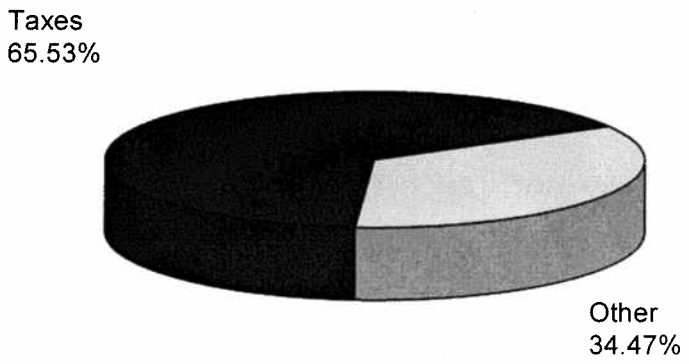
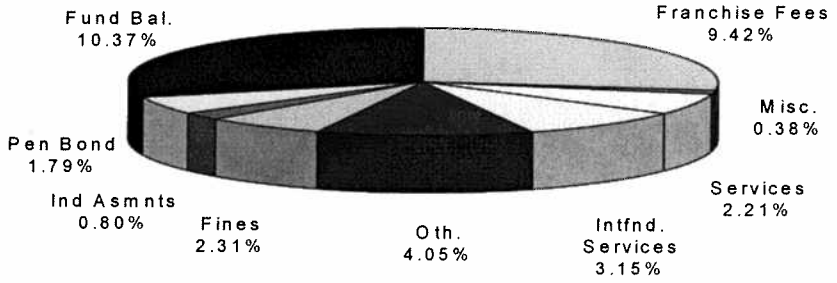
GENERAL FUND RESOURCES SUMMARY

The General Fund is the City of Houston's largest operating fund. With total resources of $1.9 billion budgeted in FY2008, this fund relies heavily on various forms of revenue to finance its operations. As illustrated below, approximately sixty-six percent of the total resources in the General Fund are from property and sales taxes.

GENERAL FUND RESOURCES FY2008 BUDGET



COMPOSITION OF OTHER (ABOVE)



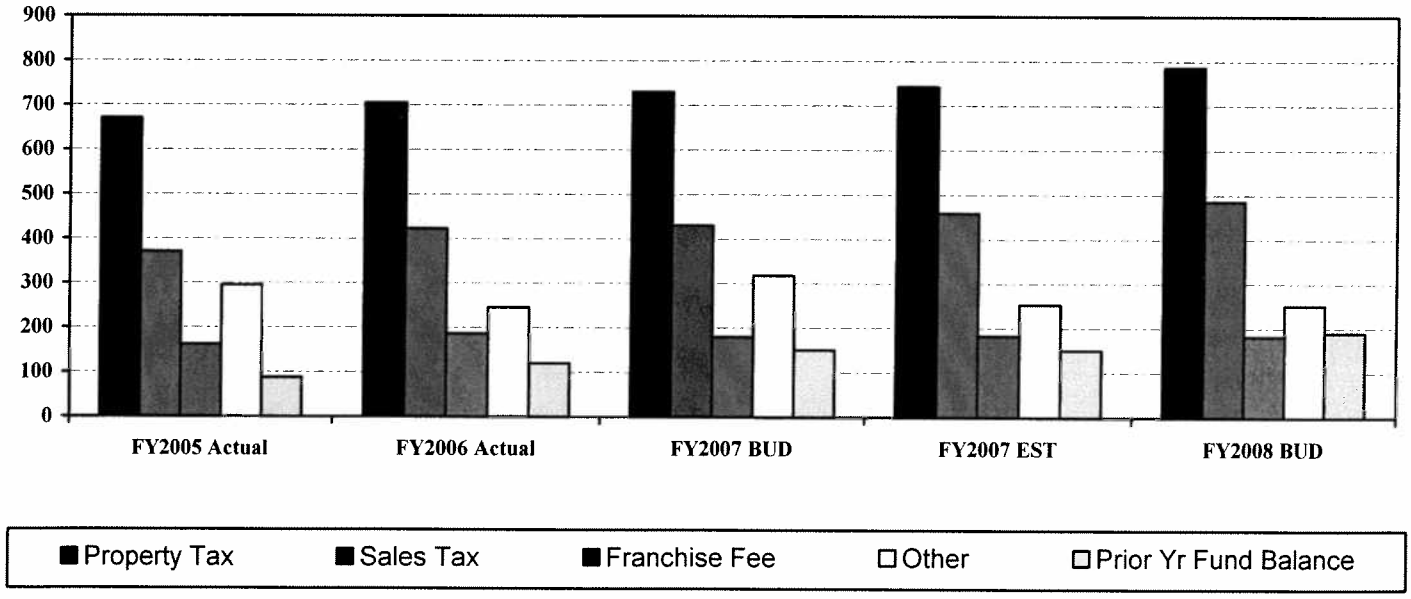
The composition of the FY2008 General Fund resources is listed below:

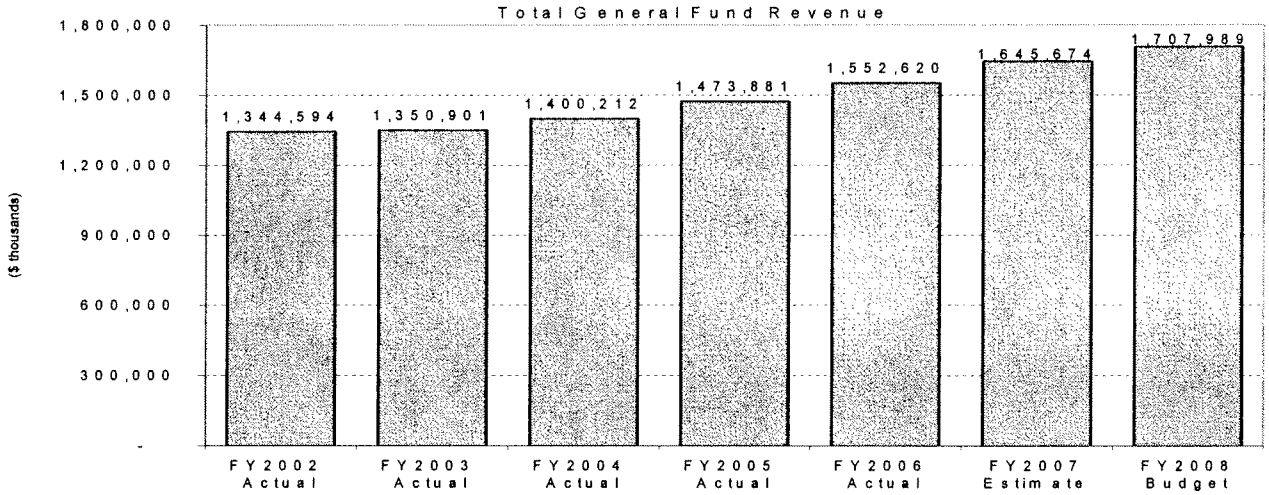
RESOURCE CATEGORIES	RESOURCES FY2008 BUDGET*	% OF TOTAL BUDGET
Taxes:		
Property Taxes	$ 786,368	40.1%
Sales Taxes	487,217	24.9%
Other Taxes	10,163	0.5%
Franchise Fees	184,477	9.4%
Industrial Districts	15,700	0.8%
Intergovernmental	35,339	1.8%
Charges for Services	43,385	2.2%
Interfund Services	61,635	3.1%
Licenses and Permits	19,053	1.0%
Fines and Forfeits	45,330	2.3%
Interest on Investments	11,950	0.6%
Miscellaneous	7,372	0.4%
Total Revenues	1,707,989	87.2%
Pension Bond Proceeds	35,000	1.8%
Sale of Capital Assets	3,500	0.2%
Transfers In	9,500	0.5%
Ending FY2007 Fund Balance	203,068	10.4%
TOTAL RESOURCES	$ 1,959,057	100.0%

*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
FY2005 THROUGH FY2008





The FY2008 Budget amount in the chart above includes an increase for one extraordinary factor, the gross revenues of Limited Purpose Annexations ($4.4 million).

Table I below provides the FY2008 General Fund revenue estimate in the categories that have become traditional. As shown, the total revenue is expected to be $1.7 billion, or $62.315 million (3.79%) greater than the projected FY2007 revenue.

Table I

FY2008 Revenue Estimates
Compared with FY2007 Projections

	Projected Revenue ($Thousands)		
Item	**FY2007**	**FY2008**	**Increase**
General Property Taxes	743,536	786,368	42,832
Industrial Assessments	15,700	15,700	0
Sales Tax	460,029	487,217	27,188
Other Tax	9,914	10,163	249
Electric Franchise	99,638	98,080	(1,558)
Telephone Franchise	48,000	48,000	0
Gas Franchise	20,690	21,507	817
Other Franchise	16,496	16,890	394
Licenses and Permits	18,000	19,053	1,053
Intergovernmental	43,056	35,339	(7,717)
Charges for Services	46,160	43,385	(2,775)
Direct Interfund Services	44,631	47,281	2,650
Indirect Interfund Services	14,198	14,354	156
Municipal Courts Fines and Forfeitures	43,000	42,572	(428)
Other Fines and Forfeits	3,130	2,758	(372)
Interest	11,000	11,950	950
Miscellaneous/Other	8,496	7,372	(1,124)
Totals	1,645,674	1,707,989	62,315

Table II provides the revenue estimate for each distinct revenue source that is expected to produce at least $3 million in FY2008. 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

	Projected Revenue ($Thousands)		
Item	**FY2007**	**FY2008**	**Increase**
Property Tax	743,536	786,368	42,832
Sales Tax	460,029	487,217	27,188
Electric Franchise	99,638	98,080	(1,558)
Telephone Franchise	48,000	48,000	0
Moving Violations	20,937	26,000	5,063
Ambulance Fees	25,207	26,000	793
Interfund Police Protection	19,209	20,188	979
Gas Franchise Fees	20,690	21,507	817
Licenses and Permits	18,000	19,053	1,053
Industrial Assessments	15,700	15,700	0
Municipal Courts Fines and Forfeitures Other than Moving & Parking Violations	14,563	16,572	2,009
Interfund Fire Protection	12,300	12,750	450
Miscellaneous/Other	8,496	7,372	(1,124)
Indirect Cost Recovery	14,198	14,354	156
METRO Funding	26,300	27,600	1,300
TIRZ Funding	3,783	3,993	210
Cable TV Franchise Fees	10,914	11,300	386
Charges for Services Other than Ambulance, Platting Fees, and Parking Fees	11,848	12,017	169
Mixed Beverage Tax	9,589	9,874	285
Parking Violations	7,500	0	(7,500)
Direct Interfund Other than Fire Police, Concrete	6,747	6,843	96
Interfund Concrete Reimbursement	6,375	7,500	1,125
Platting Fees	5,140	5,140	0
Interest	11,000	11,950	950
Solid Waste Hauler Franchise Fee	4,192	4,271	79
Parking Fees	3,965	228	(3,737)
All Other Revenue	17,818	8,112	(9,706)
Totals	1,645,674	1,707,989	62,315

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 64.50 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 properties. Hearings of appeals are conducted, 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 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.

In November 2004, Proposition No. 1 was passed, amending the City Charter, to limit the annual increase in total ad valorem tax revenues. The increase is capped at the increase in CPI plus the growth in population, over the prior fiscal year. In addition, in November 2006, proposition H was passed to further increase the applicable revenue limitations by $90 million.

The proposed budget includes Property Tax estimate revenues for $786.37 million under the capped level of $777 million and $833 million, with the following assumptions.

Population		CPI (3)	
July 1, 2003 (1)	2,010,192	2003	163.7
July 1, 2004 (1)	2,011,119 + 0.05%	2004	169.5 + 3.54%
July1, 2005 (1)	2,076,189 + 3.24%	2005	175.6 + 3.60%
July1, 2006 (2)	2,096,951 + 1.00%	2006	180.6 + 2.85%

	($ In Thousand)
FY2005 Actual	$671,294
Population Increase 2004	0.05%
CPI Increase 2004	3.54%
FY2006 CAP	$695,393
Population Increase 2005	3.24%
CPI Increase 2005	3.60%
FY2007 CAP	$742,958
Population Increase 2006	1.00%
CPI Increase 2006	2.85%
FY2008 CAP	$771,562
FY2007 Estimates	$743,536
FY2008 Cap based on 4.5% increase from FY2007 Estimates	$776,995
FY2008 Cap based on Prop H (FY2007 Cap Plus $90 million)	$832,958

(1) Population numbers from the published estimates of the U.S. Census Bureau.
(2) July 1, 2006 population is the City's estimate. The U.S. Census Bureau figures will be available in late June 2007.
(3) CPI increase based on the change in the CPI-U for the Houston-Galveston-Brazoria, Texas as published by the Bureau of Labor Statistics, for the preceding calendar year.

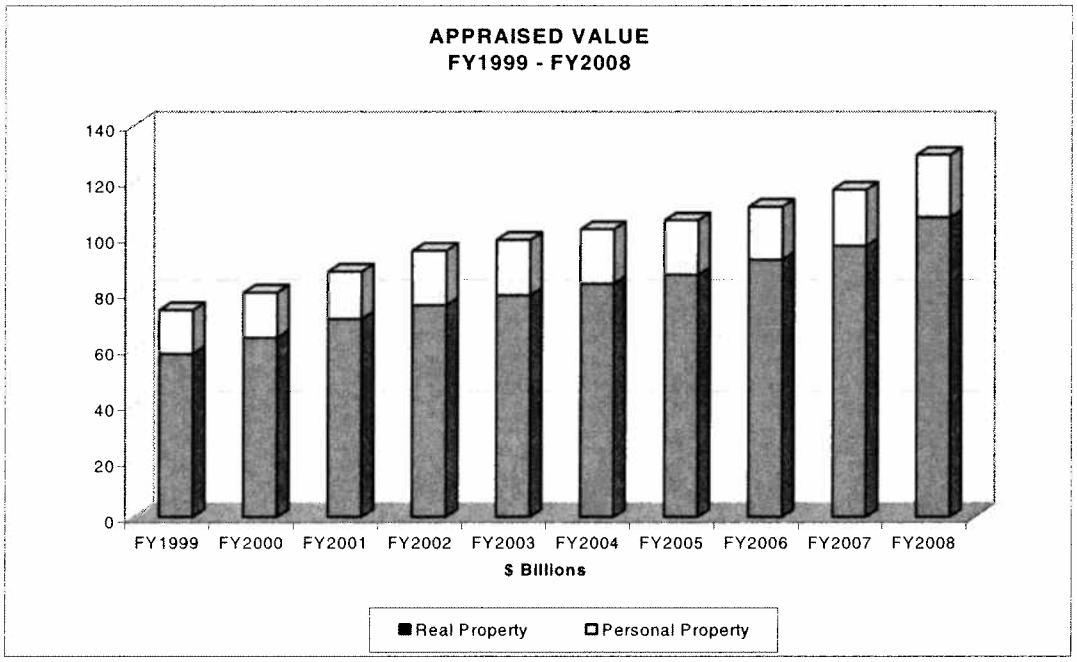
The FY2008 property tax revenue calculation is derived from an HCAD projection provided to the City in March 2007. HCAD provides a range of values. The taxable value used was $129.5 billion, the mid range projection. This amount is net of the increased senior/disabled exemption, which was increased from $58,564 to $64,420. This is projected to exempt as much as $577 million in additional taxable value from the tax rolls, reducing revenue by an estimated $3.7 million in FY2008.

The estimated taxable value is then reduced by the estimated value of properties within the tax increment reinvestment zones (using the low range estimate), then adding back the base value of the TIRZ, reflecting the true value of revenues to the City from properties in the TIRZ.

The Finance and Administration Department applied an assumed 64.50 cent tax rate to this tax base, along with a 96% collection ratio and assumptions for prior year taxes collection of $38 million, to arrive at a net revenue estimate of $786.37 million.

This revenue is approximately 5.76% higher than the estimated FY2007 revenue of $743.54 million.

On the following page is a graph showing the ten-year history of appraised property values in Houston, with the $129.5 billion estimate shown for FY2008.



CITY OF HOUSTON APPRAISED VALUE
($ Millions)

Fiscal Year	Tax Year	Real Property	Personal Property	Total Value
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	83,790	19,402	103,192
2005	2004	86,433	19,467	105,900
2006	2005	91,954	19,320	111,274
2007	2006	96,588	20,179	116,767
2008	2007	107,110	22,360	129,470*

*Harris County Appraisal District Estimate, as of 3/14/2007

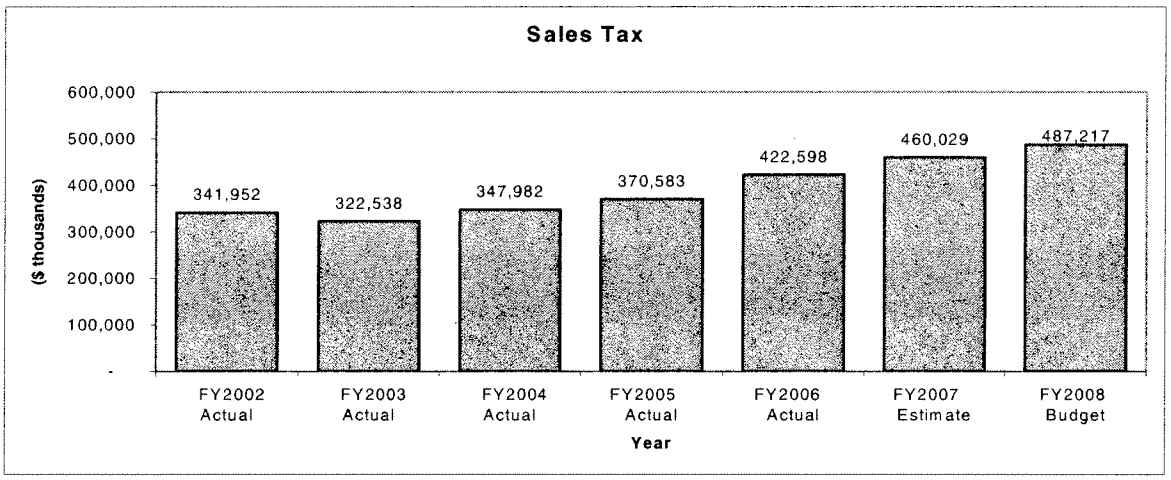
Sales Tax

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 FY2008 budget, historical data was analyzed, factoring in economic conditions that 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 FY2008, which indicates that sales tax will grow 5.91%.

The FY2008 Budget includes sales tax revenue of $487.2 million, which is the FY2007 Estimate plus 5.91% (Dr. Smith's report). 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 eleventh tax year contract fees scheduled for billing and collection in FY2007 will approximate $15.9 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 on May 31, 2012. The FY2008 Budget includes a $15.7 million revenue estimate.

Franchise Fees

Franchise fees are paid by companies, entities, or persons for the privilege of using public property for private purposes. Franchise agreements have been granted to numerous utilities and other enterprises including CenterPoint Energy, AT&T, 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.

There are two companies in Houston that pay electric franchise fees: CenterPoint Energy Houston Electric ("CenterPoint") and Entergy. CenterPoint pays 99.9% of the electric franchise fees paid to the City, or approximately $96.6 million per year.

Prior to electric deregulation, which became effective on January 1, 2002, electricity franchise payments were calculated as a percentage of the electric company's gross revenues from sales to customers located within the City limits. Under this payment formula, electric franchise fees to the City fluctuated, from $80 million to as much as $90 million per year.

From January 2002 through June 2005, franchise payments were no longer calculated based on a percentage of gross revenues, but instead were based on kilowatt hour consumption by customers within the City limits. During this period, electric franchise revenues dropped significantly, averaging $75 million each year.

In July 2005, or the beginning of fiscal year 2006, the City and CenterPoint entered into a new franchise agreement for a term of 30 years. The new agreement establishes a base franchise fee to the City of approximately $96 million per fiscal year, payable monthly, which is adjusted annually by a small adjustment factor based on kilowatt-hours delivered in the City.

The FY2007 electric franchise fee estimate of $99.6 million includes an audit recovery of $581,925.04 from CenterPoint in underpaid electric franchise fees for the period from October 1, 2002 through June 30, 2005.

The FY2008 electric franchise fee estimate of $98.1 million is approximately 1.56% less than the FY2007 estimate, as there will be no audit recovery in FY2008, and there is a projected 0.08% drop in the franchise fee from CenterPoint as the result of lower kilowatt-hours delivered within the City limits in 2006.

The City of Houston exercises original jurisdiction over the rates, operations and services of these electric utilities for the Houston area.

Natural Gas Franchise

Like electric franchise fees, natural gas franchise fees are paid by utilities that use the City rights-of-way for the transportation, delivery, sale and distribution of natural gas to customers in the City.

There are two companies in Houston that pay natural gas franchise fees to the City of Houston: CenterPoint Energy Resources Corporation ("CenterPoint" – formerly Entex) and Industrial Gas Supply. These fees are paid quarterly and are based on a percentage of the companies' gross revenues, ranging from 3% to 4% depending on customer consumption. The franchise fee percentage is applied to the total customer bill, including all applicable taxes and fees, except sales tax. CenterPoint was responsible for approximately 95% of the $20.7 million in natural gas franchise fees paid to the City in FY2006.

The cost of gas represents approximately 70% of the customer bill for most CenterPoint customers in Houston. Thus, the franchise fee paid to the City by the utility has historically been strongly affected by fluctuations in the price of natural gas. For CenterPoint, until 2004, the purchased gas adjustment (PGA) portion of the gas rate to customers was filed to be effective for six-month periods in February and August of each year, restricting the utility's ability to react quickly to changes in the cost of gas. However, beginning in 2004, the City authorized

the utility to adjust the PGA as frequently as monthly, if needed. The PGA currently in effect for the period beginning February 2007 is 81.411 cents for each 100 cubic feet of gas used (ccf). (The factor for the same period in 2006 was 86.322 cents per ccf)

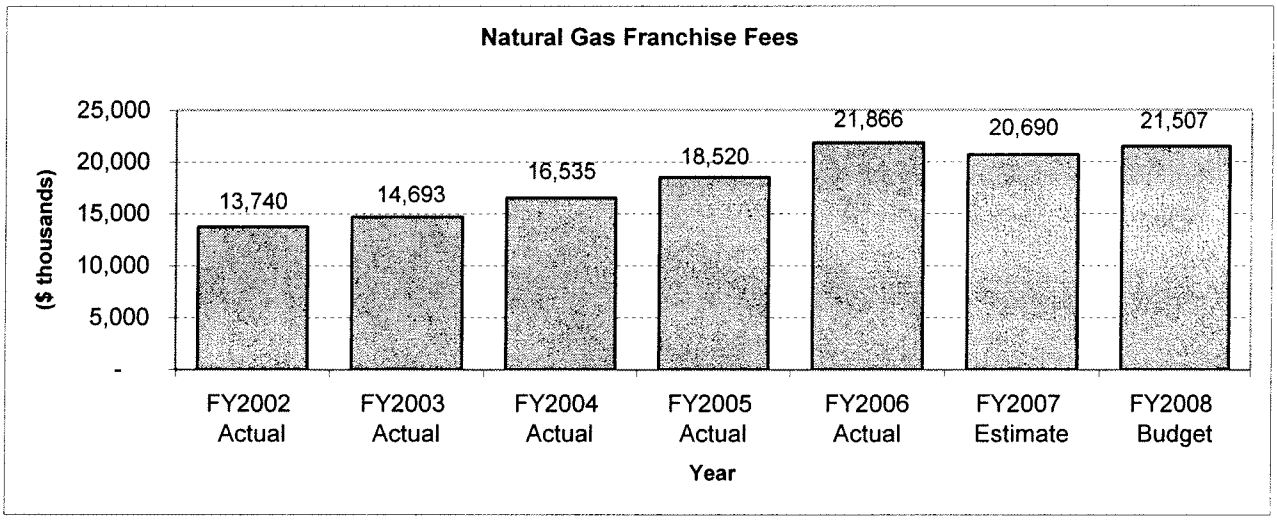
CenterPoint's existing 20-year natural gas franchise would have expired in January 2008. However, in April 2007, the City of Houston and CenterPoint renegotiated the franchise agreement and it has been presented to City Council for consideration. If approved after three readings, the ordinance and agreement will become effective in June 2007, according to the provisions of the City Charter. Under the terms of the new franchise, CenterPoint will pay franchise fees in an amount equal to five percent (5%) multiplied by the average gross revenues of the utility for the three previous calendar years. This amount shall be payable in twelve monthly payments each year.

Thus, the FY2007 estimate for natural gas franchise fees includes fees paid according to the provisions of the existing CenterPoint franchise agreement for July 1, 2006 through May 31, 2007, and fees that will be paid according to the provisions of the new franchise agreement, for June 2007. The total estimate for FY2007 natural gas franchise fees from CenterPoint is approximately $19.3 million.

In addition, the FY2007 natural gas franchise fee estimate includes an audit recovery of $970,221 from CenterPoint in underpaid natural gas franchise fees for the period dating from the franchise's inception in 1987, through December 31, 2006, as well as first and second quarter payments from Industrial Gas Supply of $405,881. Industrial Gas Supply was originally expected to pay the City between $900,000 and $1,000,000 in natural gas franchise fees for FY2007; however, in May 2007 the company advised the City that it had ceased serving end-use customers and was operating only as a transmission pipeline. As a result, the company will pay no franchise fees for the third quarter FY2007 or beyond.

The FY2008 natural gas franchise fee estimate of $21.5 million assumes no franchise fees will be paid by IGS in FY2008, but is approximately 3.95% higher than the FY2007 estimate as a result of the adoption of the new CenterPoint natural gas franchise agreement.

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



The City of Houston exercises original jurisdiction over the rates, operations and services of these natural gas utilities for the Houston area.

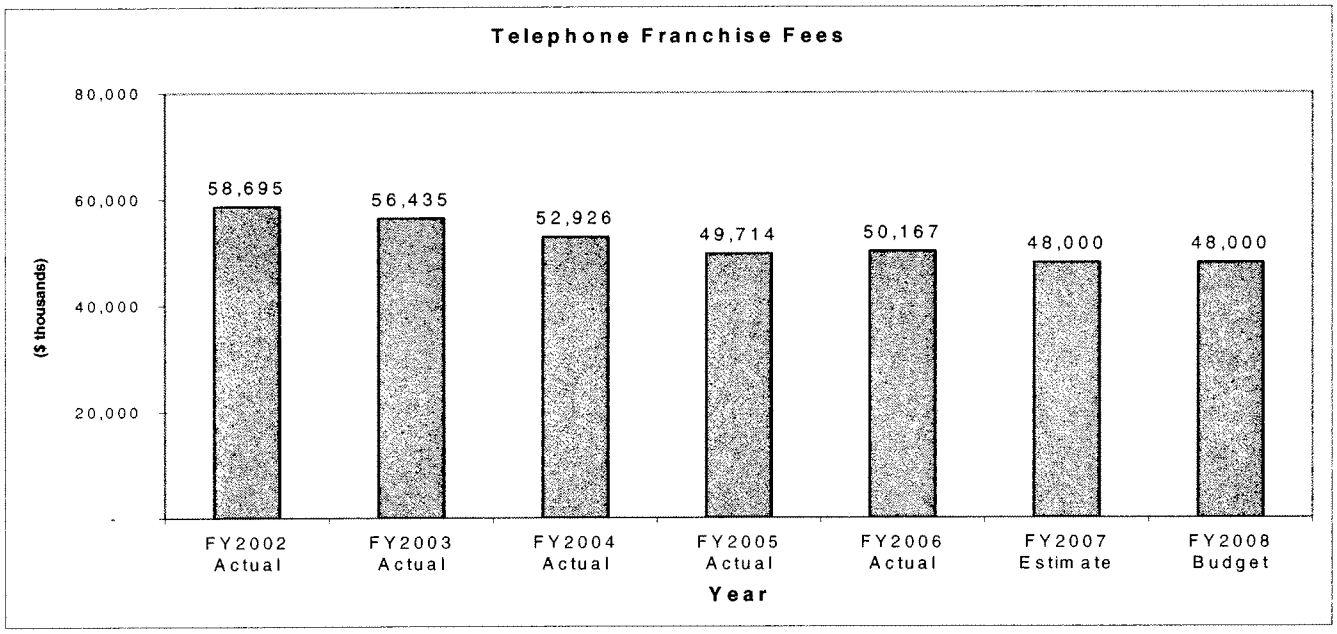
Telephone Franchise

Since deregulation of this industry in 2000, the telephone franchise fee paid to municipalities in Texas has been determined by applying an "access line rate," assigned by the Texas Public Utilities Commission and adjusted annually for inflation, to the number of access lines in the municipality reported by each Certificated Telecommunications Provider ("CTP") doing business in that municipality. In FY2007, there were approximately 3.7 million access lines reported in Houston, and access line rates were as follows: residential - $1.61 to $1.64; non-residential - $5.47 to $5.57; and point-to-point - $15.56 to $15.83.

Prior to 2000, the only primary local exchange telephone service providers in Houston were SBC (Houston) and GTE Sprint (Kingwood). Since deregulation occurred, there are approximately 87 companies paying telephone franchise fees to the City. AT&T (formerly SBC) pays between 68% and 75% of the total telephone franchise fees paid to the City.

The graph below provides a seven-year comparison of the City's telephone franchise fee revenue. As evident in the graph, telephone franchise fees have declined steadily in recent years, although they appear to have stabilized in FY06. These declines can be attributed to the growth in wireless services, as well as other new technologies. The FY2007 estimate for telephone franchise revenues is $48 million, which includes an access line review (audit) recovery of $471,656 from AT&T in underpaid telephone franchise fees for the period from June 1, 2000 through September 30, 2006.

The FY2008 telephone franchise fee estimate of $48 million reflects our expectation that this revenue source has stabilized and will not continue the free fall that began after FY2002.



Cable TV Franchise Fees

The City of Houston currently has five active cable franchises with the following cable companies: Comcast (formerly Texas Cable Partners, better known as Time Warner Cable), TVMAX of Houston, SuddenLink Communications, Phonoscope, and Northland. Pursuant to the terms of their franchise agreements, these companies pay franchise fees in the amount of 5% of their gross revenues from sales to Houston customers. The largest of these franchises is with Comcast, and accounts for approximately 87% of the total cable franchise revenue received by the City in FY2006.

In 2005 the Texas Legislature passed Senate Bill 5, which amended Chapter 66 of the Texas Utilities Code. Under the provisions of this legislation, local franchising authority by municipalities for video or cable services was removed. Companies wishing to provide cable or video services using public rights-of-way in incorporated areas are required to obtain a franchise from the Texas Public Utilities Commission. The terms of payment and percentage of gross revenues to the City remain the same, but our authority to enter into and negotiate the terms of these franchises no longer exists.

Under Senate Bill 5, as local cable franchises expire, franchisees will seek State franchises. Four of the five existing cable franchises do not expire until after 2015. However, the Comcast (Texas Cable Partners) franchise will expire in April 2008. We do not anticipate any significant change in franchise revenues as a result of this expiration.

The cable franchise fee projection for FY2008 of $ 11.3 million is approximately 3.5% higher than our FY2007 projection.

Solid Waste Hauler Franchise Fees

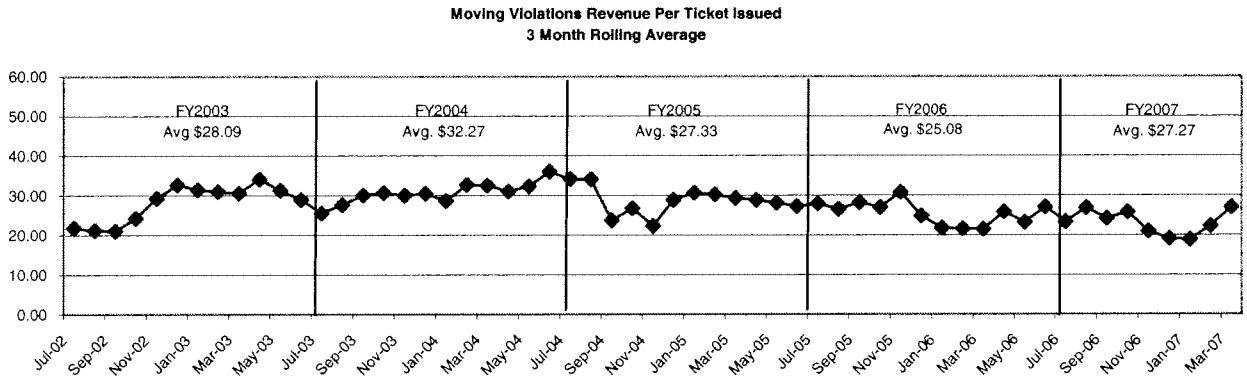
These are fees collected from solid waste haulers to compensate the City for the wear and tear these vehicles cause to City streets. Solid waste hauler franchises pay 4% of gross revenues from transporting commercial solid and industrial wastes that originate within the City limits. At this time, we are receiving franchise fees from over 100 companies. The FY2008 estimate of $4.3 million is approximately 2% higher than the FY2007 estimate for this franchise fee category.

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 FY2008 projection of $20.2 million is 5.1% higher than the FY2007 estimate of $19.2 million.

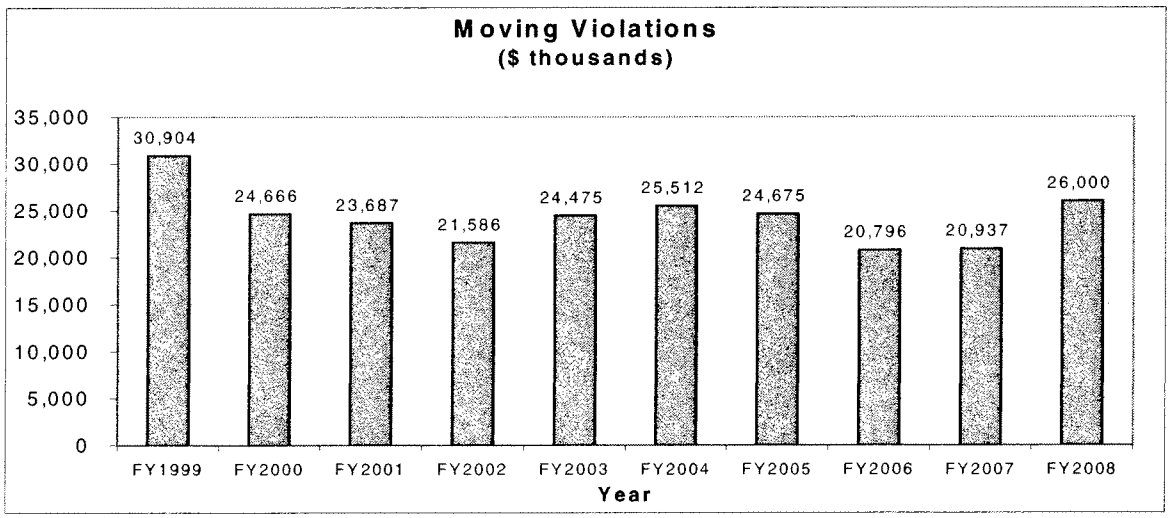
Moving Violations

In FY2008, we are projecting ticket issuance of 980,734. The budgeted per ticket amount of revenue will be $26.51, or $26 million, which is 24% higher than the FY2007 projection of $20.9 million.



In FY2006, the Case Management system was implemented. 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 Moving 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 fifth year of a five-year contract with ACS State and Local Solutions, Inc. (ACS) for billing and collection services. At the end of the five-year term, the City can opt to renew the contract. This contract also required the installation of new technology including laptop computer units with specialized patient software that prompts the medics to record vital data needed for required record keeping as well as proper billing documentation. Additionally, driver's license reader devices were installed to accurately record the patient's name and address. ACS is also required to establish business relationships with area hospitals to improve collaboration of patient data records under Chapter 241 of the Texas Health and Safety Code and applicable Federal Law. This was 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. These improvements, along with other enhancements in the collections processes have resulted in an approximate 18% increase in collections performance over the life of the contract to date.

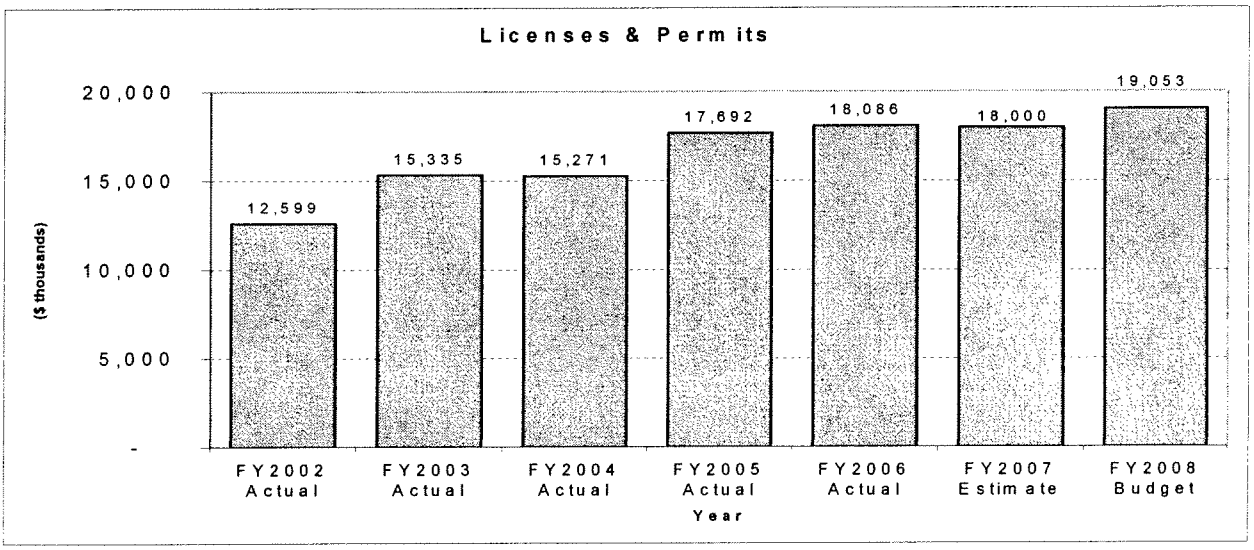
Assuming consistent transport volume from FY2007 to FY2008, revenue of $26 million (net of collection fees) is projected.

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 FY2008, the proposed plan calls for cost recoveries totaling $14.354 million, an increase of $156 thousand in indirect interfund revenue from the FY2007 estimate of $14.198 million.

Licenses and Permits

The Licenses and Permits category contains such items as burglar alarms, fire alarm, special fire, and many other permits. The FY2007 estimate is $18 million, while the projection for FY2008 is $19.053 million, an increase of $1.053 million, or 5.90%. This projected increase is for slightly higher number of permits issued, as well as an increase in Special Fire Permits. The graph below provides a seven-year comparison of the City's Licenses & Permits revenues.



Miscellaneous/Other

This revenue is being projected at $8.5 million for FY2007 and $7.4 million for FY2008. This decrease is mainly due to Sale of Non Capital Rolling Stock.

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 increase approximately 13.8%, from $14.56 million to $16.57 million for FY2008. 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 the Fire Department provides to the Houston Airport System. It reflects the actual costs for salaries, fringes, and other direct expenses. The services provided cover Bush Intercontinental and Hobby Airports on a 24 hours per day and 7 days per week basis. It covers 114 positions plus the salary of the Airport Coordinator and a Training Coordinator as well as an indirect cost element. The FY2008 projection of $12.75 million reflects an increase of approximately $450 thousand over the FY2007 estimate; mainly due to compensation increase provided for in the 2005 meet and confer agreement.

Interfund Concrete Reimbursement

This revenue is for concrete repair ($7.5 million), which will be billed to various CIP projects.

Direct Interfund Other than Fire, Police, Concrete

These revenues are payments received for services performed by the General Fund for other funds. In FY2008 the projection of $6.843 million is higher than the FY2007 estimate of $6.747 million, mainly due to the personnel cost in the CIP project.

Interest

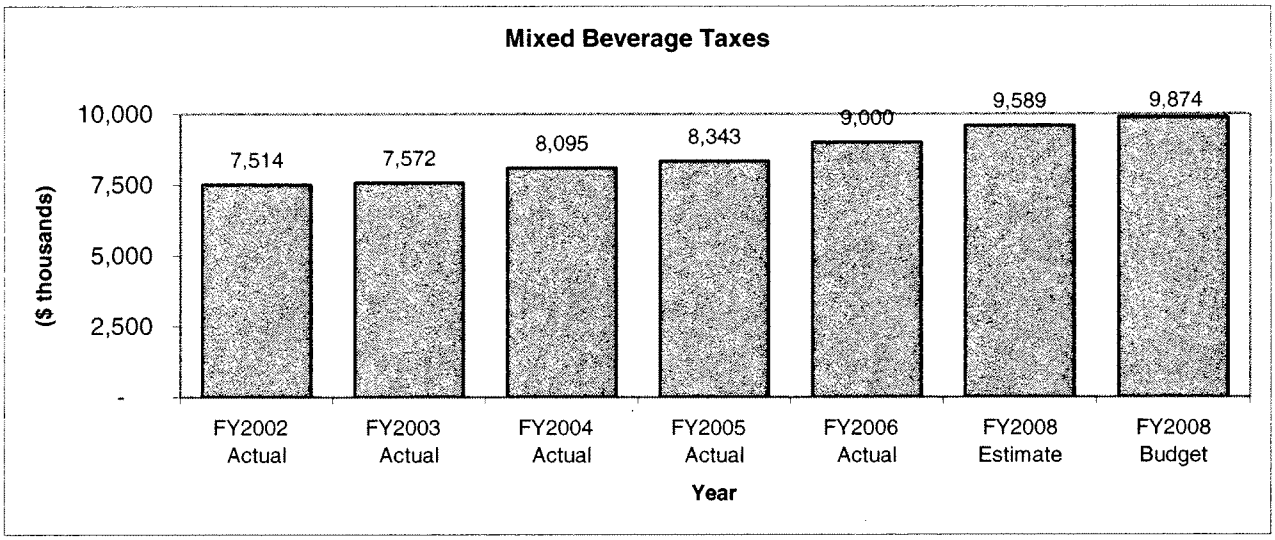
The City aggressively invests surplus balances and retains the earnings in the General Fund. The amount of such earnings depends on the balance available, the general level of interest rates, and the investment policies (tolerance for risk, need for liquidity, etc.) chosen. The FY2008 projection of $11.95 million assumes lower cash balance and higher 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.

For the FY2008 projection, we are expecting a growth rate of 3% over the estimated FY2007 amount.

The following page shows a graph of 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 FY2008, revenues of $12.017 million are projected, an increase of $169 thousand over the FY2007 estimate of $11.848 million. This is mainly due to the new contract with OCE on the photocopier concession in the Library Department.

Parking Violations

The Convention & Entertainment Department is responsible for maintaining parking meters, as well as issuing citations for vehicles illegally parked. In FY2007, C&E estimates revenues from this source to be $7.5 million. In FY2008, this responsibility has been moved to Enterprise Fund.

Parking Fees

This revenue comes from both parking meters and city parking lot usage, excluding those owned by the Convention & Entertainment Department. The FY2008 projection of $ 228 thousand is $3.737 million lower than the FY2007 estimate of $3.965 million, primarily from the booking of the parking management revenue to the Enterprise Fund.

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 FY2008.

A detailed listing of General Fund revenues by category are presented on the following pages, showing the FY2006 Actual, FY2007 Budget and Estimate, and the FY2008 Budget amounts.

GENERAL FUND REVENUES BY CATEGORY	FY2006 Unaudited	FY2007 Budget	FY2007 Estimate	FY2008 Budget
Taxes				
General Property Taxes				
411020 Curr Prop Tax	620,708,932	654,797,000	458,407,624	507,399,383
411030 Curr Delinq Prop Tax	45,006,588	45,000,000	256,221,213	241,026,956
411040 Delinq Prop Tax-PY	2,050,520	1,800,000	1,209,976	1,433,977
411070 Delinq Prop Tax-1994	0	65,000	0	0
411080 Delinq Prop Tax-1995	265,868	225,000	36,294	0
411090 Delinq Prop Tax-1996	317,304	275,000	141,703	52,843
411100 Delinq Prop Tax-1997	418,285	325,000	202,263	168,249
411110 Delinq Prop Tax-1998	482,825	500,000	203,441	250,535
411120 Delinq Prop Tax-1999	725,913	800,000	265,408	245,324
411130 Delinq Prop Tax-2000	1,096,156	1,000,000	386,722	323,777
411140 Delinq Prop Tax-2001	2,644,429	1,500,000	557,867	465,907
411150 Delinq Prop Tax-2002	2,405,068	1,600,000	887,361	690,078
411160 Delinq Prop Tax-2003	3,886,685	2,500,000	1,495,430	1,015,584
411170 Delinq Prop Tax-2004	12,698,838	3,500,000	3,330,719	1,786,120
411171 Delinq Prop Tax-2005	0	15,057,000	10,168,001	4,097,885
411172 Delinq Prop Tax-2006	0	0	0	12,960,722
411180 Curr Delinq-P & I	3,866,145	4,000,000	2,428,378	2,362,153
411190 PY Delinq-P & I	12,389,318	10,000,000	7,973,912	12,495,847
411200 Prop Tax Refunds	(2,736,689)	(12,100,000)	0	0
411210 Prop Tax Rebates	(274,447)	(324,000)	(380,000)	(407,000)
Subtotal General Property Taxes	705,951,738	730,520,000	743,536,312	786,368,340
412010 Sales Tax	422,598,278	431,219,000	460,028,859	487,216,565
Other Tax				
413010 Mixed Bev Tax	8,999,913	9,125,000	9,589,456	9,874,389
414010 Bingo Tax	278,866	325,000	325,000	289,000
Subtotal Other Tax	9,278,779	9,450,000	9,914,456	10,163,389
Total Taxes	**1,137,828,795**	**1,171,189,000**	**1,213,479,627**	**1,283,748,294**
415010 Ind Dist Assessment	14,314,446	13,608,933	15,700,000	15,700,000
Total Industrial District Assessment	**14,314,446**	**13,608,933**	**15,700,000**	**15,700,000**
Franchise Fees				
Electric Franchise				
416010 Elect Franchise Tax	94,772,768	96,558,421	97,138,000	96,562,000
416020 Misc Franchise Fee	2,501,441	2,500,000	2,500,000	1,518,000
Telephone Franchise				
417010 Tel Franchise Tax	50,167,081	45,600,000	48,000,000	48,000,000
Gas Franchise				
418010 Natural Gas Franchise	21,866,240	18,902,000	20,689,589	21,506,802
Other Franchise				
419010 Cable TV Franchise	11,260,491	10,914,000	10,914,000	11,300,000
419020 Limo Franchise	564,698	475,000	475,000	590,000
419030 Charter Tour Franch.	223,873	160,000	160,000	175,000
419040 Solid Waste Franch.	4,375,238	4,192,185	4,192,185	4,270,998
419050 Spur Track Franch.	0	21,420	21,420	21,420
419060 PipelineConduit Franch	269,825	171,860	220,000	160,000
419070 Fiber Optics Franch.	328,979	375,360	375,360	372,199
419080 Encroachment Franch	177,001	137,974	137,974	0
Subtotal Other Franchise	17,200,105	16,447,799	16,495,939	16,889,617
Total Franchise Fees	**186,507,635**	**180,008,220**	**184,823,528**	**184,476,419**
Licenses and Permits				
421010 Spec Food Permits	804,487	714,000	714,000	709,000
421020 Food Dealers Permits	2,946,092	2,820,800	2,820,800	2,820,000
421030 Food Mgrs Permits	385,885	367,200	367,000	361,700
421040 Mobile Food Ven Lic	167,392	148,800	118,000	118,000

GENERAL FUND REVENUES BY CATEGORY		FY2006 Unaudited	FY2007 Budget	FY2007 Estimate	FY2008 Budget
421050	Liq Waste Trans Prmt	171,985	147,000	170,000	154,694
421060	Misc Health Permits	754,375	780,000	741,326	1,254,106
421070	SwimPool Op Permits	383,750	360,000	356,000	360,600
421080	Rabies Ctrl Licenses	451,436	400,000	400,000	560,000
421090	Ambulance Permits	36,900	0	0	0
421100	Occupation Licenses	131,776	140,121	119,197	143,000
421110	Sexually Oriented Bus	118,492	110,020	91,000	113,700
421120	Beer/Wine Licenses	355,143	230,787	0	0
421130	Decals for Coin-Operated Amusement Machines	106,126	133,939	492,280	350,000
421140	Dance Licenses	91,793	150,000	100,000	75,000
421150	Liquor Licenses	115,628	139,091	900,000	925,000
421160	Mixed Bev Licenses	358,925	360,605	0	0
421170	Burglar Alarm Permit	3,083,826	3,155,300	2,965,500	2,992,700
421180	Spec Fire Permit	4,029,997	4,500,000	4,152,850	4,500,000
421200	Oth. Bldg/Const Prmt	14,180	20,000	10,125	10,625
421210	Fire Alarm Permit	125,621	130,000	200,000	200,000
421220	School Bus Lic & Prmt	12,865	15,000	15,000	15,000
421230	Taxi License & Prmt	910,342	900,000	900,000	992,000
421250	Valet Park' Op Prmt	8,250	9,000	15,333	0
421270	City Election Fee	28,250	0	0	0
421280	Other License & Prmt	358,149	312,800	72,800	60,000
421290	Tower Appl Revw Fee	5,564	5,000	4,588	7,500
421300	Facility Permit	29,105	23,000	23,000	23,000
421310	Mobility Permit	390,189	315,600	450,000	491,000
421320	Dumpster Permit	1,709,216	1,763,864	1,763,900	1,801,854
421400	Misc Sign Fee	0	0	37,000	15,000
Total Licenses and Permits		**18,085,739**	**18,151,927**	**17,999,699**	**19,053,479**
Intergovernmental					
422010	Medicaid Title XIX	102,227	120,000	120,000	120,000
422020	Medicaid Title XX	954,253	1,080,000	1,080,000	1,200,000
422040	FEMA Grants	0	128,000	8,787,065	0
422100	Dept Justice Grants	(111,770)	0	0	0
422141	Intergov Rev-TIRZ	0	4,637,815	3,783,546	3,993,051
422150	Intergov Rev-Metro	22,713,139	27,600,000	26,300,000	27,600,000
422160	Billings Grants	465,698	500,000	500,000	500,000
423010	Other Grant Awards	2,865,859	625,000	1,290,000	625,000
429095	Medicare Part D Distribution	0	0	1,195,323	1,300,550
Total Intergovernmental		**26,989,406**	**34,690,815**	**43,055,934**	**35,338,601**
Charges for Services					
Direct Interfund Services					
424020	Intfd Engr Svcs	222,143	205,600	210,092	285,510
424040	Intfd 311	1,702,500	1,702,500	1,702,500	1,702,000
424050	Intfd Fire Protec Svcs	11,924,760	12,300,000	12,300,000	12,750,000
424060	Intfd A'port Police Svc	16,452,901	19,361,594	19,209,052	20,188,392
424070	Intfd Legal Svcs	453,568	1,291,157	1,291,157	1,291,157
424080	Intfd Payroll Svcs	349,244	513,156	0	0
424100	Intfd IT Network Svc	1,164,953	1,164,953	1,325,284	1,164,953
424110	Intfd Other Svcs	7,340,196	8,995,596	7,795,596	8,915,842
424120	Intfd Vehicle Fuel	137,714	100,000	150,000	150,000
424130	Intfd Vehicle Repair	215,352	190,000	220,000	220,000
424140	Intfd Inventory	(658,118)	0	0	0
424150	Intfd Audi Svcs-601	199,958	205,847	205,847	208,208
424160	INTFD AFFACT Svcs	0	0	0	183,375
457010	Intfd Land Acquisition	0	221,700	221,700	221,700
Subtotal	Direct Interfund Services	39,505,171	46,252,103	44,631,228	47,281,137
Indirect Interfund Services					
425010	Indir Cost-Aviation	2,388,252	2,591,512	2,591,512	2,591,512
425020	Indir Cost-Civic Ctr	443,458	564,203	564,203	564,203
425030	Indir Cost-CUS Fd	2,156,946	2,309,048	2,309,048	2,309,048
425040	Indir Cost-HALAN	80,360	103,013	103,013	90,006

GENERAL FUND REVENUES BY CATEGORY		FY2006 Unaudited	FY2007 Budget	FY2007 Estimate	FY2008 Budget
425050	Indir Cost-Auto Deal	266,439	266,439	266,439	257,326
425060	Indir Cost-Public TV	11,286	10,906	10,906	10,906
425070	Indir Cost-Bldg Insp	892,642	597,892	597,892	597,892
425080	Indir Cost-St&Drain	982,148	922,515	922,515	922,515
425090	Indir Cost-911	231,423	250,368	250,368	250,368
425100	Indir Cost-Other	3,557,743	3,494,744	3,494,744	3,494,744
425110	Indir Cost-Grants	3,883,826	3,087,044	3,087,044	3,265,643
Subtotal	Indirect Interfund Services	14,894,523	14,197,684	14,197,684	14,354,163
Charges for Services					
426010	Haz Mat Response	125,230	100,000	100,000	100,000
426020	Haz Mat Permit	2,825	3,000	1,020	3,025
426030	Ambulance Fees	23,282,773	24,175,000	25,207,000	26,000,000
426040	Library Svc Chrgs	60	0	0	0
426050	Animal Control Fees	128,620	126,000	126,000	119,310
426060	Clinical Fees	1,640	281,700	1,500	0
426070	Hotel/Motel Ord	3,000	3,400	3,200	3,600
426090	Demolition Fees	1,435,852	955,000	1,091,204	1,147,000
426100	Non-resident Garbage	274,428	269,000	269,000	270,216
426110	Extra Container Garb	838,781	765,580	908,700	927,928
426120	Weed Cutting Fees	1,080,150	650,000	1,285,071	1,350,000
426130	Dental Fees	25	0	1,500	0
426140	Lab Fees	188,021	280,000	200,000	196,060
426210	Spec Event Reimb	114,585	0	0	0
426240	Limo Inspection Fees	36,350	35,000	40,000	38,000
426250	Platting Fees	5,597,721	5,140,180	5,140,180	5,140,180
426260	Police Svcs	317,412	1,422,000	1,342,079	1,395,795
426280	Legal Fees	38	0	765	0
426290	Other Svc Chrgs	116,322	750	111,675	110,750
426300	Certified Copies Fees	2,217,148	3,728,700	3,400,000	3,000,000
426320	City Maps & Related	3,577	2,500	1,500	2,500
426330	Misc Copies Fee	37,190	31,991	57,216	57,039
426340	Pub Safety Reprt Fees	694,956	759,285	645,000	645,000
426350	Fire Fighting Svcs	4,000	4,000	14,000	4,000
426370	Training Svcs	69,214	75,000	60,500	60,500
426390	Misc Svcs-Other Agcy	328,347	410,000	310,000	420,000
426420	Bldg Space Rntl Fee	431,447	518,250	644,500	880,952
426430	Facility Rental Fees	408,636	560,601	462,079	284,732
442070	Other Rental Fees	6,750	0	0	0
443120	Photocopier Concess	3,904	3,000	24,036	167,064
443130	Pay Phone Concess	395,610	650,000	465,000	650,000
443160	Vending Mach Concess	246,676	189,000	282,425	183,500
447010	Metered Parking Rev	1,322,649	2,613,600	2,441,760	0
447020	Garage Parking Rev	1,401,327	1,623,000	1,523,000	227,500
Subtotal	Charges for Services	41,115,264	45,375,537	46,159,910	43,384,651
Total Charges for Services		**95,514,958**	**105,825,324**	**104,988,822**	**105,019,951**
Fines and Forfeits					
Municipal Courts Fines and Forfeits					
427010	Moving Violations	24,731,919	20,937,464	20,937,464	26,000,396
427020	Parking Violations	6,642,003	7,500,000	7,500,000	0
427030	MCTP Time Pymt Disc	600,124	734,478	410,052	434,655
427040	Nontraffic Fines	2,235,417	1,741,421	2,369,097	2,481,752
427050	Fail to Appear Fines	3,310,698	4,265,414	2,781,344	3,785,500
427060	Scire Facias Forfeit	600,675	243,721	1,000	926,498
427070	Bond Handling Fees	158,239	103,182	230,590	244,425
427090	Resident Prkg Prmt	13,629	22,110	22,110	0
427100	Local Crt Costs	650,794	1,741,512	693,238	734,832
427110	Drive Safety Admin	733,324	746,078	746,078	790,843
427120	Cash Bond Forfeit	174,475	235,432	0	0
427130	Local Arrest Fees	1,527,336	1,553,698	1,553,698	1,646,920
427150	Tow' Hearing Filing	1,650	2,757	0	0
427160	Warrant Fees	163,965	160,479	160,479	170,108

GENERAL FUND REVENUES BY CATEGORY		FY2006 Unaudited	FY2007 Budget	FY2007 Estimate	FY2008 Budget
427170	HPD OT Fee	660	766	766	812
427180	Capias Pro Fine	54,205	85,534	85,534	90,666
427190	Empanel Fee	297	23	0	0
427200	Unclaimed Fines	2,225	3,957	3,957	4,194
427210	Court Cost/Jury Cost	3,102	3,168	3,168	3,358
427220	Suspended Sentence	3,050,561	4,776,410	4,776,410	4,658,890
427230	Boot Fees	62,643	80,256	80,256	0
427240	Admin Boot Fees	62,850	80,190	80,190	0
427250	Regis Denial Fee	229,989	259,959	259,959	275,557
427260	Dismissal Fees	308,619	304,610	304,610	322,887
Subtotal	Municipal Courts Fines and Forfeits	45,319,399	45,582,619	43,000,000	42,572,293
Other Fines and Forfeits					
428010	Deposit Forfeit	(2)	23,000	15,000	0
428020	Library Fines	539,857	475,000	463,904	475,000
428030	Release of Liens	172,347	140,000	150,600	151,000
428040	Vehicle Tow Fees	935	15,500	3,200	3,200
428050	False Alarm Penalty	1,057,336	1,025,000	1,356,960	1,350,000
428060	Other Interest Income	547,705	150,000	584,027	613,229
428080	Return Ck Chrgs	16,477	15,493	14,165	15,099
428090	Misc Fines & Forfeits	1,346,428	300,000	541,955	150,000
Subtotal	Other Fines and Forfeits	3,681,083	2,143,993	3,129,811	2,757,528
Total Fines and Forfeits		**49,000,482**	**47,726,612**	**46,129,811**	**45,329,821**
Interest					
432010	Int-Pooled Invest	6,492,473	7,700,000	9,435,000	11,950,000
432020	Int-Apport Transf In	2,107,072	2,695,000	1,565,000	0
Total Interest		**8,599,545**	**10,395,000**	**11,000,000**	**11,950,000**
Miscellaneous/Other					
431020	Contr from Others	1,776,176	82,500	0	0
434150	St/Bridge Assess	1,677,661	950,000	250,000	230,000
434205	Sale of Scrap Metal	45,324	54,500	37,000	31,000
434210	Sale of Scap Oil/Tires	2,662	2,000	2,500	2,500
434215	Sale of NonCap Roll Stk	623,028	650,000	650,000	0
434225	Sale of NonCap Eq/Mrch	212,471	468,000	205,520	273,120
434230	Sale of Animals	66,180	60,000	137,500	165,000
434235	Sale of Capital Assets	727,938	619,830	650,000	650,000
434305	Judgments & Claims	51,671	84,550	84,550	67,860
434315	Reimb Court Costs	5,622	0	0	0
434330	Subrogations	15,635	10,000	10,000	10,000
434335	Recov. Damage-Infras	108,213	92,500	95,000	86,000
434340	Cashier Overages	3,612	28,770	2,500	1,060
434505	PY Expend Recovery	(3,328,911)	400,000	236,141	125,000
434510	PY Revenue	756,685	104,200	104,200	104,200
434515	Street Millings Sale	261,561	350,000	300,000	425,000
452020	Recoveries & Refunds	7,430,502	5,964,800	4,228,103	4,255,100
452030	Misc Revenue	5,342,963	1,405,056	1,503,108	946,301
Total Miscellaneous/Other		**15,778,993**	**11,326,706**	**8,496,122**	**7,372,141**
Other Resources					
434240	Sale of CA-Land/Street	7,675,440	1,200,000	3,614,540	3,500,000
434520	Pens. Ob Bond Prceed	59,000,000	63,000,000	63,000,000	35,000,000
456555	Procds-Prom Notes	3,922,518	0	0	0
490020	Transf fr Spec Rev	1,028,330	0	0	0
490080	Transf-Other Oper.	150	2,950,000	2,200,000	3,500,000
490110	Transf fr Grant	1,012,872	0	0	0
490140	Transf fr Parking Mgmt	0	0	0	6,000,000
Total Other Resources		**72,639,310**	**67,150,000**	**68,814,540**	**48,000,000**
Grand Total:		**1,625,259,309**	**1,660,072,537**	**1,714,488,083**	**1,755,988,706**