

FY2014 ANNUAL FINANCING PLAN

The FY2014 Annual Financing Plan (AFP) is a projected schedule for the sale of City bonds, notes and other financings expected in FY2014. The AFP lists the projected amount of issuance, the timing of the sale, the security for the issue, the issue type (a new issue, redemption or refunding) and the method of sale.

In FY2014, four transactions are being planned (separate or combined) along with continued issuance under the City's commercial paper programs for a total ranging from \$0.49 billion to \$2.6 billion. The uses for the proceeds from the debt issuances include capital improvements, equipment purchases, and cash flow needs. In addition to these transactions, there are six liquidity facilities with expiration dates in FY2014 that will need to be either renewed or replaced after a review of whether such liquidity is still needed.

As the name expresses, the AFP is a plan. The timing and amounts of the sales may vary, but the stated programs will generally be carried out within the parameters cited. The FY2014 AFP is outlined below.

| Issue | Planned Issue Size (\$millions) | Timing of Sale | Security for Issue | Issue Type | Planned Method of Sale |
|------------------------------------|---------------------------------|----------------|--------------------|------------|------------------------|
| CEF Refunding | 40-50 | Sum '13 | System Revenues | Refunding | Negotiated |
| CUS Refunding | Up to 1,500 | Fall '13 | System Revenues | Refunding | Negotiated |
| GO CP Refunding | 50-200 | Spr '14 | Tax Revenue | Refunding | Negotiated |
| Tax and Revenue Anticipation Notes | 100-300 | Spr '14 | Tax Revenue | New | Competitive |
| GO CP | 100-150 | Various | Tax Revenue | New | Competitive |
| CUS CP | 200-400 | Various | System Revenues | New | Competitive |

FY2014 Liquidity Needs

| Series | Size (\$millions) | Expiration Date | Purpose |
|-------------------|-------------------|-----------------|-------------------------------------|
| CUS CP Series B-4 | 100 | 15-Jul-13 | Water & Wastewater Capital Projects |
| CUS CP Series B-6 | 100 | 15-Jul-13 | Water & Wastewater Capital Projects |
| GO CP Series K-2 | 100 | 2-Dec-13 | Street & Drainage Appropriations |
| CUS CP Series B-1 | 250 | 16-Dec-13 | Street & Drainage Appropriations |
| HAS CP Series A,B | 150 | 23-Dec-13 | Airport Capital Projects |
| CEF CP Series A | 50 | 16-Jan-14 | Houston First Capital Projects |

Abbreviations

- CEF – Convention & Entertainment Facilities
- CP – Commercial Paper
- CUS – Combined Utility System
- GO – General Obligation
- HAS – Houston Airport System