



OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

RONALD C. GREEN

To: Mayor Annise D. Parker
City Council Members

From: Ronald C. Green
City Controller

Date: June 7, 2013

Subject: April 2013
Financial Report

Attached is the Monthly Financial and Operations Report for the period ending April 30, 2013.

GENERAL FUND

The Controller's Office is projecting an ending fund balance of \$159.9 million for FY2013. This is \$12.4 million lower than the projection of the Finance Department. The difference is due to a \$12.4 million higher revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$30.5 million above the City's target of holding 7.5% of total expenditures, excluding debt service, in reserve.

We have increased our revenue projection \$14.3 million over last month's projection. Property Tax was increased \$7.6 million due to a lower than expected TIRZ annual payment, and higher delinquent collections. Sales Tax was increased \$3.2 million to reflect the March sales tax receipt. Licenses & Permits increased \$1.6 million for Special Fire and Burglar Alarm Permits. Charges for Services was increased \$1.1 million for higher Platting Fees and Extra Container fees. Finally, we increased Miscellaneous/Other \$737,000 for Recoveries & Refunds. All of the Controller's Office projections for the General Fund revenues agree with the FY2014 Trends Report delivered last week.

The major differences are now in five categories: (1) Property Tax revenues are now \$3.3 million lower due to the Controller's Office using a lower collection rate. (2) Industrial Assessments are still \$1.6 million lower as Controller's Office is using a lower collection rate than Finance. (3) Licenses & Permits are now \$1.6 million lower, as we are awaiting additional data on several annual permit categories for the year. (4) Municipal Courts are now \$1.2 million lower, as the Controller's Office expects lower ticket issuance than Finance. (5) Miscellaneous/Other is now \$1.3 million lower because of one-time revenues.

Expenditure projections have not changed from last month's report, which is in line with the recently approved General Appropriation ordinance.

ENTERPRISE FUNDS

Our projection for the Combined Utility System Operating Expenses decreased \$1.5 million for lower chemical costs from lower production, and savings in personnel. We also decreased our projection for Operating Transfers \$4.3 million for lower than expected transfers to Debt Service and Storm Water.

In the Dedicated Drainage & Street Renewal Fund, we have decreased our projection for Expenditures \$650,000 for lower construction costs from project delays.

**Mayor Annise D. Parker
City Council Members
April 2013 Monthly Financial and Operations Report**

Finally, in the Storm Water Fund, we have decreased our projection for Expenditures \$676,000 primarily for savings in Personnel. This caused a corresponding decrease in Operating Transfers In.

There were no material changes in the Aviation Operating Fund and the Convention & Entertainment Operating Fund.

COMMERCIAL PAPER AND BONDS

The City's practice has been to maintain no more than 20% of the total outstanding debt for each type of debt in a variable rate structure. As of April 30, 2013, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	9.5%
Combined Utility System	3.1%
Aviation	17.4%
Convention and Entertainment	18.3%

Respectfully submitted,



Ronald C. Green
City Controller