



# 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](http://www.houstontx.gov)

**To:** Mayor Annise D. Parker  
City Council Members

**Date:** April 25, 2014

**Subject:** 9+3 Financial Report

Attached is the 9+3 Financial Report for the period ending March 31, 2014. Fiscal Year 2014 projections are based on nine months of actual results and three months of projections.

## **General Fund**

We are currently projecting ending fund balance of \$192.2 million, which is approximately \$1.1 million less than last month and 10.4% of expenditures less debt service payments.

The projection for Revenues and Other Sources decreased by \$435,000 from last month due to the following forecast changes:

- Property Tax decreased by \$2.8 million due to higher tax reimbursements,
- Telephone Franchise Fees decreased by \$676,000 mainly due to lower landline usage,
- Other Franchise Fees decreased by \$255,000 mainly due to prior year's overpayment by AT&T for Cable TV Franchise Fees,
- Indirect Interfund Services decreased by \$336,000 mainly due to a lower rate in Indirect Cost Recovery for Grants,
- Other Taxes increased by \$1.5 million mainly due to higher third quarter receipts for Mixed Beverage Taxes,
- Licenses and Permits increased by \$640,000 mainly due to Special Fire Permits and Burglar Alarm Permits being higher than anticipated,
- Intergovernmental increased by \$526,000 in Tax Incremental Reinvestment Zones (TIRZ) administrative fees due to higher TIRZ taxable values,
- Miscellaneous/Other revenue increased by \$294,000 for Recoveries and Refunds due to higher utility rate cases reimbursement,

- Transfer from Other Funds increased by \$688,000 due to higher Hotel Occupancy Tax.

The projection for Expenditures and Other Uses increased by \$658,000 from last month mainly due to payment to Houston Arts as a result of higher Hotel Occupancy Tax. Additionally, this report also reflects budget transfers from General Government to several departments in the amount of \$1.2 million for the following:

- o \$797,000 to various departments to cover pension costs in the amount of \$645,000 and termination pay in the amount of \$152,000;
- o \$232,000 to the Library Department for Houston Literacy Program in the amount of \$100,000 and HOPE adjustment in the amount of \$132,000;
- o \$127,000 to the Department of Neighborhoods for Interfund Vehicle Services.

### **Enterprise, Special Revenue and Other Funds**

We are projecting no change in Enterprise Funds, Special Revenue Funds and all other funds from the 8+4 Report, with the exception of the following:

#### **Aviation**

Operating Revenues increased by \$312,000 mainly due to higher ground transport concessions and drainage fees refunds. As a result, Operating Transfers increased by \$342,000.

#### **Convention and Entertainment**

Non-Operating Revenues increased by \$3.6 million due to higher than anticipated Hotel Occupancy Tax (HOT) revenues. Operating Expenses decreased by \$460,000 mainly due to Banking Services. As a result, Operating Transfers increased by \$4.1 million.

#### **Combined Utility System**

Operating Transfers increased by \$30 million mainly due to “pay-as-you-go” funding for Combined Utility System (CUS) Capital Projects.

#### **Dedicated Drainage & Street Renewal Fund**

Expenditures increased by \$25 million due to “pay-as-you-go” funding for Capital Projects.

#### **Health Benefits**

Revenues increased by \$2.4 million mainly due to prescription reimbursement from the CIGNA contractual rebate agreement. Expenditures decreased by \$11.4 million primarily due to lower medical claims than anticipated.

**Building Inspection Fund**

Expenditures decreased by \$2.3 million mainly due to delays in the Integrated Land Management System (ILMS) replacement project. Operating Transfers Out increased by \$5.9 million for pre-payment of Debt Services.

**Contractor Responsibility Fund**

Expenditures increased by \$400,000 due to prior year payment for Care Houston Program in the Health Special Revenue Fund.

**Health Special Revenue Fund**

Revenues increased by \$400,000 due to prior year revenue from the Contractor Responsibility Fund for Care Houston Program.

**Essential Public Health Service Fund**

Expenditures increased by \$366,000 mainly due to purchase of non-capital computer equipment and supplies.

**Historic Preservation Fund**

Expenditures decreased by \$293,000 primarily due to delays in planned projects.

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

Sincerely,



Kelly Dowe  
Director