



CITY OF HOUSTON

Finance Department

Annise D. Parker

Mayor

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To: Mayor Annise D. Parker
City Council Members

Date: January 30, 2015

Subject: 6+6 Financial Report

Attached is the 6+6 Financial Report for the period ending December 31, 2014. Fiscal Year 2015 projections are based on six months of actual results and six months of projections.

General Fund

We are currently projecting ending fund balance of \$196.7 million, which is \$19.1 million higher than last month and 9.9% of expenditures less debt service.

The projection for Revenues and Other Sources increased by \$8.5 million from last month due to the following forecast changes:

- Property Tax increased by \$4.8 million due to higher taxable value than anticipated,
- Charges for Services increased by \$1.7 million mainly due to Platting Fees being higher than anticipated,
- Licenses and Permits increased by \$595,000 mainly due to code amendment on Chapter 46 (Vehicles for Hire) resulting in higher permitting activities,
- Miscellaneous/Other revenue increased by \$615,000 mainly due to higher than anticipated in recoveries and refunds for Standby Fees,
- Sale of Capital Assets increased by \$928,000 due to increased land sales.

The projection for Expenditures and Other Uses decreased by \$10.6 million from last month mainly due to the following:

- \$8.1 million decrease in various departments due to personnel savings initiatives such as delays in hiring and positions eliminated,
- \$5.7 million decrease in various departments due to lower health benefits costs,
- \$461,000 increase in Administration and Regulatory Affairs for costs associated with Chapter 46 (Vehicles for Hire) Ordinance 2014-754,

- \$346,000 increase in Solid Waste Management for increased personnel,
- \$300,000 increase in General Services for a citywide space utilization study,
- \$2.2 million increase in General Government to reflect potential additional funding for the Houston Forensic Services Local Government Corporation,
- Budget transfer from Debt Services to General Government in the amount of \$8.4 million to reflect higher captured revenue transfer to Dedicated Drainage and Street Renewal Fund as a result of debt refunding savings as well as a higher taxable value than anticipated.

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:

Combined Utility System

Operating Revenues decreased by \$15.3 million due to decreased water consumption. Operating Expenditures decreased by \$5.1 million due to delays in filling vacant positions, lower chemical costs, and lower than anticipated project costs.

Non-Operating Revenues increased by \$10.2 million to reflect land sales and higher Impact Fee Revenues as a result of continuing robust development.

Convention & Entertainment

Non-Operating Revenues increased by \$1.2 million due to the sale of Houston Center for the Arts.

Dedicated Drainage & Street Renewal Fund

Revenues increased by \$8.8 million mainly due to higher captured revenue transfer from General Fund. Expenditures decreased by \$1.1 million mainly due to delays in filling vacant positions.

Health Benefits Fund

Revenues decreased by \$9.4 million to reflect refunds of health benefits contributions as a result of lower projected claims. This is in compliance with Governmental Accounting Standards Board (GASB) guidance.

Building Inspection Fund

Revenues increased by \$7.1 million primarily due to increased permit activity. Expenditures decreased by \$498,000 primarily due to delays in filling vacant positions.

Forensic Transition Special Fund

Revenues and Expenditures decreased by \$1 million due to personnel savings.

Parks Special Revenue Fund

Expenditures increased by \$817,000 due to increase in land and ground maintenance to reflect the agreement for Cooperative Purchasing with Harris County Department of Education (Ordinance # 2014-1140).

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

Sincerely,



Kelly Dowe

Director