



CITY OF HOUSTON

Finance Department

Annise D. Parker

Mayor

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To: Mayor Annise D. Parker
City Council Members

Date: July 26, 2013

Subject: 12+0 Financial and
Operations Report

Attached is the 12+0 Financial and Operations Report for the period ending June 30, 2013. Fiscal Year 2013 projections are based on twelve months of actual results which will not be finalized until the publication of FY2014 Comprehensive Annual Financial Report.

General Fund

We are currently projecting ending fund balance of \$181.6 million. This is approximately \$6.6 million higher than last month and 10.55% 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 decreased by \$200,000 from last month due to the following forecast changes:

- General Property Taxes increased \$3.1 million due to higher collection rates,
- Sales Tax increased by \$1.9 million mainly due to higher sales tax trends. The sales tax receipts for May were \$3.2 million (6.92%) higher than the same period last year,
- Licenses and Permits increased by \$687,000 mainly due to liquor licenses, limousine permits, health permits, and special fire permits being higher than anticipated,
- Charges for Services decreased by \$5 million due to lower ambulance fees collections,
- Direct Interfund Services decreased \$570,000 due to lower than anticipated charge back services to Houston Transtar and Houston Permit Center,
- Miscellaneous decreased by \$423,000 due to lower than projected reimbursement rates from CenterPoint Energy,
- Transfers from Other Funds increased by \$1.8 million primarily due to an additional transfer from the Parking Management Fund and higher Hotel Occupancy Tax collections.

The projection for Expenditures and Other Uses decreased by \$5.2 million from last month's projection primarily due to personnel, supplies, and services savings in various departments. This projection also reflects a decrease in General Services of \$1.1 million mainly due to lower projections in utility costs.

Enterprise, Special Revenue and Other Funds

We are projecting no change in Enterprise Funds, Special Revenue Funds and all other funds from the 11+1 Report, with the exception of the following:

Convention & Entertainment

Operating Revenues increased by \$591,000 mainly due to parking revenues. Non-Operating Revenues also increased by \$1.8 million mainly due to higher than anticipated Hotel Occupancy Tax collections.

Dedicated Drainage

Expenditures decreased by \$700,000 mainly due to personnel, supplies, and services savings.

Aviation

Operating Revenues increased by \$9.5 million primarily due to parking and concessions revenues. Operating Expenditures increased by \$700,000 due to an increase in supplies and vehicle maintenance charges. As a result, Operating Transfers increased by \$9.0 million.

Storm Water Fund

Operating Expenditures decreased by \$1.5 million mainly as a result of a decrease in personnel, supplies, and services. Operating Transfers In decreased by \$927,000 due to the transfer from CUS needed to support operations.

Combined Utility System

Operating Expenditures decreased by \$4.1 million primarily due to personnel savings and lower than anticipated overhead costs. Operating Transfer decreased by \$6.5 million mainly due to lower interest rates on variable rate debt services and delays in projects and purchases.

Health Benefits Fund

Revenues increased by \$2.8 million due to an increase contribution from new rates effective May 1, 2013.

Non-Operating Revenues increased \$1.4 million primarily due to contractual performance guarantees not met. Expenditures decreased \$11.6 million due to favorable claim activity the last four months and through year-end.

Property Casualty Fund

Operating Revenues and Expenditures decreased by \$8.2 million to reflect lower legal services and claims.

Asset Forfeiture Fund

Operating Revenues increased by \$595,000 due to increase in court awards. Operating Expenditures decreased by \$378,000 due to delays in uniform purchases.

Auto Dealers Fund

Operating Expenditures increased by \$378,000 due to costs for new hardware systems.

Building Inspection Fund

Operating Revenues decreased by \$1.3 million due to lower occupancy fees. Operating Expenditures decreased by \$345,000 to reflect savings in personnel, supplies, and services.

Cable TV

Operating Expenditures decreased by \$835,000 due to project delay.

Parking Management

Operating Revenues increased by \$1.2 million primarily due to higher than anticipated metered parking revenues and contract parking revenue. Operating Expenditures increased by \$925,000 primarily due to additional transfer to the General Fund as a result of higher than anticipated revenues and lower expenditures.

Parks Golf Special Fund

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

Parks Special Revenue Fund

Operating Expenditures decreased by \$484,000 from a delay in construction services.

Police Special Fund

Operating Revenue increased by \$833,000 primarily due to transfer from General Fund for the purchase of police vehicles offset by lower than anticipated contributions and services with outside agencies. Operating Expenditures decreased by \$1.6 million to reflect savings in personnel, supplies, and services.

Recycling Expansion Program Fund

Operating Expenditures decreased by \$562,000 due to lower than anticipated supplies and services cost.

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