



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: December 5, 2014

**Subject: October 2014
Financial Report**

Attached is the Monthly Financial Report for the period ending October 31, 2014.

GENERAL FUND

The Controller's Office is projecting an ending fund balance of \$153.4 million for FY2015. This is \$24.2 million lower than the projection of the Finance Department. The difference is due to a \$24.2 million higher revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$4.4 million above the City's target of holding 7.5% of total expenditures, excluding debt service, in reserve.

We have increased our revenue projection \$4.3 million from last month's projection. Our projection for Industrial Assessments increased \$1.5 million for higher valuations in FY2014. We have also increased our projection for Sales Tax \$2.8 million, recognizing higher receipts in November, earned in September. Finally, we decreased our projection for Municipal Courts Fines and Forfeits \$682,000 for lower trends in Moving Violations.

The major differences are in five categories:

- (1) Industrial Assessments are \$1 million lower as Controller's Office is using a lower valuation and collection rate than Finance.
- (2) Sales Tax is \$11.6 million lower, as Controller's Office is using Dr. Gilmer's April 2014 growth estimate of 3.3%.
- (3) Other Franchise Fees are \$1.5 million lower, as Controller's Office is projecting lower Cable TV collections.
- (4) Charges for Services are \$7.1 million lower, primarily from lower Ambulance collections projections by Controller's.
- (5) Miscellaneous/Other is \$1.2 million lower, as Controller's Office is projecting lower one-time revenue receipts.

Expenditure projections were unchanged, although Parks increased \$550,000 for the After School Program, and Mayor's Office increased \$350,000 for Cultural Affairs, as General Government decreased the same amount. These are in line with the budget amendment.

Please remember that all FY2014 numbers are preliminary estimates and subject to change until the annual audit is completed and the Comprehensive Annual Financial Report is published.

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

ENTERPRISE FUNDS

In the Dedicated Drainage & Street Renewal Fund, our projection for expenditures increased \$31.3 million for transfer to Capital Projects, per the budget amendment.

We are currently projecting no changes in the Aviation Operating Fund, Convention & Entertainment Operating Fund, Combined Utility System Fund and Stormwater Funds.

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 October 31, 2014, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	2.41%
Combined Utility System	0.00%
Aviation	13.94%
Convention and Entertainment	18.98%

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: December 5, 2014

Subject: 4+8 Financial Report

Attached is the 4+8 Financial Report for the period ending October 31, 2014. Fiscal Year 2015 projections are based on four months of actual results and eight months of projections.

General Fund

We are currently projecting ending fund balance of \$177.5 million, which is \$2.3 million higher than last month and 8.9% of expenditures less debt service. This fund balance is based on the FY2014 unaudited preliminary ending fund balance.

The projection for Revenues and Other Sources increased by \$2.3 million from last month due to the following forecast changes:

- Industrial Assessment increased by \$1 million due to higher projected taxable valuations,
- Other Franchise increased by \$1.2 million mainly due to higher than anticipated Cable TV and Solid Waste Hauler Franchise Fees,
- Licenses and Permits increased by \$118,000 mainly due to Burglar Alarm Permits being higher than anticipated.

The projection for Expenditures and Other Uses is relatively unchanged from last month. It reflects budget transfers from General Government to the following:

- Mayor's Office in the amount of \$350,000 for Cultural Plan, funded by Hotel Occupancy Taxes,
- Parks and Recreation Department in the amount of \$550,000 for After School Program (Motion 2014-0587).

Enterprise, Special Revenue and Other Funds

We are projecting no change in Enterprise Funds, Special Revenue Funds and all other funds from the 3+9 Report, with the exception of the following:

Dedicated Drainage & Street Renewal Fund

Expenditures increased by \$31.3 million due to a funding transfer to Capital Projects required by Motion 2014-0604.

Forensic Transition Special Fund

Revenues and Expenditures decreased by \$1.2 million due to personnel savings.

Recycling Expansion Program Fund

Revenues decreased by \$337,000 due to lower than anticipated sales for recyclable material.

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

Sincerely,



Kelly Dowe

Director

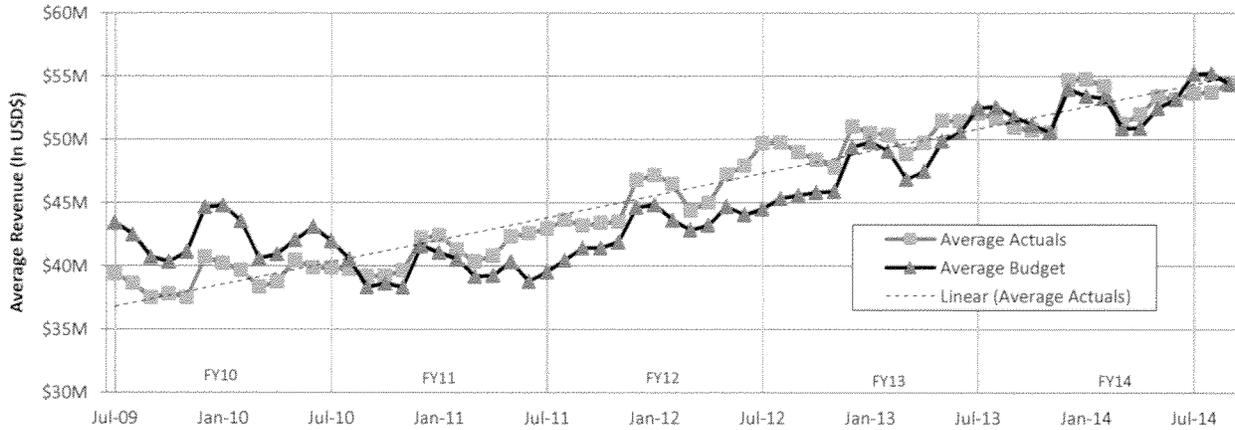




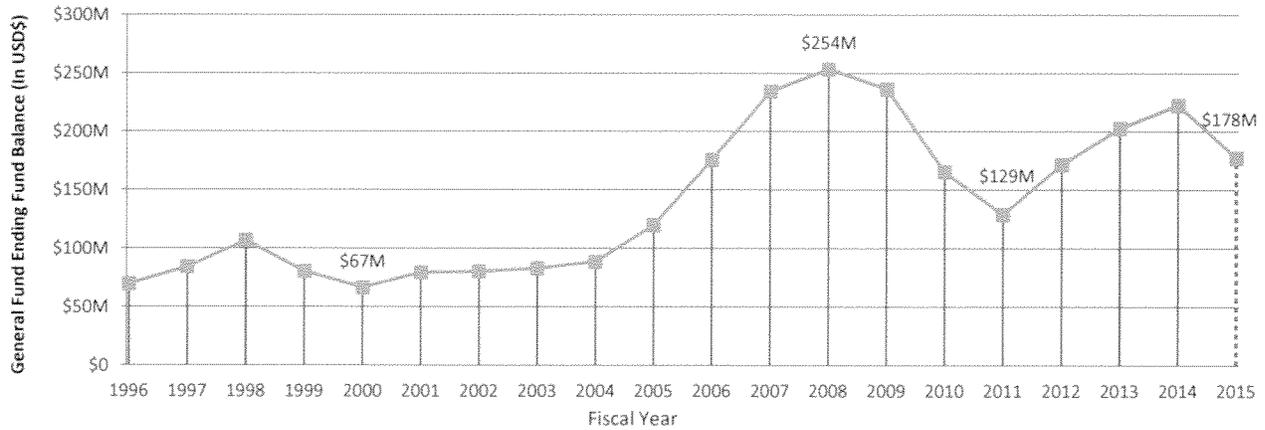
General Fund (Fund 1000)

Sales Tax Growth and Comparative Fund Balance

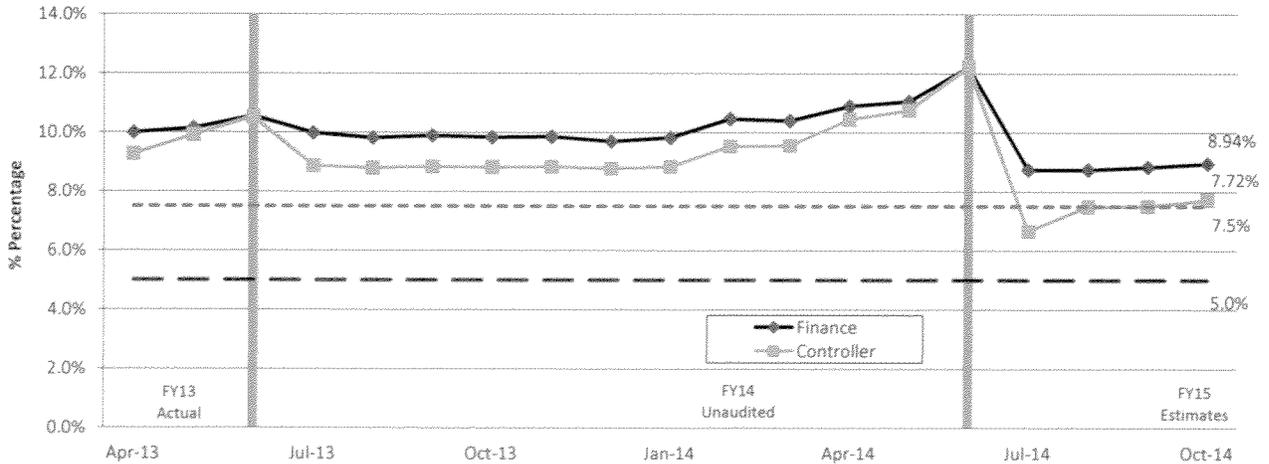
Sales Tax - Three-month Rolling Average



Historical Unassigned Ending Fund Balance



General Fund Comparative Fund Balance
Annual Projected Ending Fund Balance as % of Expenditures Less Debt*

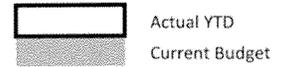


*The City desires to maintain an ending fund balance equal to 7.5% of expenditures before debt service. Ordinance 2003-474 requires a 5% fund balance of expenditures before debt service.



General Fund (Fund 1000)

For the period ended October 31, 2014
(amounts expressed in thousands)



	FY2015					Controller - Finance Variance	Controller - Finance
	Unaudited Preliminary FY2014	Current Budget	Controller's Projection	Finance Projection	Actual YTD		
Revenues							
General Property Taxes	976,240	1,067,338	1,067,338	1,067,338	11,802	-	
Industrial Assessments	16,534	15,000	15,000	16,000	105	(1,000)	
Sales Tax	629,441	666,968	655,379	666,968	213,496	(11,589)	
Other Taxes	14,056	14,168	13,400	14,168	3,702	(768)	
Electric Franchise	101,054	100,670	100,670	100,672	33,469	(2)	
Telephone Franchise	43,913	42,225	41,625	42,225	14,084	(600)	
Gas Franchise	16,493	14,538	14,538	14,538	4,846	-	
Other Franchise	28,529	27,665	27,325	28,832	9,268	(1,507)	
Licenses and Permits	35,757	34,504	34,354	34,822	10,919	(468)	
Intergovernmental	20,897	21,619	21,619	21,619	5,336	-	
Charges for Services	56,059	53,070	49,738	56,789	21,833	(7,051)	
Direct Interfund Services	43,257	48,453	48,453	48,453	15,266	-	
Indirect Interfund Services	18,558	23,725	23,725	23,725	6,196	-	
Municipal Courts Fines and Forfeits	30,493	31,308	29,318	28,840	8,137	478	
Other Fines and Forfeits	4,683	4,673	4,300	4,694	1,434	(394)	
Interest	2,407	2,401	2,300	2,401	673	(101)	
Miscellaneous/Other	15,432	9,170	8,000	9,177	622	(1,177)	
Total Revenues	2,053,803	2,177,495	2,157,082	2,181,261	361,188	(24,179)	
Expenditures							
Administration & Regulatory Affairs	25,069	29,593	29,593	29,593	15,918	-	
City Council	6,208	11,958	11,958	11,958	2,226	-	
City Secretary	755	905	905	905	283	-	
Controller	8,134	8,634	8,634	8,634	2,701	-	
Finance	16,388	19,399	19,399	19,399	5,634	-	
Fire	452,316	506,798	506,798	506,798	168,266	-	
General Services	49,874	41,130	41,130	41,130	11,428	-	
Health and Human Services	52,985	57,012	57,012	57,012	20,136	-	
Housing and Community Development	1,285	667	667	667	302	-	
Houston Emergency Center	12,171	12,386	12,386	12,386	6,193	-	
Human Resources	3,300	3,600	3,600	3,600	1,053	-	
Information Technology	23,696	24,040	24,040	24,040	7,204	-	
Legal	14,931	16,492	16,492	16,492	5,163	-	
Library	37,906	39,978	39,978	39,978	12,668	-	
Mayor's Office	7,073	8,042	8,042	8,042	3,542	-	
Municipal Courts	24,617	28,076	28,076	28,076	8,740	-	
Neighborhoods	11,154	12,210	12,210	12,210	3,637	-	
Office of Business Opportunity	2,550	2,870	2,913	2,913	908	-	
Parks and Recreation	65,876	70,176	70,176	70,176	22,485	-	
Planning and Development	7,505	8,406	8,406	8,406	2,414	-	
Police	723,066	758,826	758,826	758,826	245,596	-	
Public Works and Engineering	33,891	34,118	34,118	34,118	11,150	-	
Solid Waste Management	73,556	73,691	73,691	73,691	22,650	-	
Total Departmental Expenditures	1,654,306	1,769,007	1,769,050	1,769,050	580,298	-	
General Government	167,281	216,587	216,935	216,935	33,111	-	
Total Expenditures Other Than Debt	1,821,587	1,985,594	1,985,985	1,985,985	613,409	-	
Debt Service Transfer	243,813	273,000	273,000	273,000	-	-	
Total Expenditures and Other Uses	2,065,400	2,258,594	2,258,985	2,258,985	613,409	-	
Net Current Activity	(11,597)	(81,099)	(101,903)	(77,724)	(252,221)	(24,179)	
Other Financing Sources (Uses)							
Proceeds from Notes	-	-	-	-	-	-	
Transfers from Other Funds	26,639	30,139	30,139	30,139	13,120	(0)	
Sale of Capital Assets	1,017	2,500	2,500	2,500	1,332	-	
Total Other Financing Sources (Uses)	27,656	32,639	32,639	32,639	14,451	(0)	
Fund Balances							
Fund Balance - Beginning of Year	202,839	222,621	222,621	222,621	222,621	-	
Changes to Designated Fund Balance*	2,720	-	-	-	-	-	
Budgeted Increase/(Decrease) in Fund Balance	16,059	(48,460)	(48,460)	(48,460)	(237,770)	-	
Change in Inventory/Prepaid Items/Imprest Cash	1,003	-	-	-	-	-	
(Budgeted Gap)/Increase in Fund Balance**	-	-	(20,804)	3,375	-	(24,179)	
Fund Balance, End of Year***	222,621	174,161	153,357	177,536	(15,149)	(24,179)	

*The total designation for the Rainy Day Fund is currently \$20M.

**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 \$148,949 based on current projections. Ordinance 2003-474 requires a 5% fund balance of expenditures less Debt Service. The City will be \$4,408 above 7.5% based on the Controller's Projections for FY2015.

- Indicates projection exceeds 5% of SSM of budget expenditures or projected revenues are 5% or SSM less than current budget.



Fund Summary - Other Funds
 For the period ended October 31, 2014
 (amounts expressed in thousands)

	Beginning of Year Fund Balance	Revenues*				Controller's Projection	Finance Projection	Finance	Controller
		Unaudited Preliminary FY2014	FY2015 Current Budget	FY2015 Actual YTD					
Enterprise									
Aviation		460,824	482,694	168,532	486,711	486,711	✓	✓	
Convention and Entertainment Facilities		96,137	101,866	44,395	101,866	101,866	✓	✓	
Combined Utility System		1,002,674	1,027,796	354,101	1,027,796	1,027,796	✓	✓	
Dedicated Drainage & Street Renewal**	78,610	195,622	206,630	54,505	206,906	206,906	✓	✓	
Storm Water**	2,002	51,643	56,192	23,647	56,192	56,192	✓	✓	
Risk Management									
Health Benefits	30,063	339,764	343,826	116,154	346,939	346,939	✓	✓	
Long-Term Disability	1,458	1,320	1,332	448	1,332	1,332	✓	✓	
Property and Casualty	71	25,494	37,551	524	37,551	37,551	✓	✓	
Worker's Compensation	-	23,827	26,177	7,720	26,177	26,177	✓	✓	
Special Revenue									
Asset Forfeiture	6,709	8,875	7,799	2,782	7,799	7,799	✓	✓	
Auto Dealers	4,631	7,058	7,063	1,986	7,063	7,063	✓	✓	
BARC Special Revenue	1,278	8,922	11,608	10,696	11,609	11,609	✓	✓	
Bayou Greenway 2020	-	-	777	1,761	2,284	2,284	✓	✓	
Building Inspection	27,174	75,737	71,274	29,690	71,274	71,274	✓	✓	
Building (Court) Security	78	829	866	213	755	755	✓	✓	
Cable Television	537	4,289	4,254	10	4,254	4,254	✓	✓	
Child Safety	59	3,294	3,235	1,094	3,235	3,235	✓	✓	
Contractors Responsibility	2,045	390	422	204	422	422	✓	✓	
Digital Automated Red Light Enforcement	-	598	-	-	-	-	✓	✓	
Digital Houston	696	7	4	1	4	4	✓	✓	
Essential Public Health Services	7,567	12,056	14,299	7,379	14,336	14,336	✓	✓	
Forensic Transition Special	87	15,933	14,090	2,760	12,852	12,852	✓	✓	
Health Special Revenue	5,539	3,189	2,917	968	2,917	2,917	✓	✓	
Historic Preservation	1,020	348	228	115	228	228	✓	✓	
Houston Civic Events	-	-	2,025	1,657	2,048	2,048	✓	✓	
Houston Emergency Center	3,815	24,206	26,017	8,767	26,017	26,017	✓	✓	
Houston Transtar Center	2,414	2,437	2,268	559	2,268	2,268	✓	✓	
Juvenile Case Manager	1,766	1,340	1,356	410	1,356	1,356	✓	✓	
Laboratory Operations and Maintenance	310	461	399	171	429	429	✓	✓	
Maintenance Renewal & Replacement	-	-	14,271	-	14,271	14,271	✓	✓	
Parking Management	2,039	19,201	18,313	6,120	18,320	18,320	✓	✓	
Parks Golf	1,363	5,807	6,489	2,057	6,489	6,489	✓	✓	
Parks Special Revenue	6,843	2,354	1,945	820	1,945	1,945	✓	✓	
Police Special Services	5,985	11,068	11,342	1,832	11,342	11,342	✓	✓	
Recycling Expansion Program	2,506	1,172	2,037	345	1,700	1,700	✓	✓	
Special Waste	3,561	2,767	2,758	753	2,758	2,758	✓	✓	
Supplemental Environmental Protection	208	116	112	5	112	112	✓	✓	
Swimming Pool Safety	797	1,125	1,053	379	1,053	1,053	✓	✓	
Technology Fee	140	1,371	1,375	410	1,278	1,278	✓	✓	

* 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 October 31, 2014
 (amounts expressed in thousands)

	Expenditures*					Net Current Activity (Proj.)	End of Year Fund Balance (Proj.)	Finance	Controller
	Unaudited Preliminary FY2014	FY2015 Current Budget	FY2015 Actual YTD	Controller's Projection	Finance Projection				
Enterprise									
Aviation	462,729	482,694	120,043	486,711	486,711	-		✓	✓
Convention and Entertainment Facilities	95,407	101,538	39,142	101,538	101,538	328		✓	✓
Combined Utility System	973,115	1,026,506	216,320	1,022,848	1,022,848	4,948		✓	✓
Dedicated Drainage & Street Renewal**	210,813	221,883	43,065	252,473	252,473	(45,567)	33,043	✓	✓
Storm Water**	54,641	56,192	15,860	56,192	56,192	-	2,002	✓	✓
Risk Management									
Health Benefits	318,934	343,800	108,551	335,229	335,229	11,710	41,773	✓	✓
Long-Term Disability	306	1,551	453	1,551	1,551	(219)	1,239	✓	✓
Property and Casualty	25,500	37,551	10,266	37,551	37,551	-	71	✓	✓
Worker's Compensation	23,827	26,177	7,225	26,177	26,177	-	-	✓	✓
Special Revenue									
Asset Forfeiture	8,666	11,600	2,406	11,600	11,600	(3,801)	2,908	✓	✓
Auto Dealers	4,924	8,838	2,340	8,838	8,838	(1,775)	2,856	✓	✓
BARC Special Revenue	8,427	12,212	3,120	12,212	12,212	(603)	675	✓	✓
Bayou Greenway 2020	-	777	131	2,277	2,277	7	7	✓	✓
Building Inspection	66,730	77,011	18,913	75,438	75,438	(4,164)	23,010	✓	✓
Building (Court) Security	773	869	206	833	833	(78)	-	✓	✓
Cable Television	6,643	4,483	575	4,483	4,483	(229)	308	✓	✓
Child Safety	3,444	3,235	823	3,235	3,235	-	59	✓	✓
Contractors Responsibility	1,420	1,311	42	1,311	1,311	(889)	1,156	✓	✓
Digital Automated Red Light Enforcement	598	-	-	-	-	-	-	✓	✓
Digital Houston	503	607	126	607	607	(603)	93	✓	✓
Essential Public Health Services	7,054	17,458	3,767	17,458	17,458	(3,122)	4,445	✓	✓
Forensic Transition Special	15,933	14,090	4,163	12,852	12,852	-	87	✓	✓
Health Special Revenue	2,490	3,796	976	3,796	3,796	(879)	4,660	✓	✓
Historic Preservation	263	509	69	509	509	(281)	739	✓	✓
Houston Civic Events	-	2,025	600	2,025	2,025	-	23	✓	✓
Houston Emergency Center	23,792	26,017	8,069	26,017	26,017	-	3,815	✓	✓
Houston Transtar Center	2,309	2,915	691	2,915	2,915	(647)	1,767	✓	✓
Juvenile Case Manager	1,325	1,879	491	1,879	1,879	(523)	1,243	✓	✓
Laboratory Operations and Maintenance	477	579	124	579	579	(150)	160	✓	✓
Maintenance Renewal & Replacement	-	14,271	4,085	14,271	14,271	-	-	✓	✓
Parking Management	20,091	20,004	4,781	20,004	20,004	(1,684)	355	✓	✓
Parks Golf	5,528	6,460	1,867	6,460	6,460	29	1,392	✓	✓
Parks Special Revenue	1,420	2,343	466	2,343	2,343	(398)	6,445	✓	✓
Police Special Services	12,028	12,726	2,403	12,726	12,726	(1,384)	4,601	✓	✓
Recycling Expansion Program	357	2,598	33	3,176	3,176	(1,476)	1,030	✓	✓
Special Waste	2,538	5,139	1,408	5,139	5,139	(2,381)	1,180	✓	✓
Supplemental Environmental Protection	39	163	131	245	245	(133)	75	✓	✓
Swimming Pool Safety	789	1,159	320	1,159	1,159	(106)	691	✓	✓
Technology Fee	1,340	1,189	289	1,189	1,189	89	229	✓	✓

* 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 October 31, 2014
(amounts expressed in millions)

COMMERCIAL PAPER	Draws FY15	Draws Month	Refunded FY15	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	5.00	0.00	0.00	104.90	20.10
Series H-2	0.00	0.00	0.00	90.20	9.80
Series J	10.00	10.00	0.00	115.00	10.00
<i><u>Non-Voter Authorized</u></i>					
Series E1-Equipment & Capital	20.00	10.00	0.00	80.00	20.00
Series E2- Equipment & Capital	20.00	0.00	0.00	50.00	20.00
Series E2- Metro Street Projects	0.00	0.00	0.00	30.00	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	55.00	20.00	0.00	745.10	79.90
Combined Utility System					
Series B-1	0.00	0.00	0.00	100.00	0.00
Series B-2	0.00	0.00	0.00	75.00	0.00
Series B-3	0.00	0.00	0.00	75.00	0.00
Series B-4	0.00	0.00	0.00	100.00	0.00
Series B-5	0.00	0.00	0.00	250.00	0.00
Series B-6	0.00	0.00	0.00	100.00	0.00
Total Combined Utility System	0.00	0.00	0.00	700.00	0.00
Airport System					
Series A&B	18.30	0.00	0.00	130.50	19.50
Total Airport System	18.30	0.00	0.00	130.50	19.50
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	\$73.30	\$20.00	\$0.00	\$1,608.60	\$141.40

City of Houston, Texas
Total Outstanding Debt
For the period ended October 31, 2014
(amounts expressed in thousands)

	October 31, 2014	October 31, 2013
Payable from Ad Valorem Taxes		
Public Improvement Bonds ^(a)	2,619,645	2,561,515
Commercial Paper Notes ^(b)	79,900	201,600
Pension Obligations	601,430	607,775
Certificates of Obligations	18,660	20,870
Subtotal	3,319,635	3,391,760
Payable from Sources Other Than Ad Valorem Taxes		
Combined Utility System		
Combined Utility System Revenue Bonds	5,944,050	5,751,435
Combined Utility System Commercial Paper Notes ^(c)	0	0
Water and Sewer System Revenue Bonds ^(d)	150,501	285,706
Contract Revenue Obligations - CWA	98,900	112,320
Airport System		
Airport System Sr. Lien Bonds ^(e)	449,660	449,660
Airport System Subordinate Lien	1,711,170	1,766,285
Airport System Sr. Lien Commercial Paper Notes ^(f)	19,500	0
Airport System Inferior Lien Contracts ^(g)	17,760	23,075
Airport Special Facilities Revenue Bonds ^(h)	663,480	666,320
Hotel Occupancy Tax and Civic Parking		
Facilities Revenue Bonds ⁽ⁱ⁾	574,500	554,763
Hotel Occupancy Tax And Parking Revenue Commercial Paper ^(j)	42,000	42,000
Subtotal	9,671,521	9,651,564
Total Debt Payable by the City	\$12,991,156	\$13,043,324

(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 \$ 82 million accreted value of capital appreciation bonds at this date and \$74.7 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 \$17.8 million for Series 1997A Special Facilities Bonds. See footnote (g).

(i) Includes \$131 million accreted value of capital appreciation bonds at this date and \$117.6 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 October 31, 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	12,485	7,515	7,515
Total	\$ 776,000	\$ 776,000	\$ 767,485	\$ 8,515	\$ 8,515
November 2006 Election					
Streets, Bridges, Traffic Control	\$ 320,000	\$ 219,950	\$ 76,260	\$ 143,690	\$ 243,740
Parks and Recreation	55,000	55,000	55,000	0	0
Public Safety	135,000	135,000	106,055	28,945	28,945
Permanent and General Improvements ^(b)	60,000	60,000	53,750	6,250	6,250
Public Libraries	37,000	37,000	37,000	0	0
Low Income Housing	18,000	18,008	1,000	17,008	17,000
Total	\$ 625,000	\$ 524,958	\$ 329,065	\$ 195,893	\$ 295,935
November 2012 Election					
Streets, Bridges, Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	166,000	50,890	0	50,890	166,000
Public Safety	144,000	74,143	0	74,143	144,000
Permanent and General Improvements ^(b)	57,000	29,393	3,250	26,143	53,750
Public Libraries	28,000	13,545	1,350	12,195	26,650
Low Income Housing	15,000	2,000	0	2,000	15,000
Total	\$ 410,000	\$ 169,971	\$ 4,600	\$ 165,371	\$ 405,400
Combined Total (2001, 2006, 2012 Elections)	\$ 1,811,000	\$ 1,470,929	\$ 1,101,150	\$ 369,779	\$ 709,850

(a) As of October 31, 2014

(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.

Bayou Greenway 2020 Fund (2106)

The Bayou Greenway 2020 Fund is administered by the Houston Parks Department. This fund was created to manage the maintenance of the Bayou Greenways 2020 project based upon the Bayou Greenways 2020 initiative entered between the City of Houston and the Houston Parks Board, Inc. in December 2013.

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. In FY2015, the Digital Automated Red Light Enforcement Program (DARLEP) function will be reported in the General Fund (Fund 1000) therefore, closing out Fund 2212.

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 Civic Events Fund (2429)

The fund is administered by the Mayor's Office. This fund was created to promote consistent quality, family-oriented entertainment to Houston citizens and visitors. It is used to enhance the image of the City and highlight Houston's diverse culture. In addition to event production, the Mayor's Office of Special Events processes requests for special events, parade and street function permits, evaluates event co-sponsorship on city property, and provides production assistance for sponsored, co-sponsored, or fee-paid events.

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.

Maintenance Renewal and Replacement Fund (2105)

This fund is to provide funds needed to maintain and replace systems in buildings and assets as well as to protect the City of Houston's investments. This fund recognizes the shared responsibility of the City and its departments to maintain, upgrade, or replace building systems as they approach the end of their life cycle. This fund also addresses development and maintenance of the physical infrastructure of these facilities. This fund is administered, in partnership, by General Services and Houston Parks and Recreation departments.

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.

Storm Water Fund (2302)

This fund receives revenue from the Combined Utility System Fund and Dedicated Drainage and Street Renewal Fund. Funds are transferred to this fund to support storm water drainage operation and maintenance activities. The core purpose is to provide the best level of maintenance to the storm water infrastructure with the resources provided and to maintain flow of storm water free of debris and foreign objects that cause flooding.

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. 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.