



CITY OF HOUSTON

Finance Department

Annise D. Parker

Mayor

Finance Department
P.O. Box 1562
Houston, Texas 77251-1562

T. 713-221-0935
F. 713-837-9654
www.houstontx.gov

To: Mayor Annise D. Parker
City Council Members

Date: March 30, 2012

Subject: 8+4 Financial and
Operations Report

Attached is the 8+4 Financial and Operations Report for the period ending February 29, 2012. Fiscal Year 2012 projections are based on eight months of actual results and four months of projections.

General Fund

We are currently projecting ending unrestricted fund balance of \$149.2 million which includes Rainy Day Fund reimbursement of \$5.0 million. This is approximately 9.23% of the expenditures less debt service.

Projection for Revenues and Other Sources increased by \$7.6 million from last month due to the following:

- Sales Tax revenue increased by \$6.4 million due to continuing favorable economic trends. The sales tax receipts for January were \$4.3 million (11.5%) higher than the same period last year and 5.5% higher than anticipated;
- Telephone Franchise increased by \$955,000 due to the second quarter receipt being higher than anticipated;
- Other Franchise increased by \$158,000 mainly due to second quarter receipt for Cable TV;
- Licenses and Permits decreased by \$700,000 mainly due to lower than anticipated Plan Review Fees;
- Intergovernmental increased by \$347,000 as a result of Medicaid Title XX funding from the State;
- Direct Interfund Services decreased by \$390,000 due to lower Interfund Payroll reimbursement as a result of personnel cost reductions;
- Interest increased by \$1.0 million due to a higher cash balance than anticipated.

Projection for Expenditures and Other Uses increased by \$6.6 million from last month mainly due to the following:

- \$7.0 million increase in the Fire Department for Classified Termination Pay; \$200,000 increase in the Health Department for Women, Infants and Children Program;
- Changes in various department as a result of unemployment claims savings of \$1.2 million and property insurance savings of \$323,000;
- Additionally, our projection also reflects the budget transfer for the Anti Gang employees from Police Department to Neighborhoods in the amount of \$304,000.

Enterprise, Special Revenue and Other Funds

We are projecting no change in Enterprise Funds, Special Revenue Funds and all other funds from the 7+5 Report, with the exception of the following:

Aviation

Operating Revenues increased by \$2.9 million mainly due to retail concession and garage parking revenues. As a result, Operating Transfers increased by \$2.9 million.

Convention & Entertainment

Non-Operating Revenues decreased by \$977,000 due to lower than anticipated other revenues.

Combined Utility System

Operating Revenues increased by \$2.4 million mainly due to un-metered fire sprinkler fees adjustments. Operating Expenditures decreased by \$1.3 million mainly due to delays in filling vacant position. Non-Operating Revenues increased by \$5.5 million due to higher impact fees revenues offset by lower interest on pooled investments.

Operating Transfer decreased by \$11.4 million mainly due to lower interest rates on the First Lien variable debt series as well as a lower cash transfer needed for Storm Water Fund.

Storm Water Fund

Operating Expenditures decreased by \$2.3 million mainly due to personnel and capital equipment savings. As a result, Operating Transfer In also decreased by \$2.3 million.

Dedicated Drainage & Street Renewal Fund

Operating Revenues increased by \$1.8 million due to anticipated funding from METRO to perform concrete panel replacements in the Concrete Street Repair program. Operating Expenditures decreased by \$805,000 due to increase in infrastructure maintenance for construction concrete panels of \$1.6 million offset by savings in personnel, supplies and capital equipment of \$2.4 million.

Health Benefits

Operating Revenues increased by \$5.1 million as a result of the plan shift and increased FY2013 rates which will be effective May 1, 2012. As a result, Operating Expenditures increased by \$3.5 million.

Property and Casualty

Operating Revenues and Expenditures decreased by \$1.7 million due to lower insurance premium as well as lower legal services activities.

Workers' Compensation

Operating Revenues and Expenditures decreased by \$1.2 million due to lower claims than anticipated.

Asset Forfeiture

Operating Expenditures decreased by \$345,000 due to savings in supplies and services.

Auto Dealers

Operating Expenditures decreased by \$873,000 mainly due to personnel and capital equipment savings.

Building Inspection Fund

Operating Revenues increased by \$551,000 due to an increase in electrical and construction permit sales activities as well as the recent rate increase effective January 1st. Operating Expenditures decreased by \$1.3 million mainly due to personnel savings as well as low demand for the energy leak tests in FY2012 as part of the Affordable Homes Energy Leakage Test Reimbursement Program.

As a result of the lower demand for the energy leak tests, the Operating Transfer Out increased by \$726,000 to reflect the unexpended TIRZ funds back to TIRZ Affordable Housing Fund.

Houston TranStar

Operating Expenditures decreased by \$349,000 due to the deferral of several projects and purchases until FY2013.

Juvenile Case Manager Fee

Operating Revenues increased by \$222,000 as a result of fee increases in November 2011 from \$3 to \$5 per ticket.

Mobility Response Team

Operating Expenditures decreased by \$491,000 mainly due to contract implementation delays related to the City Mobility Plan Phase II Study.

Parking Management

Operating Revenues decreased by \$1.5 million as a result of delays in pay stations installations and the implementation of extended hours of operation of the metered parking spaces. Operating Expenditures decreased by \$655,000 due to less anticipated revenues.

Parks Golf Special Fund

Operating Revenues increased by \$631,000 due to higher rental revenues.

Police Special Services

Operating Revenues increased by \$606,000 due to higher Burglar Alarm Permits and False Alarm Penalties. Operating Expenditures decreased by \$1.0 million due to savings in overtime as well as supplies and services.

If you have any questions, please feel free to contact me.

Sincerely,



Kelly Dowe

Director