



CITY OF HOUSTON

Finance Department

Annise D. Parker

Mayor

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

T. 832-393-9051
F. 832-393-9116
www.houstontx.gov

To: Mayor Annise D. Parker
City Council Members

Date: January 25, 2013

Subject: 6+6 Financial and
Operations Report

Attached is the 6+6 Financial and Operations Report for the period ending December 31, 2012. Fiscal Year 2013 projections are based on six months of actual results and six months of projections.

General Fund

We are currently projecting ending fund balance of \$161.2 million. This is approximately \$5.7 million lower than last month and 9.35% of expenditures less debt. The fund balance reflects the designation of the full \$20 million fund balance to the Rainy Day Fund. This is an additional reimbursement of \$10 million from the Adopted Budget.

The projection for Revenues and Other Sources increased by \$18 million from last month due to the following forecast changes:

- Sales Tax revenue increased by \$16.5 million due to higher economic activity in the past six months,
- Direct Interfund Services increased by \$687,000 due to maintenance cost reimbursements associated with the Houston Transtar building and the re-assignment of BARC customer service representatives funding to 311,
- Licenses and Permits increased by \$639,000 due to burglar alarm renewal collections while Other Fines and Forfeits decreased by \$396,000 due to lower false alarm penalties.
- Other Franchise increased by \$661,000 due to higher than anticipated Cable TV Franchise Fee receipts,

The projection for Expenditures and Other Uses increased by \$13.8 million from last month mainly due to the following:

- \$373,000 increase in ARA due to the re-assignment of BARC customer service representatives to 311 offset by the increase in direct interfund revenues reflected on the previous page,
- \$314,000 increase in General Services due to maintenance costs associated with the Houston TranStar building, offset by the increase in direct interfund revenues reflected on the previous page,
- \$11.2 million increase in General Government to reflect: (1) prior year health benefits deficit adjustment in the amount of \$12 million, (2) \$1.1 million increase for Limited Purpose Annexation payments as a result of higher sales tax projection, as well as (3) budget transfer of \$1.9 million from General Government electricity cost contingency to PWE to cover anticipated electricity costs.

Enterprise, Special Revenue and Other Funds

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

Aviation

Operating Revenues increased by \$5.2 million mainly due to higher parking and concession revenues. Operating Expense decreased by \$564,000 primarily due to personnel savings. Non-Operating Revenues increased by \$691,000 due to sale of easement at Ellington Field. As a result, Operating Transfers increased by \$6.4 million.

Combined Utility System

Operating Expenditures increased by \$654,000 primarily due to higher than anticipated fleet repairs. Operating Transfers decreased by \$1.1 million due to less Transfer to Storm Water of \$600,000 and lower interest rates on variable rate debt of \$500,000.

As a result, Operating Transfer In for Storm Water Fund decreased by \$600,000.

Dedicated Drainage & Street Renewal Fund

Expenditures decreased by \$365,000 primarily due to personnel savings.

Health Benefits Funds

Revenues increased by \$14.1 million as a result of adjustments made to prior year's deficit from various funds.

Building Inspection Fund

Revenues increased by \$11 million mainly due to increased permit activity.

Digital Automated Red Light Enforcement Program

Revenues decreased by \$2.3 million due to a lower than anticipated collection rate. As a result, expenditures decreased by \$1.2 million primarily due to a lower payment to the State.

Mobility Response Team

Expenditures decreased by \$273,000 to reflect the remaining amount to be transferred to General Fund based on FY2012 actual ending fund balance.

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

Sincerely,

A handwritten signature in cursive script that reads "Kelly Dowe".

Kelly Dowe

Director