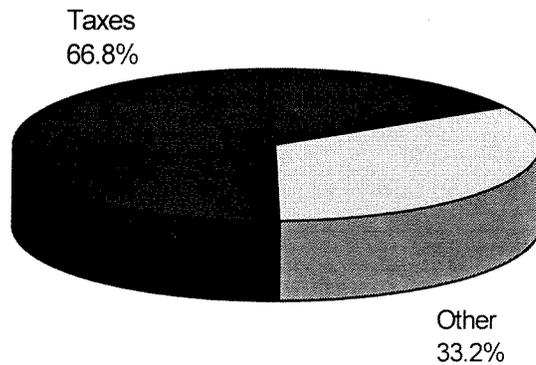


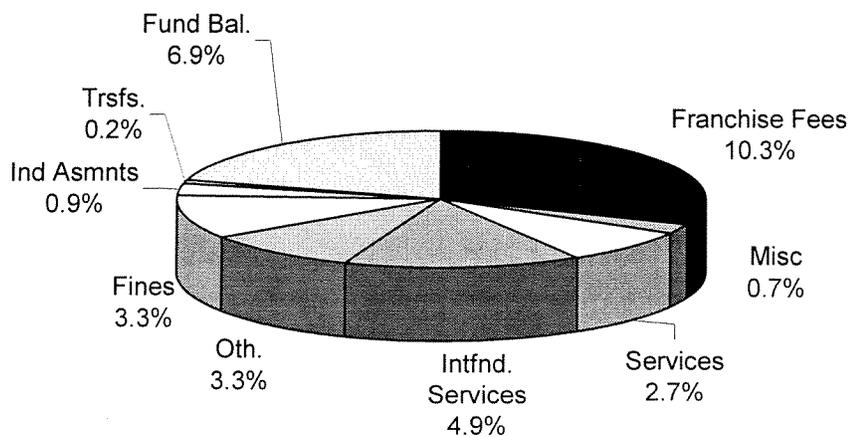
GENERAL FUND RESOURCES SUMMARY

The General Fund is the City of Houston's largest operating fund. With total resources of \$1.562 billion budgeted in FY2005, this fund relies heavily on various forms of revenue to finance its operations. As illustrated below, approximately sixty-seven percent of the total resources in the General Fund are from property and sales taxes.

GENERAL FUND RESOURCES FY2005 BUDGET



COMPOSITION OF OTHER (ABOVE)



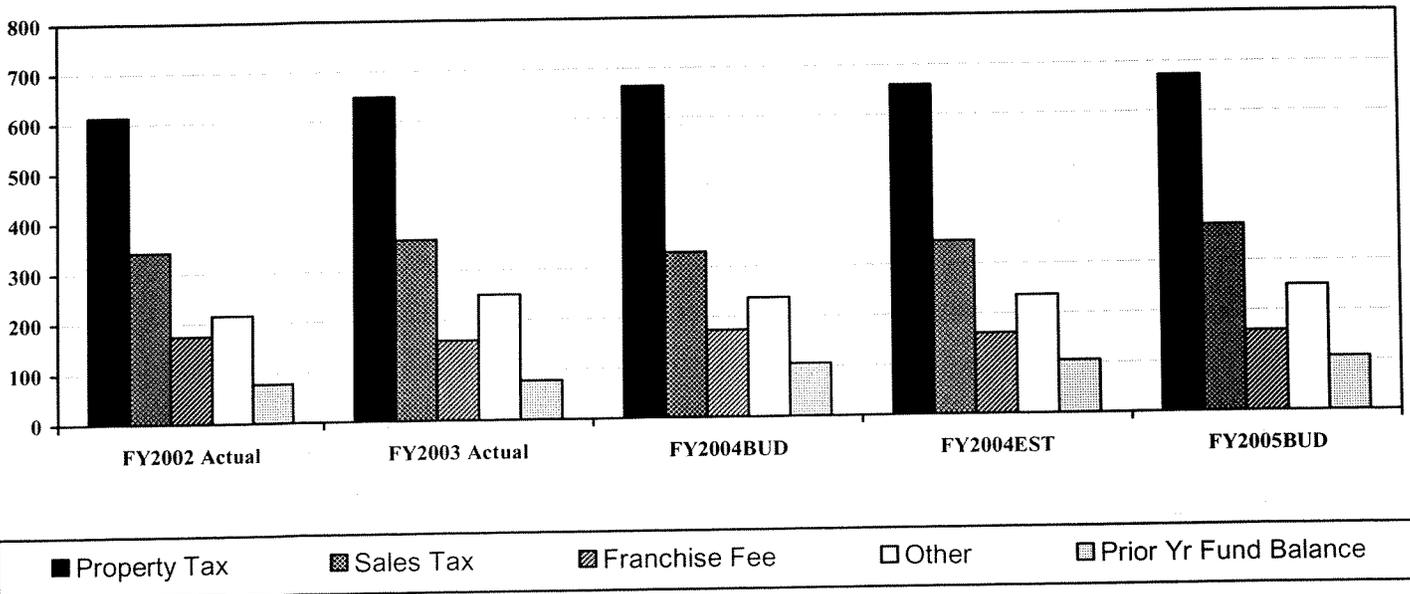
The composition of the FY2005 General Fund resources is listed below:

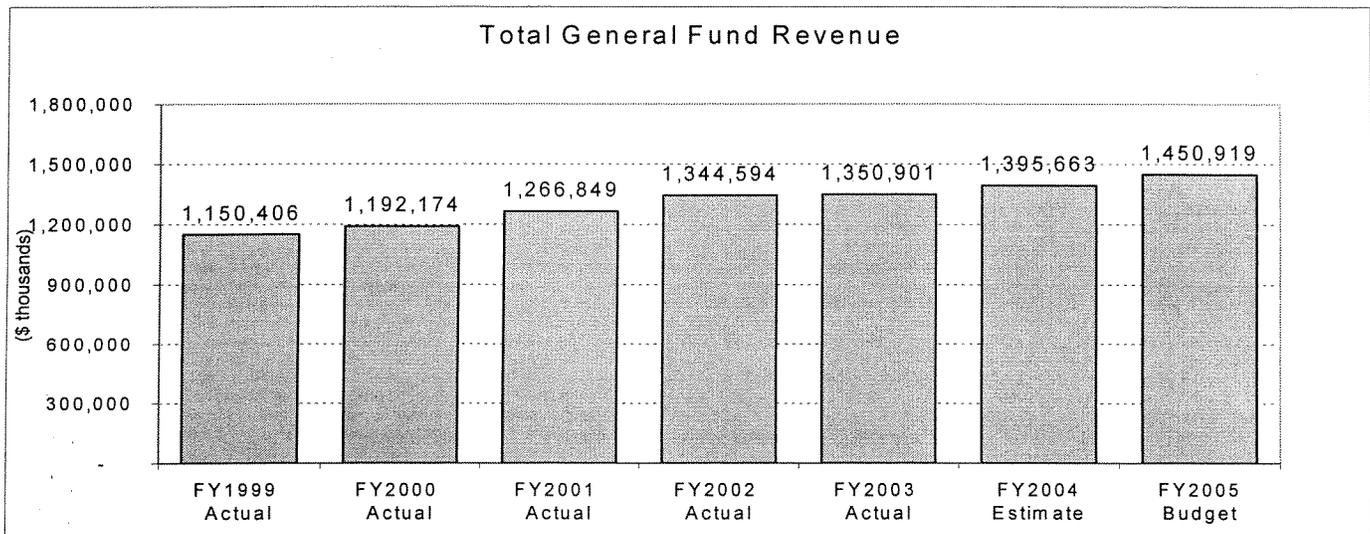
<u>RESOURCE CATEGORIES</u>	<u>RESOURCES FY2005 BUDGET*</u>	<u>% OF TOTAL BUDGET</u>
Taxes:		
Property Taxes	\$ 671,553	43.0%
Sales Taxes	371,548	23.8%
Franchise Fees	160,399	10.3%
Industrial Districts	14,406	0.9%
Intergovernmental	30,664	2.0%
Charges for Services	41,534	2.7%
Interfund Services	76,379	4.9%
Licenses and Permits	15,355	1.0%
Fines and Forfeits	52,142	3.3%
Interest on Investments	5,000	0.3%
Miscellaneous	11,939	0.7%
Total Revenues	<u>1,450,919</u>	<u>92.9%</u>
Transfers from Other Funds	3,500	0.2%
Ending FY2004 Fund Balance	<u>107,125</u>	<u>6.9%</u>
TOTAL RESOURCES	\$ <u>1,561,544</u>	<u>100.0%</u>

*Dollars in Thousands

The graph below provides a four-year comparison of the City's resources in millions of dollars.

**RELATIONSHIP OF GENERAL FUND RESOURCES
FY2002 THROUGH FY2005**





The FY2005 Budget amount in the chart above includes an increase for one extraordinary factor, the gross revenues of Special Purpose annexations (\$8 million). Additionally, these amounts for all years have also been adjusted to reduce Property Tax Revenue by the amounts associated with Property Tax Refunds.

Table I below provides the FY2005 General Fund revenue estimate in the categories that have become traditional. As shown, the total revenue is expected to be \$1.451 billion, or \$55.256 million (3.96%) greater than

Table I

**FY2005 Revenue Estimates
Compared with FY2004 Projections**

Item	Projected Revenue (\$Thousands)		
	FY2004	FY2005	Increase
General Property Taxes	659,254	671,553	12,299
Industrial Assessments	14,700	14,406	(294)
Sales Tax	346,306	371,548	25,242
Electric Franchise	76,125	77,384	1,259
Telephone Franchise	53,000	51,000	(2,000)
Gas Franchise	16,700	16,568	(132)
Other Franchise	14,872	15,447	575
Licenses and Permits	15,202	15,355	153
Intergovernmental	20,459	30,664	10,205
Charges for Services	39,296	41,534	2,238
Direct Interfund Services	62,393	65,961	3,568
Indirect Interfund Services	14,444	10,419	(4,025)
Municipal Courts Fines and Forfeitures	44,777	47,601	2,824
Other Fines and Forfeits	2,484	4,540	2,056
Interest	4,500	5,000	500
Miscellaneous/Other	11,151	11,939	788
Totals	1,395,663	1,450,919	55,256

the projected FY2004 revenue.

Table II provides the revenue estimate for each distinct revenue source that is expected to produce at least \$3 million in FY2005. The remainder of this document describes the projection logic that has been used for each of these items.

Table II
Revenue Estimates for
Revenue Sources over \$3 Million

<u>Item</u>	<u>Projected Revenue (\$Thousands)</u>		
	<u>FY2004</u>	<u>FY2005</u>	<u>Increase</u>
Property Tax	659,254	671,553	12,299
Sales Tax	346,306	371,548	25,242
Electric Franchise	76,125	77,384	1,259
Telephone Franchise	53,000	51,000	(2,000)
Traffic Violations	25,281	26,805	1,524
Ambulance Fees	22,636	24,175	1,539
Interfund Engineering Services	20,855	22,610	1,755
Interfund Police Protection	18,680	19,049	369
Gas Franchise Fees	16,700	16,568	(132)
Licenses and Permits	15,202	15,355	153
Industrial Assessments	14,700	14,406	(294)
Municipal Courts Fines and Forfeitures			
Other than Moving & Parking Violations	13,559	13,159	(400)
Interfund Fire Protection	12,443	13,042	599
Miscellaneous/Other	11,152	11,939	787
Indirect Cost Recovery	14,444	10,419	(4,025)
METRO Funding for Concrete	10,000	10,000	0
Additional METRO Funding	0	10,000	10,000
Cable TV Franchise Fees	9,500	10,000	500
Charges for Services Other than Ambulance,			
Platting Fees, and Parking Fees	8,243	8,220	(23)
Mixed Beverage Tax	7,973	8,200	227
Parking Violations	5,937	7,637	1,700
Direct Interfund Other than Engineering,			
Fire, Police, Concrete	5,029	5,778	749
Interfund Concrete Reimbursement	5,386	5,481	95
Platting Fees	5,000	5,092	92
Interest	4,500	5,000	500
Solid Waste Hauler Franchise Fee	4,200	4,313	113
Parking Fees	3,417	4,047	630
All Other Revenue	6,141	8,139	1,998
Totals	1,395,663	1,450,919	55,256

Taxes

Property Taxes

General property taxes are ad valorem taxes levied on the assessed valuation of real and personal property. Taxable values for all real and personal property within the City are established by the Harris County Appraisal District (HCAD), based upon market values as of January 1. City Council then approves exemptions such as homestead, 65 and over, disabled as well as Freeport exemptions and then sets a tax rate within the limitations set by state law. The current tax rate for the City of Houston is 65.5 cents per \$100 of assessed valuation.

HCAD notifies taxpayers and taxing jurisdictions of these values during April to May of each year. Taxpayers may protest these values or the exemption status of their property. Hearings of appeals are largely concluded by October, and the Chief Appraiser of HCAD certifies the City's tax roll once 95 percent of the roll is completed.

City Council then sets a tax rate, and bills are sent to taxpayers, usually by early November. Payment is due by January 31 of the next calendar year. Taxes not paid by that date are delinquent and are subject to a seven percent late fee, which increases 2 percent per month until June 30. If an account is certified by the Chief Appraiser so that taxes are not billed before January 10, the taxpayer has at least 21 days, or until the end of the following month, to pay without incurring late fees. Taxpayers who wish to appeal values set by HCAD in state court may do so if they pay taxes on the uncontested value.

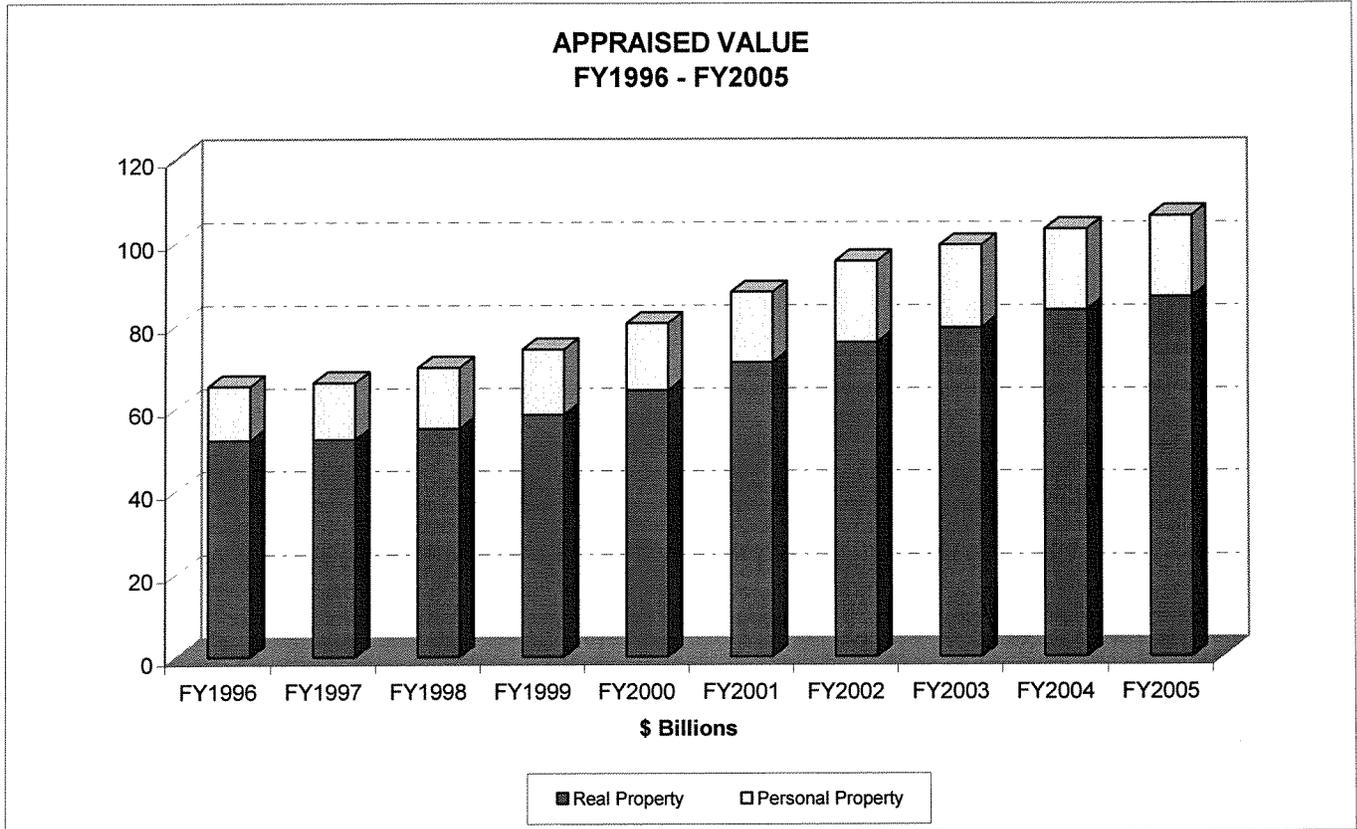
Occasionally, taxes are overpaid as the result of errors in appraisal or an overpayment by a taxpayer. The County Tax Office refunds such payments based upon the Texas Property Tax Code and documentation supplied by the taxpayers. Fluctuations in collections reflect changes in assessed property values, collection efforts, and tax rate changes.

The FY2005 property tax revenue estimate is derived from an HCAD projection provided to the City in early February 2004. HCAD estimated the tax base to be certified in August 2004 would be \$106.1 billion, or approximately 3.08% higher than the FY2004 tax base. This amount is net of the increased senior/disabled exemption, which was increased from \$44,000 to \$48,400. This is projected to exempt as much as \$290 million in additional taxable value from the tax rolls, reducing revenue by an estimated \$1.9 million in FY2005. The senior/disabled exemption will increase by 10% in each of the three subsequent fiscal years.

The Finance and Administration Department applied an assumed 65cent tax rate to this tax base, along with a 97.28% collection ratio and assumptions for prior year taxes collected (\$34.67 million), Tax Refunds and Rebates (\$11.07 million), and TIRZ payments due (\$22.9 million), to arrive at a net revenue estimate of \$671.553 million.

This revenue is approximately 1.83% higher than the estimated FY2004 revenue of \$659.254 million. This year-to-year revenue growth is significantly less than prior years.

On the following page is a graph showing the ten-year history of appraised property values in Houston, with the \$106.1 million estimate shown for FY2005.



**CITY OF HOUSTON APPRAISED VALUE
(\$ Millions)**

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>	<u>Value</u>
1996	1995	52,132	13,021	65,153	
1997	1996	52,304	13,724	66,028	
1998	1997	54,997	14,611	69,608	
1999	1998	58,276	15,768	74,044	
2000	1999	64,149	16,200	80,349	
2001	2000	70,859	16,956	87,815	
2002	2001	75,691	19,556	95,247	
2003	2002	79,249	19,846	99,096	
2004	2003	83,498	19,402	102,900*	
2005	2004	86,600	19,467	106,067*	

*Harris County Appraisal District Estimate

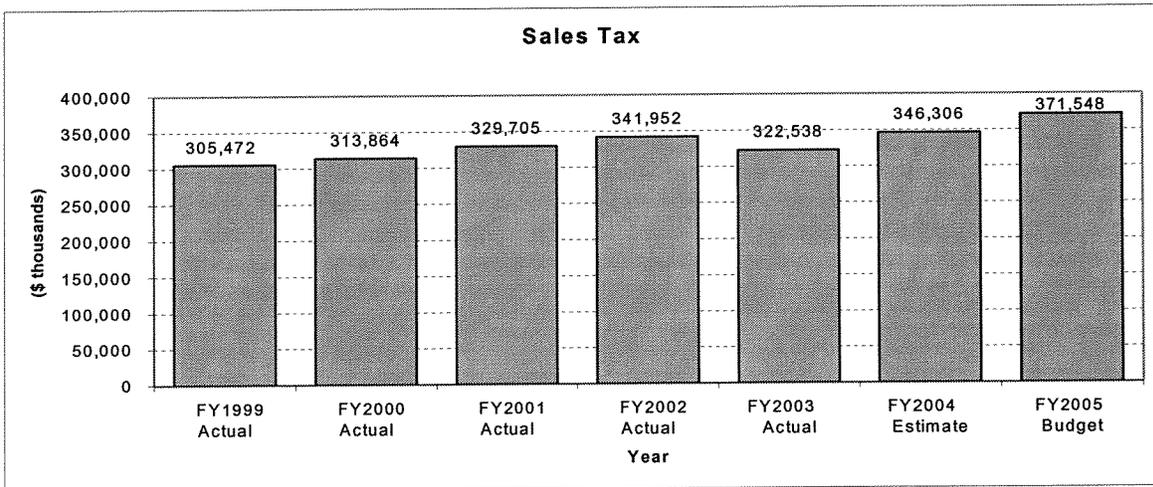
Sales Tax

General sales and use taxes are imposed upon the sale or consumption of certain goods and services at the point of sale. In the City of Houston, a \$.0825 sales and use tax is applied for every dollar of sales. The Metropolitan Transit Authority (METRO) receives \$.01, and the State of Texas receives \$.0625. The State Comptroller remits a \$.01 share to the City, after withholding a 2% service charge.

Due to the favorable economic conditions in Houston, sales tax has become an important factor in the City's overall revenue stream. However, due to its economically sensitive nature, sales tax reacts quickly with changes in the economy. This fact has been to the City's benefit in the last few years as the economy has improved, but in FY2003, the revenue fell along with the economy. In calculating the FY2005 budget, historical data was analyzed, factoring in economic conditions which may impact actual revenues received. In addition, the effect of current laws which exempt certain goods and services from taxation are incorporated into this analysis and are used to modify projections accordingly.

Large fluctuations in sales tax caused the City Council to retain an outside economist to make predictions, beginning in FY2001. Dr. Barton Smith has provided an extension of his analysis for FY2005, which indicates that sales tax will grow 6.27%.

For conservatism, and due to the uncertain timing of the recovery to the national economy, the FY2005 Budget includes sales tax revenue of \$371.548 million, which is the FY2004 Estimate plus 5.27% (1% less than Dr. Smith), plus \$8 million (gross) for several Limited Purpose annexations, which are not included in the FY2004 Estimate. The average gross revenue received from the previous annexations is \$400,000 per district. In FY2005, 33 new districts are projected, and expected to be approved by Council before the end of FY2004. The amount projected is less than the average, as 12 of these are relatively small. Of this, half (\$4 million) will be budgeted in General Government as an expenditure to the MUD districts involved. The graph below provides a seven-year comparison of the City's Sales Tax revenue.



Industrial Assessments

The City of Houston has Industrial District Contract Agreements with a term of fifteen years with 100 plus companies that are located within the Houston Extra-Territorial Jurisdiction (ETJ). A contractually reduced ad valorem assessed valuation fee is calculated and billed annually to each of those companies in lieu of the property being annexed and subject to City of Houston property taxes. The seventh tax year contract fees scheduled for billing and collection in FY2004 will approximate \$14.7 million. Industrial District Assessments are based on current year property values provided by HCAD and may change after receipt of the property value information from HCAD. These are contractual revenues, with the current agreements expiring in 2012. The FY2005 Budget includes a decrease to approximately \$14.4 million. The current decrease is linked to decreased HCAD valuations. HCAD recently identified 100 additional companies in the ETJ that are not currently under contract. Action is currently underway to contact these companies and add them into the contracted Industrial District assessment program. This could increase this revenue by approximately \$500,000.

Franchise Fees

Franchise fees are imposed on companies, entities, or persons for the privilege of using public property for private purposes. Franchise agreements have been granted to numerous enterprises including Reliant Energy Houston Lighting and Power Co. (HL&P), Entex, Southwestern Bell, several cable television firms, and others.

Changes in franchise revenue depend on many factors including economic fluctuations, rate charges, customer usage, franchise agreement changes and legislative actions.

Electric Franchise

Electric franchise fees are paid to the City for the right to conduct an electric light and power business and to use the City rights-of-way for that business. These fees are paid quarterly in November, February, May, and August, of each year, based on an amount over the base year fee (1998) times the ratio of KWH usage to the 1998 usage. That factor is .0026838 \$ /KWH sold and will remain in place in the future. For example, if usage in 2005 is 8% higher than it was in 1998, the City's franchise fee will be 8% greater than what we received in 1998.

This is a change from previous years due to de-regulation which occurred January 1, 2002. Prior to de-regulation, franchise fees were based on 4 percent of the gross receipts of the previous quarter. One unique consequence of this change is the "decoupling" of our revenue and expense, which have always moved in the same direction, and therefore produced a more "forgiving prediction" environment. Conceivably, if fuel costs increase, and usage decreases, we could face higher expenditures, while revenues decrease. It appears this will occur in the FY2005 fiscal year. Although we are projecting a increase of \$1.259 million in revenue, the City's total Electricity expenditure is expected to increase by over \$20 million.

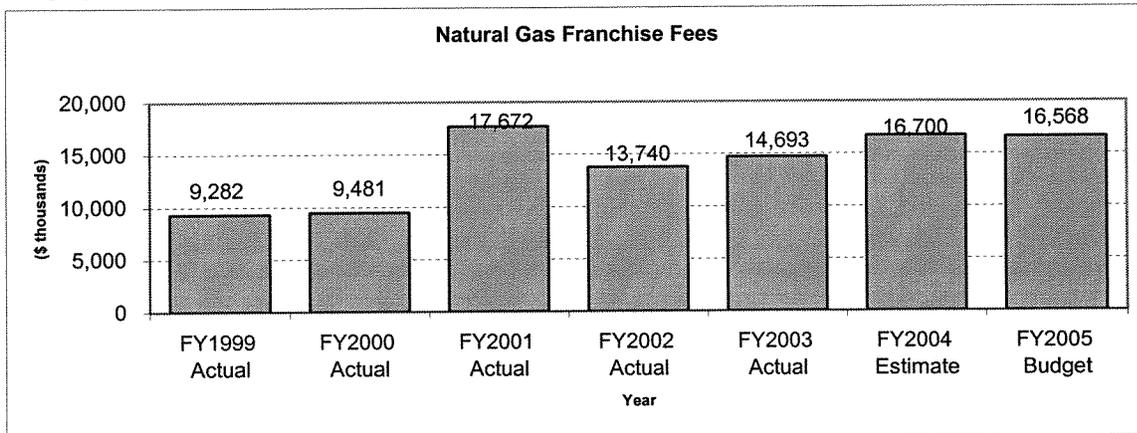
CenterPoint Energy Houston Electric was asked to estimate the Franchise Fee that would be collected during FY2005. They do not forecast KWH usage by municipality, however they did state that they are using an overall growth rate of 1.8% in their revenue forecast. We are projecting KWH usage to be approximately 1%, which is closer to the recent historical trend. For the FY2005 Budget, revenues of \$74.9 million are projected. The franchise fee billed the enterprise funds is projected as an additional \$2.5 million, for a total Electric Franchise Fee projection of \$77.4 million.

Gas Franchise

The Gas Franchise fee is paid in exchange for CenterPoint and Industrial Gas Supply's operation of natural gas distribution business in the public rights-of-way. These fees are paid quarterly in October, January, April, and July and are based on a percentage of gross receipts of 4 percent for small consumers and 3.5 percent for large consumers.

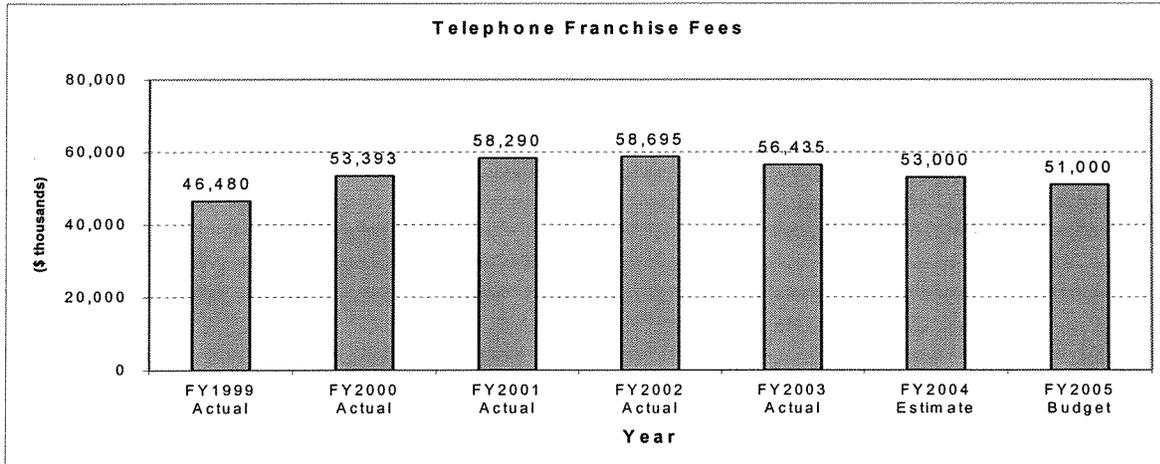
Gas regulation in Texas is overseen by the Texas Railroad Commission. Historically, the purchased gas adjustment (PGA) portion of the gas rate was filed to be effective for six-month periods in February and August of each year. However, beginning this year, the PGA may be changed as frequently as monthly. The PGA currently in effect for the period beginning February 2004 is 76.315 cents for each 100 cubic feet of gas used. (The factor for the same period in 2003 was 39.364 cents). The FY2005 Projection of \$16.6 million is being projected at approximately 2% less than CenterPoint's projection and estimated Industrial Gas Supply for conservatism. We will continue to monitor the market price of natural gas, which is what is driving the CenterPoint projection, as well as the actual revenues, along with consumption.

The graph below provides a seven-year comparison of the City's Natural Gas Franchise Fee revenue.



Telephone Franchise

The telephone franchise fee is determined by applying a fixed rate to the number of access lines. Until June 2000, the only primary local exchange providers were SBC (Houston) and GTE Sprint (Kingwood). Now, after HB1777 opened the market for local phone service, there are approximately 112 companies paying telephone franchise fees to the City. Southwestern Bell's portion is about 85%. The fixed rates are: residential \$1.54; non-residential \$5.23; and point-to-point \$14.90 per access line. Since deregulation, the historical growth rate has declined significantly. Recent declines can be attributed to the growth in wireless services, as well as other new technologies. The FY2005 Budget for Telephone Franchise revenues is at \$51 million, which is in line with the most recent trend, and down 4% from the FY2004 estimate of \$53 million. The graph below provides a seven-year comparison of the City's Telephone Franchise Fee revenue.



Cable TV Franchise Fees

Cable TV franchise fees are paid by 7 different cable providers. The rate is 5% of gross revenue. The projection for FY2005 of \$10 million is 5.26% higher than the FY2004 estimate of \$9.5 million. An FCC ruling that cable modem (internet) connections are not cable services, and are not subject to the cable franchise fee, is currently being appealed.

Solid Waste Hauler Franchise Fees

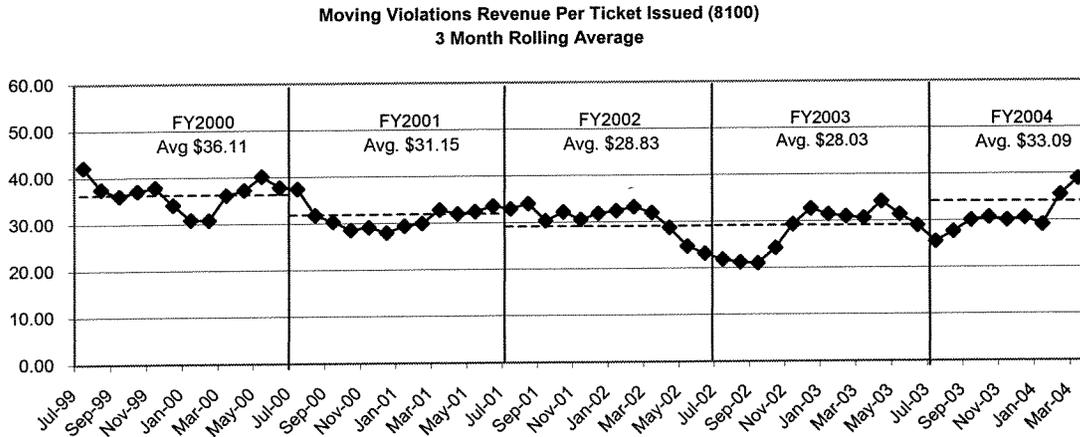
These are fees collected from solid waste haulers to compensate the City for additional wear and tear on the City streets. This is 4% of gross revenues from approximately 86 companies in FY2005. The FY2005 projection of \$4.3 million is up 2.4% from the FY2004 estimate of \$4.2 million.

Interfund Police Protection

HPD provides police service for the Airports. Airport Police was reassigned with HPD to initiate this process. Aviation is an Enterprise Fund and therefore pays HPD for this service. The original contract is an agreed upon billing process, negotiated by the prior Chief of Police, the Mayor and Aviation. The original amount plus any increase or decrease would be calculated onto this original contract amount. The FY2005 projection of \$19 million is only slightly higher than the FY2004 estimate.

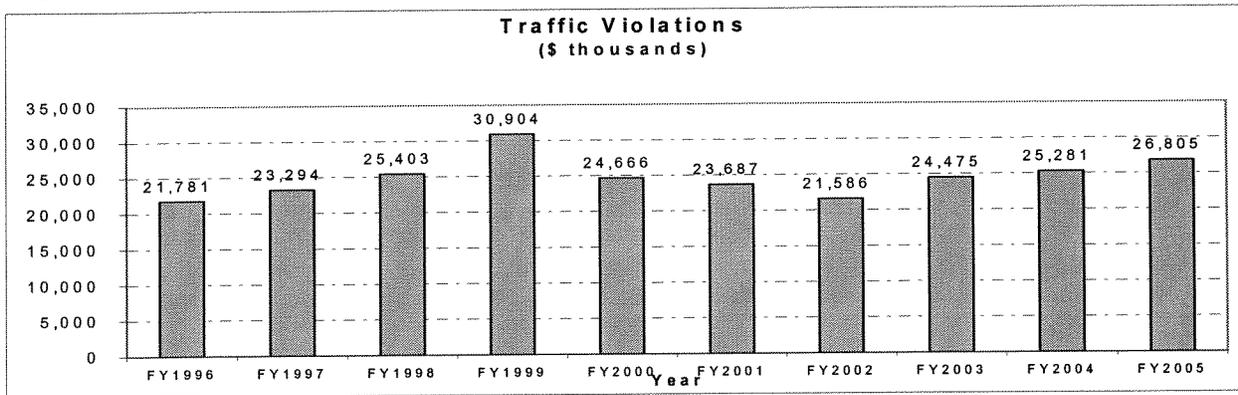
Traffic Violations

In FY2005, we are projecting ticket issuance of 780,000. The budgeted per ticket amount of revenue will be \$31.03, or \$24.2 million, which is 4.27% lower than the FY2004 projection of \$25.28 million. The Police department is planning several new initiatives which will generate an additional \$2.6 million of revenues in FY2005. These include additional motorcycle patrols, red light cameras, photo radar, and enhanced scheduling of officers. The FY2004 projection contains approximately \$500 thousand in one-time revenues.



In FY2005, the Case Management system will be implemented for Parking in September 2004, and Traffic/Non-Traffic in February/March 2005. There will be some degradation of service and necessary downtime to successfully convert the millions of cases/records from the mainframe to the new system. These revenue projections have taken these items into account.

The graph below provides a ten-year comparison of the City's Traffic Violations revenue.



Ambulance Fees

Chapter 4 of the City Code provides for the establishment of, and guidelines for, a citywide ambulance service. The base and variable fee structure, as well as the Fire Department and Finance and Administration (F&A) responsibilities, are addressed under Section 4.13. F&A has been charged with the billing and collection services resulting from the transport data provided by the Fire Department. F&A has chosen to contract with a private vendor for these services. The City is currently in the second of a five-year contract with ACS State and Local Solutions, Inc. (ACS) for billing and collection services as well as installation of new technology including driver's license reader devices in all ambulance units to improve patient records, documentation and billing and collections. As required under the contract, ACS has also established business relationships with major area hospitals to improve collaboration of patient data records under Chapter 241 of the Texas Health and Safety Code and applicable Federal Law. This has been accomplished by implementing electronic HIPAA compliant

database connectivity between area hospitals and ACS to share patient data including insurance information for billing and required record keeping purposes.

Due to rate increases in FY2002 and FY2003, the gross collection rate dropped from 36.3% in FY2002 to approximately 31.9% in FY2003. However, in FY2004, steady progress has been made to improve collections with the implementation of new technology and hospital connectivity noted above. These improvements have increased the estimated collection rate in FY2004 to over 34 percent. It is important to note that net revenues to the City have increased each year since FY2001 and the collection rate should stabilize in FY2005 in the mid 30% range. Rate increases cause a decrease in the collection rate because Medicare and Medicaid represent a large proportion of all billings and they both pay a fixed fee. The maximum gross potential collection rate drops for both Medicare and Medicaid as the base fee increases. This is also tempered by the fact that both Medicare and Medicaid require proof of medical necessity before they will authorize payment and many private insurers are beginning to follow these same guidelines. As such, the gross collection rate is not a reliable performance measurement tool since the City does not control what Medicare, Medicaid and many private insurers will pay per billing. The collection rate dilemma is also complicated by the fact that Medicare issued new requirements effective April 2002 requiring additional documentation to prove medical necessity. The new technology is designed to address the issue of additional documentation requirements through standardization and automated features to prompt the Paramedics to enter vital information in the patient record.

Additionally, the overall gross collection rate is impacted by the fact that less than 10% of uninsured individuals pay. The proportion of uninsured ambulance transport patients is high compared to the general population who do not have some form of insurance, but according to the Fire Department, the uninsured population are more likely to utilize emergency services for medical care than the insured. Regardless of this, ACS commits considerable resources at their own expense to collecting all accounts, mailing over 300,000 collection notices annually and placing approximately 10,000 telephone calls a month to unpaid accounts. ACS accepts all major credit cards and will work out any reasonable payment plan arrangement to help patients pay their bill.

Improvements in FY2005 include integrated account noticing to include all transports for a single patient on one billing, transition to a predictive dialer technology to improve the quality and number of outbound telephone collection calls as well as the addition of insurance specialists to provide personal follow-up attention to every unpaid claim billed to either Medicare, Medicaid or private insurance. Additionally, online payment capability is planned for FY2005 so that patients may conveniently pay their bill using any Internet connection.

Assuming consistent transport volume from FY2004 to FY2005, revenue of \$24.175 million (net of collection fees) is projected.

Interfund Engineering Services

Interfund Engineering Services is the recovery of the costs incurred when the Design and Construction staff of Public Works, Building Services, and Library perform services for CIP projects. These salaries are recovered from CIP bond funds. An increase of \$1.755 million is projected in FY2005, primarily in Public Works. This revenue source is matched by an expenditure in one of the three departments that provide such services. Accordingly, any prediction error in revenues will be offset by a corresponding change in projected expenditures.

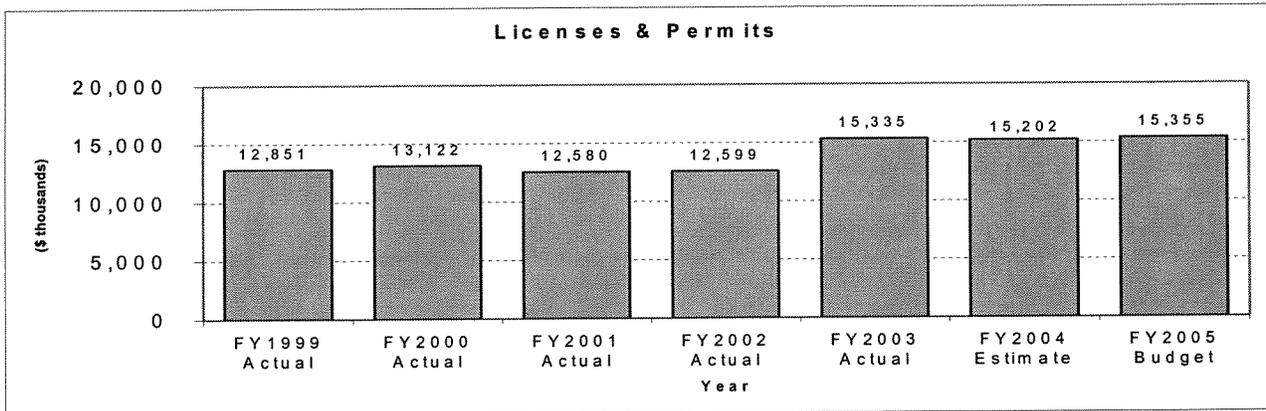
Indirect Cost Recovery

Indirect Interfund revenue is a representation of the recovery of the central service cost provided to other funds by the General Fund. These amounts are determined through the preparation of an annual cost allocation plan, which distributes administrative overhead costs to General Fund operating departments and to other funds. For the FY2005, the proposed plan calls for cost recoveries totaling \$10.419 million, a decrease of \$4.025 million in indirect interfund revenue from the FY2004 estimate of \$14.444 million. This was mainly due from changes in the amount billable to Aviation and Water/Sewer.

Licenses and Permits

The Licenses and Permits category contains such items as burglar alarms, fire alarm, special fire, and many other permits. With no expected real growth on the horizon, these revenues are expected to be generally flat.

The FY2004 estimate is \$15.202 million, while the projection for FY2005 is \$15.355 million, an increase of only \$153 thousand, or 1%. This projected increase is for slightly higher number of permits issued. The graph below provides a seven-year comparison of the City's Licenses & Permits revenues.



Miscellaneous/Other

This revenue is being projected at \$11.152 million for FY2004 and \$11.939 million for FY2005. This increase of \$787 thousand is mainly related to a one-time tax abatement default in FY2005.

Municipal Courts Fines and Forfeitures Other than Moving and Parking Violations

Delinquent collection of Municipal Court Fines and Forfeitures is now largely privatized. It is projected to decrease approximately 2.95%, from \$13.559 million to \$13.159 million for FY2005. The new collection process is expected to increase collections in the future, which could lead to increases in this revenue source.

Interfund Fire Protection

This revenue is for fire protection provided by the Fire Department to the Aviation Department. It includes the actual costs for salaries, workers compensation, pension, and other direct expenses. The service provided includes 114 positions for 4 shifts at a 1.21 staffing factor, along with the salary of the Airport Coordinator and the Training Coordinator, as well as a portion of the indirect costs. The FY2005 projection of \$13 million is slightly higher than the FY2004 estimate of \$12.4 million, reflecting an increase in staffing costs.

Interfund Concrete Reimbursement

This revenue is for concrete repair (\$5.481 million), which will be billed to various CIP projects.

Direct Interfund Other than Engineering, Fire, Police, Concrete

These revenues are payments received for services performed by the General Fund for other funds. In FY2005 the projection of \$5.778 million is slightly higher than the FY2004 estimate of \$5.029 million. This is mainly comprised of IT personnel moved from Enterprise and Special Revenue funds to the General Fund as part of the IT Network Consolidation in FY2004. It also contains costs of employees transferred into the General Fund from Enterprise funds at the start of the 3-1-1 program. The cost of these employees will be billed back to the funds, with no increase in cost.

Interest

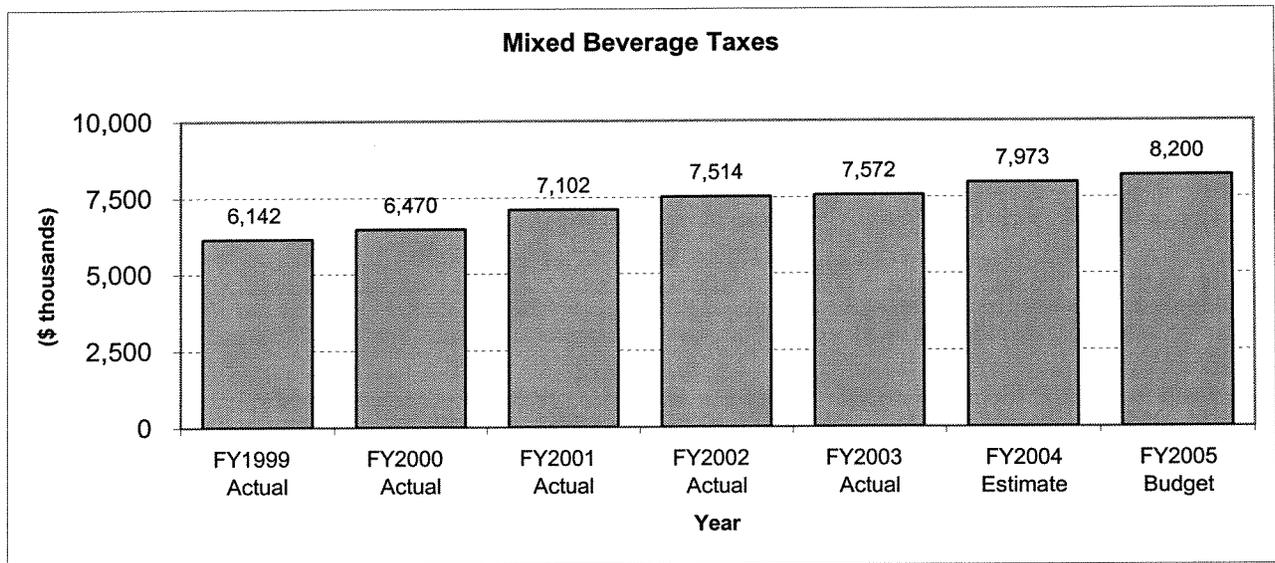
The City aggressively invests surplus balances and retains the earnings in the General Fund. The amount of such earnings depends on the balance available, the general level of interest rates, and the investment policies (tolerance for risk, need for liquidity, etc.) chosen. The FY2005 projection of \$5 million assumes higher cash balances and interest rates.

Mixed Beverage Tax

By law, all mixed beverage and private club permit holders remit to the State Comptroller a 14% gross receipts tax on their mixed beverage sales each month. Following the end of each calendar quarter, 10.7143% of the tax paid is allocated to the county where each business is located. For any business located within an incorporated city, another 10.7143% of the tax paid is allocated to the city where it is located. The remaining tax is distributed to the State's General Revenue Fund. Mixed Beverage Tax allocation amounts are dependent upon the timing and accuracy of taxpayer's returns and payments, but generally represent taxes remitted to the Comptroller's Office during the calendar quarter immediately preceding the month the allocation is distributed.

The Mixed Beverage Tax revenue has grown by an average of 5.32% the last 3 quarters, significantly higher than the prior year same period, 1.74%, due to the recovering economy, and the Superbowl. For the FY2005 projection, we are expecting a growth rate of 2.85% over the estimated FY2004 amount.

Below is a graph showing the seven-year comparison of the City's Mixed Beverage Tax revenue.



Charges for Services Other than Ambulance, Platting Fees, and Parking Fees

The City performs many services for others. The recipient of these services may be the citizens or various groups that operate in Houston. Examples of the services are: miscellaneous copy fees, public safety report fees, vending machine concessions, vehicle storage, hazardous material response, and many others. The City charges nominal fees for these services. Many of these revenues generally have little or no growth from one year to the next, therefore, the only way in which they would show improvement would be in the event of a fee increase. For FY2005, revenues of \$8.22 million are projected, a decrease of \$23 thousand over the FY2004 estimate of \$8.243 million. This is mainly due to FY2004 containing some one-time payphone concession revenues.

Parking Violations

The Municipal Courts Administration Department is responsible for maintaining parking meters, as well as issuing citations for vehicles illegally parked. In FY2004, Municipal Courts estimates revenues from this source to be \$5.9 million. In FY2005, Municipal Courts will hire an additional 10 Parking Enforcement Officers, to enforce existing signage regulations on the weekends. These personnel are projected to generate an additional \$1.8 million of revenue in FY2005, combined with a slight revenue loss during the Case Management system conversion, and are projected at a total of \$7.6 million.

Parking Fees

This revenue comes from both parking meters and city parking lot usage, excluding those owned by the Convention & Entertainment Department. Downtown construction has reduced the number of parking meters used, but with the increased presence of parking enforcement officers, which thus far has led to more courtroom cases, and introduction of the new meters in FY2002, use of meters and parking lots should increase.

The FY2005 projection of \$4.047 million is \$630 thousand higher than the FY2004 estimate of \$3.417 million, primarily from meters in construction areas becoming available.

Other Categories

The smaller revenue sources were generally predicted by the appropriate departments or were trended by F&A. These smaller revenues are being projected at \$8.1 million for FY2005.

A detailed listing of General Fund revenues by category are presented on the following pages, showing the FY2003 Actual, FY2004 Budget and Estimate, and the FY2005 Budget amounts.

FISCAL YEAR 2005 BUDGET

GENERAL FUND REVENUES BY CATEGORY	FY2003 ACTUAL	FY2004 BUDGET	FY2004 ESTIMATE	FY2005 BUDGET
<u>Taxes</u>				
Ad Valorem Property Taxes				
Current Property Taxes	578,518,826	607,880,157	595,484,837	607,722,404
Current Yr Delinq Prop Taxes	37,684,315	34,283,547	41,170,214	40,494,674
Delinq Prop Tax-Prior Years	1,042,407	590,317	763,506	832,713
P Y Delinq Prop Tax-1992	222,092	0	50,122	25,000
P Y Delinq Prop Tax-1993	272,571	151,509	221,879	150,000
P Y Delinq Prop Tax-1994	303,979	193,007	250,084	183,221
P Y Delinq Prop Tax-1995	379,979	218,794	280,852	219,199
P Y Delinq Prop Tax-1996	470,299	289,950	347,824	256,623
P Y Delinq Prop Tax-1997	614,835	342,152	425,945	320,846
P Y Delinq Prop Tax-1998	831,821	511,273	598,005	395,544
P Y Delinq Prop Tax-1999	1,666,585	732,666	897,439	587,204
P Y Delinq Prop Tax-2000	3,370,938	1,665,953	1,859,541	950,201
P Y Delinq Prop Tax-2001	11,801,292	3,663,795	4,217,568	2,005,184
P Y Delinq Prop Tax-2002	0	13,149,555	11,860,882	3,705,365
P Y Delinq Prop Tax-2003	0	0	0	13,102,061
Pen & Int-Cur Delinq Prop Tax	2,830,099	3,029,794	3,035,030	3,242,844
Penalty & Int-Delinq Prop Tax	7,991,003	7,752,531	8,408,272	8,424,917
Property Tax Refunds	(11,853,867)	(11,720,000)	(10,349,000)	(10,765,000)
Property Tax Rebates	(140,875)	0	(275,080)	(300,000)
Attorneys Fees - 33.07	21,700	6,000	6,000	0
Subtotal	636,027,999	662,741,000	659,253,920	671,553,000
Sales Tax	322,538,326	329,657,218	346,306,000	371,548,000
Total Taxes	958,566,325	992,398,218	1,005,559,920	1,043,101,000
Industrial District Assessment	15,014,302	16,350,000	14,700,000	14,406,000
Total Industrial District Assessment	15,014,302	16,350,000	14,700,000	14,406,000
<u>Franchise Fees</u>				
Electric Franchise				
Electric Franchise Fee	75,094,335	78,264,000	74,200,000	74,934,000
Miscellaneous Franchise Fee	1,510,905	1,500,000	1,925,000	2,450,000
Telephone Franchise				
Telephone Franchise Fee	56,434,715	60,944,450	53,000,000	51,000,000
Gas Franchise				
Natural Gas Franchise Fee	14,692,837	17,000,000	16,700,000	16,568,000
Other Franchise				

FISCAL YEAR 2005 BUDGET

GENERAL FUND REVENUES BY CATEGORY	FY2003 ACTUAL	FY2004 BUDGET	FY2004 ESTIMATE	FY2005 BUDGET
Cable TV Franchise Tax	9,689,217	9,282,000	9,500,000	10,000,000
Limousine Franchise Tax	407,627	360,000	360,000	360,000
Chart Tours & Sight Franch Tax	125,296	86,000	86,000	86,000
Soild Waste Hauler Francise	2,220,213	5,400,000	4,200,000	4,312,513
Spur Track - Franchise Fees	20,692	21,000	22,000	21,000
Pipeline & Conduits-Fran Fees	63,887	91,350	198,000	166,000
Fiber Optics Franchise Fee	352,389	525,000	351,000	368,000
Encroachment	61,234	131,950	155,000	133,270
Subtotal	<u>12,940,555</u>	<u>15,897,300</u>	<u>14,872,000</u>	<u>15,446,783</u>
Total Franchise Fees	<u>160,673,347</u>	<u>173,605,750</u>	<u>160,697,000</u>	<u>160,398,783</u>
<u>Licenses and Permits</u>				
Special Food Permits	962,775	850,000	900,000	900,000
Food Dealers Permits	3,103,560	3,095,100	3,330,000	3,330,000
Food Managers Permits	435,050	392,500	420,000	420,000
Mobile Food Vendor Licenses	193,455	170,000	200,000	200,000
Liquid Waste Transport Permits	150,870	135,000	148,200	140,000
Misc Health Permits	772,713	870,000	815,400	815,000
Swimming Pool Operating Permit	364,573	350,000	350,000	350,000
Rabies Control Licenses	478,045	480,000	435,000	440,000
Ambulance Permits	27,646	21,300	26,500	25,000
Occupation Licenses	137,153	120,190	136,000	137,360
Sexually Oriented Businesses	97,117	166,000	120,000	127,125
Beer & Wine Licenses	230,586	232,300	224,000	226,240
Late Hour Licenses	137,359	133,320	130,000	131,300
Dance Licenses	164,193	181,800	160,000	161,600
Liquor Licenses	137,293	145,440	135,000	136,350
Mixed Beverage Licenses	356,303	323,200	350,000	353,500
Burglar Alarm Permits	3,393,252	3,400,000	3,339,000	3,400,000
Special Fire Permits	2,453,504	2,300,000	2,300,000	2,300,000
Other Bldg & Construct Permits	13,345	11,100	18,200	20,000
Fire Alarms Permits	150,674	500,000	300,000	500,000
School Bus Licenses & Permits	71,786	38,000	65,000	38,000
Taxicab Licenses & Permits	898,635	898,000	898,000	898,000
Valet Parking Operator Permits	0	0	7,000	6,000
Bicycle Registration	0	0	6,100	6,100
City Election Fees	0	50,000	47,025	0
Other Licenses And Permits	589,959	468,450	314,750	292,500
Tower Appl Review Fee	1,000	2,000	1,500	1,250
Facility Permits	14,200	0	25,000	0
Total Licenses and Permits	<u>15,335,046</u>	<u>15,333,700</u>	<u>15,201,675</u>	<u>15,355,325</u>
<u>Intergovernmental</u>				
Intergovernmental				
Medicaid Title XIX	891,966	1,275,000	0	0
Medicaid Title XX	30,887	0	200,000	200,000
Medicaid Title XX	0	0	1,075,000	1,075,000
Hud Grants	11,204	0	0	0

FISCAL YEAR 2005 BUDGET

GENERAL FUND REVENUES BY CATEGORY	FY2003 ACTUAL	FY2004 BUDGET	FY2004 ESTIMATE	FY2005 BUDGET
Dept Of Transportation Grants	3,087,408	0	0	0
Fema Grants	191,169	140,000	140,000	140,000
Other Grant Awards	698,011	1,012,512	310,842	274,444
Intergovernment Rev. - Metro	10,000,000	10,000,000	10,000,000	20,000,000
Mixed Beverage Tax	7,572,175	8,000,000	7,972,709	8,200,000
Bingo Tax	244,773	280,000	260,000	275,000
Billings To Grants	614,075	600,000	500,000	500,000
Subtotal	<u>23,341,667</u>	<u>21,307,512</u>	<u>20,458,551</u>	<u>30,664,444</u>
Total Intergovernmental	<u>23,341,667</u>	<u>21,307,512</u>	<u>20,458,551</u>	<u>30,664,444</u>
Charges for Services				
Direct Interfund Services				
Intfd Electrical Maintenance	92,826	650,803	110,000	110,000
Intfd Land Acquisition	1,754,151	1,729,763	1,715,679	1,625,776
Intfd Engineering Services	19,906,467	20,545,933	19,139,442	20,984,162
Intfd Carpentry & Painting	6,475	0	0	0
Interfund 311 Services	1,925,854	1,925,854	1,792,500	1,792,500
Intfd Fire Protection Services	10,447,028	11,105,486	12,442,727	13,042,270
Intfd Airport Police Services	19,963,020	18,902,548	18,680,218	19,049,416
Intfd Billing & Collection Srv	767,181	0	0	0
Intfd Legal Services	600,000	600,000	425,000	500,000
Intfd Payroll Services-701	0	0	368,473	382,826
Intfd Payroll Services-214	0	0	38,520	39,099
Intfd IT Network Services	0	1,164,953	1,133,655	1,164,953
Other Intfd Services	5,505,153	6,282,227	6,813,299	6,980,500
Intfd Electricity	128,872	0	0	0
Intfd Vehicle Fuel	66,837	65,000	65,000	65,000
Intfd Vehicle Repair	187,504	224,000	224,000	224,000
Intfd Inventory	747,971	0	(554,982)	0
Subtotal	<u>62,099,338</u>	<u>63,196,567</u>	<u>62,393,531</u>	<u>65,960,502</u>
Indirect Interfund Services				
Indirect Cost Rec - Aviation	3,492,962	3,059,205	3,059,205	2,388,455
Indirect Cost Rec-Civic Center	333,458	654,015	654,015	441,983
Indirect Cost Rec-Wtr & Swr Fd	6,877,066	4,695,574	4,695,574	1,236,282
Indirect Cost Rec - Halan	0	159,132	142,042	212,460
Indirect Cost Rec - Auto Deal	301,027	285,601	285,601	342,229
Indirect Cost Rec - Public Tv	150,332	44,525	44,986	130,985
Indirect Cost Rec-Bldg Inspec	890,888	1,169,620	1,169,620	916,308
Indirect Cost Rec-St&Drainage	887,652	939,261	939,261	1,116,719
Indirect Cost Recovery 911	0	236,136	237,247	235,000
Indirect Cost Rec-Other	0	0	66,137	0
Indirect Cost Rec - Grants	2,925,506	3,150,055	3,150,055	3,398,101
Subtotal	<u>15,858,891</u>	<u>14,393,124</u>	<u>14,443,743</u>	<u>10,418,522</u>
Other Charges for Services				
Hazardous Materials Response	129,467	180,500	180,500	180,500
Hazardous Materials Permit	1,250	1,000	1,750	2,500
Ambulance Fees	20,943,760	22,100,000	22,636,085	24,175,000
Hisd User Fees	236,300	0	0	0
Library Service Charges	24,544	20,000	10,000	0

FISCAL YEAR 2005 BUDGET

GENERAL FUND REVENUES BY CATEGORY	FY2003 ACTUAL	FY2004 BUDGET	FY2004 ESTIMATE	FY2005 BUDGET
Animal Control Fees	115,626	146,500	125,100	126,000
Clinical Fees	814,389	204,100	204,100	204,100
Hotel & Motel Ordinance	11,494	2,400	2,900	6,000
Demolition Fees	1,029,473	1,200,000	700,000	700,000
Non Resident Garbage Fee	198,055	210,600	200,000	210,600
Extra Container Garbage Fee	410,105	925,000	744,000	781,600
Weed Cutting Fees	905,647	700,000	600,000	600,000
Laboratory Fees	242,848	257,600	246,400	245,000
Other Health Services Fees	0	0	10	0
Special Events Reimbursement	0	500,000	25,000	0
Limousine Inspection Fees	27,125	22,500	35,000	22,500
Platting Fees	4,813,136	4,542,400	5,000,000	5,091,950
Cert of Non-Designation/Lanmrk	0	50	50	0
Police Services	297,765	320,000	287,000	390,000
Legal Fees	100	0	5	0
Other Service Charges	133,286	120,000	124,140	240,000
Certified Copies Fees	1,765,933	1,936,500	1,800,500	1,821,500
City Maps & Related Items	51,684	42,000	53,105	48,000
Miscellaneous Copies Fees	28,919	23,054	32,408	28,241
Public Safety Reports Fees	872,310	966,855	809,191	869,191
Fire Fighting Services	4,333	4,000	4,000	4,000
Training Services	725	1,300	700	700
Special Events Concessions	2,475	15,000	10,000	10,000
Photocopier Concessions	11,465	8,000	8,000	9,000
Pay Phone Concessions	399,312	250,000	950,000	650,000
Vending Machine Concessions	85,108	62,126	59,300	60,600
Other Concession Income	64	0	0	0
Metered Parking Revenue	1,583,965	2,658,915	1,882,731	2,300,000
Garage Parking Revenue	1,324,374	1,413,725	1,534,162	1,747,154
Building Space Rental Fees	519,957	508,300	479,709	475,250
Facility Rental Fees	439,661	537,040	526,884	511,424
Park Facility Use Fees	16,860	25,000	23,000	23,000
Park Equipment Rental Fees	495	495	495	495
Subtotal	37,442,011	39,904,960	39,296,225	41,534,305
Total Charges for Services	115,400,240	117,494,651	116,133,499	117,913,329
Fines and Forfeits				
Muni. Courts Fines & Forfeits				
Moving Violations	24,474,620	26,141,837	25,281,433	26,804,904
Parking Violations	5,642,397	7,789,201	5,939,505	7,636,995
MCTPMLYTPDS	582,781	654,288	591,321	575,314
Nontraffic Fines	1,959,359	2,016,224	1,761,282	1,713,604
Failure To Appear Fines	2,327,779	2,815,430	2,857,917	2,780,553
Scire Facias Forfeitures	1,500,000	500,000	1,278,401	1,273,093
Bond Handling Fees	99,194	88,576	100,689	97,963
Municipal Courts Technology	16,172	0	0	0
Residential Parking Permit	6,545	0	6,545	6,545
Local Court Costs	731,262	980,116	785,486	764,223
Driver Safety Admin Fees	963,850	1,015,332	903,797	879,508
Cash Bond Forfeiture Fees	209,055	221,567	259,838	252,804

FISCAL YEAR 2005 BUDGET

GENERAL FUND REVENUES BY CATEGORY	FY2003 ACTUAL	FY2004 BUDGET	FY2004 ESTIMATE	FY2005 BUDGET
Local Arrest Fees	1,739,682	1,997,557	1,735,865	1,662,353
State Arrest Fees	84	157	180	167
Towing Hearing Filing Fee	4,700	5,645	4,244	4,129
Warrant Fees	274,488	257,211	254,468	247,565
HPD Overtime Fee	5,763	3,751	3,085	2,954
Capias Pro Fine Fee	109,673	108,776	79,213	77,069
Empanel Fee	22	21	204	135
Unclaimed Fines & Forfeits	10,927	16,245	12,777	12,724
Bill of Review Fee	120	286	135	131
Court Costs/Jury Costs	2,877	3,205	11,724	11,407
Suspended Sentence Fees	1,257,338	1,008,997	2,334,996	2,271,787
Boot Fees	64,450	106,224	81,237	79,612
Administrative Boot Fees	67,150	107,559	83,667	81,994
Registration Denial Fees	35,197	15,777	74,393	37,926
Dismissal Fees	347,643	401,338	334,967	325,899
Subtotal	42,433,128	46,255,320	44,777,369	47,601,358
Other Fines and Forfeits				
Deposit Forfeitures	34,554	20,000	40,000	30,000
Library Fines	688,632	1,187,000	884,000	1,032,000
Release Of Liens	79,164	30,000	238,000	125,000
Vehicle Tow-Away Fees	1,047	8,000	3,000	3,000
False Alarm Penalties	1,166,841	1,300,000	1,161,000	1,200,000
Other Interest Income	140,019	200,000	118,385	125,000
Returned Check Charges	15,130	13,054	12,860	21,208
Misc Fines & Forfeits	61,534	56,500	25,874	2,004,000
Subtotal	2,186,921	2,814,554	2,483,119	4,540,208
Total Fines and Forfeits	44,620,049	49,069,874	47,260,488	52,141,566
Interest				
Interest On Pooled Investments	4,756,783	5,500,000	3,154,000	3,654,000
Interest Apportionment Trans	2,136,008	1,250,000	1,346,000	1,346,000
Total Interest	6,892,791	6,750,000	4,500,000	5,000,000
Miscellaneous/Other				
Streets & Bridges Assessments	965,870	600,000	1,000,000	1,000,000
Public Impvmt District Assess	8,898	0	0	0
Sale Of Scrap Metal	37,808	45,000	17,500	10,000
Sale Of Scrap Oil & Tires	80	500	500	500
Sale Of Obsolete City Vehicles	1,012,729	1,500,000	600,850	600,000
Sale Of Merchandise	88,489	250,000	195,400	125,000
Sale Of Other Assets	404,065	331,660	413,664	413,664
Sale Of Land	0	100,000	1,000	0
Sale Of Streets	1,803,659	900,000	1,500,000	1,500,000
Judgments & Claims	156,302	500	743,555	150,500
Reimbursement Of Court Costs	6,460	0	3,700	1,500
Subrogations	5,740	150,000	1,000	1,000

FISCAL YEAR 2005 BUDGET

GENERAL FUND REVENUES BY CATEGORY	FY2003 ACTUAL	FY2004 BUDGET	FY2004 ESTIMATE	FY2005 BUDGET
Recoveries & Refunds	3,827,314	3,725,466	4,184,173	4,392,100
Retainage Recoveries	766	0	0	0
Recover damage-infrastructure	55,971	0	100,000	100,000
Prior Year Expend Recovery	903,395	250,000	170,722	350,500
Prior Year Revenue	(100,596)	229,450	(129,888)	254,450
O/S Checks 1 Year Old Purge	5	0	0	0
Cashier Overages	7,069	848	3,370	11,417
Adj To Allowances	194,601	0	0	0
Miscellaneous Revenue	807,762	575,322	1,181,945	1,348,415
Other Lease Proceeds	7,720	0	0	0
Transfers From Special Revenue	0	0	0	1,500,000
Other Operating Transfers In	49,440,000	4,100,000	6,800,000	2,000,000
Contributions From Others	863,581	350,000	1,164,557	1,680,000
Total Miscellaneous/Other	60,497,687	13,108,746	17,952,048	15,439,046
Grand Total:	1,400,341,455	1,405,418,451	1,402,463,181	1,454,419,493