year funds to a City of Houston General Fund supported department for any purpose with the approval of the Mayor. If disapproved by the Mayor, the Administration will advise of its reasoning in writing.   |
| Motion #2019-0310   | June 19, 2019   | All city departments shall adopt a zero-based budgeting method for Fiscal Year 2021 only. Traditional incremental budgeting is based on the assumption that the "baseline" is automatically approved. By contrast, zero-based budgeting starts from a "zero base," and every function within an organization is analyzed for its needs and costs. Budgets are then built around what is needed for the upcoming period. A report from the Administration shall be delivered to Council on plans for implementation of FY21 zero-based budgeting by November 1, 2019. |
| Motion #2019-0311   | June 19, 2019   | The City of Houston FY2020 budget shall be amended to ensure the staffing level of the Inter-Government Relations budget (500500005) is no greater than the FY18 actual level for that office.   |
| Motion #2019-0313   | June 19, 2019   | In order to realize cost savings in vehicle purchases only available and through multiple State and Federal grant programs, fuel purchases, and to decrease carbon emissions by the City's fleet, the City of Houston shall establish a requirement that at least 25% of non-emergency on-road vehicles purchased in FY2020 and in subsequent years shall be comprised of low-emissions, alternative fuel vehicles (including, but not limited to compressed natural gas (CNG), liquefied natural gas (LNG), propane, and electric-powered vehicles).                |
| Motion #2019-0315   | June 19, 2019   | The City Controller shall include in the Monthly Financial Report any evidence found of bid splitting. For the purposes of this amendment, "bid splitting" shall refer to expenditures for a contract made in increments under \$50,000 but where the aggregate exceeds \$50,000.  |
| Motion #2019-0316   | June 19, 2019   | The City Controller shall include in the Monthly Financial Report all expenditures under \$50,000 that were unbudgeted by the department. For the purposes of this amendment, "unbudgeted" shall refer to any funds or programs that were not included in the adopted City budget or approved by City Council.   |

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| Motion #2019-0318   | June 19, 2019   | Fully Implement Recommendation #5 of the FY18 Public Works and Engineering Drainage and Paving Construction Internal Audit:<br>"Houston Public Works will establish a written plan within 90 days to be given to all members of the City Council to monitor vendor performance and follow up on areas in which the vendor is not meeting expectations. In addition, the vendor selection process as it relates to skilled work should incorporate review of past performance, to include follow ups on references as well as reviewing internal performance reviews for those vendors that have previously worked for the City."  |
| Motion #2019-0320   | June 19, 2019   | City of Houston shall create a pilot tax abatement for eligible apartment complexes participating in the Apartments with Afterschool Programs (AAP) in Complete Communities that is consistent with state law. Eligibility: Complexes that are c-rated or whose students feed in C rated schools and below. Participating Complexes: To participate, apartment complexes must enter an agreement with Harris County Department of Education's after-school division, the Cooperative for After-School Enrichment (CASE) to sponsor a year long program for the students living in the apartment complex. CASE shall evaluate and provide eligible complexes with a cost for annual sponsorship of a program for their students. CASE will administer the selection of partnering organizations, who will provide after-school enrichment services for students of participating complexes. The services may be provided at the complex, nearby community facilities, or a school. Amount of abatement: The amount of the abatement shall be a multiple of amount of the annual sponsorship but shall not exceed \$30,000.00 annually. Justification: The AAP Abatement will provide an economic benefit to the City of Houston by increasing educational enrichment services for youth and supporting community development. Cost: The total abatement cost will be capped at \$990,000.00 annually for a total 33 complexes (3 per Council District) that will be eligible for participation annually. |
| Motion #2019-0324   | June 19, 2019   | This amendment would require the use of net funds collected for the permitting of boat docks, piers, and bulkheads for waterfront structures located in the Lake Houston Area on the San Jacinto River and Lake Houston be used to begin a Lake Houston maintenance program to include activities like dredging, removal of log jams, and watershed maintenance on the West and East Fork of the San Jacinto River as well as Lake Houston to conduct proactive watershed maintenance within the Houston City Limit annually. Funding Source: Fund 60022 and Fund 60002, which are specific to Lake Houston structural permits and pier license fees.   |

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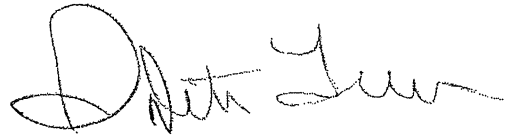
| ORDINANCE<br>NUMBER | DATE<br>ADOPTED | SUMMARY  |
|---------------------|-----------------|--|
| Motion #2019-0325   | June 19, 2019   | All General Fund revenues and resources received in FY2020 in excess of \$2,717,192,611 shall be designated to the Fund Balance and shall not be appropriated for FY2020. This amount shall not include pass-through funds including but not limited to: 1) HOT Tax Revenues - pass-through payment to Houston Arts Group; 2) Sales Tax Revenues - pass-through payment to Limited Partnership Annexations and transfers related to Chapter 380 agreements; 3) Property Tax - pass-through transfer amount to the Dedicated Drainage and Street Renewal Fund for captured revenue and transfers related to Chapter 380 agreements; 4) Municipal Service Fees revenues - passthrough transfer amount to Police Special Service Fund for police services in certain reinvestment zones and; 5) Other collection revenues - payment to vendors based on commission-based contracts.   |
| Motion #2019-0327   | June 19, 2019   | The City of Houston will initiate the procurement process of the consulting firm to do a cost benefit analysis for managed competition to the delivery of Solid Waste Management Department services by required sector – Northeast, Northwest, Southeast, and Southwest. Managed competition provides an environment where private sector firms and public-sector employees can both be given an opportunity to compete to provide services. NOTE: According to the PFM Report, there may be advantages for serving all or parts of the city using a private contractor. There are two main advantages to this approach. First, if the private sector wins a zone, a city still has sufficient resources so that if it needs to resume service after an initial contract then it does not need to completely re-start garbage collection service. Second, the zone approach allows a city to identify those zones where continued service by its own workforce may be most expensive. |
| Motion #2019-0330   | June 19, 2019   | The City of Houston will initiate a procurement process to engage a consulting firm within 90 days of July 1, 2019, to do a cost benefit analysis on contracting out fleet management services. NOTE: City does not have a fully-funded and adequate fleet replacement schedule. The lack of adequate funding for fleet replacement has multiple impacts on the City's day to day operations. Vehicles that operate past the point of recommended replacement are more likely to be out of service, affecting service delivery. Older vehicles also tend to increase repair and operating costs. The savings generated from contracting out fleet management services will go toward vehicle replacement. The PFM Report recommended changes to the Fleet Management Department in year two and year three of their forecast.  |

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|-----------------------------|-------------------------|---|
| Motion #2019-0334           | June 19, 2019           | <p>Real Estate Strategy</p> <p>In order to better align the City of Houston's real estate transactions with the evolving short-term and long-term needs of the City, the City of Houston shall develop and implement a set of overarching guiding strategies ("Real Estate Strategy") for the acquisition, sale and use of City of Houston properties. The Real Estate Strategy shall include, but is not limited to, the following guiding principles for consideration when assessing the acquisition and sale of City-owned properties: (1) whether the property has any foreseeable use by the City (short-term or long-term); (2) whether significant economic development opportunities can be generated by acquiring, leasing or selling the property; (3) if property is being sold by the City, assessing the potential impact of "new owner's anticipated use" (if known) on the surrounding community; (4) whether the City will be relieved of or exposed to potential liabilities and/or costs of maintaining property that does not generate income or provide public benefit; (5) whether the acquisition or sale of the property will strengthen the City's tax base; (6) in the case of land being purchased from the City, whether such a purchase catalyzes rapid gentrification and/or displacement; (7) whether the acquisition or sale will aid in reducing blight, and responsibly revitalize neighborhoods; (8) assessing how the sale or acquisition of the property may relate to the need to ensure quality, affordable housing is available within the City limits and (9) assessing if there may be foreseeable opportunities to use said property to provide leverage or better outcomes in favor of the City with respect to future or current public private partnerships in which the property is held, leased or sold for said purposes. The General Services Department and other City Departments holding City property shall be engaged to develop the Real Estate Strategy. The Real Estate Strategy shall be presented to the Budget and Fiscal Affairs Committee within Fiscal Year 2020 and incorporated into the Financial Policies of the City of Houston.</p> |

Mayor's Office

To the Honorable City Council of the City of Houston:



In accordance with the provisions of Article VII, Section 7 of the Charter of the City of Houston, I submit and introduce to you the Ordinance set out below with the request that it be passed finally on the date of its introduction. There exists a public emergency requiring such action and I accordingly request that you pass the same if it meets with your approval.

Date: June 19, 2019

Mayor of the City of Houston

City of Houston, Texas Ordinance 2019-453

AN ORDINANCE RELATED TO THE FISCAL AFFAIRS OF THE CITY; APPROVING THE ANNUAL BUDGETS OF THE CITY OF HOUSTON, TEXAS, FOR FISCAL YEAR 2020, INCLUDING PROVISIONS FOR FUTURE ADJUSTMENT TO CERTAIN FUND BALANCES; MAKING VARIOUS AMENDMENTS TO THE PROPOSED BUDGETS; AUTHORIZING CERTAIN TRANSFERS; RE-DESIGNATING A CASH RESERVE IN THE FUND BALANCE; ESTABLISHING A COST FOR COPIES OF THE BUDGET; MAKING OTHER PROVISIONS RELATED TO THE SUBJECT; MAKING CERTAIN FINDINGS RELATED THERETO; PROVIDING A REPEALING CLAUSE; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.

\* \* \* \*

**WHEREAS**, on May 6, 2019, the Mayor of the City of Houston, Texas, filed with the City Secretary a proposed budget of the expenditures of the City of Houston General, Enterprise and Special Revenue Funds for the Fiscal Year beginning July 1, 2019, and ending June 30, 2020, (the "Proposed Budget"); and

**WHEREAS**, pursuant to a resolution of the City Council of the City of Houston, and after notice was provided as required by law, a public hearing on the Proposed Budget was held in the Council Chamber in the City Hall on Wednesday, June 5, 2019, at which hearing all residents and all taxpayers, had the right to be present and to be heard, and those who requested to be heard were heard; and

**WHEREAS**, the City Council has considered the Proposed Budget and has made those changes to the Proposed Budget that in the City Council's judgment are warranted by law and demanded by the best interest of the taxpayers of the City; and

**WHEREAS**, the City Council desires to approve and adopt the final Budget as set out herein; **NOW, THEREFORE**,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:**

**Section 1.** That the findings contained in the preamble of this Ordinance are determined to be true and correct and are adopted as a part of this Ordinance.

**Section 2.** That in accordance with the City Charter and Sections 102.001 through 102.011, Tex. Loc. Gov't Code (Vernon's), the City Council hereby approves and adopts the Proposed Budget as amended herein as the Fiscal Year 2020 City of Houston, Texas, Budget, the same being contained in the budget document on file with the City Secretary in a volume entitled "Proposed Budget For Fiscal Year 2020," as amended and supplemented herein, but specifically not including as part of the Budget, the Overview, the description of the General Fund other than the Fund Summary, data relative to any Fiscal Years prior to 2020, the General Obligation Debt Service Fund, the Internal Service and Service Chargeback Fund budgets, the Capital Improvement Plan Summary, and the Appendices or information concerning Full-Time Equivalents, all of which is provided for background, accounting convenience and reference purposes only (the "Budget"). The City Secretary is hereby directed to attach to the Budget a copy of this ordinance, any motions amending the Proposed Budget and an endorsement reading "The Official Budget of the City of Houston, for the General, Enterprise and Special Revenue Funds for the Fiscal Year Beginning July 1, 2019 and ending June 30, 2020" and to keep the Budget on file in her office as a public record. In addition, in accordance with Section 102.009(d), Tex. Loc. Gov't Code (Vernon's), the City Secretary is hereby directed to file a true copy of the approved Budget in the offices of the county clerks of the counties in which the City is located.

**Section 3.** That the City Council hereby incorporates into the final approved Budget the revisions to the Proposed Budget contained in Exhibit A, attached hereto and incorporated herein for all purposes. Further, this ordinance is amended by the Motions or Amendments approved by City Council, if any, which shall be attached as Exhibit B and become a part of this ordinance for all purposes. Any non-substantive changes necessitated by adoption of these amendments, such as changed page numbers, are also approved.

**Section 4.** That the Beginning Fund Balance reflected in the Budget for each fund for which a budget is adopted hereby automatically shall be adjusted to be the amount of the Ending Fund Balance for Fiscal Year 2019 included in the final Comprehensive Annual Financial Report for Fiscal Year 2019 for each respective fund, when released. The revised Beginning Fund Balance shall thereafter be used to calculate the Fiscal Year 2020 Ending

Fund Balance for each such fund, which also shall be adjusted automatically. No adjustment to the expenditure budgets is authorized by this Section.

**Section 5.** That the City Council hereby re-designates a cash reserve of up to **\$21,318,907** in the General Fund fund balance, for the Budget Stabilization Fund (formerly known as the "Rainy Day Fund") to be available for unforeseen contingencies consistent with City of Houston Ordinance No. 2003-0474, as amended and restated by Ordinance No. 2014-1078, as further amended. Each use of this designated portion of the fund balance must be approved and funds appropriated therefor by City Council.

**Section 6.** That the City Council hereby authorizes for each City Department the necessary Full-Time Equivalents (FTE) included in the budget for that Department, including as applicable personnel staffing authorized in connection with Internal Service and Service Chargeback Funds over which the Department has control. In addition, the City Council previously has authorized classified Full-Time Equivalents subject to Chapter 143, Tex. Loc. Gov't Code, through individual personnel ordinances, which shall continue to regulate those positions. The City Council further authorizes the currently existing grant funded positions. In the future, additional grant funded positions will be authorized by acceptance or modification of a grant whether by City Council or administratively. The City Council takes cognizance of the fact that in order to facilitate the operations of the various City departments the numbers and types of positions needed to carry out the functions of the departments may vary through the year. Accordingly, the Mayor is hereby authorized to alter the numbers and types of positions authorized herein (classified positions subject to Chapter 143, Tex. Loc. Gov't Code not being authorized herein, but by separate personnel ordinances) in order to accomplish the program goals of each department; provided, however, that in so doing, all such positions must have been established by City Council in the Master Classification Ordinance and the total departmental expenditures for the affected department must remain within authorized budgetary limits, or in the case of grant funded positions, within the funding levels of the grant. The Full-Time Equivalents adopted by this Section are not to be considered part of the Budget adopted by this Ordinance for purposes of amendments to the Budget.

**Section 7.** That all expenditures heretofore made for Fiscal Year 2020, if any, are hereby approved, ratified and confirmed and because it is the intention of the City Council that the Budget hereby approved be inclusive of previous expenditures and commitments for Fiscal Year 2020, the City Controller is hereby directed to apply the amounts thereof to the appropriate accounts in the Budget.

**Section 8.** That the City Council takes cognizance of the fact that in order to facilitate operations of the various City departments established in the Code of Ordinances of the City of Houston (singularly "department"), and to make adjustments occasioned by events transpiring during the year, some transfers will be necessary to and from some of the accounts contained in the Budget as adopted herein. Accordingly, the Mayor shall have authority to transfer funds to and from the Budget accounts within any department without limitation. In addition, for transfers among departments within a Fund, the Mayor shall have authority to transfer funds from any Budget account (whether one or more) in

one department to any other account or accounts in any other department within the Fund, but for each department, such aggregate interdepartmental transfers from any Budget Expenditure Account Group in that department's budget shall not exceed 5% of the total amount shown for such Budget Expenditure Account group in the adopted budget for such department. Provided, however, that any such transfers shall not be subjected to or be included within the foregoing 5% limit if such transfers are approved by City Council through this ordinance or, subsequent to adoption, in compliance with Section 102.001 through 102.011, Local Government Code (Vernon's).

As used in this Section the term "Budget Expenditure Account Group" means a group of accounts within a department or a group of nondepartmental accounts which have similar purposes (for example, the Budget Expenditure Account Group for "Personnel Services" within a given department might include all of the following accounts: 500010, 500030, 500090, 500060, 501120, 501070, 502010, 503010, 501010, 501160, 500020, 500040, 500050, 500190, 500070, 501040, 501130, 501090, 501080, 503070, 502020, 503020, 501020, 501170, 503090, 503080, 504030, 503060)

**Section 9.** That the City Council approves the increase, during FY2020, of the adopted budget for the Aviation Revenue Fund (Fund 8001) by the amount of any increase in revenue over that projected for the Fund as certified by the City Controller, but only for the purpose of transfer of such increased revenue, if any, to the HAS-Airports Improvement Fund, and hereby approves and authorizes any such transfer.

**Section 10.** That the City Council approves the increase, during FY2020, of the adopted budget for the Water & Sewer Operating Fund (Fund 8300) by the amount of any increase in revenue over that projected for the Fund as certified by the City Controller, but only for the purpose of transfer of such increase, if any, to the Combined Utility Systems Operating Fund (Fund 8301), which must subsequently transfer such increase, if any, to the Combined Utility System General Purpose Fund (Fund 8305). The City Council approves the increase, during FY2020, of the adopted budget for the Combined Utility Systems Operating Fund (Fund 8301) by the amount of increased revenue transferred from the Water & Sewer Operating Fund (Fund 8300) pursuant to this section, but only for the purpose of transfer of such increase, if any, to the Combined Utility Systems General Purpose Fund (Fund 8305).

**Section 11.** That the City Council hereby directs and authorizes that the ending Fund Balance of any Fund that receives revenue during FY2020 over and above that projected for the Fund as certified by the City Controller, shall be increased by an amount equal to the additional revenue received and that such fund balance shall be available for appropriation and transfer for any lawful purpose of the Fund.

**Section 12.** That the City Council approves the payment of the City's general debt service obligations created elsewhere by separate Council action from funds in the General Obligation Debt Service Fund.

**Section 13.** That the City Council hereby establishes the price to purchase for the



Budget documents by the public at \$35.00 plus tax and postage, if any.

**Section 14.** That all ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict only. The Budget adopted by this ordinance replaces the FY2019 Budget.

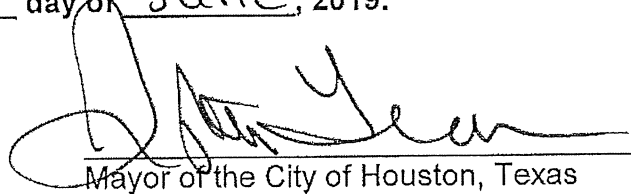
**Section 15.** That the City Council officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Sec. 551.001 et. seq. Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

**Section 16.** That if any provision, section, subsection, sentence, clause or phrase of this ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this ordinance are declared to be severable for that purpose.

**Section 17.** That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor or July 1, 2019, whichever is later.

PASSED AND ADOPTED this 19<sup>th</sup> day of June, 2019.

APPROVED this 19<sup>th</sup> day of June, 2019.

  
Mayor of the City of Houston, Texas

**FISCAL YEAR 2020 BUDGET**

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is \_\_\_\_\_.

\_\_\_\_\_  
City Secretary

(Prepared by Legal Dept. : Ram P. Nayyar)  
 (LPN\In 5/15/19) Senior Assistant City Attorney  
 (Requested by Tantri Emo, Director, Finance Department)  
 L.D. File No. ~~0341900057001~~ 0341900057001  
 G:\Contracts\LPN\Budget\Annual Budget Ordinance\_FY2020

Roll Call

| AYE                            | NO      |                 |
|--------------------------------|---------|-----------------|
| ✓                              |         | MAYOR TURNER    |
| ....                           | ....    | COUNCIL MEMBERS |
|                                | ✓       | STARDIG         |
| ABSENT ON<br>PERSONAL BUSINESS |         | DAVIS           |
| ✓                              |         | COHEN           |
|                                | ✓       | BOYKINS         |
| ✓                              |         | MARTIN          |
| ✓                              |         | LE              |
|                                | ✓       | TRAVIS          |
| ✓                              |         | CISNEROS        |
| ✓                              |         | GALLEGOS        |
| ✓                              |         | LASTER          |
| ✓                              |         | CASTEX-TATUM    |
|                                | ✓       | KNOX            |
| ✓                              |         | ROBINSON        |
| ✓                              |         | KUBOSH          |
| ✓                              |         | EDWARDS         |
| ✓                              |         | CHRISTIE        |
| CAPTION                        | ADOPTED |                 |

CAPTION PUBLISHED IN DAILY COURT  
 REVIEW  
 DATE: JUN 25 2019