

## Supplementary Information

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## Financial Policies

The basic policies related to the City's financial and budgetary policies were formalized on November 10, 1987. These policies were expanded in subsequent years with the adoption of the Integrated Budgeting and Planning Resolution (88-87). New policies were adopted by Ordinance No. 2014-1078 in December 2014 and were subsequently amended by Ordinance No. 2015-0514 to include provisions regarding pay-as-you-go funding in June 2015. In May 2018, the policies were amended by Ordinance No. 2018-390 to revise and update the amended and restated financial policies as a result of the two-year review requirement. The policies were subsequently amended by Ordinance no. 2020-999, in November 2020. On August 30, 2023, these policies were amended by Ordinance No. 2023-726 to revise and update the amended and restated financial policies as required by the two-year review requirement.

Below is a partial copy of the financial policies relevant to the CIP along with City's current compliance status for each individual policy.

### A. Definitions

**Asset Renewal and Replacement** – Cyclic repair and replacement of an asset's components [e.g., roofs, electrical systems, heating, ventilation, and air conditioning (HVAC) equipment, paving, replacement vehicles, computer servers, computer networks, and telephony systems] that extends the useful life and/or retains the usable condition of facilities, fleet, and systems not normally contained in the annual operating budget. Included are major building and infrastructure systems and components that have a maintenance cycle in excess of one year.

**BFA** – Budget and Fiscal Affairs Committee of City Council.

**Component Units** – As defined by the Governmental Accounting Standards Board (GASB), component units are legally separate organizations that the City must include as part of its financial reporting entity for fair presentation.

**Current Replacement Value** - The standard industry cost and/or engineering estimate of materials, supplies, and labor required to replace a facility or item of equipment at its existing size and functional capability, and to meet applicable regulatory codes. When estimating Current Replacement Value, it should be assumed that code-compliant materials and systems will be used to replace the existing asset. Current Replacement Value is to be estimated for reconstructing an asset as it currently exists, without further modifications or improvements.

**Fiscal Note** – Brief, high-level written estimate of the budgetary and fiscal impacts that may result from implementation of an ordinance, motion or resolution.

**Major Renovation** – Projects for the substantial rehabilitation or replacement of more than one building or building systems.

## B. General Policies

3. The proposed operating budget and proposed five-year Capital Improvement Plan (CIP) for each year shall include statements indicating whether they are in compliance with each relevant adopted financial policy. The adopted budget shall include a comprehensive listing of all adopted financial policies indicating whether the City is in compliance with each policy; beginning in FY2020, there shall be a statement explaining why the City is, or is not, in compliance with said policy. Where the City is not in compliance, the statement shall also include a plan for how the City will achieve compliance.

***In Compliance***

**The FY2024 Adopted Budget and the FY2024-2028 CIP include a comprehensive listing of all financial policies and a statement to explain whether it is or is not in compliance as well as a plan for how the City will achieve compliance.**

## H. Capital Asset Management Policies

1. The five-year CIP shall be presented to and passed by City Council annually before the end of the preceding fiscal year. ***Not In Compliance***

**The Fiscal Year 2025-2029 Capital Improvement Plan was adopted by City Council on July 2, 2024.**

2. Capital projects may not be included in the CIP without identified funding. Identified funding includes funds that are reasonably anticipated such as grants that have been awarded but not yet funded. Identified funding may also include proceeds from an anticipated future bond election. ***In Compliance***

**All listed capital projects have an identified funding source.**

3. A five-year operating budget impact projection for all projects shall be reported in the CIP. ***In Compliance***

**The Fiscal Year 2025-2029 Adopted Capital Improvement Plan includes all departments' operational impacts referring to the personnel, supplies, services, equipment, and non-capital cost identified as a required need within a capital project. See the Operational & Maintenance Section.**

4. All CIP-related Requests for Council Action must include a Fiscal Note that includes design and construction costs of the program/project and the projected operating and maintenance costs for a minimum of five years, as well as a reference to the item in the CIP where funding for the request is designated. ***In Compliance***

**All CIP-related Requests for Council Action coming before City Council for consideration include a Fiscal Note.**

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**FISCAL YEAR 2025-2029 CAPITAL IMPROVEMENT PLAN**

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5. Beginning in FY2019, over the five-year CIP, an average of 2% of the Current Replacement Value of all General Fund facilities shall be included for capital maintenance in each fiscal year of the CIP and every CIP thereafter. Such funds may be used on any owned General Fund facility. ***In Compliance***

**Table 1. Capital Maintenance and  
Current Replacement Value (CRV)**

<b>Capital Maintenance Projects</b>	<b>(\$ Thousands)</b>	<b>% of Total CRV **</b>
FY2025*	285,208	10.1%
FY2026*	117,428	4.2%
FY2027*	14,733	0.5%
FY2028*	27,207	1.0%
FY2029*	29,797	1.1%
Annual Average	94,875	<b>3.4%</b>

\*See Table 2 for further details (next page)

\*\*Planned appropriations on capital maintenance projects above 2.0% will help reduce existing deferred maintenance. CRV is \$2,826,196,126 and is based on 2024 Property Insurance Schedule plus 20% for utility and dirt work not included in asset values for insurance purposes.

**FISCAL YEAR 2025-2029 CAPITAL IMPROVEMENT PLAN**

**Table 2. General Government Capital Maintenance Projects  
All Funding Sources  
2025-2029 CAPITAL IMPROVEMENT PLAN (\$ Thousands)**

CIP No.	Project	Fiscal Year Planned Appropriations					2025-2029
		2025	2026	2027	2028	2029	
C-000181	Fire Station 40 Replacement	5,282	14,854	-	-	-	20,136
C-000200	Fire Station 64 Renovation	979	9,824	-	-	-	10,803
C-000217	HVAC Replacements	550	550	250	1,000	-	2,350
C-000222	Fire Station 80 Renovation	1,006	8,725	-	-	-	9,731
C-000234	Fire Station 102 Renovation & Addition	-	-	-	2,496	-	2,496
C-000250	Fire Station 8 Structural Repairs	160	-	-	-	-	160
C-000268	Fire Station 44 Apparatus Bay Raise	-	-	-	-	250	250
C-000SAL	Salary Recovery	941	941	941	941	941	4,705
C-00ROOF	Fire Facilities Roof Replacements	1,000	1,000	325	1,000	-	3,325
C-EVREMD	Environmental Remediation	359	200	200	-	-	759
C-FS0104	Fire Station 104	16,926	-	-	-	-	16,926
D-000142	Alief Generator & Flood	1,630	-	-	-	-	1,630
D-000174	City Hall - Drinking Fountains	-	96	-	-	-	96
D-000181	City Hall - Structure Repairs	1,365	-	-	-	-	1,365
D-000189	City Hall-Electrical Switchgear Syst	215	-	-	-	-	215
D-000198	City Hall Annex - Restroom Renovations	1,012	-	-	-	-	1,012
D-000206	City Hall - Exterior Waterproofing	891	-	-	-	-	891
D-000214	City Hall Annex - Renovate Water System	-	251	-	-	-	251
D-000215	City Hall Annex - Replace Sanitary Line	-	302	-	-	-	302
D-000216	City Hall - Replace Sanitary Line	-	32	-	-	-	32
D-000218	City Hall - Fire Alarm and PA System	1,560	-	-	-	-	1,560
D-000219	City Hall - Renovate Water System	-	374	-	-	-	374
D-000220	City Hall Annex - Fire Alarm and PA Sys	2,003	-	-	-	-	2,003
D-000223	HVAC Replacements	500	500	-	-	-	1,000
D-000240	Structural, Roof & Envelope Improvements	500	500	500	500	-	2,000
D-000244	Inwood Forest Country Club/White Oak	2,500	-	-	-	-	2,500
D-000254	MEP, Elevators & Fire Protection Improve	-	-	-	-	1,000	1,000
D-000SAL	Salary Recovery	1,939	1,939	1,954	1,939	1,939	9,710
D-160010	MCD - Replacement Facility	103,175	-	-	-	-	103,175
D-650010	ARA - BARC Facility Revamp Program	40,777	-	-	-	-	40,777
D-EVREMD	Environmental Remediation	75	50	-	-	50	175
D-HAR004	GSD - City Hall Annex Restoration	4,085	-	-	-	-	4,085
D-HAR006	GSD - City Hall Electrical Switchgear	1,220	-	-	-	-	1,220
E-000250	Shepard-Acres Homes Library	39	3,000	-	-	-	3,039
E-000252	African American Library	500	-	-	-	-	500
E-000254	Montrose Children's Library	600	5,400	-	-	-	6,000
E-000256	Carnegie Remodel	-	-	-	150	1,325	1,475
E-000268	Central Library	1,000	-	-	-	-	1,000
E-000276	Environmental Remediation	75	50	-	-	-	125
E-000278	Roof Replacements & Envelope	500	550	550	600	-	2,200
E-000280	Heights Library Renovation	-	-	-	-	2,496	2,496
E-000282	JIB Structural Improvements Phase 2-3	-	-	-	1,102	8,470	9,572
E-000SAL	Salary Recovery	816	816	816	816	816	4,080

**FISCAL YEAR 2025-2029 CAPITAL IMPROVEMENT PLAN**

**Table 2. General Government Capital Maintenance Projects  
All Funding Sources  
2025-2029 CAPITAL IMPROVEMENT PLAN (\$ Thousands)**

CIP No.	Project	Fiscal Year Planned Appropriations					2025-2029
		2025	2026	2027	2028	2029	
F-000218	Lift Stations at Cullen/Herman Brown	-	-	844	-	-	844
F-000220	Milby Park Community Center Roof	-	-	80	550	-	630
F-000234	Beverly Hills Pool Bldg. Roof	-	-	65	-	-	65
F-000240	Parks Facilities Roof Replacements	500	500	-	925	-	1,925
F-000640	Pavilion Replacements	594	710	-	-	-	1,304
F-000680	Charlton Park	2,500	-	-	-	-	2,500
F-000703	Swimming Pool Upgrades	750	750	1,582	1,650	-	4,732
F-000785	Edgewood Park Community Center	5,993	-	-	-	-	5,993
F-000856	Independence Heights Park and Comm Cntr	855	-	-	-	-	855
F-000863	Bricker Pavilion Renovation	1,302	-	-	-	-	1,302
F-000864	Bissonnet Maintenance Facility	2,333	-	-	-	-	2,333
F-000865	Finnigan Pavilion Replacement	1,253	-	-	-	-	1,253
F-000866	Agnes Moffitt Park Pavilion Renovation	1,528	-	-	-	-	1,528
F-000880	Mason Park Roof Replacement	3,017	-	-	-	-	3,017
F-000896	Blueridge Park	-	65	350	-	-	415
F-000898	Hager Park	45	448	350	2,125	-	2,968
F-000902	Waldemar Park	-	305	830	-	-	1,135
F-000914	Trinity Gardens Pavilion Repairs	1,199	-	-	-	-	1,199
F-000928	Melrose Park	1,065	-	-	-	-	1,065
F-000930	West Webster Park Improvements	50	-	-	-	-	50
F-000932	Wiley Park Improvements	50	-	-	-	-	50
F-000944	Eastwood Park Swimming Pool Replacement	-	-	-	5,378	-	5,378
F-000948	Marian Recreation Ctr Roof Replacement	1,379	-	-	-	-	1,379
F-000964	PRD - HVAC UPGRADES	1,000	-	-	-	960	1,960
F-000966	PRD Deferred Maintenance (FCA)	500	500	500	500	500	2,500
F-000SAL	Salary Recovery	1,506	1,506	1,506	1,506	1,506	7,530
F-COI005	Lawndale Dog Park	580	-	-	-	-	580
F-COJ003	Walter Rasmus Park	500	-	-	-	-	500
F-EVREMD	Environmental Remediation	584	250	-	-	-	834
F-HAR006	Lake Houston Wilderness Park Cottages	431	-	-	-	-	431
F-HAR008	TIGER 4	7,210	-	-	-	-	7,210
F-HAR010	Tranquility Park	693	-	-	-	-	693
F-HAR012	Buffalo Bayou	431	-	-	-	-	431
F-HAR016	Brock Park - Golf Course Clubhouse	90	-	-	-	-	90
G-000176	HVAC Replacements	700	800	-	-	-	1,500
G-000180	HPD Fire Safety System- Various Location	762	-	-	-	1,243	2,005
G-000200	1200 Travis Fire Smoke Dampers	8,137	-	-	-	-	8,137
G-000212	Police Headquarters Parapet & Envelope	1,353	-	-	-	-	1,353
G-000222	Police HQ Electrical Switchgear	536	4,095	-	-	-	4,631
G-000230	HPD Northwest Police Station Replacemen	-	-	-	-	3,105	3,105
G-000232	South Central Police Station	2,500	22,500	-	-	-	25,000
G-000SAL	Salary Recovery	1,129	1,129	1,129	1,129	1,129	5,645
G-00ROOF	HPD Roof Replacements	1,000	1,000	-	-	-	2,000

**FISCAL YEAR 2025-2029 CAPITAL IMPROVEMENT PLAN**

**Table 2. General Government Capital Maintenance Projects  
All Funding Sources  
2025-2029 CAPITAL IMPROVEMENT PLAN (\$ Thousands)**

CIP No.	Project	Fiscal Year Planned Appropriations					2025-2029
		2025	2026	2027	2028	2029	
G-EVREMD	Environmental Remediation	318	234	234	234	-	<b>1,020</b>
G-HAR002	51 Riesner	4,609	-	-	-	-	<b>4,609</b>
G-HAR004	61 Riesner	3,014	-	-	-	-	<b>3,014</b>
G-HAR006	62 Riesner	5,384	-	-	-	-	<b>5,384</b>
G-HAR008	53 Riesner	351	-	-	-	-	<b>351</b>
G-HAR012	Gershon Building - 33 Artesian	102	-	-	-	-	<b>102</b>
H-000063	HVAC & MEP Improvement Project	-	-	-	500	-	<b>500</b>
H-000093	Third Ward MSC & HC - Renovation	4,471	-	-	-	-	<b>4,471</b>
H-000094	West End HC & MSC Consolidation	9,130	-	-	-	-	<b>9,130</b>
H-000132	Holcombe Lab - Roof Replacement	255	2,368	-	-	-	<b>2,623</b>
H-000138	Env Hlth Admin Bldg (Park Place) Roof	495	3,611	-	-	-	<b>4,106</b>
H-000423	Hiram Clarke MSC - Renovation	-	1,100	-	-	-	<b>1,100</b>
H-000424	Magnolia MSC - Renovation	-	3,394	-	-	-	<b>3,394</b>
H-000430	Roof Replacement & Bldg. Envelope	500	-	-	-	-	<b>500</b>
H-000434	Headquarters HVAC Upgrade	1,030	8,042	-	-	-	<b>9,072</b>
H-000436	Headquarters Elevator Upgrade	3,345	-	-	-	-	<b>3,345</b>
H-000SAL	Salary Recovery	753	753	753	753	753	<b>3,765</b>
H-EVREMD	Environmental Remediation	150	100	-	-	-	<b>250</b>
L-000112	SWD HVAC Improvements	500	-	400	-	-	<b>900</b>
L-000130	Environmental Services	434	200	260	260	-	<b>1,154</b>
L-000132	Roof Replacements	-	800	-	800	-	<b>1,600</b>
L-000136	NW Transfer Station Structural Envelope	1,857	15,000	-	-	-	<b>16,857</b>
L-000SAL	Salary Recovery	314	314	314	314	314	<b>1,570</b>
	<b>Total Appropriations:</b>	<b>285,248</b>	<b>120,428</b>	<b>14,733</b>	<b>27,168</b>	<b>26,797</b>	<b>474,373</b>

6. Except as required by law or legal agreements, proceeds from the sale of land or other assets shall be designated to the General Fund; and except as required by law or legal agreements, no City bond covenants, or similar agreements shall prohibit such designation or limit the use of such proceeds.

***In Compliance***

**Year to date, in Fiscal Year 2024 no major land sales occurred.**

**J. Debt Management Policies**

5. Each fiscal year, the City will use that year’s General Obligation (GO) debt service payment as a baseline to establish an index reflecting 4% annual growth in the City’s GO debt service (i.e., if the current fiscal year’s debt service is \$100, then the debt service index for subsequent years would be \$104, \$108.16, \$112.49, \$116.99, etc.). If any proposed action by the City (e.g., adoption of the CIP, or Council authorization of debt issuance) is to cause the GO debt service schedule as projected by the City’s Financial Advisor to exceed the index in FY2019 and/or any subsequent year(s), a funding mechanism (e.g., reduced expenditures or increased revenue) must be identified to offset the amount(s) by which the proposed debt service payment(s) exceed the index. For purposes of this section, “identification” of a funding mechanism is satisfied by presentation to BFA and/or City Council prior to any action that would incur GO debt. ***In Compliance***

Fiscal Year	GO Debt Service Index	GO Projected Debt Service (1)(2)
2024	373,600,535	373,600,535
2025	374,430,131	374,430,131
2026	389,407,336	407,235,240
2027	404,983,630	418,199,009
2028	421,182,975	403,291,108
2029	438,030,294	378,749,844
2030	455,551,506	359,542,184
2031	473,773,566	387,569,146
2032	492,724,508	378,710,442
2033	512,433,489	330,362,977
2034	532,930,828	324,514,601
2035	554,248,061	355,942,513
2036	576,417,984	335,789,002
2037	599,474,703	328,555,433
2038	623,453,691	302,807,744
2039	648,391,839	315,624,673
2040	674,327,513	328,043,546
2041	701,300,613	364,532,286
2042	729,352,638	351,018,694
2043	758,526,743	367,541,836
2044	788,867,813	382,039,221
2045	820,422,525	400,243,052
2046	853,239,426	408,790,381
2047	887,369,003	426,383,186
2048	922,863,764	353,378,978
2049	959,778,314	362,944,908
2050	998,169,447	348,066,924
2051	1,038,096,224	339,168,400
2052	1,079,620,073	329,519,245

(1) The schedule included in the Proposed Operating Budget reflects debt service due only on existing outstanding debt. The schedule provided above includes additional projected debt service due as a result of this CIP and assumes continued capital improvements at the same funding level plus inflation beyond Fiscal Year 2029.  
 (2) Schedule provided by the City’s financial advisor, Masterson Advisors LLC, on June 10, 2024.



## Index of Funds

Program Group	Source of Funds
A-AVIATION FACILITIES	8000 - HAS-Grants
	8010 - HAS-Renewal & Replacement
	8011 - HAS-Airports Improvement
	8013 - HAS-Passenger Facility Charges
	REV BONDS/CP
C-FIRE PROTECTION FACILITIES	1800 - Equipment Acquisition Consolidated Fund
	4500 - Fire Consolidated Construction Fund
D-GENERAL GOVERNMENT FACILITIES	1800 - Equipment Acquisition Consolidated Fund
	1801 - Dangerous Building Consolidated Fund
	4039 - Misc Cap. Projects/Acquisitions CP Ser E
	4509 - General Improvement Consol Constr Fd
	4512 - Barc Consolidated Constr Fund
E-LIBRARY FACILITIES	4507 - Public Library Consolidated Constr Fund
F-PARKS AND RECREATION FACILITIES	4035 - Parks & Recreation Dedication Fund
	4039 - Misc Cap. Projects/Acquisitions CP Ser E
	4502 - Parks Consolidated Construction Fund
	4515 - Contributed Capital Project Fund
	5010 - State - Grant Funded
	5030 - Federal State Local - Pass Through Fund
	5040 - Other Government - Grant Funded
	OTHER
	TIRZ 8
	TX PARKS & WILDLIFE
G-POLICE FACILITIES	1800 - Equipment Acquisition Consolidated Fund
	4039 - Misc Cap. Projects/Acquisitions CP Ser E
	4504 - Police Consolidated Construction Fund
	TX DOT
H-PUBLIC HEALTH FACILITIES	4508 - Public Health Consolidated Constr Fund
	Future Bond Election
L-SOLID WASTE FACILITIES	1800 - Equipment Acquisition Consolidated Fund
	4503 - Solid Waste Consolidated Construction Fd
	Future Bond Election
M-STORM DRAINAGE SYSTEM	2302 - Stormwater Fund
	4042 - DDSRF CAPITAL FUND-DRAINAGE CHARGE
	4046 - DDSRF CAPITAL FUND-AD VALOREM TAX
	4510 - Contribution for Capital Projects
	5000 - Federal Government - Grant Funded
	5430 - Federal State Local - HPW Pass thru DDSR
	8500 - HPW-W&S Syst Consolidated Constr Fd

**FISCAL YEAR 2025-2029 CAPITAL IMPROVEMENT PLAN**

N-STREET & TRAFFIC CONTROL	4040 - METRO Projects Construction - DDSRF
	4042 - DDSRF CAPITAL FUND-DRAINAGE CHARGE
	4046 - DDSRF CAPITAL FUND-AD VALOREM TAX
	4510 - Contribution for Capital Projects
	5000 - Federal Government - Grant Funded
	5400 - Federal Government-PWE Grant Funded-DDSR
	5430 - Federal State Local - HPW Pass thru DDSR
	8500 - HPW-W&S Syst Consolidated Constr Fd
P-HOMELESS & HOUSING FACILITIES	4501 - Homeless & Housing Consolidated Fund
R-WASTEWATER TREATMENT FACILITIES	8500 - HPW-W&S Syst Consolidated Constr Fd
S-WATER UTILITY SYSTEM FACILITIES	4042 - DDSRF CAPITAL FUND-DRAINAGE CHARGE
	5430 - Federal State Local - HPW Pass thru DDSR
	8500 - HPW-W&S Syst Consolidated Constr Fd
	8509 - HPW-SETL Capital Contribution
	8510 - HPW-SETL Construction Fund
T-TIRZ - TAX INCREMENT REINVESTMENT ZONES	TIRZ01
	TIRZ01 Grant
	TIRZ02
	TIRZ02 Grants
	TIRZ03
	TIRZ05
	TIRZ05 COH
	TIRZ05 Grants
	TIRZ07
	TIRZ07 Bonds
	TIRZ07 Grants
	TIRZ08
	TIRZ08 COH
	TIRZ08 Grants
	TIRZ08 Other
	TIRZ09
	TIRZ09 Other
	TIRZ10
	TIRZ10 Grants
	TIRZ11
	TIRZ11 Bonds
	TIRZ13
	TIRZ 13 Grants
	TIRZ14
	TIRZ15
	TIRZ16
	TIRZ17

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**FISCAL YEAR 2025-2029 CAPITAL IMPROVEMENT PLAN**

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	TIRZ17 Grants
	TIRZ18
	TIRZ19
	TIRZ19 Grants
	TIRZ20
	TIRZ20 Grants
	TIRZ20 Other
	TIRZ21
	TIRZ22
	TIRZ23
	TIRZ25
	TIRZ26
	TIRZ26 Other
	TIRZ27
	TIRZ27 COH Contrib.
	TIRZ27 Grants
W-FLEET	1011 - Workers Compensation Admin Fund
	1800 - Equipment Acquisition Consolidated Fund
	2301 - Building Inspection Fund
	2302 - Stormwater Fund
	2311 - DDSRF-Ad Valorem Tax
	4500 - Fire Consolidated Construction Fund
	4504 - Police Consolidated Construction Fund
	8012 - HAS-AIF Capital Outlay
	8305 - HPW-Combined Utility System Gen Pur Fund
	8700 - ParkHouston
	Future Bond Election
X-INFORMATION TECHNOLOGY IMPROVEMENTS	1800 - Equipment Acquisition Consolidated Fund