



**CITY OF HOUSTON**  
City Council

Exhibit #1  
**Interoffice**

Correspondence  
Addie Wiseman  
District E

To: Annise Parker, Chair  
Fiscal Affairs Committee

From: Councilmember Addie Wiseman

Date: June 5, 2002

Subject: FY03 Budget Amendments

I am pleased to submit the following Fiscal Year 2003 Budget Amendments for your consideration.

- 1-1 • Amend the budget of the Fire Department to fund the replacement of the current Quint apparatus, located at Station 101, with a new apparatus with an equivalent equipment capacity of a Ladder Truck and Pumper, formally referred to as Class A Pumper, with a minimum 500-550 gallon water tank capacity. This replacement apparatus will be staffed by Houston Fire Department with four men to a truck, twenty-four hours, seven days a week and Booster 101 is not to be reassigned but instead continue to be fully staffed twenty-four hours, seven days a week.
- 1-2 • Amend the budget to increase the Senior Citizens and Disabled Property Tax Exemption to \$50,000 from the current \$34,005.
- 1-3 • Amend the budget to reduce non-training related travel for all departments by a minimum of 50%.
- 1-4 • Amend the budget to eliminate all non-emergency (based on job descriptions) city take-home vehicles, related insurance and fleet maintenance services.
- 1-5 • Amend the budget to eliminate the 3% water and sewer transfer to the General Fund.

Exhibit # 2



**CITY OF HOUSTON**  
City Council

**Interoffice**

Correspondence  
Shelley Sekula-Rodriguez  
Position 3

**To:** Annise Parker, Council Member  
At-Large Position 1  
Chairperson, Fiscal Affairs  
Council Committee

**From:** CM Shelley Sekula-Rodriguez, M.D. *SR*

**Date:** 6.05.02

**Subject:** BUDGET AMENDMENT TO THE FY 2003  
PROPOSED BUDGET

The purpose of this memo is to submit amendments to the Proposed FY 2003 Budget. Specifically, to amend the departmental budget of the Health and Human Services Department and the Houston Fire Department as provided below:

2-1

To amend the FY 2003 department budget to restore funding sufficient to continue the health department's FY 2002 estimated service level of clinical hours/week, staffing and supplies. This amendment is conditional on the Health Department's commitment to provide all possible support to non-profit primary health care centers, including facilities that are or could be qualified as Federally Qualified Health Centers (FQHCs).

2-2

To amend the FY 2003 departmental budget to provide sufficient funding to begin implementation of the non-emergency medical transport pilot program submitted by Dr. Persse and to study other ways to alleviate the overuse of the city's ambulance system by non-emergency patients.

cc: all Council Members

06/05/2002  
06/05/02

11:50  
12:41

F&A DIRECTORS OFFICE → MAYS

NO. 040  
181.181

081  
081

Exhibit # 3



To: Council Member Annise Parker, Chair  
Fiscal Affairs & Management Initiatives

From: Bert Keller  
Council Member District G

Date: June 5, 2002

Subject: FY 2003 Budget Amendments

The following are my Fiscal Year (FY) 2003 Budget Amendments:

- 3-1 1. Amend the budget to reduce the Mayor Pro Tem budget by \$50,000 and transfer the funds to help fund Community & Personal Health Services within the Health & Human Services Department budget.
- 3-2 2. Amend the budget to transfer funds from account # 3615 Computer Eq/Software Maint. Service by \$130,000 in the Health & Human Services Department to help fund Community & Personal Health Services within the Health & Human Service Department budget.
- 3-3 3. Amend the budget of Health & Human Services Department to eliminate account # 3395 Management Consulting Services and transfer funds of \$40,000 to help fund Community & Personal Health Services within the Health & Human Service Department budget.
- 3-4 4. Amend the budget of Health & Human Services Department to reduce account # 3910-Travel and #3950-Travel: Non-training, by 50% and transfer the funds to help fund Community & Personal Health Services within the Health & Human Service Department budget.
- 3-5 5. Amend the budget of Library Department to reduce account # 3910-Travel and # 3950-Travel: Non-training, by 50% and transfer the funds to help fund Administration Services within the Library Department budget.
- 3-6 6. Amend the budget of Solid Waste to increase the current Neighborhood Trash Sponsorship Reimbursement rate from \$6.00 to \$12.00 per household.

cc: Mayor Lee P. Brown  
All Council Members  
Al Hajnes, Mayor's Office  
Sylvia Garcia, City Controller

Mailing: City of Houston · P.O. Box 1662 Houston, Texas 77251-1662  
Physical: City Hall Annex 900 Bagby First Floor Houston, Texas 77002  
Ph: 713.247.2007 Fax: 713.247.3260 bkeller@chl.ci.houston.tx.us

06/05/2002  
05/05/02

13:12  
14:16

F&A DIRECTORS OFFICE → MAYS

NO. 094  
NO. 103  
MAY  
003

Exhibit # 4



**CITY OF HOUSTON**  
CITY COUNCIL

INTEROFFICE  
CORRESPONDENCE

ADA EDWARDS  
CITY COUNCIL MEMBER  
DISTRICT D

To: Council Member Annise Parker  
Chair, Fiscal Affairs Council Committee

From: Council Member Ada Edwards  
Date: June 5, 2002  
Subject: FY 2003 Budget Amendments

- 4-1 • Increase property tax exemptions for senior citizens and people with disabilities from the current \$34,000 to \$50,000.
- 4-2 • Fully restore hours at city's health clinics without cutting funding levels for any other programs already identified in the proposed health Department budget.
- 4-3 • Grant a 3% pay raise only to those civilian employees at grade 29 and below.
- 4-4 • If the council passes a second garbage can fee then that money should be put into a dedicated Solid Waste Enterprise Fund.
- 4-5 • Fund a deed restriction tracking system that the Planning Department could utilize in their permitting decisions and that the Legal Department could use to facilitate enforcement.
- 4-6 • Mandate that property tax revenue collections that exceed the level projected in the adopted budget be immediately placed in the Rainy Day Fund.
- 4-7 • Amend the budget to reduce the Mayor Pro Tem's budget by \$50,000 - the amount judged to be in excess of what is needed for operating expenses for that office. Transfer that money to fund restoring hours of operation at Health Department clinics.
- 4-8 • Eliminate the Ambulance non-transport fee.
- 4-9 • Purchase a pumper truck for the Kingwood Fire Station to bring the equipment in line with those at other stations.
- 4-10 • Eliminate the Office of Inspector General.
- 4-11 • Fund a project to assess the operational and economic feasibility of a city-wide day labor site funding program.
- 4-12 • Fund a project to assess the operational and economic feasibility of a "visitability" ordinance to mandate related specifications in all housing construction funding contracts.

06/05/2002  
05/05/02

13:12  
14:16

F&A DIRECTORS OFFICE → MAYS

NLX 003  
NO. 103  
082

Exhibit # 5

Mark \*\*\*  
**Goldberg**  
City Council Member, District C

To: Council Member Annise Parker, Chair  
Fiscal Affairs & Management Initiatives

From: Mark Goldberg  
Council Member District C

Date: June 5, 2002

Subject: FY 2003 Budget Amendments

The following are my Fiscal Year FY 2003 Budget Amendments:

5-1

1. Amend the budget to reduce the Mayor's Office budget by \$50,000 and the funds to the City Council Budget to provide legal services and assistance to City Council members.



05/05/2002  
05/05/02

13:12  
14:16

F&A DIRECTORS OFFICE → MAYS

NO. 1041  
NO. 1203  
L400  
L401

Exhibit #6

**ANNISE D. PARKER**

HOUSTON CITY COUNCIL MEMBER

AT-LARGE POSITION 1

**FY 2003 Budget Amendments**

**MOTION**

6-1

That at the conclusion of the reimbursement process for Tropical Storm Allison, any excess funds remaining in Fund 98D (the Disaster Recovery Fund) should be deposited in the City's Rainy Day Fund.

**MOTION**

6-2

That the hours of operation at the Clayton branch library provided for in the FY03 budget be restored to the level in the FY02 budget. \*

\* The above can be accomplished by retaining the current Clayton staff, coordinating regularly scheduled volunteers committed by the Friends of Clayton Library and restoring the necessary operational funds (approximately \$20,000).



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e-mail: [aparker@cityofhouston.tx.us](mailto:aparker@cityofhouston.tx.us)

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DELIVERY ADDRESS: City Hall Annex • 900 Bagby • Houston, Texas 77002

Exhibit # 7



**CITY OF HOUSTON**  
City Council

**Interoffice**

Correspondence  
Carol Alvarado  
District I

To: Mayor Lee P. Brown

From: Council Member Carol Alvarado *CA*

Date: June 5, 2002

Subject: FY 2003 BUDGET AMENDMENTS

After much thought and consideration, I am honored to submit the following amendments to the 2003 Proposed Budget. Thank you very much for your consideration.

- 7-1 1. Provide funding for a deed restriction tracking system that would be operated by the Planning Department in deciding whether or not to issue a building permit.
- 7-2 2. Provide funding to allow for building inspectors and Neighborhood Protection inspectors to work on nights and weekends.
- 7-3 3. Increase scope of Neighborhood Protection inspectors to include deed restriction violations.
- 7-4 4. Double fines for illegal building and violation of deed restrictions.
- 7-5 5. Increase violation for falsifying deed restrictions during permitting process.
- 7-6 6. Increase fine for possession of radar detector by commercial truck operators.
- 7-7 7. Increase fine for violations of environmental sections of the Health Code.
- 7-8 8. Increase HPD's patrol budget to allocate funds for increased patrols in the general vicinity of the Greyhound Bus Station
- 7-9 9. Restore Health Department funding to levels that will require no cuts in hours of service.
- 7-10 10. Fund a project to assess the operational and economic need for day labor sites on a city wide basis.
- 7-11 11. Increase the property tax exemptions for senior citizens and people with disabilities from the current \$34,006 to \$50,000.

Exhibit # 8



CITY OF HOUSTON  
City Council

Interoffice

Correspondence  
Gordon Quan  
Mayor Pro-Tem  
Position 2

To: Annise Parker, Chair  
Fiscal Affairs Committee

From: Gordon Quan

Date: June 5, 2002

Subject: FY03 Budget Amendments

I hereby offer for City Council consideration the following two amendments to the FY03 Budget.

- 8-1 1) Reduce the budget of the Mayor Pro Tem (ADV2 1316) by \$50,000, and dedicate from those funds \$20,000 towards maintaining the hours of the Clayton Branch Genealogy Library and \$30,000 towards purchasing equipment for the Health Department, as part of the reengineering of their health clinic services (see list below).
- 8-2 2) In an effort to reduce costs from goods and services purchased through our Strategic Purchasing Division, require that 25% of all goods and services be advertised for bid through a reverse auction process.

Health Department: Health Clinic Equipment Acquisition

Item Description	QTY	Unit Cost	Item Total
Tablet Counter (Pharmacy Equip.)	1	\$6,000	\$6,000
Otoscope/Ophthalmoscope	21	\$ 379	\$7,859.00
Physician's Beam Scale w/ Height Rod	14	\$ 199	\$2,786
Doctor's Stool	28	\$105	\$2,940
Filac Electronic Thermometer	14	\$194	\$2,716
Examination Table	6	\$750	\$4,500
Wait Desk, Full size, self close	11	\$251	\$2,761
		<b>TOTAL</b>	<b>\$29,662</b>



Exhibit #9



**CITY OF HOUSTON**  
City Council

**Interoffice**

Correspondence  
Gabriel Vasquez  
District H

To: Mayor Lee P. Brown  
City Council

From: Gabriel Vasquez

Date: June 5, 2002

Subject: FY03 BUDGET AMENDMENTS

I propose the following amendment to the FY03 General Fund Budget:

- 9-1 • The hours of the Clayton Library will be restored to those of FY02. This may be accomplished through additional funding, the utilization of qualified, supervised volunteers or any other means the administration deems appropriate.
- 9-2 • All Health Department clinic services will be restored to FY02 levels through the utilization of new and or increased existing fee revenue in excess of the \$11.7 million amount required to balance the budget.



REVISED 06/05/02

Exhibit #10

**Carroll G. Robinson**  
**Houston City Council Member**  
**At-Large, Position 5**

**Fiscal Year 2003 Budget Amendments**

(Increase Senior Citizens and Disabled Property Tax Exemption; Eliminate service cuts in Health, Library and Parks Departments; Reduce fee increases; Increase the Rainy Day Fund; Secure a pump truck for Kingwood Fire Station and protect city civilian civil service employees.)

- 10-1 > Amend the budget to increase the Senior Citizens and Disabled Property Tax Exemption to \$50,000 from the current \$34,000.
- 10-2 > Amend the budget to deposit into the Rainy Day Fund \$5 million of the anticipated \$15 million FEMA ALP reimbursement. Interest from the \$5 million must be added to the General Fund to help pay off the interest and principal on the Certificates of Obligation borrowed in FY'02 for street overlays. The balance of the reimbursed funds must be used to offset the increase in the Senior Citizens and Disabled Property Tax Exemption to \$50,000 and to eliminate service cuts in the Health, Library and Parks Departments.
- 10-3 > Amend the budget to mandate that all property tax revenue above the adopted budget projection be deposited in the Rainy Day Fund as it is actually received.
- 10-4 > Amend the budget to transfer Miller Theater from for the Parks Department to the Convention and Entertainment Department. (Eliminate \$1 million in General Fund expenses.)
- 10-5 > Amend the budget to reduce the General Government account by \$700,000 -- the undesignated \$500,000 and the \$200,000 for unspecified consultants.
- 10-6 > Amend the budget to reduce the Mayor Pro Tem budget by \$50,000.
- 10-7 > Amend the budget to prohibit the privatization of the City Zoo unless it results in at least \$1 million in reduced cost to the General Fund.
- 10-8 > Amend the budget to use all the funds dedicated to a civilian employees pay raise to provide all civilian civil service employees in pay grades 29 and lower an equal dollar amount pay raise.
- 10-9 > Amend the budget to eliminate the garbage dumpster fee increase.

Council Member Robinson  
 FY'03 Budget Amendments  
 Page 2

- 10-10 > Amend the budget to implement collection of false police and fire alarm fees from alarm monitoring companies. (Eliminates \$700,000 in expenses.)
- 10-11 > Amend the budget to eliminate the Ambulance non-transport fee.
- 10-12 > Amend the budget to index civilian civil service employees base salary to inflation (CPI).
- 10-13 > Amend the budget to index future fee increases to inflation (CPI).
- 10-14 > Amend the budget to purchase a pumper truck for the Kingwood Fire Station. (Equipment Acquisition Fund.)
- 10-15 > Amend the budget to eliminate the Office of Inspector General.
- 10-16 > Amend the budget to eliminate all General Fund media relations and public relations positions.
- 10-17 > Amend the budget to provide funding for November voter referendums on:
- ✓ dedicated 3% property tax rates increase for flood control and drainage projects;
  - ✓ \$500 million in General Obligation (GO) bond authority dedicated solely to flood control and drainage projects; and
  - ✓ Creation of a Fire and EMS District.
- 10-18 > Amend the budget to eliminate the 3% water & sewer transfer to the General Fund if Council approves a drainage fee. (If this transfer were to continue after passage of a drainage fee it would be double dipping.)
- 10-19 > Amend the budget to dedicate the \$15 million in General Fund savings if Council adopts a drainage fee to:
- ✓ Fund the increase in the Senior Citizens and Disabled Property tax exemption;
  - ✓ Eliminate service cuts in the Health, Library and Parks Departments; and
  - ✓ Fund the civilian pay raise for civilian employees in pay grade 29 and below.
- 10-20 > Amend the budget to require development of a comprehensive flood plain development policy and management plan by the Public Works and Engineering Department for submission to City Council for approval by no later than March 2003.
- 10-21 > Amend the budget to mandate evaluation of the development of a "visibility" ordinance by the Housing & Community Development Department in consultation with the Greater Houston Builders Association, Houston Association of Realtors, Mayor's Office for People with Disabilities and other stakeholders and interested parties for council's consideration before June 2003.

Council Member Robinson  
FY'03 Budget Amendments  
Page 3

- 10-22 > Amend the budget to evaluate outsourcing the Parks Department Special Events Division. The result of the study and a recommendation should be presented to Council by January 2003.
- 10-23 > Amend the budget to transfer approval of Departmental hiring decisions from the Director of Human Resources to the Director of Finance and Administration.
- 10-24 > Amend the budget to mandate that any expenditure of funds under the city's contracts with the Greater Houston Partnership and Clear Lake Area Economic Development Foundation for the printing of publications be done as a part of the joint publication effort of the Hotel and Restaurant Associations, Convention and Visitors Bureau and Convention and Entertainment Department.
- 10-25 > Amend the budget to consolidate all purchasing, payroll, auditing, accounting and human resources functions and eliminating such functions on a department by department basis.
- 10-26 > Amend the budget to mandate that at least 25% of all city purchases be procured by reverse auctions as permitted by state law.
- 10-27 > Amend the budget to prohibit using city employees to train private contractors hired by the city.
- 10-28 > Amend the budget to prohibit using an employee's use of sick days, FMLA and vacation time to downgrade their Employee Performance Evaluation rating.
- 10-29 > Amend the budget to create a dedicated Solid Waste Utility Fund funded by all revenue generated by a 2nd Garbage Can Fee, Non-residential Solid Waste Hauler Franchise Fee and all other revenues directly generated by the Solid Waste Department.
- 10-30 > Amend the budget to cap hotel occupancy taxes to the Cultural Arts Council at 15% but no more than \$8.7 million dollars with 1.5 %, but no less than \$100,000 dedicated to the Ensemble Theatre.

EXHIBIT 11

Robinson



## **Carroll G. Robinson**

**Houston City Council Member  
At-Large, Position 5**

- Amend the budget to dedicate: (1) \$5 million of the anticipated FEMA ALP reimbursement; (2) the undesignated \$500,000 and \$200,000 for unspecified consultants in the General Government account; and (3) \$50,000 from the Mayor Pro Tem budget (\$5.75 million total) to eliminate service cuts in the Health, Library and Parks Department.
- Amend the budget to dedicate all FEMA ALP reimbursement in excess of \$5 million to paying off as many of the Certificates of Obligation as possible that were issued in FY'02 for paying for street overlays.
- Amend the budget to limit the Department of Health and Human Services proposed Dry Cleaners fee increases to 100%.



Exhibit 123

# GABRIEL VASQUEZ

Houston City Council Member  
District H

1 / **Budget Amendment, FY03 Convention and Entertainment Budget**

The Convention and Entertainment Department shall include in the next contract negotiated with the Cultural Arts Council of Houston/Harris County increased annual funding of \$100,000 for Talento Bilingue de Houston (TBI) and the Ensemble Theater.

2 **Budget Amendment, FY03 General Fund Budget**

The administration will initiate in FY03 a cost/benefit study for the utilization of "associate" prosecutors at Municipal Courts. An associate prosecutor would be similar to an associate judge and would be utilized during peak need periods, thus allowing for a potential reduction in permanent prosecutor staffing. The study will be completed no later than February 1, 2003, thus being available for the FY04 budget cycle.

3 **Budget Amendment, FY03 General Fund Budget**

The Health and Human Services Department will initiate an internal study on the costs, benefits and drawbacks possible from merging with the Harris County Health Department and Harris County Hospital District. Previous studies prepared regarding merging services will be utilized to the greatest extent possible. The Health and Human Services Department will seek the cooperation of the Harris County Health Department and the Harris County Hospital District in preparing this study. The study will be completed no later than February 1, 2003, thus being available for the FY04 budget cycle.



# GABRIEL VASQUEZ

Houston City Council Member  
District H

4

## Budget Amendment, FY03 General Fund Budget

The following departments will prepare zero-based General Fund budgets for the FY04 budget cycle: Police, Finance and Administration, Planning and Development and Building Services.

5

## Budget Amendment, FY03 General Fund Budget

The administration will undertake an internal cost/benefit study of the full privatization of the new IT Department. The study will be completed no later than February 1, 2003, thus being available for the FY04 budget cycle.

6

## Budget Amendment, FY03 General Fund Budget

The Parks and Recreation Department's budget will be increased by \$500,000 for recreation operations and maintenance.

7

## Budget Amendment, FY03 General Fund Budget

The Parks and Recreation Department's "Funday in the Park" program will be renewed for FY03 with \$500,000 in funding.

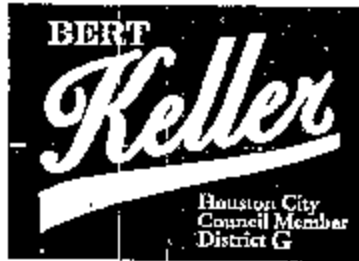


EXHIBIT 13

To: Council Member Annise Parker, Chair  
Fiscal Affairs & Management Initiatives

From: Bert Keller   
Council Member District G

Date: June 11, 2002

Subject: FY 2003 Budget Amendments  
(Additional)

The following are additional amendments to Fiscal Year (FY) 2003 Budget:

1. Amend the budget to mandate Finance & Administration study and implement a reduction of all duplicative services in various city departments concerning the areas of purchasing, payroll, auditing, accounting and human resources.
2. Amend the budget to outsource, through competitive bidding, the City of Houston information system for better control, technology and cost effectiveness.

cc: Mayor Lee P. Brown  
All Council Members  
Al Haines, Mayor's Office  
Sylvia Garcia, City Controller



To: Mayor Lee P. Brown From: Council Member Michael Berry  
 Subject: Budget Amendments  
 Date: June 5, 2002

I propose the following budget amendments for FY 2003:

- ▶ 1 Cut all travel budgets to zero. This would save \$3.5 million from the General Fund, and another \$2.2 million from the Enterprise, Special Funds, and Revolving Funds. (see attachment, "Travel Savings", 8 pages). Any travel expenses can then be approved by city council vote.
- ▶ 2 Fully fund Clayton Library to Fiscal 2001 levels.
- ▶ 3 Reduce ad valorem taxes by one cent. This would send a strong message that we recognize taxpayers are struggling with increased valuations, and it would cost the city only a few million dollars in revenues.
- ▶ 4 Increase ad valorem tax exemption to \$60,000 from \$34,006 per household for all low-income senior citizens and disabled citizens. Taxpayer must attest to income, including social security, medical compensation, pension, and income, of less than \$30,000 annually for the past year in order to qualify for the exemption.
- ▶ 5 Dedicated funding for potholes and street and sidewalk repairs. This should be a top concern from both the operational and funding perspectives. It does not require new expenditure of funds, but allows us to track annual expenditures for this function.
- ▶ 6 Assign TEN (10) attorneys within the legal department to deed restriction enforcement. Said move shall occasion no new expenditures, as these should be pulled from other functions in the legal department and assigned to deed restrictions.
- ▶ 7 Apply all water and sewer fund excess funds toward defeasance of bonds, in order to prevent future rate increases. Declare that funds collected in the ALP fund will never be used for anything other than water and sewer projects or water/sewer bond defeasance.
- ▶ 8 Renegotiate the ACS contract to improve ambulance revenue collections by TWENTY-FIVE PERCENT (25%) before re-signing the contract renewal. If the goal is not reached, terminate the contract at its expiration and engage another contractor.
- ▶ 9 Institute a complete hiring freeze city-wide. Positions which open due to retirement, resignation, or termination should be filled by re-deploying current personnel where needed (including across department lines), and left vacant where they are deemed unnecessary by the position control committee.

# BRUCE TATRO

Houston City Council Member, District A

EXHIBIT 15



To: Lee Brown, Mayor  
All Council Members

From: Bruce Tatro  
Council Member - District A

Date: June 11, 2002

Subject: FY2003 Budget Amendments

I am submitting the following amendments for consideration to the Fiscal Year 2003 Operating Budget:

- 1) End the D.A.R.E. Program and return all officers to regular duty.
- 2) Remove the transfer of \$4.1 million from the Water/Sewer Enterprise fund to General Fund Revenues - (Miscellaneous/Other Revenues - line item - Other Operating Transfers). This transfer is being proposed by the administration as for "water and wastewater reimbursement to the General Fund for infrastructure purchased through the TIRZ financing mechanism".

**Information:**

Typically the General Fund would receive no additional revenues from a TIRZ's until the TIRZ was dissolved, regardless of what infrastructure is constructed (Streets or Water/Sewer). The City receives a fixed ad-valorem tax base from the TIRZ regardless of the TIRZ's increased evaluations. Therefore regardless of the increase in property values or what infrastructure or expenditures the TIRZ pays for, the General Fund receives no more revenue or loses any revenues until the TIRZ is dissolved and the General Fund once again receives the full ad valorem tax base.

If the Water/Sewer Enterprise is to contribute for the water/sewer infrastructure that is built within the TIRZ, then it should be handled in the same manner as the current "Developer Reimbursement Agreement". This is when the Water/Sewer Enterprise system partially reimburses the developer for "public lines" that are constructed. The proper Water/Sewer reimbursement for the cost of infrastructure should be to the TIRZ so that the TIRZ could pay down their total debt burden sooner, therefore helping to retire all TIRZ debt sooner and dissolve the TIRZ sooner than would otherwise occur.

- 3) Water & Sewer Enterprise System and the Stormwater Utility Fund - Reduce transfer from Water/Sewer to Storm Water Utility Fund 227/20 from 5% back to 4% that has been in effect since 1995.

**Information:**

Increasing the amount of funds taken from the Water/Sewer Enterprise Fund, to spend on non-water/sewer uses, will cause water/sewer rates to increase with no benefit to the rate payer.

- 4) During FY03 there will be no Houston Fire Department shift change, from FY02, in City Fire Stations for Classified Fire Fighters and EMS Personnel.

**Information:**

The administration has been looking at possible shift changes for Fire Fighters and EMS personnel. Because the FY03 Budget is projected for staffing levels as now exist and there is no method for predicting the financial fallout of instituting any shift change scenario, it would be financially irresponsible to consider a shift change different than that proposed and planned for in this fiscal budget.

**FY2003 Budget Amendments – cont'd**

- 5) For FY03, the City's Fire Department Booster Trucks will be fully staffed, as has existed in FY02, and Fire Fighters assigned to Booster Trucks will not additionally be assigned to another Emergency Apparatus.

**Information:**

The administration has proposed to utilize Fire Fighters assigned to Booster Trucks to also be assigned to another Emergency Apparatus (at the same time). This staffing scheme will cause an apparatus to be understaffed, (An Engine or Ladder would be understaffed if a Booster truck were needed to respond to a call), or a Booster truck would be left unstaffed and out of service, (When the Fire Fighter assigned to the Booster truck is required to staff the Engine or Ladder truck when responding to a call).

- 6) Remove \$1.2 million credit, (of the \$3.9 million) taken in line item 399 – Management Initiative Savings, under the General Government account # 100/99. Amount would then be restated as (\$2,700,000).

**Information:**

The \$1.2 million credit is being taken for the Voice Over Internet Protocol (VoIP) project that was proposed by the city's CIO (Chief Information Officer). Since this project is not being implemented in FY03, this credit is improperly included.

cc: Phil Scheps, Director F&A  
Sylvia Garcia, City Controller



# Mark Ellis

Houston City Council Member, District F

EXHIBIT 16

June 11, 2002

## FY 2003 Budget Amendments

### 1. Senior Citizen and Disabled Individual Homestead Exemption:

Increase in Senior Citizen and Disabled Individual Homestead Exemption to \$40,000 in FY 2003 with 10% increases per annum over the next five years for a total exemption of \$64,420 in FY 2008.

### 2. Reverse Auction Procurement Procedure:

Require that the Strategic Purchasing Division of the Finance & Administration Department use the reverse auction procedure for FY 2003 as defined by Sec 2155.062(d), Government Code, for purchasing as set forth in "Texas Senate Bill 221 Referring To Reverse Auctioning".

Said amendment shall require that the general fund and each of the three enterprise funds apply the reverse auction procedure for 50% of the total purchases of products and services in FY 2003.

### 3. MWBE Reciprocal Certification:

In an effort to reduce costs in the Affirmative Action Division and to aid qualified MWBE's desiring to do business with the City of Houston, any company which has been certified by the Houston Minority Business Council or the Houston Women's Business Council shall automatically be certified as a MBE or WBE with the City of Houston, respectively, and shall automatically be determined to be an established business enterprise for all SIC/NAIS codes listed for the company with those organizations.

The Affirmative Action Division shall only determine the size of the company as required by Section 15-87. Approval of this amendment could result in a 50% reduction in the budget of the Certification and Outreach Section of the Affirmative Action Division.



TEXAS SENATE BILL 221  
REFERING TO REVERSE AUCTIONING

1-1

AN ACT

1-2 relating to government purchasing using the reverse auction  
1-3 procedure.

1-4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-5 SECTION 1. Section 2155.062, Government Code, is amended by  
1-6 amending Subsection (a) and adding Subsection (d) to read as  
1-7 follows:

1-8 (a) In purchasing goods and services the commission may use,  
1-9 but is not limited to, the:

- 1-10 (1) contract purchase procedure;  
1-11 (2) multiple award contract procedure; ~~or~~  
1-12 (3) open market purchase procedure; or  
1-13 (4) reverse auction procedure.

1-14 (d) In this section, "reverse auction procedure" means:

- 1-15 (1) a real-time bidding process usually lasting less  
1-16 than one hour and taking place at a previously scheduled time and  
1-17 Internet location, in which multiple suppliers, anonymous to each  
1-18 other, submit bids to provide the designated goods or services; or  
1-19 (2) a bidding process usually lasting less than two  
1-20 weeks and taking place during a previously scheduled period and at  
1-21 a previously scheduled Internet location, in which multiple  
1-22 suppliers, anonymous to each other, submit bids to provide the  
1-23 designated goods or services.

1-24 SECTION 2. The heading of Section 252.021, Local Government  
1-25 Code, is amended to read as follows:

2-1 Sec. 252.021. ~~COMPETITIVE [BIDDING AND COMPETITIVE PROPOSAL]~~  
2-2 ~~REQUIREMENTS FOR CERTAIN PURCHASES.~~

2-3 SECTION 3. Subsection (a), Section 252.021, Local Government  
2-4 Code, is amended to read as follows:

2-5 (a) Before a municipality may enter into a contract that  
2-6 requires an expenditure of more than \$15,000 from one or more  
2-7 municipal funds, the municipality must:

- 2-8 (1) comply with the procedure prescribed by this  
2-9 chapter for competitive sealed bidding or competitive sealed  
2-10 proposals; or  
2-11 (2) use the reverse auction procedure, as defined by  
2-12 Section 2155.062(d), Government Code, for purchasing.

2-13 SECTION 4. Section 262.023, Local Government Code, is  
2-14 amended to read as follows:

2-15 Sec. 262.023. ~~COMPETITIVE [BIDDING AND COMPETITIVE PROPOSAL]~~  
2-16 ~~REQUIREMENTS FOR CERTAIN PURCHASES.~~ (a) Before a county may

2-17 purchase one or more items under a contract that will require an  
2-18 expenditure exceeding \$25,000, the commissioners court of the  
2-19 county must comply with the competitive bidding or competitive  
2-20 proposal procedures prescribed by this subchapter or use the  
2-21 reverse auction procedure, as defined by Section 2155.062(d),  
2-22 Government Code, for purchasing. All competitive bids or  
2-23 competitive proposals must be sealed.

2-24 (b) ~~The [competitive bidding and competitive proposal]~~  
2-25 ~~requirements established by Subsection (a) apply only to contracts~~  
2-26 ~~for which payment will be made from current funds or bond funds or~~

3-1 through time warrants. However, contracts for which payments will  
3-2 be made through certificates of obligation are governed by The  
3-3 Certificate of Obligation Act of 1971 (Subchapter C, Chapter 271).  
3-4 Contracts for which payment will be made through anticipation notes  
3-5 are subject to the competitive bidding provisions of The  
3-6 Certificate of Obligation Act of 1971 (Subchapter C, Chapter 271)  
3-7 in the same manner as certificates of obligation.

3-8 (c) In applying the ~~competitive bidding and competitive~~  
3-9 ~~proposal~~ requirements established by Subsection (a), all separate,  
3-10 sequential, or component purchases of items ordered or purchased,  
3-11 with the intent of avoiding the ~~competitive bidding and~~  
3-12 ~~competitive proposal~~ requirements of this subchapter, from the  
3-13 same supplier by the same county officer, department, or  
3-14 institution are treated as if they are part of a single purchase  
3-15 and of a single contract. In applying this provision to the  
3-16 purchase of office supplies, separate purchases of supplies by an  
3-17 individual department are not considered to be part of a single  
3-18 purchase and single contract by the county if a specific intent to  
3-19 avoid the ~~competitive bidding~~ requirements of this subchapter is  
3-20 not present.

3-21 SECTION 5. Subsections (a) and (b), Section 271.083, Local  
3-22 Government Code, are amended to read as follows:

3-23 (a) A local government may participate in the purchasing  
3-24 program of the commission, including participation in purchases  
3-25 that use the reverse auction procedure, as defined by Section  
3-26 2155.062(d), Government Code, by filing with the commission a  
4-1 resolution adopted by the governing body of the local government  
4-2 requesting that the local government be allowed to participate on a  
4-3 voluntary basis, and to the extent the commission deems feasible,  
4-4 and stating that the local government will:

4-5 (1) designate an official to act for the local  
4-6 government in all matters relating to the program, including the  
4-7 purchase of items from the vendor under any contract, and that the  
4-8 governing body will direct the decisions of the representative;

4-9 (2) be responsible for:

4-10 (A) submitting requisitions to the commission  
4-11 under any contract; or

4-12 (B) electronically sending purchase orders  
4-13 directly to vendors, or complying with commission purchase procedures  
4-14 governing a reverse auction purchase, and electronically sending to  
4-15 the commission reports on actual purchases made under this  
4-16 paragraph that provide the information and are sent at the times  
4-17 required by the commission;

4-18 (3) be responsible for making payment directly to the  
4-19 vendor; and

4-20 (4) be responsible for the vendor's compliance with  
4-21 all conditions of delivery and quality of the purchased item.

4-22 (b) A local government that purchases an item under a state  
4-23 contract or under a reverse auction procedure, as defined by  
4-24 Section 2155.062(d), Government Code, sponsored by the commission  
4-25 satisfies any state law requiring the local government to seek  
4-26 competitive bids for the purchase of the item.

5-1 SECTION 6. Subchapter Z, Chapter 271, Local Government Code,  
5-2 is amended by adding Section 271.906 to read as follows:

5-3 Sec. 271.906. REVERSE AUCTION METHOD OF PURCHASING. (a) A  
5-4 local government, as defined by Section 271.081, may use the  
5-5 reverse auction procedure, as defined by Section 2155.062(d),  
5-6 Government Code, in purchasing goods and services in place of any  
5-7 other method of purchasing that would otherwise apply to the  
5-8 purchase.

5-9 (b) A local government that uses the reverse auction  
5-10 procedure must include in the procedure a notice provision and  
5-11 other provisions necessary to produce a method of purchasing that  
5-12 is advantageous to the local government and fair to vendors.

5-13 SECTION 7. Subsection (a), Section 44.031, Education Code,

5-14 is amended to read as follows:  
5-15 (a) Except as provided by this subchapter, all school  
5-16 district contracts, except contracts for the purchase of produce or  
5-17 vehicle fuel, valued at \$25,000 or more in the aggregate for each  
5-18 12-month period shall be made by the method, of the following  
5-19 methods, that provides the best value for the district:  
5-20 (1) competitive bidding;  
5-21 (2) competitive sealed proposals;  
5-22 (3) a request for proposals, for services other than  
5-23 construction services;  
5-24 (4) a catalogue purchase as provided by Subchapter B,  
5-25 Chapter 2157, Government Code;  
5-26 (5) an interlocal contract;  
6-1 (6) a design/build contract;  
6-2 (7) a contract to construct, rehabilitate, alter, or  
6-3 repair facilities that involves using a construction manager; ~~(e)~~  
6-4 (8) a job order contract for the minor construction,  
6-5 repair, rehabilitation, or alteration of a facility; or  
6-6 (9) the reverse auction procedure as defined by  
6-7 Section 2155.062(d), Government Code.  
6-8 SECTION 8. Section 36.067, Water Code, is amended by adding  
6-9 Subsection (c) to read as follows:  
6-10 (c) A district may use the reverse auction procedure, as  
6-11 defined by Section 2155.062(d), Government Code, for purchasing.  
6-12 SECTION 9. Section 49.271, Water Code, is amended by adding  
6-13 Subsection (k) to read as follows:  
6-14 (k) The board may use the reverse auction procedure, as  
6-15 defined by Section 2155.062(d), Government Code, for purchasing.  
6-16 SECTION 10. Section 23, Development Corporation Act of 1979  
6-17 (Article 5190.6, Vernon's Texas Civil Statutes), is amended by  
6-18 adding Subsection (e) to read as follows:  
6-19 (e) A corporation may use the reverse auction procedure, as  
6-20 defined by Section 2155.062(d), Government Code, for purchasing.  
6-21 SECTION 11. (a) The changes in law made by this Act apply  
6-22 only to a contract for which requests for bids, proposals, or other  
6-23 applicable notice of an intent to contract are published or  
6-24 distributed on or after the effective date of this Act.  
6-25 (b) This Act takes effect immediately if it receives a vote  
6-26 of two-thirds of all the members elected to each house, as provided  
7-1 by Section 39, Article III, Texas Constitution. If this Act does  
7-2 not receive the vote necessary for immediate effect, this Act takes  
7-3 effect September 1, 2001.

Bill Ratliff  
President of the Senate

Robert Lamm  
Speaker of the House

I hereby certify that S.B. No. 221 passed the Senate on April 19, 2001, by the following vote: Yeas 29, Nays 0, one present, not voting; and that the Senate concurred in House amendment on May 15, 2001, by the following vote: Yeas 29, Nays 0, one present, not voting.

Justin Garcia  
Secretary of the Senate

I hereby certify that S.B. No. 221 passed the House, with amendment, on May 8, 2001, by the following vote: Yeas 147, Nays 3, two present, not voting.

Sharon Carter  
Chief Clerk of the House

Approved:

5-28-01  
DATE  
Rick Perry  
GOVERNOR

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
2/10/01

MAY 28 2001  
Amy Allison  
Secretary of State