

Houston Forensic Science Center, Inc.

MEETING OF BOARD OF DIRECTORS

MINUTES

June 10, 2016

The undersigned, being the duly appointed Secretary of the Houston Forensic Science Center, Inc., (the "Corporation"), hereby certifies that the following are true and correct minutes of the June 10, 2016 meeting of the Board of Directors (the "Board"), of the Corporation.

- A. In a manner permitted by the Corporation's Bylaws, the meeting was called by providing all Directors with notice of the date, time, place, and purposes of the meeting more than three days before the date of the meeting.
- B. In accordance with Chapter 551, Texas Government Code, which Chapter is made applicable to the Corporation by Section 431.004, Texas Transportation Code, a notice of the meeting was duly filed on June 7, 2016, in the same manner and location as required by law of the City of Houston, Texas (the "City").
- C. The meeting was called to order by Nicole B. Cásarez, Chairwoman of the Board, at approximately 9:00 a.m. on Friday, June 10, 2016, in the Council Annex Chambers, 900 Bagby St. (Public Level), Houston, Texas 77002.
- D. Ms. Ashley Wieringa called the roll. The following Directors were present: Nicole B. Cásarez, Anthony Graves, David M. Feldman, Dr. Robert "Bob" H. McPherson, Dr. Stacey A. Mitchell, and Tom P. Allen (ex-officio).

The following Directors were absent: Janet Blancett and Sandra Guerra Thompson.

Chairwoman Cásarez announced that a quorum of the Directors was present.

- E. Chairwoman Cásarez noted that a draft of the minutes of the Corporation's meeting on April 8, 2016 had been distributed to the board. Dr. Mitchell made a motion to approve the minutes of the April 8, 2016 meeting, and the motion was seconded by Dr. McPherson. The motion passed unanimously, and the minutes of the April 8, 2016 meeting were adopted.
- F. Ms. Blancett joined the meeting at approximately 9:04 a.m.
- G. Chairwoman Cásarez reported that under the terms of the Corporation's Bylaws, the board must appoint or reappoint all Corporation officers annually. Chairwoman Cásarez made a motion to reappoint Dr. Daniel Garner as President, Dr. Peter Stout as Vice President, Mr. David Leach as Treasurer, and Ms. Wieringa as Secretary for the Corporation during the next fiscal year or until he or she is no longer employed by the Corporation. Mr. Feldman seconded the motion. The motion passed unanimously.
- H. Chairwoman Cásarez asked if any members of the public wished to address the board. Chairwoman Cásarez noted that no one asked to address the board and the meeting

continued.

- I. Chairwoman Cásarez provided a Chair's report. She reported that financial conflict of interest disclosure forms would be posted on the Houston Forensic Science Center (HFSC) website and reminded board members to file if a conflict occurred before next year. She noted that Houston City Council approved Mayor Sylvester Turner's city budget and Mr. David Leach, Chief Financial Officer and Treasurer, would provide further information on HFSC's budget during his report; she thanked the budget working group for their efforts. Chairwoman Cásarez reported that she and Vice Chair Thompson had a productive meeting with Tyler Flood, President of the Harris County Criminal Lawyers Association, regarding the HFSC. Chairwoman Cásarez reported that she and Dr. Peter Stout, Chief Operations Officer (COO) and Vice President, had a preliminary conference call with the Vice President of Science and Technology for the Arnold Foundation. Chairwoman Cásarez noted that she and Dr. Mitchell met with Mayor Pro-Tem Ellen Cohen and provided her with an update on the SAK project, overall HFSC laboratory operations, and asked her to participate in the upcoming symposium during National Forensic Science Week. Chairwoman Cásarez reported that she, Dr. Stout, and Dr. Garner, Chief Executive Officer (CEO) and President, met with Interim Police Chief Martha Montalvo and others from the Houston Police Department (HPD) regarding the crime scene unit (CSU) and whether or not the unit should remain with HFSC or return to HPD. Chairwoman Cásarez noted that Dr. Garner would be presenting more information on an external audit that HFSC plans to conduct on CSU. Chairwoman Cásarez reported that she also met with Devon Anderson, Harris County District Attorney (DA), regarding communication efforts between the HFSC and the office of the district attorney.
- J. Mr. Andy Icken, City of Houston (COH) Chief Development Officer, presented a report regarding the formation of a Forensic Science Task Force. Mr. Icken explained the purpose of the task force and noted that both an operational and financial assessment would be conducted separately but concurrently for the HFSC. He, along with his counterpart, Mr. Steven David, explained the lean six sigma process, outlined the preliminary project plan, and provided information on the project requirements and approach. The board members asked Mr. Icken a variety of questions regarding the intent and membership of the task force, including the role of the HFSC board and staff. The differences between the task force and role of the advisory committee, goals of the lean six sigma project, and the aggressive timelines were discussed at length. The board members expressed their concerns with the project and discussed the importance of the documents that establish HFSC as an independent entity. Chairwoman Cásarez and Dr. Garner expressed their concerns regarding timing of the review, given the critical projects that HFSC is managing. Chairwoman Cásarez thanked Mr. Icken for his presentation.
- K. Dr. Garner provided a President's report. He provided a report on personnel and noted that HFSC continues to recruit for open positions. Dr. Garner noted that a press release regarding the recent Office of Inspector General report was issued. He provided the monthly training report and noted that HFSC continues both internal and external training. Dr. Garner reported that the National Institute of Justice (NIJ) is scheduled to visit the HFSC in July. He noted that he and Dr. Stout are completing the corporate goals for FY'17 and will submit to the board once complete. Dr. Garner reported that he attended a meeting with the DA regarding officer involved shootings and noted that Mr. Jerry Pena, Director of the Evidence

Collection Division, is taking all calls directly. He reported that an expert in shooting scene reconstruction would be providing training to CSU and the firearms section. Dr. Garner reported that three experts would be conducting an audit on CSU at the end of June and the report would be provided to the board once complete.

- L. Dr. Stout provided a Vice President's report. He reviewed the total requests received and total turnaround time (TAT) for all sections within the Center since July 2015. He reported that there has been a 133% increase in total requests received across all sections within FY'16. Dr. Stout reviewed the total average TAT, backlogged requests, average process TAT, and wait gap over the past 24 months. Dr. Stout reviewed the requests and average total TAT for the controlled substances, firearms, and biology sections. He provided an update on the sexual assault requests and the complete mixture of work within the biology section. He noted the facility challenges that HFSC is experiencing as a result of the new DNA profile policy. He explained the results of the implementation of a new personal protective equipment (PPE) manual including increased PPE demands, temperature concerns in the building, and also discussed the impact of construction delays. Dr. Stout reviewed the requests and average total TAT for the toxicology section as well as other issues within the section. Dr. Stout reviewed the requests and average total TAT for the latent print section and the increase of latent print requests. He reviewed the requests completed and average total TAT for the multi-media unit including the digital and audio/video sections. He reported that HFSC hired a new multi-media unit manager and explained that recruitment for the digital section is a national challenge. Dr. Stout provided an updated on the HFSC call service and provided a report on CSU.
- M. Dr. Stout presented a proposed contract with Bode Cellmark Forensics, Inc. for performance of a Lean Six Sigma project in the Forensic Biology section. Dr. Stout noted that this project will be funded by a \$434K grant budgeted in FY'15 Federal Capacity Building Grant (NIJ). Dr. McPherson made motion that the board accept the proposed contract with Bode Cellmark Forensics, Inc. with an understanding that there will be some flexibility in determining the timeline and implementation of the study based on the judgment of the CEO and COO. Mr. Feldman seconded the motion, and the motion passed unanimously.
- N. Dr. McPherson left meeting at approximately 11:23 a.m.
- O. Dr. Stout presented a proposed contract with Signature Science, LLC for outsourced DNA analysis of non-sexual assault cases from the Forensic Biology section. Mr. Feldman made a motion to accept the proposed contract with Signature Science, LLC as presented by Dr. Stout, and Ms. Blancett seconded the motion. The motion passed unanimously.
- P. Mr. Leach reported that the board approved a proposed FY'17 budget in February 2016 and he presented a revised budget. He explained under the revised FY '17 budget, the HFSC would receive the same total amount that it received in FY '16, with no increase. The revised budget does not contain the \$1M line item for the new building project. Furthermore, he noted that to accomplish its goals with this lower amount, the HFSC would have to receive 100% of the projected amount to come from Fund 2213. Mr. Leach reported that the HFSC has still not received 100% of the fourth quarter payment of the Fund 2213 FY'16 budget amount. Mr. David made a commitment to meet with Mr. Icken and Ms. Alison Brock, the Mayor's Chief of Staff, regarding the delayed distribution of the fourth quarter payment.

Chairwoman Cásarez presented a motion to approve to revised FY'17 budget, Mr. Feldman and Ms. Blancett seconded the motion, and the motion passed unanimously.

- Q. Mr. Leach presented a proposal to reallocate certain FY'16 budget funds according to HFSC's reallocation procedures. He explained the reallocations in further detail noting the significant changes in general laboratory supplies, medical dental and laboratory services, management consulting services, and civilian payroll. Mr. Feldman made a motion to approve the reallocation of FY'16 budget funds as presented by Mr. Leach, and Dr. Mitchell second the motion. The motion passed unanimously.
- R. Mr. Leach presented the revised Requisition Limits and Authorities for Recurring Operating Expenses policy. Mr. Feldman moved that the board approve the revised Requisition Limits and Authorities for Recurring Operating Expenses policy as presented by Mr. Leach, and the motion was seconded by Ms. Blancett. The motion passed unanimously.
- S. Due to time constraints, the board decided to postpone the treasurer's report, quality assurance report, and report regarding the activities of the Technical Advisory Group until the next monthly meeting of the board.
- T. Pursuant to Section 551.074(a) (1) of the Texas Government Code, the Board went into Executive Session at approximately 11:49 a.m. for discussion of the President and CEO performance evaluation.
- U. The Executive Session concluded at approximately 12:02 p.m. The open meeting reconvened at approximately 12:05 p.m.
- V. There being no other business, the meeting was ADJOURNED at 12:05 p.m.

Houston Forensic Science Center, Inc.

By: Ashley Wieringa

Ashley Wieringa

Secretary

HOUSTON FORENSIC SCIENCE CENTER, INC.

FY 17 Budget Summary

('000's)

	FY15 Actual	Original FY16 Budget	FY16 FCST	FY17 Budget
Revenue:				
HFSC	13,848	11,321	13,848	14,135
Fund 2213	7,400	11,359	7,400	8,545
City of Houston Direct OH-Appro	1,460	1,460	1,460	1,460
Training Services	5	107	31	50
Grants	10	1,261	170	1,021
Forensic Services	0	-	60	100
Other	234	10	36	10
Total Revenue:	22,958	25,519	23,004	25,321
Expenses:				
Personnel	4,684	8,734	8,403	10,572
Supplies	883	932	1,259	1,101
Services (Non CoH)	2,153	3,004	2,799	2,794
Services (CoH/Fund 2213)	10,738	11,321	9,060	8,545
Non-Capital Expenditures	224	329	328	216
Capital Expenditures	980	545	795	1,910
City of Houston Direct OH-Appro	1,460	1,460	1,460	1,460
Grants & Training Expense	10	1,261	170	1,061
Depreciation	226	324	318	375
Total Expense After Depreciation	21,359	27,910	24,592	28,033
Net Cash Out	1,825	(2,066)	(1,270)	(2,337)
Projected FY16 Cash Carryover into FY17				2,632
Forecasted Cash Position at end of FY17				295

HOUSTON FORENSIC SCIENCE CENTER, INC.
COMPARATIVE STATEMENT OF ACTIVITIES - ACCRUAL BASIS
FY16 Actual Results vs. FY17 budget
('000's)

		FY15 Actual	Original FY16 Budget	Original FY17 Budget	Adjusted FY17 Budget	FY16 vs. FY17
Revenues:						
411000	City of Houston-Appropriations	\$21,248,199	\$ 22,680,344	\$17,472,410	\$ 22,680,344	\$ -
	Fund 2213	13,848,182	11,321,432	-	8,545,134	(2,776,298)
	HFSC Operations	7,400,017	11,358,912	17,472,410	14,135,210	2,776,298
415000	City of Houston Direct OH-Appro	1,460,000	1,460,000	1,460,000	1,460,000	-
416000	City of Houston - Safe funds	15,306	-	-	-	-
420000	Donations	500	-	-	-	-
425000	In-Kind Donations	209,022	-	-	-	-
426000	Training Services	4,655	107,100	50,000	50,000	(57,100)
440000	Grants	10,070	1,261,144	1,021,047	1,021,047	(240,097)
450000	Forensic Services	90	-	100,000	100,000	100,000
450001	Miscellaneous Copy Fees	38	-	-	-	-
450002	Interest Income	9,623	10,000	10,000	10,000	-
Total Income		22,957,503	25,518,588	20,113,457	25,321,391	(197,197)
Expenses:						
Personnel:						
500010	Salary Base - Civilian	3,812,278	7,032,807	8,569,312	8,569,312	1,536,505
501070	Pension - Civilian	251,000	463,039	534,556	534,556	71,517
502010	FICA - Civilian	278,736	514,205	616,503	616,503	102,298
502020	FICA - Classified	-	-	-	-	-
503010	Health Insurance - Active Civil	299,954	553,348	680,030	680,030	126,682
503015	Basic Life Ins - Active Civil	77,308	142,616	48,448	48,448	(94,168)
503060	Long Term Disability - Civilian	-	-	684	684	684
503090	Workers Comp - Civilian Adm	-	-	111,281	111,281	111,281
504010	Pension - GASB 27 Accrual	(50,400)	-	-	-	-
504031	Unemployment Taxes - Admin	15,176	27,997	11,089	11,089	(16,908)
		4,684,052	8,734,012	10,571,902	10,571,902	1,837,889
Supplies:						
511010	Chemical Gases & Special Fluids	8,890	8,890	7,558	7,558	(1,332)
511040	Audio Visual Supplies	-	-	1,032	1,032	1,032
511045	Computer Supplies	41,731	41,731	37,942	37,942	(3,789)
511050	Paper & Printing Supplies	25,997	25,997	40,453	40,453	14,456
511055	Publications & Printed Material	14,863	14,863	15,335	15,335	472
511060	Postage	977	2,500	1,251	1,251	(1,249)
511070	Miscellaneous Office Supplies	80,399	104,090	60,306	60,306	(43,784)
511080	General Laboratory Supply	683,570	700,519	847,879	847,879	147,360
511085	Drugs & Medical Chemicals	-	-	-	-	-
511090	Medical & Surgical Supplies	184	184	3,000	3,000	2,816
511095	Small Technical & Scientific Eq	2,101	3,825	9,176	9,176	5,351
511110	Fuel	20	1,000	20	20	(980)
511115	Vehicle Repair & Maint Supplies	-	-	-	-	-
511120	Clothing	1,040	1,040	47,692	47,692	46,652
511125	Food/Event Supplies	15,051	16,571	16,571	16,571	-
511130	Weapons Munitions & Supplies	4,561	7,000	5,813	5,813	(1,187)
511145	Small Tools & Minor Equipment	3,351	3,351	7,186	7,186	3,835
511150	Miscellaneous Parts & Supplies	-	-	-	-	-
		882,737	931,562	1,101,215	1,101,215	169,653

HOUSTON FORENSIC SCIENCE CENTER, INC.
COMPARATIVE STATEMENT OF ACTIVITIES - ACCRUAL BASIS
FY16 Actual Results vs. FY17 budget
('000's)

		FY15 Actual	Original FY16 Budget	Original FY17 Budget	Adjusted FY17 Budget	FY16 vs. FY17
Services:						
520100	Temporary Personnel Services	32,633	32,633	-	-	(32,633)
520105	Accounting & Auditing Svcs	33,906	25,000	31,496	31,496	6,496
520106	Architectural Svcs	-	150,000	1,000,000	-	(150,000)
520107	Computer Info/Contracting Svcs	3,881	12,000	50,000	50,000	38,000
520109	Medical Dental & Laboratory Ser	25,507	25,507	36,002	36,002	10,495
520110	Management Consulting Services	674,754	200,000	100,000	100,000	(100,000)
520112	Banking Services	433	1,226	1,042	1,042	(184)
520113	Photographic Services	5,759	7,000	5,759	5,759	(1,241)
520114	Misc Support Serv Recruit Relo	169,884	100,000	30,000	30,000	(70,000)
520115	Real Estate Rental	115,793	985,248	1,027,611	1,027,611	42,363
520118	Refuse Disposal	5,492	8,000	3,780	3,780	(4,220)
520119	Computer Equip/Software Maint.	202,972	215,218	269,877	269,877	54,659
520121	IT Application Services	42,487	42,487	23,936	23,936	(18,552)
520123	Vehicle & Motor Equip. Services	-	1,000	986	986	(14)
520124	Other Equipment Services	248,222	241,222	225,970	225,970	(15,252)
520143	Credit/Bank Card Svcs	2,517	5,000	1,933	1,933	(3,067)
520145	Criminal Intelligence Services	-	-	-	-	-
520520	Printing & Reproduction Serv.	19,698	19,698	12,968	12,968	(6,729)
520605	Public Information Svcs	5,070	5,070	7,342	7,342	2,272
520705	Insurance (Non-Medical)	22,660	133,020	143,661	143,661	10,642
520760	Contributions	2,815	2,815	1,500	1,500	(1,315)
520765	Membership & Prof. Fees	11,142	39,327	39,327	39,327	-
520805	Education & Training	105,818	157,982	131,678	131,678	(26,304)
520815	Tuition Reimbursement	28,651	61,641	32,130	32,130	(29,511)
520905	Travel - Training Related	103,125	127,610	129,738	129,738	2,128
520910	Travel - Non-training Related	18,782	18,782	20,000	20,000	1,218
521405	Building Maintenance Services	5,132	5,132	6,781	6,781	1,650
521505	Utilities	654	7,000	12,000	12,000	5,000
521605	Data Services	10,326	18,327	11,007	11,007	(7,320)
521610	Voice Services, Equip & Labor	47,134	50,589	48,937	48,937	(1,652)
521630	EGIS Services	-	-	-	-	-
521705	Vehicle/Equipment Rental/Lease	32,000	40,111	3,000	3,000	(37,111)
521715	Office Equipment Rental	-	-	-	-	-
521725	Other Rental Fees	3,624	6,519	2,294	2,294	(4,225)
521730	Parking Space Rental	63,998	87,180	190,642	190,642	103,462
521905	Legal Services	-	50,000	50,000	50,000	-
522205	Metro Commuter Passes	34,327	42,444	52,500	52,500	10,056
522305	Freight	4,316	4,316	5,268	5,268	952
522430	Misc. Other Services & Chrgs	69,939	74,565	84,356	84,356	9,791
522720	Insurance - General & Professional	-	-	-	-	-
522722	Intfd KRONOS Svc Chr	-	-	-	-	-
522845	Interfund Vehicle Services	-	-	-	-	-
532000	Sub-Contractor (COH)	10,737,920	11,321,432	-	8,545,134	(2,776,298)
		12,891,372	14,325,102	3,793,521	11,338,655	(2,986,446)
	Services without CoH	2,153,452	3,003,670	3,793,521	2,793,521	(210,148)

HOUSTON FORENSIC SCIENCE CENTER, INC.
COMPARATIVE STATEMENT OF ACTIVITIES - ACCRUAL BASIS
FY16 Actual Results vs. FY17 budget
('000's)

		FY15 Actual	Original FY16 Budget	Original FY17 Budget	Adjusted FY17 Budget	FY16 vs. FY17
Non-Capital Expenditures						
551010	Furniture and Fixtures	104,227	193,324	111,000	111,000	(82,324)
551015	Computer Equipment	109,679	125,198	84,773	84,773	(40,425)
551025	Scientific/Medical Equipment	10,166	10,166	20,000	20,000	9,834
	Total Non-Capital Expenditures	224,072	328,688	215,773	215,773	(112,915)
Capital Expenditures						
170140	Improvements	16,998	225,000	-	-	(225,000)
170210	Furniture & Fixtures	-	-	-	-	-
170230	Computer Hardware/SW	42,764	-	-	-	-
170240	Scientific/Foren Eqmt	514,435	319,554	1,910,000	1,910,000	1,590,446
170980	Const in Progress	406,027	-	-	-	-
	Total Capital Expenditures	980,223	544,554	1,910,000	1,910,000	1,365,446
Total Expense and Capital Before Depreciation		19,662,456	24,863,918	17,592,411	25,137,545	273,627
561230	Depreciation	226,463	324,485	374,739	374,739	50,253
Total Expense and Capital After Depreciation		19,924,250	25,188,403	17,967,149	25,512,283	323,880
Net Ordinary Income After Capital Expenditures		3,033,253	330,185	2,146,308	(190,892)	(521,077)
Other Expense:						
610000	City of Houston Direct Overhead	1,460,000	1,460,000	1,460,000	1,460,000	-
	Grant and Training Expense	-	1,346,824	1,061,047	1,061,047	(285,777)
	Total Cash Out	1,799,716	(2,152,154)	(1)	(2,337,201)	

HOUSTON FORENSIC SCIENCE CENTER, INC.

REALLOCATION OF BUDGET LINE ITEMS

AS OF APRIL 30, 2016

Reallocation #3

	Original	June BOD	Current	Current vs.
	FY16	Changes	FY16	Original
	Budget	V3		
Revenues:				
City of Houston-Appropriations	\$ 22,680,344	\$ -	\$ 22,680,344	\$ -
City of Houston Direct OH-Appro	1,460,000	-	1,460,000	-
Training Services	107,100	-	107,100	-
Grants	1,261,144	-	1,261,144	-
Interest Income	10,000	-	10,000	-
Total Income	25,518,588	-	25,518,588	-
Expenses:				
Personnel:				
Salary Base - Civilian	7,032,807	250,000	6,932,807	(100,000)
Pension - Civilian	463,039	-	463,039	-
FICA - Civilian	514,205	-	514,205	-
Health Insurance - Active Civil	553,348	-	553,348	-
Basic Life Ins - Active Civil	142,616	-	61,616	(81,000)
Long Term Disability - Civilian	-	-	1,000	1,000
Workers Comp - Civilian Adm	-	-	80,000	80,000
Unemployment Taxes - Admin	27,997	-	27,997	-
	8,734,013	250,000	8,634,013	(100,000)
Supplies:				
Chemical Gases & Special Fluids	8,890	3,000	11,890	3,000
Construction Materials	-	-	1,000	1,000
Audio Visual Supplies	-	-	2,000	2,000
Computer Supplies	41,731	10,000	61,731	20,000
Paper & Printing Supplies	25,997	-	40,997	15,000
Publications & Printed Material	14,863	-	24,863	10,000
Postage	2,500	-	2,500	-
Miscellaneous Office Supplies	104,090	-	73,090	(31,000)
General Laboratory Supply	700,519	400,000	1,215,519	515,000
Medical & Surgical Supplies	184	-	2,184	2,000
Small Technical & Scientific Eq	3,825	-	9,825	6,000
Fuel	1,000	-	1,000	-
Clothing	1,040	-	5,040	4,000
Food/Event Supplies	16,571	5,000	24,571	8,000
Weapons Munitions & Supplies	7,000	-	7,000	-
Small Tools & Minor Equipment	3,351	-	8,351	5,000
Miscellaneous Parts & Supplies	-	1,000	1,000	1,000
	931,561	419,000	1,492,561	561,000
Services:				
Temporary Personnel Services	32,633	(10,000)	633	(32,000)
Accounting & Auditing Svcs	25,000	5,000	30,000	5,000

HOUSTON FORENSIC SCIENCE CENTER, INC.

REALLOCATION OF BUDGET LINE ITEMS

AS OF APRIL 30, 2016

Reallocation #3

	Original	June BOD	Current	Current vs.
	FY16	Changes	FY16	Original
	Budget	V3		
Architectural Svcs	150,000	20,000	170,000	20,000
Computer Info/Contracting Svcs	12,000	-	12,000	-
Medical Dental & Laboratory Ser	25,507	-	125,507	100,000
Management Consulting Services	200,000	50,000	350,000	150,000
Banking Services	1,226	-	2,726	1,500
Photographic Services	7,000	-	2,000	(5,000)
Misc Support Serv Recruit Relo	100,000	-	100,000	-
Real Estate Rental	985,248	-	945,248	(40,000)
Refuse Disposal	8,000	-	4,000	(4,000)
Computer Equip/Software Maint.	215,218	50,000	230,218	15,000
IT Application Services	42,487	10,000	27,487	(15,000)
Vehicle & Motor Equip. Services	1,000	8,000	11,000	10,000
Other Equipment Services	241,222	5,000	104,722	(136,500)
Credit/Bank Card Svcs	5,000	-	5,000	-
Criminal Intelligence Services	-	-	4,500	4,500
Printing & Reproduction Serv.	19,698	5,000	20,198	500
Public Information Svcs	5,070	-	5,070	-
Insurance (Non-Medical)	133,020	-	123,020	(10,000)
Contributions	2,815	-	2,815	-
Membership & Prof. Fees	39,327	-	39,327	-
Education & Training	157,982	-	157,982	-
Tuition Reimbursement	61,641	-	61,641	-
Travel - Training Related	127,610	-	127,610	-
Travel - Non-training Related	18,782	5,000	23,782	5,000
Building Maintenance Services	5,132	5,000	10,132	5,000
Utilities	7,000	5,000	12,000	5,000
Data Services	18,327	-	18,327	-
Voice Services, Equip & Labor	50,589	20,000	70,589	20,000
Vehicle/Equipment Rental/Lease	40,111	-	34,111	(6,000)
Other Rental Fees	6,519	-	6,519	-
Parking Space Rental	87,180	8,000	132,180	45,000
Legal Services	50,000	-	20,000	(30,000)
Metro Commuter Passes	42,444	5,000	65,444	23,000
Shipping and Freight	4,316	-	12,316	8,000
Misc. Other Services & Chrgs	74,565	-	84,565	10,000
Civilian Payroll	4,482,580	(803,450)	3,679,130	(803,450)
Classified Payroll	6,546,407	-	6,546,407	-
Supplies	115,000	-	115,000	-
Services	177,445	-	177,445	-
Sub-Contractor (COH-HPD) Total	11,321,432	(803,450)	10,517,982	(803,450)
	14,325,102	(612,450)	13,670,652	(654,450)

HOUSTON FORENSIC SCIENCE CENTER, INC.

REALLOCATION OF BUDGET LINE ITEMS

AS OF APRIL 30, 2016

Realloaction #3

	Original	June BOD	Current	Current vs.
	FY16	Changes	FY16	Original
	Budget	V3		
Non-Capital Expenditures				
Furniture and Fixtures	193,324	10,000	183,324	(10,000)
Computer Hardware/SW	125,198	30,000	155,198	30,000
Scientific/Foren Eqmt	10,166	20,000	50,166	40,000
Total Non-Capital Expenditures	328,688	60,000	388,688	60,000
Capital Expenditures				
Improvements	225,000	-	225,000	-
Furniture & Fixtures	-	100,000	100,000	100,000
Computer Hardware/SW	-	40,000	40,000	40,000
Scientific/Foren Eqmt	319,554	60,000	629,554	310,000
Const in Progress	-	(316,550)	(316,550)	(316,550)
Total Capital Expenditures	544,554	(116,550)	678,004	133,450
Total Expense and Capital Before Depreciation	24,863,918	-	24,863,918	-
Depreciation	324,485	-	324,485	-
Reconciliation Discrepancies	-	-	-	-
City of Houston Direct Overhead	1,460,000	-	1,460,000	-
HPD-Reimbursed Expenses	-	-	-	-
Grant and Training Expense	1,346,824	-	1,346,824	-
Total Expense and Capital After Depreciation	27,995,227	-	27,995,227	-
Net Ordinary Income	(2,476,639)	-	(2,476,639)	-
Absolute Change		808,450		1,620,500
Percent of Change to Total Budget		0		6.4%



HOUSTON FORENSIC SCIENCE CENTER

FINANCIAL POLICIES AND PROCEDURES

POLICY:	Requisition Limits and Authorities for Recurring Operating Expenses	ISSUED BY:	Finance Division
APPROVED BY:	David Leach Chief Financial Officer	APPROVAL DATE:	
APPROVED BY:	Ron Sandberg Deputy General Counsel	APPROVAL DATE:	
APPROVED BY:	Daniel Garner President and CEO	APPROVAL DATE:	
APPROVED BY:	Nicole Cásarez Board of Directors Chair	APPROVAL DATE:	
EFFECTIVE DATE:	October 21, 2015	REVIEW DATE:	October 21, 2016
REVISION EFFECTIVE DATE:	May 16, 2016	REVIEW DATE:	May 16, 2018
<p style="text-align: center;"><i>Note: Copies are uncontrolled when printed.</i></p> <p style="text-align: center;"><i>Staff members using printed copies should verify with the Human Resources Division that they are using the correct version.</i></p>			

Policy Statement

Clearly defined authority limits for purchasing services and fungible goods are critical for enabling the Houston Forensic Science Center (HFSC) to maintain an effective and efficient purchasing system. This policy establishes limits that are applicable to only purchases involving recurring operating expenses. Separate policies will address authority limits and procedures relating to capital expenditures, leases, and other non-recurring expenditures.

Applicability

All members of the Board of Directors, Board of Directors Committee members, HFSC staff members, and temporary employees shall abide by this policy.

Purpose

The purpose of this policy is to put in place authority limits for recurring operating expenses to ensure that:

- A. All purchase order and other Contract transactions are conducted in a manner that is consistent with HFSC's objectives for acquiring services and fungible goods and consistent with state procurement laws; and

Policy Number: TBD
Approval Date: October 21, 2015
Replaces Policy No.: N/A
Uncontrolled When Printed

Author: David Leach
Revised Effective: May 16, 2016
Next Review Due: May 16, 2018

- B. An appropriate balance exists between enabling HFSC personnel to purchase services and fungible goods that are necessary for them to perform their jobs and the necessity for HFSC to spend its limited funds effectively and efficiently.

Therefore, the following limitations are in place.

Definitions

- A. **Board of Directors** -- the HFSC Board of Directors.
- B. **Board of Directors Committee** -- those HFSC division directors, managers, supervisors, staff members, temporary employees, and others who serve on a HFSC Board of Directors Committee.
- C. **Chief Executive Officer** -- the president and chief executive officer (CEO) of HFSC or his/her designee.
- D. **Chief Financial Officer** -- the chief financial officer (CFO) of HFSC or his/her designee.
- E. **Chief Operations Officer** -- the chief operations officer (COO) of HFSC or his/her designee.
- F. **Civilian** -- a person providing services under the management responsibility of HFSC, but employed by the City of Houston in a job classification other than a sworn peace officer.
- G. **Classified** -- a person providing services under the management responsibility of HFSC, but employed by the City of Houston in a sworn peace officer job classification.
- H. **Contract** -- a purchase order or other document which is signed on behalf of HFSC and creates legal obligations on HFSC.
- I. **Director** -- a member of the Board of Directors.
- J. **Division Director** -- any manager responsible for one of the HFSC divisions.
- K. **Employee** -- a person directly employed by and on the payroll of HFSC.
- L. **Section Manager** -- any staff member with responsibilities that include supervision and management of other staff members in a section of a division.
- M. **Staff Member** -- any person who is a civilian, classified, or employee.

Responsibilities

- A. Board Chair or Vice-Chair -- The chair or vice-chair of the Board of Directors or their designees are responsible for overseeing the administration of this policy.
- B. Chief Executive Officer -- The CEO is responsible for administering the policy as it relates to staff members and temporary employees, implementing processes and procedures to ensure that the policy is followed, and monitoring compliance with the policy.
- C. Chief Operating Officer -- The COO is responsible for ensuring that this policy is clearly articulated and disseminated and for assisting the CEO in carrying out his/her responsibilities regarding the policy.
- D. Chief Financial Officer -- The CFO is responsible for articulating and disseminating processes and procedures regarding this policy and for providing guidance regarding ongoing compliance with the policy.
- E. Division Directors -- Division directors are responsible for oversight in the administration of the policy and for providing division-level direction for compliance.
- F. Staff Members -- Staff members are accountable for compliance with this policy and the processes and procedures set forth herein and the guidance issued by the CFO.

Procedures

- A. **Authorization Limits for Contracts Involving Purchases within Approved Budgeted Limits**
 - 1) For items that are within approved budgeted limits, see the table below.
 - 2) For items that have not been approved in the budget, refer to section **B** below.

In the “HFSC Personnel Level” column, with respect to each dollar range, each of the listed persons must approve the purchase and the person whose title is underlined is the person with authority to sign the Contract.

Purchase Authority Limit	HFSC Personnel Level
≤\$5,000	<u>Section manager</u>
\$5,001 to \$15,000	Section manager and <u>division director</u>
\$15,001 to \$50,000	Section manager, division director and <u>COO</u>
\$50,001 to \$100,000	Section manager, division director, COO and <u>CFO</u>
Up to \$200,000	Section manager, division director, COO, CFO and <u>CEO</u>
All purchase orders > \$200,000	Section manager, division director, COO, CFO, CEO and <u>chair or vice-chair of the Board of Directors</u>

- 3) Contracts shall not be divided into separate purchase orders or invoices so that lesser authorization limits will be in effect.
- 4) If the CFO discovers instances that appear, whether intentional or not, to be dividing requisitions to avoid proper authorization, he or she has the authority to require the higher level of authorization required should the individual requisitions be combined.
- 5) Any attempt by an HFSC staff member to conduct business with subdivided Contracts, purchase orders or invoices so as to avoid obtaining required authorizations will result in disciplinary action up to and including termination of employment.

B. *Authorization Limits for Contracts Involving Purchases Exceeding Approved Budgeted Limits*

- 1) A staff member of HFSC is strictly forbidden from entering into a commitment that exceeds Board of Directors' approved budgeted amounts.
- 2) Therefore, all purchases that are not included in a Board of Directors' approved budget must first obtain Board of Directors' approval. Once such approval is obtained, the guidelines in section A above for purchases within approved budgeted limits shall apply.

Compliance

Compliance with the policy is an ongoing requirement; each staff member is accountable for ensuring his/her compliance.