



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: July 5, 2013

Subject: May 2013
Financial Report

Attached is the Monthly Financial and Operations Report for the period ending May 31, 2013.

GENERAL FUND

The Controller's Office is projecting an ending fund balance of \$171 million for FY2013. This is \$3.9 million lower than the projection of the Finance Department. The difference is due to a \$3.9 million higher revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$41.6 million above the City's target of holding 7.5% of total expenditures, excluding debt service, in reserve.

We have increased our revenue projection \$11.1 million over last month's projection. Property Tax was increased \$4.4 million due to higher delinquent collections. Industrial Assessments was increased \$998,000 reflecting a higher than expected collection rate. Sales Tax was increased \$3.4 million to reflect the April sales tax receipt. Telephone Franchise Fees were increased \$404,000 for actual receipts. Other Franchise was increased \$691,000 mainly for Cable. Licenses & Permits increased \$948,000 for Special Fire and Limousine Licenses. Charges for Services was decreased \$416,000 for lower Ambulance collections. Miscellaneous/Other was increased \$474,000 for Recoveries & Refunds. Finally, we decreased Note Proceeds \$289,000 to reflect final accounting adjustments.

The major differences are now in three categories: (1) Property Tax revenues are now \$1.1 million higher due to the Controller's Office using a higher estimate of delinquent collections. (2) Charges for Services are now \$1.3 million lower as we are projecting lower Ambulance Collections than Finance. (3) Municipal Courts are still \$1.2 million lower, as the Controller's Office expects lower ticket issuance to continue.

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 \$6.8 million for lower chemical costs from lower production, and savings contract costs. We also decreased our projection for Operating Transfers \$5.1 million due to lower than expected transfers to Debt Service, for continued lower variable rates on debt, and delayed equipment acquisitions for meters.

In the Dedicated Drainage & Street Renewal Fund, we have decreased our projection for Expenditures \$437,000 primarily for savings in personnel.

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

There were no material changes in the Aviation Operating Fund, Convention & Entertainment Operating Fund, or the Storm Water 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 May 31, 2013, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	5.3%
Combined Utility System	0.0%
Aviation	13.5%
Convention and Entertainment	18.3%

Respectfully submitted,



Ronald C. Green
City Controller