

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: April 4, 2014

**Subject: February 2014
Financial Report**

Attached is the Monthly Financial Report for the period ending February 28, 2014.

GENERAL FUND

The Controller's Office is projecting an ending fund balance of \$176.0 million for FY2014. This is \$17.3 million lower than the projection of the Finance Department. The difference is due to a \$17.3 million higher revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$37.4 million above the City's target of holding 7.5% of total expenditures, excluding debt service, in reserve.

We have increased our revenue projection \$7.2 million over last month's projection. Sales Tax was increased \$6.7 million to reflect collections through January, and continued 5% growth. Telephone Franchise fees decreased \$475,000 for lower trending receipts. Other Franchise fees were increased \$495,000 for Cable and Solid Waste Haulers above projection.

The major differences are in six categories:

- (1) Property Taxes are \$5.6 million lower, as Controller's Office is using a lower estimate of ending taxable values and collection rate than Finance.
- (2) Industrial Assessments are \$1 million lower, as Controller's Office is using a lower collection rate than Finance.
- (3) Licenses & Permits are \$1.3 million lower, as Controller's Office is projecting lower Burglar Alarm and Administrative fee receipts.
- (4) Charges for Services are \$3.1 million lower, as Controller's Office is projecting slightly lower Ambulance collections and Platting fees.
- (5) Municipal Courts Fines and Forfeits are \$1.5 million lower, as Controller's Office is projecting lower Moving Violation receipts.
- (6) Miscellaneous/Other is \$3.7 million lower, as Controller's Office is projecting lower Recoveries and Refunds, for non-recurring receipts.

Expenditure projections decreased \$4.4 million. Fire decreased \$5.2 million, reflecting the recent agreement with the Union, which will reduce classified overtime, and provide a 2% pay increase. Funds were transferred from General Government to: General Services increased \$367,000 for increased Janitorial Services, Legal increased \$235,000 for personnel, Police increased \$3.2 million for Forensics Operations, net of the DARLEP payment of \$740,000. All of these increases above were offset by a decrease in General Government of \$3.1 million.

ENTERPRISE FUNDS

In the Aviation Operating Fund, we have increased our projection for Operating Revenues \$7 million for higher garage parking and concessions revenues. Operating Expenses were increased \$2.3 million for higher personnel, services, and supplies costs. Non-Operating Revenues were decreased \$2.5 million mainly for lower prior year revenues. These changes caused the Operating Transfer projection to increase \$2.2 million.

**Mayor Annise D. Parker
City Council Members
February Monthly Financial Report**

Our projection for the Combined Utility System Operating Expenses decreased \$5.1 million for lower personnel, chemical, and contract costs. Non-Operating Revenues increased \$6.7 million for higher Impact Fee revenues, from higher than expected commercial construction projects. Operating Transfers decreased \$16.6 million for lower debt service from recent refunding, delays in receiving equipment, and transfer to Storm Water.

In the Dedicated Drainage & Street Renewal Fund, our projection for expenditures decreased \$1.2 million from savings in personnel, and contract delays.

Finally, in the Storm Water Fund, our projection for expenditures decreased \$1.2 million for delays in receiving vehicles. This caused a decrease of \$1 million in Operating Transfers In.

There were no material changes in the Convention & Entertainment Facilities 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 February 28, 2014, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	6.7%
Combined Utility System	1.2%
Aviation	17.5%
Convention and Entertainment	20.9%

Respectfully submitted,



Ronald C. Green
City Controller



CITY OF HOUSTON

Finance Department

Annise D. Parker

Mayor

Finance Department
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To: Mayor Annise D. Parker
City Council Members

Date: April 4, 2014

Subject: 8+4 Financial Report

Attached is the 8+4 Financial Report for the period ending February 28, 2014. Fiscal Year 2014 projections are based on eight months of actual results and four months of projections.

General Fund

We are currently projecting ending fund balance of \$193.3 million, which is approximately \$11.4 million more than last month and 10.5% of expenditures less debt service payments. This includes changes to the designated fund balance of \$740,000 to pay the settlement to American Traffic Solutions, Inc. (Ordinance 2012-98).

The projection for Revenues and Other Sources increased by \$6.3 million from last month due to the following forecast changes:

- Property Tax increased by \$484,000 as a result of lower than anticipated hearing protest losses,
- Sales Tax increased by \$2 million due to continuing favorable economic trends. The sales tax receipt for January were \$4.1 million (9.0%) higher than the same period last year,
- Other Tax increased by \$1.1 million mainly due to higher third quarter receipts for Mixed Beverage Taxes,
- Other Franchise increased by \$656,000 mainly due to higher than anticipated Cable TV Franchise Fees,
- Interest decreased by \$600,000 due to lower interest rates than anticipated,
- Miscellaneous/Other revenue increased by \$2.8 million for Judgments and Claims to reflect receipts pertaining to asbestos settlements affecting several City properties.

The projection for Expenditures and Other Uses decreased by \$4.4 million from last month mainly due to the following:

- \$5.2 million decrease in Fire Department to reflect (1) classified overtime savings in the amount of \$7.7 million; (2) the recent agreement with the Fire Union for a 2% pay increase effective March 1st in the amount of \$1.8 million; and (3) increased cost of \$700,000 related to EMS software purchased by the City,
- \$740,000 increase in General Government to reflect the payment to American Traffic Solutions, Inc. (Ordinance 2012-98),
- Budget transfers from General Government to several departments in the amount of \$3.9 million as follows:
 - o General Services Department in the amount of \$365,000 for janitorial services;
 - o Legal Department in the amount of \$235,000 for personnel;
 - o Police Department in the amount of \$3.3 million to reflect the personnel cost transferred from Forensic Transition Special Fund, which is offset by the reduced transfers to Forensic LGC by the same amount.

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:

Dedicated Drainage & Street Renewal Fund

Revenues decreased by \$234,000 primarily due to a delay in implementing third party collection contract for drainage accounts. Expenditures decreased by \$1.2 million mainly due to delays in filling vacant positions and delayed projects.

Aviation

Operating Revenues increased by \$7 million due to higher garage parking and ground concession revenues. Operating Expenses increased by \$2.3 million mainly due to an increase in personnel costs and the parking service contract. Non-Operating Revenues decreased by \$2.5 million due to lower prior year revenues. As a result, Operating Transfers increased by \$2.2 million.

Combined Utility System

Operating Expenditures decreased by \$5.1 million due to personnel savings, lower chemical costs, and delays in contracts implementations.

Non-Operating Revenues increased by \$6.7 million due to an upward trend in Impact Fee Revenues. Operating Transfers decreased by \$16.6 million mainly due to the recent refunding of series 2004A bonds, delays in receiving vehicles and pumps, and less transfers needed to the Storm Water Fund.

Storm Water Fund

Expenditures decreased by \$1.2 million primarily due to delay in receiving vehicles. Operating Transfers-In decreased by \$1 million due to less funding needed from the CUS Fund attributable to Storm Water's expenditure savings.

Property and Casualty Fund

Revenues and Expenditures decreased by \$1.3 million primarily due to lower insurance premiums than anticipated.

Workers' Compensation Fund

Revenues and Expenditures decreased by \$425,000 primarily due to personnel savings.

Asset Forfeiture Fund

Expenditures decreased by \$2.8 million due to a delay in the purchase of equipment.

Auto Dealers Fund

Revenues increased by \$462,000 due to higher sales of impounded vehicles than anticipated. Expenditures decreased by \$258,000 due to a delay in purchasing the Auto Dealer License and Application System.

Building Inspection Fund

Revenues increased by \$6.2 million mainly due to higher permit activities. Expenditures decreased by \$2.3 million due to delays in filling vacant positions, vehicle purchases and construction projects.

Child Safety Fund

Expenditures increased by \$354,000 to disburse higher than anticipated revenues and fund balance for the crossing guard program.

Essential Public Health Service Fund

Expenditures decreased by \$915,000 mainly due to a delay in implementation of various projects.

Forensic Transition Special Fund

Revenues and Expenditures decreased by \$3.3 million due to personnel transfers to General Fund.

Health Special Revenue Fund

Expenditures decreased by \$649,000 due to savings in personnel, services, and a delay in non-capital computer equipment purchases and the digital health permitting contract.

Houston TranStar

Expenditures decreased by \$435,000 primarily due to delays in several building expansion projects at the TranStar Center.

Parking Management Fund

Revenues decreased by \$418,000 primarily due to lower parking violation than anticipated. Expenditures decreased by \$605,000 mainly due to personnel savings and a delay in current projects.

Parks Special Revenue Fund

Revenues decreased by \$541,000 to transfer settlement proceeds to the capital fund and lower rental revenues.

Police Special Service

Revenues increased by \$608,000 mainly due to higher grants received from State for Law Enforcement Officer Standards in Education Program (LEOSE) and higher confiscations. Expenditures increased by \$361,000 mainly due to higher personnel cost dedicated to the Records Management System project.

Special Waste Fund

Expenditures decreased by \$374,000 primarily due to delays in capital purchases.

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

Sincerely,



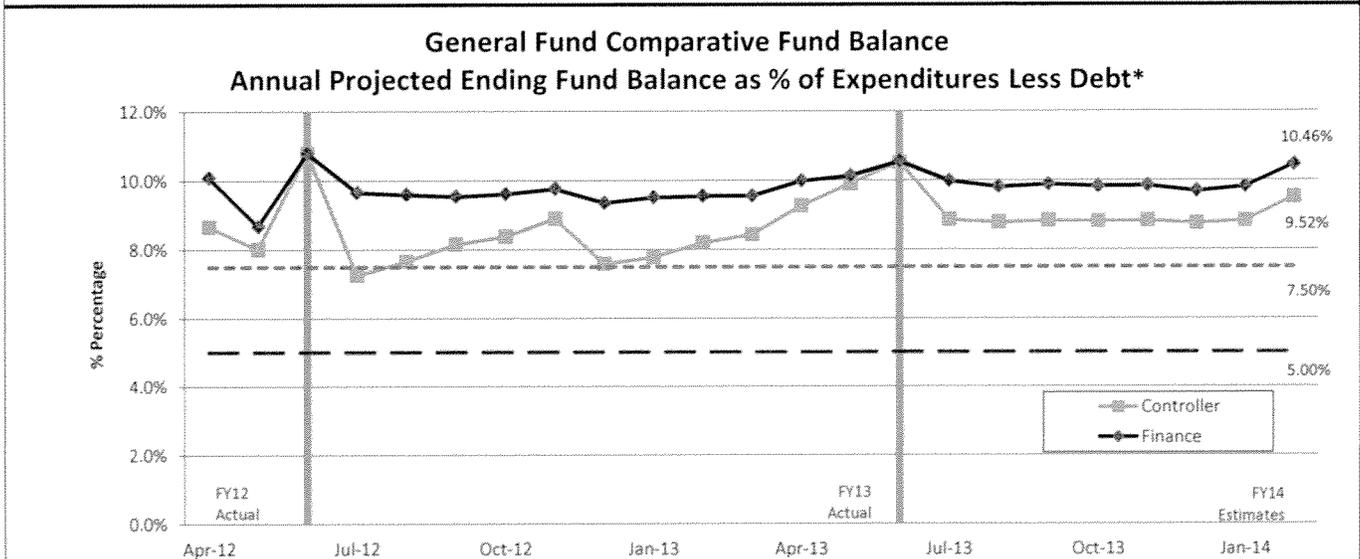
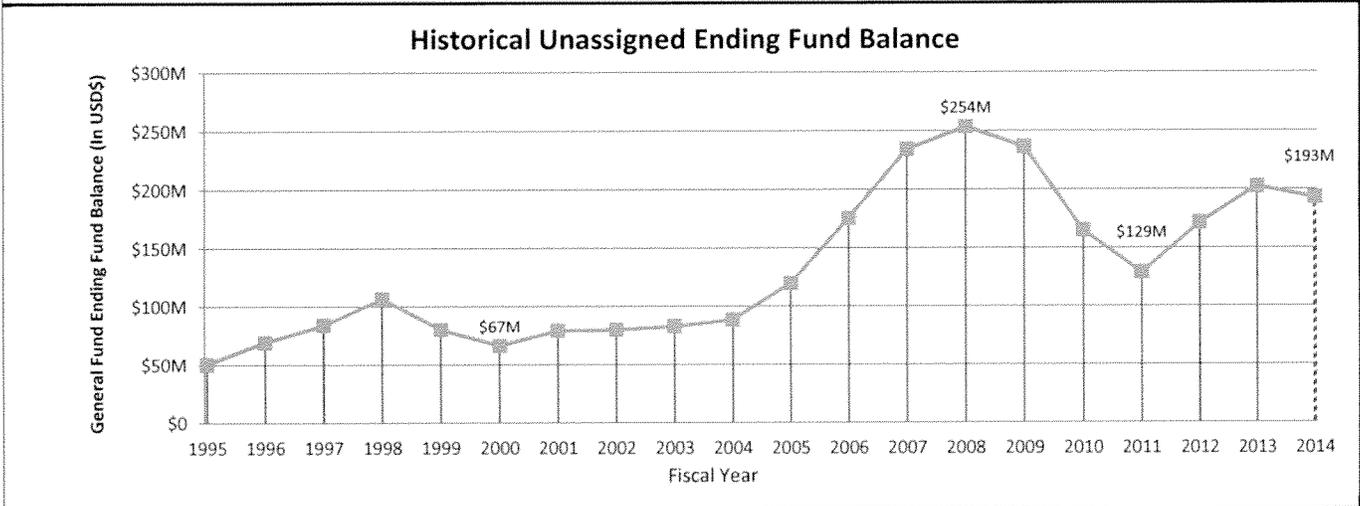
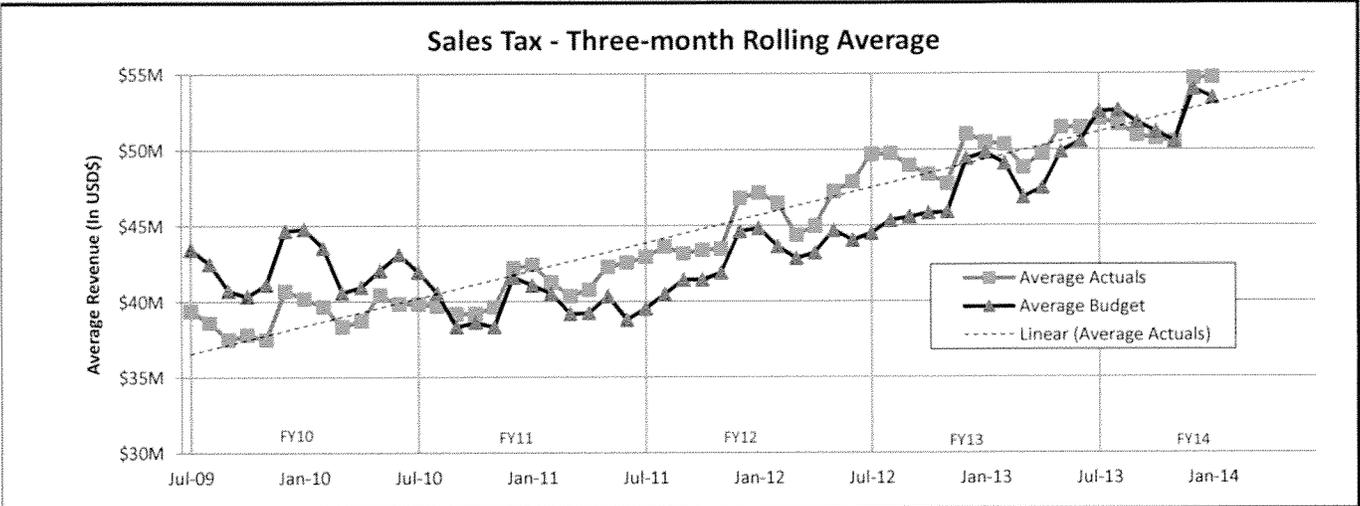
Kelly Dowe

Director



General Fund (Fund 1000)

Sales Tax Growth and Comparative Fund Balance



*The City desires to maintain an ending fund balance equal to 7.5% of expenditures before debt service. Ordinance 2003-474 requires a 5% fund balance of expenditures before debt service.



General Fund (Fund 1000)

For the period ended February 28, 2014
(amounts expressed in thousands)

Actual YTD
Current Budget

FY2014								
	FY2013 Actual	Current Budget	Controller's Projection	Finance Projection	Actual YTD	Controller - Finance Variance		
Revenues								
General Property Taxes	910,034	945,408	979,103	984,709	1,032,894	(5,606)		
Industrial Assessments	29,845	15,000	14,000	15,000	464	(1,000)		
Sales Tax	600,256	629,602	633,667	633,000	410,829	667		
Other Taxes	10,083	9,995	12,000	12,127	6,614	(127)		
Electric Franchise	103,941	100,526	100,526	100,526	58,559	-		
Telephone Franchise	45,143	44,623	43,525	44,323	40,288	(798)		
Gas Franchise	19,194	16,492	16,492	16,492	9,621	-		
Other Franchise	27,026	26,812	27,152	27,468	24,999	(316)		
Licenses and Permits	34,220	32,819	32,328	33,666	21,992	(1,338)		
Intergovernmental	12,354	21,063	18,961	18,961	8,782	-		
Charges for Services	42,232	47,759	44,841	47,923	30,741	(3,082)		
Direct Interfund Services	43,520	46,455	46,187	46,187	28,556	-		
Indirect Interfund Services	16,908	20,558	19,558	19,558	10,442	-		
Municipal Courts Fines and Forfeits	31,814	33,799	29,775	31,225	18,924	(1,450)		
Other Fines and Forfeits	4,666	4,648	4,485	4,607	2,931	(122)		
Interest	3,081	3,000	2,000	2,400	1,253	(400)		
Miscellaneous/Other	10,129	8,058	7,626	11,325	6,305	(3,699)		
Total Revenues	1,944,446	2,006,617	2,032,226	2,049,497	1,714,194	(17,271)		
Expenditures								
Administration & Regulatory Affairs	27,746	26,012	25,911	25,911	18,668	-		
City Council	6,012	6,682	6,682	6,682	4,075	-		
City Secretary	775	862	862	862	491	-		
Controller	7,553	8,398	8,398	8,398	5,248	-		
Finance	10,267	19,265	19,190	19,190	11,297	-		
Fire	433,176	452,628	457,884	457,884	304,515	-		
General Services	48,641	51,030	50,810	50,810	27,964	-		
Health and Human Services	43,956	55,684	53,419	53,419	37,433	-		
Housing and Community Development	2,483	1,348	1,348	1,348	403	-		
Houston Emergency Center	11,856	12,171	12,171	12,171	9,128	-		
Human Resources	3,467	3,494	3,559	3,559	2,093	-		
Information Technology	18,394	21,650	21,650	21,650	12,706	-		
Legal	13,779	15,233	15,468	15,468	9,765	-		
Library	33,315	38,360	37,948	37,948	24,296	-		
Mayor's Office	6,125	7,072	7,159	7,159	4,598	-		
Municipal Courts	22,185	25,366	25,210	25,210	16,102	-		
Neighborhoods	10,090	11,327	11,369	11,369	6,929	-		
Office of Business Opportunity	2,254	2,653	2,638	2,638	1,558	-		
Parks and Recreation	64,098	66,860	66,530	66,530	41,676	-		
Planning and Development	7,120	7,758	7,744	7,744	4,947	-		
Police	697,417	722,745	727,118	727,118	477,207	-		
Public Works and Engineering	37,383	35,119	35,114	35,114	22,165	-		
Solid Waste Management	68,935	72,032	72,032	72,032	42,866	-		
Total Departmental Expenditures	1,577,027	1,663,749	1,670,214	1,670,214	1,086,130	-		
General Government	128,425	164,445	177,803	177,803	74,468	-		
Total Expenditures Other Than Debt	1,705,452	1,828,194	1,848,017	1,848,017	1,160,599	-		
Debt Service Transfer	240,203	243,000	243,813	243,813	220,000	-		
Total Expenditures and Other Uses	1,945,655	2,071,194	2,091,830	2,091,830	1,380,599	-		
Net Current Activity	(1,209)	(64,577)	(59,604)	(42,333)	333,595	(17,271)		
Other Financing Sources (Uses)								
Proceeds from Notes	10,666	-	-	-	-	-		
Transfers from Other Funds	30,742	27,770	28,520	28,520	14,342	0		
Sale of Capital Assets	4,602	2,500	2,500	2,500	954	-		
Total Other Financing Sources (Uses)	46,010	30,270	31,020	31,020	15,296	0		
Fund Balances								
Fund Balance - Beginning of Year	171,677	202,839	202,839	202,839	202,839	-		
Changes to Designated Fund Balance*	(15,000)	1,000	1,740	1,740	-	-		
Budgeted Increase/(Decrease) in Fund Balance	44,801	(34,308)	(34,308)	(34,308)	348,891	-		
Change in Inventory/Prepaid Items/Imprest Cash	1,361	-	-	-	-	-		
(Budgeted Gap)/Increase in Fund Balance**	-	-	5,724	22,995	-	(17,271)		
Fund Balance, End of Year***	202,839	169,531	175,995	193,266	551,730	(17,271)		

*The Rainy day Fund of \$20 million became unassigned in FY2011. In FY2012, the City reassigned \$5M to the Rainy Day Fund and another \$15M in FY2013. The total designation for the Rainy Day Fund is currently \$20M. In FY2014, the City designated \$1.72M out of the General Fund fund balance as restricted in the event that DARLEP collections are insufficient (Ordinance 2012-98)

**A negative number in the Controller or Finance projections represents a gap between sources and uses of funds that was not included in the adopted budget. If this gap was not addressed by decreasing uses or increasing the sources of funds, it would require a drawdown of fund balance in order to balance the budget. A positive number represents a projected increase in fund balance.

***The City desires to maintain an ending fund balance equal to 7.5% of expenditures less Debt Service which is \$138,601 based on current projections. Ordinance 2003-474 requires a 5% fund balance of expenditures less Debt Service. The City will be \$37,393 above 7.5% based on the Controllers Projections for FY2014.

- Indicates projection exceeds 5% or \$5M of budget expenditures or projected revenues are 5% or \$5M less than current budget





Fund Summary - Other Funds
 For the period ended February 28, 2014
 (amounts expressed in thousands)

	Beginning of Year Fund Balance	Revenues*				Controller's Projection	Finance Projection	Finance	Controller
		FY2013 Actual	FY2014 Current Budget	FY2014 Actual YTD					
Enterprise									
Aviation		442,023	450,337	307,861	460,259	460,259			
Convention and Entertainment Facilities		89,080	87,909	68,790	91,819	91,819			
Combined Utility System		972,259	1,022,558	713,100	1,032,296	1,032,296			
Dedicated Drainage & Street Renewal**	93,801	179,359	176,908	116,309	187,684	187,684			
Storm Water**	5,000	49,971	55,725	39,042	53,569	53,569			
Risk Management									
Health Benefits	9,233	336,300	357,070	235,749	355,166	355,166			
Long-Term Disability	444	1,307	1,326	878	1,320	1,320			
Property and Casualty	77	24,595	35,766	5,737	34,470	34,470			
Worker's Compensation	-	20,269	21,332	17,323	24,855	24,855			
Special Revenue									
Asset Forfeiture	6,500	9,189	6,629	6,191	7,051	7,051			
Auto Dealers	3,760	7,216	6,795	4,711	7,257	7,257			
BARC Special Revenue	783	7,755	8,563	8,293	8,744	8,744			
Building Inspection	15,167	63,984	61,953	48,652	71,862	71,862			
Building (Court) Security	22	892	900	544	858	858			
Cable Television	2,891	4,131	4,214	2,068	4,214	4,214			
Child Safety	209	3,298	3,090	2,073	3,235	3,235			
Contractors Responsibility	3,075	738	472	276	472	472			
Digital Automated Red Light Enforcement	-	160	3,052	488	702	702			
Digital Houston	1,192	14	12	5	9	9			
Essential Public Health Services	2,565	2,565	14,279	12,037	12,039	12,039			
Forensic Transition Special	-	-	19,918	10,806	16,726	16,726			
Health Special Revenue	4,440	2,268	2,888	1,622	2,851	2,851			
Historic Preservation	935	253	213	244	288	288			
Houston Emergency Center	3,401	23,262	25,190	15,381	24,990	24,990			
Houston Transtar Center	2,286	2,249	2,513	1,563	2,429	2,429			
Juvenile Case Manager	1,750	1,241	1,246	809	1,246	1,246			
Laboratory Operations and Maintenance	326	485	399	326	449	449			
Parking Management	2,929	19,212	18,784	12,072	18,184	18,184			
Parks Golf	1,084	6,011	6,135	3,441	5,937	5,937			
Parks Special Revenue	5,909	2,302	2,027	1,197	2,065	2,065			
Police Special Services	6,872	9,958	8,737	4,729	11,181	11,181			
Recycling Expansion Program	1,691	1,004	2,080	821	1,957	1,957			
Special Waste	3,332	2,463	2,588	1,947	2,719	2,719			
Supplemental Environmental Protection	131	86	104	100	112	112			
Swimming Pool Safety	461	985	975	673	1,038	1,038			
Technology Fee	109	1,169	1,211	963	1,323	1,323			

* Revenues include non-operating revenues

** Dedicated Drainage Fund and Storm Water Fund are not technically Enterprise Funds, but are grouped with the Combined Utility System for clarity

Note: Finance's Projection updated on a quarterly basis

⚡ Indicates projected revenues are 5% or \$5M less than Current Budget



Fund Summary - Other Funds
 For the period ended February 28, 2014
 (amounts expressed in thousands)

	Expenditures*					Net Current Activity (Proj.)	End of Year Fund Balance (Proj.)	Finance	Controller
	FY2013 Actual	FY2014 Current Budget	FY2014 Actual YTD	Controller's Projection	Finance Projection				
Enterprise									
Aviation	440,284	450,337	236,077	460,259	460,259	-			
Convention and Entertainment Facilities	85,525	87,569	57,511	91,604	91,604	215			
Combined Utility System	923,496	1,026,872	579,009	979,660	979,660	52,636			
Dedicated Drainage & Street Renewal**	161,629	186,057	101,456	181,747	181,747	5,937	99,738		
Storm Water**	47,564	58,725	32,752	56,569	56,569	(3,000)	2,000		
Risk Management									
Health Benefits	312,939	357,107	210,608	335,065	335,065	20,101	29,334		
Long-Term Disability	1,926	1,480	822	1,405	1,405	(85)	359		
Property and Casualty	24,591	35,766	7,336	34,470	34,470	-	77		
Worker's Compensation	20,269	21,332	16,545	24,855	24,855	-	-		
Special Revenue									
Asset Forfeiture	6,769	12,600	5,694	9,750	9,750	(2,699)	3,801		
Auto Dealers	6,341	6,797	3,994	6,518	6,518	739	4,499		
BARC Special Revenue	7,950	8,922	5,283	8,922	8,922	(178)	605		
Building Inspection	59,792	66,514	35,490	63,209	63,209	8,653	23,820		
Building (Court) Security	882	763	430	763	763	95	117		
Cable Television	3,809	6,640	3,988	6,640	6,640	(2,427)	464		
Child Safety	3,314	3,090	1,410	3,444	3,444	(209)	-		
Contractors Responsibility	498	1,111	305	1,111	1,111	(639)	2,436		
Digital Automated Red Light Enforcement	281	2,513	148	702	702	-	-		
Digital Houston	419	598	342	515	515	(506)	686		
Essential Public Health Services	-	15,932	4,143	11,174	11,174	865	3,430		
Forensic Transition Special	-	19,897	12,498	16,725	16,725	1	1		
Health Special Revenue	2,031	3,506	1,373	2,857	2,857	(6)	4,434		
Historic Preservation	157	652	227	652	652	(364)	571		
Houston Emergency Center	22,384	25,190	15,824	25,415	25,415	(425)	2,976		
Houston Transtar Center	2,010	2,861	1,027	2,426	2,426	3	2,289		
Juvenile Case Manager	1,118	1,407	876	1,407	1,407	(161)	1,589		
Laboratory Operations and Maintenance	476	593	443	593	593	(144)	182		
Parking Management	18,823	20,876	8,969	19,590	19,590	(1,406)	1,523		
Parks Golf	5,296	6,174	3,659	6,174	6,174	(237)	847		
Parks Special Revenue	1,259	2,252	856	2,252	2,252	(187)	5,722		
Police Special Services	8,525	12,023	7,537	12,023	12,023	(842)	6,030		
Recycling Expansion Program	1,314	2,692	99	2,692	2,692	(735)	956		
Special Waste	2,071	4,880	1,310	4,506	4,506	(1,787)	1,545		
Supplemental Environmental Protection	76	200	8	163	163	(51)	80		
Swimming Pool Safety	711	928	471	770	770	268	729		
Technology Fee	1,395	1,360	455	1,360	1,360	(37)	72		

* Expenditures include non-operating expenditures

** Dedicated Drainage Fund and Storm Water Fund are not technically Enterprise Funds, but are grouped with the Combined Utility System for clarity

Note: Finance's Projection updated on a quarterly basis

⚡ indicates projection exceeds 5% or \$5M of budget expenditures

City of Houston, Texas
Commercial Paper Issued and Available
For the period ended February 28, 2014
(amounts expressed in millions)

COMMERCIAL PAPER	Draws FY14	Draws Month	Refunded FY14	Amount Available to be Drawn	Amount Outstanding
General Obligation					
<i><u>Voter Authorized 2001 & 2006 Election</u></i>					
Series G-1	0.00	0.00	0.00	75.00	0.00
Series G-2	10.00	0.00	0.00	29.90	95.10
Series H-2	0.00	0.00	0.00	90.20	9.80
Series J	25.00	0.00	0.00	100.00	25.00
<i><u>Non-Voter Authorized</u></i>					
Series E1-Equipment & Capital	10.00	0.00	22.55	37.55	62.45
Series E2- Equipment & Capital	20.00	0.00	4.30	54.30	15.70
Series E2- Metro Street Projects	0.00	0.00	2.70	25.70	4.30
Series H - Drainage	0.00	0.00	0.00	0.00	0.00
Series K-1	0.00	0.00	0.00	100.00	0.00
Series K-2	0.00	0.00	0.00	100.00	0.00
Total General Obligation	65.00	0.00	29.55	612.65	212.35
Combined Utility System					
Series B-1	0.00	0.00	0.00	250.00	0.00
Series B-2	55.00	30.00	0.00	20.00	55.00
Series B-3	0.00	0.00	0.00	75.00	0.00
Series B-4	20.00	0.00	0.00	80.00	20.00
Series B-5	0.00	0.00	0.00	100.00	0.00
Series B-6	0.00	0.00	0.00	100.00	0.00
Total Combined Utility System	75.00	30.00	0.00	625.00	75.00
Airport System					
Series A&B	1.00	1.00	0.00	149.00	1.00
Total Airport System	1.00	1.00	0.00	149.00	1.00
Convention & Entertainment					
Series A	0.00	0.00	0.00	33.00	42.00
Total Convention and Entertainment	0.00	0.00	0.00	33.00	42.00
Totals	\$141.00	\$31.00	\$29.55	\$1,419.65	\$330.35

City of Houston, Texas
Total Outstanding Debt
For the period ended February 28, 2014
(amounts expressed in thousands)

	February 28, 2014	February 28, 2013
Payable from Ad Valorem Taxes		
Public Improvement Bonds ^(a)	2,561,515	2,582,320
Commercial Paper Notes ^(b)	212,350	291,900
Pension Obligations	607,775	607,775
Certificates of Obligations	20,870	17,365
Subtotal	3,402,510	3,499,360
Payable from Sources Other Than Ad Valorem Taxes		
Combined Utility System		
Combined Utility System Revenue Bonds	5,747,995	5,557,040
Combined Utility System Commercial Paper Notes ^(c)	75,000	100,000
Water and Sewer System Revenue Bonds ^(d)	277,387	280,971
Contract Revenue Obligations - CWA	98,900	112,320
Airport System		
Airport System Sr. Lien Bonds ^(e)	449,660	449,660
Airport System Subordinate Lien	1,766,285	1,818,055
Airport System Sr. Lien Commercial Paper Notes ^(f)	1,000	0
Airport System Inferior Lien Contracts ^(g)	23,075	28,115
Airport Special Facilities Revenue Bonds ^(h)	662,730	670,520
Hotel Occupancy Tax and Civic Parking		
Facilities Revenue Bonds ⁽ⁱ⁾	559,118	572,339
Hotel Occupancy Tax And Parking Revenue Commercial Paper ^(j)	42,000	43,000
Subtotal	9,703,151	9,632,020
Total Debt Payable by the City	\$13,105,661	\$13,131,380

- (a) In Nov 2001 voters authorized \$776 million in tax bonds. In Nov 2006 voters authorized \$625million in tax bonds. In Nov 2012 voters authorized an additional \$410 million in tax bonds.
- (b) The City has authorized maximum issuance of General Obligation Commercial Paper Programs Series E-1: \$100 million, E-2: \$100 million, G-1: \$75 million, G-2: \$125 million,H-2: \$100 million, J: \$125 million, K1: \$100 million and K2: \$100 million.
- (c) The City has authorized \$700 million in Combined Utility System Commercial Paper Notes.
- (d) Includes \$77.2 million accreted value of capital appreciation bonds at this date and \$76 million last year.
- (e) The Houston Airport System issued Senior Lien Revenue bonds on August 20, 2009.
- (f) City Council has authorized \$150 million of Airport Senior Lien Commercial Paper Notes Series A and B.
- (g) Under a sublease agreement, the Houston Airport System has agreed to make sublease payments that include the debt service payments on the Series 1997A Special Facilities Bonds that financed the Automated People Mover ("APM") at George Bush Airport. These sublease payments constitute Inferior Lien Obligations under the Airport bond ordinances.
- (h) All Special Facility Revenue Bonds are secured solely from Special Facility Lease Revenues. Does not include \$23.1 million for Series 1997A Special Facilities Bonds. See footnote (g).
- (i) Includes \$121.9 million accreted value of capital appreciation bonds at this date and \$109.1 million last year.
- (j) The City has authorized \$75 million of Subordinate Lien Hotel Occupancy Tax and Parking Revenue Commercial Paper.

City of Houston, Texas
Voter-Authorized Obligations
For the period ended February 28, 2014
(amounts expressed in thousands)

<u>Purposes</u>	<u>Voter Authorized</u>	<u>Approved by City Council for Issuance as Commercial Paper Notes</u>	<u>Commercial Paper Issued ^(a)</u>	<u>Commercial Paper Notes Approved by City Council but Unissued</u>	<u>All Voter Authorized but Unissued</u>
November 2001 Election					
Streets, Bridges, Traffic Control	\$ 474,000	\$ 474,000	\$ 473,000	\$ 1,000	\$ 1,000
Parks and Recreation	80,000	80,000	80,000	0	0
Police and Fire Departments	82,000	82,000	82,000	0	0
Permanent and General Improvements ^(b)	80,000	80,000	80,000	0	0
Public Libraries	40,000	40,000	40,000	0	0
Low Income Housing	20,000	20,000	14,185	5,815	5,815
Total	\$ 776,000	\$ 776,000	\$ 769,185	\$ 6,815	\$ 6,815
November 2006 Election					
Streets, Bridges, Traffic Control	\$ 320,000	\$ 219,950	\$ 76,560	\$ 143,390	\$ 243,440
Parks and Recreation	55,000	55,000	43,950	11,050	11,050
Public Safety	135,000	135,000	94,105	40,895	40,895
Permanent and General Improvements ^(b)	60,000	60,000	46,000	14,000	14,000
Public Libraries	37,000	37,000	36,350	650	650
Low Income Housing	18,000	13,633	0	13,633	18,000
Total	\$ 625,000	\$ 520,583	\$ 296,965	\$ 223,618	\$ 328,035
November 2012 Election					
Streets, Bridges, Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	166,000	24,190	0	24,190	166,000
Public Safety	144,000	21,793	0	21,793	144,000
Permanent and General Improvements ^(b)	57,000	18,843	0	18,843	57,000
Public Libraries	28,000	8,195	0	8,195	28,000
Low Income Housing	15,000	0	0	0	15,000
Total	\$ 410,000	\$ 73,021	\$ -	\$ 73,021	\$ 410,000
Combined Total (2001, 2006, 2012 Elections)	\$ 1,811,000	\$ 1,369,604	\$ 1,066,150	\$ 303,454	\$ 744,850

(a) As of Feb 28, 2013

(b) Includes Public Health and Solid Waste Management

Note: This schedule sets forth the categories of bond authorization approved by the voters in elections held in November of 2001 (the "2001 Election") and November of 2006 (the "2006 Election"), and November of 2012 (the "2012 Election"), the amount of each such authorization approved by City Council for issuance as Commercial Paper Notes, the amount of commercial paper issued as of year-end, and the amount of commercial paper approved but unissued. The City has issued all bonds authorized at the election held in November of 1997.

Fund Descriptions

General Fund (1000)

General Revenues (i.e. property taxes, sales taxes, franchise fees, Municipal Courts fines, etc.) are budgeted and received in the General Fund for the support of most basic city services. Operations and services for public safety, financial services, libraries, solid waste management, health, most parks and recreation services, street traffic control, esplanade mowing and citywide administration are included in the General Fund.

Enterprise Funds

Aviation Operating Fund (8001)

The Aviation Operating Fund is an enterprise fund which accounts for operation of the City's airport system. The airport system is comprised of the George Bush Intercontinental Airport/Houston, William P. Hobby Airport, and Ellington Field. Activities of the department include: operations, maintenance, planning and construction, public service and administration. The Department coordinates its activities with the Federal Aviation Administration (FAA), other federal and state agencies, the airlines, and tenants of the airport facilities.

Convention and Entertainment Facilities Operating Fund (8601)

The Convention and Entertainment Facilities operating fund is an enterprise fund that accounts for the operation of the City's six major entertainment centers and City-owned parking garages: Jesse H. Jones Hall, Bayou Place, Houston Center for The Arts, Gus S. Wortham Center, George R. Brown Convention Center, Tranquility Park garage and Civic Center garage.

Combined Utility System Fund (8300, 8301, 8305)

The Combined Utility System is composed of three separate funds: the Water and Sewer System Operating Fund; the Combined Utility System Operating Fund and the Combined Utility System General Purpose Fund. The fund provides for the operation of the City's treated and untreated water, as well as, receives and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers. This fund is administered by the Public Works & Engineering Department.

Risk Management Funds

Health Benefits Fund (9000)

The Health Benefits Fund, an Internal Service Fund administered by the Human Resources Department, was established in 1984 to centralize the financial transactions for the City's benefit plans. Health Benefits Effective May 1, 2011, the City elected to be substantially self-insured and awarded CIGNA a three year contract with two (2) one-year renewal options for 4 new health plans. The new health benefits model is composed of four (4) plans, all of which have heavy emphasis on a wellness component, and includes; 1) a limited network HMO-type plan, 2) an open access PPO-type plan with no out-of-network coverage, 3) a consumer driven high deductible Health Plan (CDHP), partnered with a health reimbursement account, and 4) a specific plan for retirees, mostly those under age 65, who live outside the limited network service area but who live in Texas. Effective 08/01/11, all 65+ Medicare eligible retirees must enroll in the 6 MA plans or opt out. These plans are supported by contributions from the city and participants. The Fund also includes two dental plans, a dental/health maintenance organization (DHMO) and a dental indemnity plan. Both plans are supported exclusively by participants.

Long Term Disability Fund (9001)

The Long Term Disability (LTD) Plan is a self-insured program accounted for as an internal service fund. Established in 1985 and revised in 1996 as part of the Income Protection Plan (IPP) (renamed the Compensable Sick Leave Plan (CSL) in October 1996), the plan provides paid long-term sick leave for City employees.

Property and Casualty Fund (1004)

The Property and Casualty Fund was established to monitor the financial requirements of the Property and Risk Management Programs. This activity is primarily self-funded. The revenue is generated from assessed premiums to the other funds. These premiums are based upon projected expenditures. All risk to the City's assets (except Workers Compensation, Life, Health Benefits, and Long Term Disability) fall within the scope of this fund.

Workers' Compensation Fund (1011)

The Workers' Compensation Fund is a revolving fund administered by the Human Resources Department. The Fund was established to centralize the financial transactions in the areas of Accident Prevention, Loss Control and Workers' Compensation.

Special Revenue Funds

Asset Forfeiture Fund (2202, 2203, 2204)

This fund is administered by the Houston Police Department (HPD). The City receives forfeited funds resulting from HPD's role in drug-related seizures. This fund provides resources beyond HPD's General Fund budget for crime enforcement. Specifically, this fund is used to address the drug problem in a manner consistent with the department's Comprehensive Narcotics Plan.

Auto Dealers Fund (2200)

This fund is budgeted to pay the license fees paid by tow truck drivers and various automotive sales, repair, storage and salvage dealers to finance a portion of the Police Department's enforcement efforts regarding privately owned storage lots. This fund is also administered by the Police Department.

BARC Special Revenue Fund (2427)

BARC (Bureau of Animal Regulation and Care) is authorized to receive funds from any source for the purpose of supporting the maintenance and operation of the City's animal shelter facilities and programs. This fund is administered by the Administration and Regulatory Affairs Department.

Building Inspection Fund (2301)

This fund includes all construction and building permit revenues and expenditures for inspections and permitting activities. Outdoor sign license fees are received in this fund for enforcement of the City's sign ordinance. This fund is administered by the Public Works and Engineering (PWE) Department.

Building (Court) Security Fund (2206)

This Fund was established in FY1997 and is administered by the Municipal Courts Department. This fund includes all security related contractual expenditures and additional security enhancements for the courts. Revenue is generated by the collection of a court fee for each paid conviction as allowed by State law. The mission of the Municipal Court Building Security Fund is to protect the health and welfare of civilians and employees by ensuring that adequate equipment, procedures, and personnel are present at all court facilities.

Cable TV Fund (2401, 2428)

This fund, under certain cable television franchise agreements with the City, receives contributions on a subscriber basis. This fund is used for public access cable television programming and related costs in the Cable Television Special Fund. The Mayor's Office is responsible for administering this fund.

Child Safety Fund (2209)

This fund is used to account for monies received for public, parochial and private school crossing guard programs. Revenues to the fund comes from an assessment of Municipal Court fee's on non-criminal municipal violations and a portion of each vehicle registration authorized by Harris County. The Police Department administers this fund.

Contractors Responsibility (2424)

The Contractors Responsibility Fund was created for the Pay or Play Program (POP), which is administered by the Office of Business Opportunity. The Pay or Play program is designated to foster the health care options for the citizens of Houston and Harris County area, create a level playing field for contractors bidding on City of Houston projects and defray the cost of the local uninsured workforce.

Dedicated Drainage & Street Renewal Fund (2310)

Ordinance 2010-879 requires funding in the amount equivalent to proceeds from \$0.118 of the City's ad valorem tax levy minus an amount equal to debt service for drainage and streets to the Dedicated Drainage & Street Renewal Fund. Total outstanding debt payable from ad valorem taxes (as of December 31, 2012) is \$3.47 billion. The portion of the debt associated with drainage and street improvements is estimated at \$1.69 billion. The Dedicated Drainage and Street Renewal Fund is not technically an enterprise fund, but is grouped with the Combined Utility System for clarity.

Digital Automated Red Light Enforcement Program Fund (2212)

This fund tracks the financial and accounting balances from all penalties and fees collected and all costs associated with the operation and enforcement of the photographic traffic monitoring system. While no new tickets will be issued, this fund remains open while the City collects outstanding penalties and fees and pays the fund's expenses. This fund is administered by the Finance Department.

Digital Houston Fund (2422)

This fund is used by the City of Houston to build a citywide wireless broadband Wi-Fi mesh network that will provide affordable high-speed internet access for residents and visitors to Houston; thus creating a digital future for Houstonians through a digital literacy effort in support of achieving Houston's educational workforce and educational goals. This fund is administered by the Library Department.

Essential Public Health Services (2010)

The Essential Public Health Services Fund was created for the purpose of offsetting costs associated with the administration of Medicaid Transformation Waiver projects and to perform other essential public health services. This fund will capture the costs and reimbursement of the expenses for the projects. The expected reimbursements are for costs that are incurred for the expansion of health and human services.

Forensic Transition Special Fund (2213)

The Forensic Transition Special Fund was created for the transition of forensic operations from the Houston Police Department to the independent Houston Forensics Science Local Government Corporation (LGC). The funds budget covers City of Houston employees that provide services to the Houston Forensic Science LGC.

Health Special Revenue Fund (2002)

Health Special Revenue Fund contains several revenue generating activities that are supported by ordinances, including the following: Consumer Foods Technology Fee, Ambulance Permit Fee, Vital Statics, Geriatric Dental Program, and donated fund for community activities or special events coordinated by Children and Family Services Division and Community Health Services Division.

Historic Preservation Fund (2306)

This fund is administered by the Planning and Development Department and the Houston Public Library. This fund was established in FY2010 to utilize funds set aside from the sale of historic fire stations by the City in FY2009. This fund is used to promote historic preservation programs. It utilizes City funds as seed money to encourage private investment, attract grant funds, and support educational programs that will further preservation efforts in Houston. This fund also provides future funding for the maintenance needs of the historic Julia Ideson Building.

Houston Emergency Center Fund (2205)

This fund consolidates the City's four separate emergency services into one state of the art facility. This fund is administered by the Houston Emergency Center.

Houston TranStar Center Fund (2402)

Houston TranStar Center, formerly known as the Greater Houston Transportation & Emergency Management Center, was built through a cooperative effort among the City of Houston, Harris County, Metropolitan Transit Authority (METRO) and the Texas Department of Transportation (TxDOT). The center houses personnel responsible for and/or involved with transportation and emergency management planning and operations in the Houston/Harris County area. Funding for the center is received from each member agency and is prorated based on occupancy and use of center facilities.

Juvenile Case Manager Fund (2211)

This Fund was established in FY2009 and is administered by the Municipal Courts Department. This fund includes expenditures for the salary, benefits, and operational costs related to the Juvenile Case Manager staff. Revenue is generated by the collection of a court fee for each paid conviction as allowed by State law. The mission of the Juvenile Case Manager Fee Fund is to partner with school districts within the City of Houston in an effort to increase school attendance and reduce truancy through early identification, assessment and prevention services, to enhance the accountability of students and families, and to limit a juvenile's exposure to the criminal justice system.

Laboratory Operation and Maintenance Fund (2008)

The Laboratory Operations and Maintenance Fund is designated for the retention of all revenues from laboratory fees. All laboratory fees charged and revenues collected are to defray the costs associated with the purchase, maintenance, operation, and utilization of City Laboratories, including but not limited to, infrastructure, equipment, supplies, software, and hardware systems, and with performing public health surveillance tests.

Parking Management Fund (8700)

This fund is responsible for managing and providing on-street parking alternatives to the citizens in the Greater Houston area. This fund is administered by the Administration and Regulatory Affairs Department.

Parks Golf Special Fund (2104)

This fund was created to receive all City revenues derived from all City-owned golf facilities, whether operated by the City or private entities, including all related concessions fees, to be used exclusively for the maintenance, operating and improvements of any or all such golf courses.

Parks Special Revenue Fund (2100)

This fund is used to account for revenues and certain expenditures related to operations of the City's municipal golf courses and youth programs. This fund is administered by the Parks and Recreation Department.

Police Special Services Fund (2201)

This fund is used to account for activities that are not covered under the General Fund Budget. The activities include joint police operations, security and traffic control, undercover support services and use of HPD facilities. The Police Department administers this fund.

Recycling Expansion Program Fund (2305)

This fund was created to allocate dedicated funds to be used for the expansion and implementation of the City's Recycling Programs. Efforts include citywide tree waste recycling, additional neighborhood depository sites, curbside recycling and increased education and outreach. These efforts allow the City to improve its current landfill diversion rate. This fund is administered by the Solid Waste Management Department.

Special Waste Fund (2423)

The Health and Human Services Special Waste Fund pertains to fees issuance of permits or registration certificate. The Fats, Oil, and Grease (FOG) section is responsible for the permitting of all special waste generators, transporters and biological pretreaters in the City of Houston. The goal of the FOG program is to prevent the infiltration of fats, oils, and grease into the sanitary sewer, and to assure that the City's infrastructure and the health of the citizens are protected.

Supplemental Environmental Protection Fund (2404)

This fund is for the advancement of the goals of clean air and water and to enhance the community environment impacted by criminal environmental violators. This fund is administered by the Police Department.

Swimming Pool Safety Fund (2009)

This fund receives proceeds from enforcing municipal, state and federal pool and spa safety standards. State and federal pool and safety standards apply to all pools and spas serving more than two dwellings; in accordance with the requirements, operators of pool and spas at apartment or condominium projects are required to obtain permits and to comply with the standards. The fees collected in pursuant of swimming pool and spa safety are used for the purposes of activities related to permitting, inspecting, monitoring, abating, controlling, educating and enforcement of municipal, state and federal standards. This fund is administered by the Health and Human Services Department.

Technology Fee Fund (2207)

This Fund was established in FY2001 and is administered by the Municipal Courts Department. This fund includes expenditures for hardware/software maintenance and support, and debt repayment for the court's current case management system (ICMS). The final debt service payment is planned for FY14. Revenue is generated by the collection of a court fee for each paid conviction as allowed by State law. The purpose of the fund is to finance technological enhancements for the Municipal Courts and maintain systems to operate in an efficient manner.