



OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

CHRIS B. BROWN

To: Mayor Sylvester Turner
City Council Members

From: Chris B. Brown
City Controller

Date: February 26, 2016

Subject: January 2016
Financial Report

Attached is the Monthly Financial Report for the period ending January 31, 2016.

GENERAL FUND

The Controller's Office is projecting an ending fund balance of \$179.2 million for FY2016. This is \$12.8 million lower than the projection of the Finance Department. The difference is due to a \$12.8 million higher revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$27.0 million above the City's target of holding 7.5% of total expenditures, excluding debt service and Pay As You Go (PAYGO), in reserve.

We have decreased our revenue projection \$326,000 from our December projection. Our projection for Telephone Franchise Fees increased \$400,000 to recognize higher receipts than projected. Licenses and Permits was increased \$487,000 for higher Other Permits. We also decreased our projection for Charges for Services \$2.4 million to reflect the effect of Ordinance 2015-1319 which created the Planning and Development Special Revenue Fund. Finally, we increased our projection for Direct Interfund \$869,000 for higher Other Interfund Charges related to personnel cost chargebacks.

The major differences are in four categories:

- (1) Property tax is \$1.5 million lower, as Controller's Office is projecting lower collection rates.
- (2) Industrial Assessments is \$1.2 million lower, as Controller's Office is using a lower valuation and collection rate than Finance.
- (3) Sales Tax is \$7.1 million lower, as Controller's Office is projecting negative growth for FY2016. The December sales tax receipt was down 7.6% from the same month prior year amount. The last three months receipts are down 5.73%. Our projection remains at 5.56% down for the year.
- (4) Miscellaneous is \$2.9 million lower, as Controller's Office is projecting lower one-time revenue receipts.

Expenditure projections were decreased \$8.6 million from last month's report. Several department projections were increased to reflect the costs of the HOPE increases by \$3.9 million, which are netted against vacancy savings of \$5.8 million. General Government was decreased \$3.9 million, funding the increase in HOPE mentioned above. Our projection for Planning and Development was decreased \$2.4 million for costs moved to the Special Revenue Fund. Finally, Information Technology was decreased \$380,000 for savings in supplies and services.

ENTERPRISE FUNDS

We are currently projecting no material changes in the Aviation Operating Fund, Combined Utility System Fund, Convention & Entertainment Operating Fund, Dedicated Drainage & Street Renewal Fund and the Storm Water Fund this month.

**Mayor Sylvester Turner
City Council Members
January Monthly Financial Report**

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 January 31, 2016, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	5.47%
Combined Utility System	2.94%
Aviation	14.70%
Convention and Entertainment	11.98%

Respectfully submitted,



Chris B. Brown
City Controller



CITY OF HOUSTON

Finance Department

Sylvester Turner

Mayor

Finance Department
P.O. Box 1562
Houston, Texas 77251-1562

T. 832-393-9051
F. 832-393-9116
www.houstontx.gov

To: Mayor Sylvester Turner
City Council Members

Date: February 26, 2016

Subject: 7+5 Financial Report

Attached is the 7+5 Financial Report for the period ending January 31, 2016. Fiscal Year 2016 projections are based on seven months of actual results and five months of projections.

General Fund

We are currently projecting the ending fund balance of \$192 million, which is \$6.6 million lower than last month and 9.5% of expenditures less debt service and pay-as-you-go (PAYGO) transfers.

The projection for Revenues and Other Sources decreased by \$15.2 million from last month due to the following forecast changes:

- Sales Tax decreased by \$13.9 million to reflect lower sales tax trends due to the economic downturn. The sales tax receipts for December were \$5.7 million (7.8%) lower than the budget and \$5.5 million (7.6%) lower than the same period last year.
- Charges for Services decreased by \$2.2 million mainly in Platting Fees to reflect the newly created Planning Special Revenue Fund (Ordinance 2015-1319),
- Direct Interfund Services increased by \$869,000 for cost recovery from Planning and Development Special Revenue Fund.

The Projection for Expenditures and Other Uses decreased by \$8.6 million from last month mainly due to the following:

- \$5.8 million decrease in various departments to reflect personnel savings due to delayed hiring,
- \$2.4 million decrease in the Planning and Development Department to reflect the newly created Planning and Development Special Revenue Fund (Ordinance 2015-1319),
- Additionally, the projection also reflects HOPE adjustments in various departments in the amount of \$3.9 million. As a result, General Government decreased by the same amount.

Enterprise, Special Revenue and Other Funds

We are projecting no forecast changes in Enterprise Funds, Special Revenue Funds and other funds from the 6+6 Report, with the exception of the following:

Planning and Development Special Revenue Fund

Reflecting creation of the Planning and Development Special Revenue Fund (Ordinance 2015-1319). Revenues projection of \$4.2 million from development-related fees as stated in the ordinance. Expenditures projection of \$3.7 million for the operation, maintenance and support of Planning Department's development-related programs and functions.

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

Sincerely,



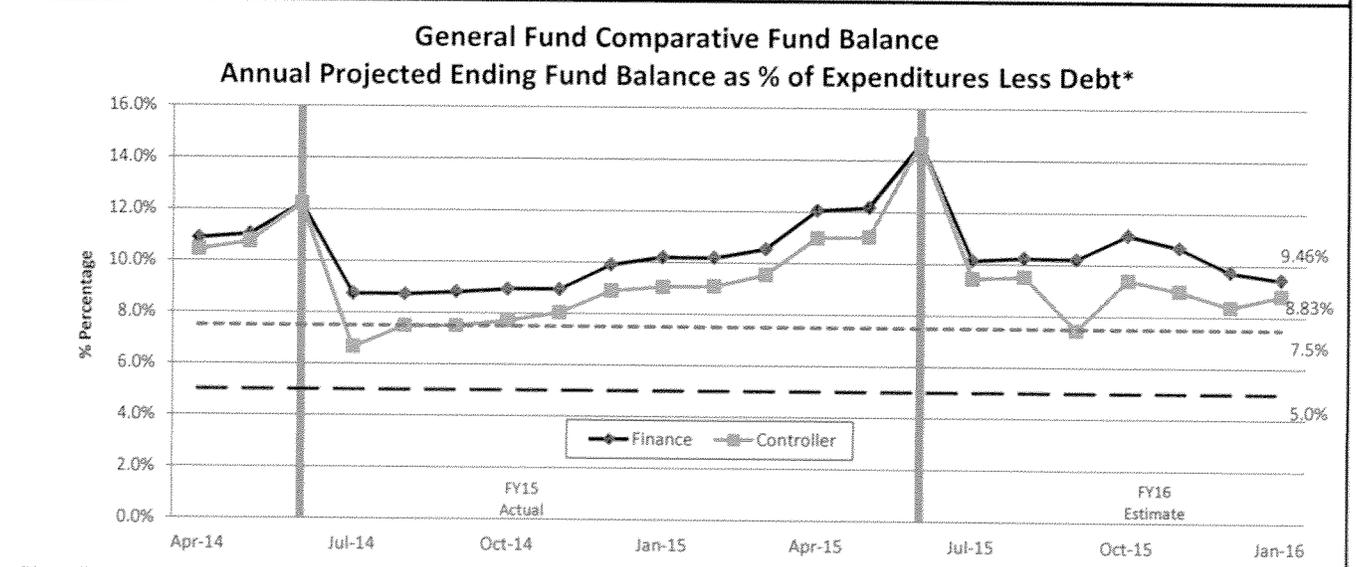
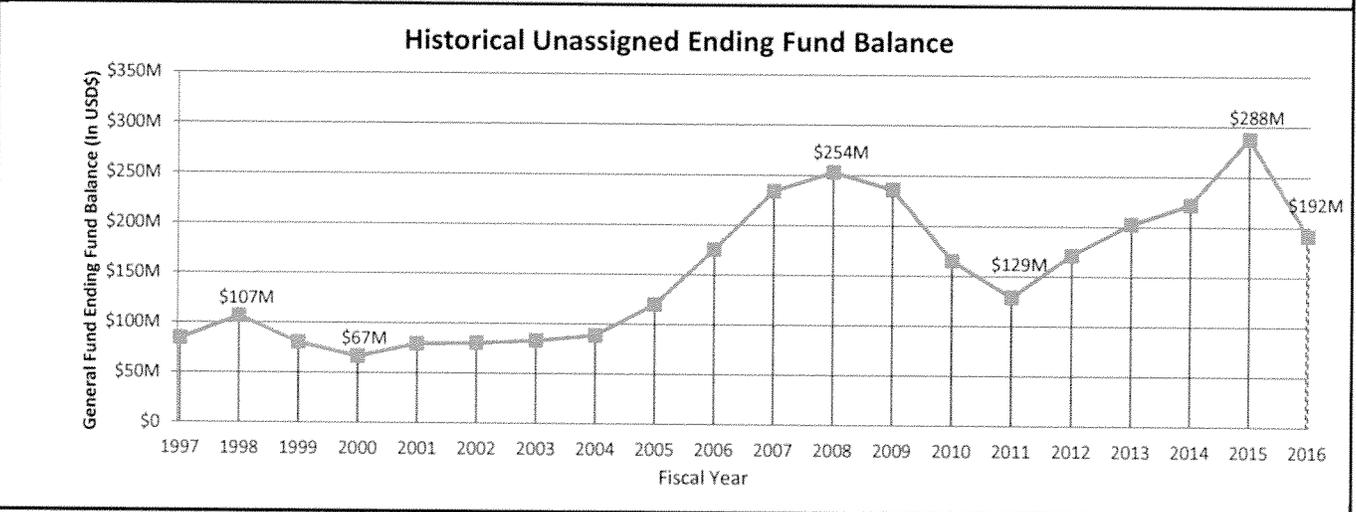
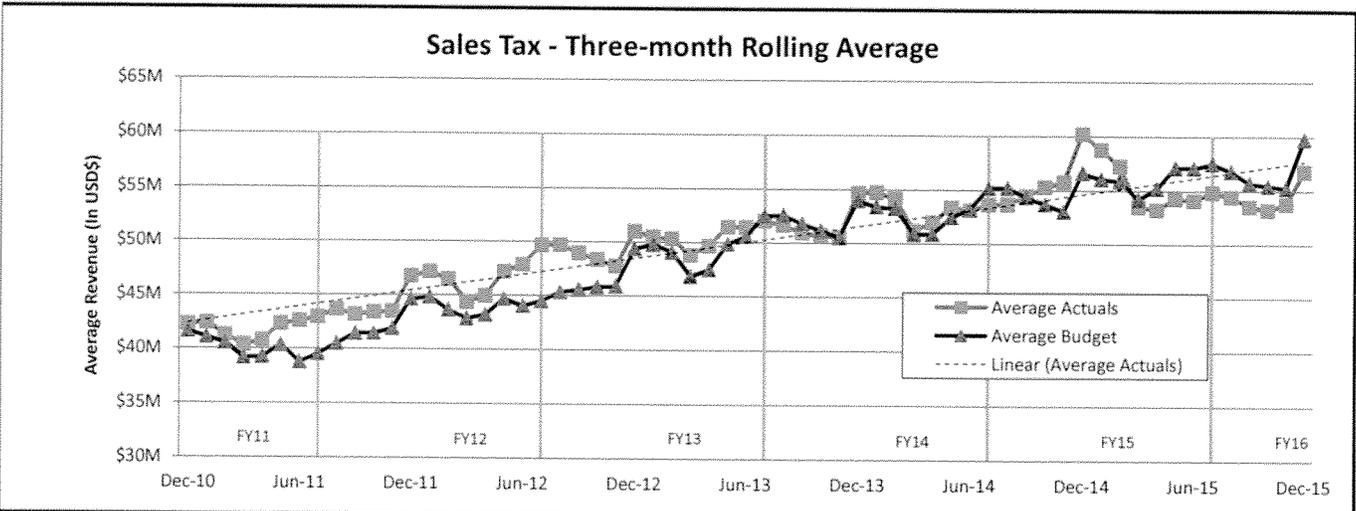
Kelly Dowe
Director





General Fund (Fund 1000)

Sales Tax Growth and Comparative Fund Balance



*According to the financial policies, Ordinance 2014-1078, the City is required to maintain an ending fund balance equal to 7.5% of expenditures before debt service and pay-as-you-go (PAYGO).



General Fund (Fund 1000)

For the period ended January 31, 2016
(amounts expressed in thousands)

Actual YTD
Current Budget

FY2016									
	FY2015 Actual	Adopted Budget	Current Budget	Controller's Projection	Finance Projection	Actual YTD	Controller - Finance Variance	Finance	Controller
Revenues									
General Property Taxes	1,074,435	1,114,029	1,114,029	1,100,270	1,101,801	661,152	(1,531)		
Industrial Assessments	16,736	18,200	18,200	17,000	18,200	395	(1,200)		
Sales Tax	667,061	688,837	688,837	629,200	636,300	385,005	(7,100)		
Other Taxes	15,992	16,679	16,679	16,193	16,679	7,698	(486)		
Electric Franchise	100,565	101,142	101,142	101,142	101,142	58,976	-		
Telephone Franchise	43,451	40,865	40,865	41,000	40,866	24,637	134		
Gas Franchise	14,538	14,840	14,840	14,840	14,840	8,656	-		
Other Franchise	31,283	30,945	30,945	30,465	31,032	18,381	(567)		
Licenses and Permits	37,999	37,870	37,870	38,149	37,885	21,695	264		
Intergovernmental	24,185	26,470	26,470	54,247	54,247	41,740	-		
Charges for Services	63,272	53,207	53,207	59,108	58,254	37,520	854		
Direct Interfund Services	47,851	50,705	50,705	51,574	51,574	30,027	-		
Indirect Interfund Services	25,328	26,750	26,750	26,750	26,750	13,950	-		
Municipal Courts Fines and Forfeits	25,447	28,698	28,698	22,411	22,813	12,855	(402)		
Other Fines and Forfeits	4,732	4,156	4,156	4,329	4,128	2,624	201		
Interest	3,040	3,000	3,000	3,600	3,600	1,361	-		
Miscellaneous/Other	17,217	12,757	12,757	22,670	25,598	18,288	(2,928)		
Total Revenues	2,213,132	2,269,150	2,269,150	2,232,948	2,245,709	1,344,960	(12,761)		
Expenditures									
Administration & Regulatory Affairs	28,891	29,526	29,442	29,264	29,264	20,048	-		
City Council	10,592	18,347	19,326	19,326	19,326	4,794	-		
City Secretary	805	889	897	817	817	409	-		
Controller	8,135	8,665	8,696	8,648	8,648	4,523	-		
Finance	18,359	20,525	20,171	19,699	19,699	11,168	-		
Fire	494,140	509,590	508,329	508,206	508,206	294,961	-		
General Services	41,817	41,246	41,216	40,972	40,972	19,908	-		
Houston Health Department	59,550	61,763	61,914	61,330	61,330	39,544	-		
Housing and Community Development	669	689	688	519	519	301	-		
Houston Emergency Center	12,518	12,364	12,364	10,364	10,364	9,273	-		
Human Resources	3,285	3,589	3,560	3,502	3,502	1,935	-		
Information Technology	22,554	24,164	24,241	23,217	23,217	13,033	-		
Legal	15,072	16,181	15,853	15,680	15,680	8,755	-		
Library	38,707	40,003	40,211	40,141	40,141	21,661	-		
Mayor's Office	7,600	8,124	8,048	8,048	8,048	5,473	-		
Municipal Courts	26,863	29,441	29,298	29,298	29,298	15,705	-		
Neighborhoods	12,018	12,238	12,244	12,123	12,123	6,963	-		
Office of Business Opportunity	2,743	2,932	2,917	2,883	2,883	1,702	-		
Parks and Recreation	68,621	70,676	71,579	70,287	70,287	39,051	-		
Planning and Development	7,708	8,464	6,015	6,015	6,015	4,509	-		
Police	741,252	806,992	807,678	802,426	802,426	469,837	-		
Public Works and Engineering	32,260	35,286	35,293	35,122	35,122	17,892	-		
Solid Waste Management	74,794	76,658	76,604	74,504	74,504	38,104	-		
Total Departmental Expenditures	1,728,953	1,838,351	1,836,584	1,822,391	1,822,391	1,049,549	-		
General Government	235,459	206,903	206,313	207,732	207,732	100,193	-		
Total Expenditures Other Than Debt	1,964,412	2,045,254	2,042,897	2,030,123	2,030,123	1,149,742	-		
Transfer to Special Revenues	-	27,771	27,771	27,771	27,771	-	-		
Captured Revenue Transfer to DDSRF	-	22,275	22,275	22,275	22,275	-	-		
Debt Service Transfer	264,500	295,954	295,954	295,954	295,954	-	-		
Total Expenditures and Other Uses	2,228,912	2,391,254	2,388,897	2,376,123	2,376,123	1,149,742	-		
Net Current Activity	(15,780)	(122,104)	(119,747)	(143,175)	(130,414)	195,218	(12,761)		
Other Financing Sources (Uses)									
Transfers from Other Funds	31,363	30,725	30,725	29,532	29,532	19,763	(0)		
Sale of Capital Assets	46,652	5,500	5,500	5,500	5,500	3,446	-		
Total Other Financing Sources (Uses)	78,015	36,225	36,225	35,032	35,032	23,210	(0)		
Fund Balances									
Fund Balance - Beginning of Year	222,621	287,843	287,843	287,843	287,843	287,843	-		
Changes to Designated Fund Balance*	-	(453)	(453)	(453)	(453)	-	-		
Budgeted Increase/(Decrease) in Fund Balance	62,235	(85,879)	(85,879)	(85,879)	(85,879)	218,428	-		
Change in Inventory/Prepaid Items/Imprest Cash	2,987	-	-	-	-	-	-		
(Budgeted Gap)/Increase in Fund Balance**	-	-	2,357	(22,264)	(9,503)	-	(12,761)		
Fund Balance, End of Year***	287,843	201,511	203,868	179,247	192,008	506,271	(12,761)		

*The total designation for the Budget Stabilization Fund is currently \$3.4M. The \$17M was transferred to the 2015 Flood Disaster Fund.

**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.

***According to the financial policies, Ordinance 2014-1078, the City is required to maintain an ending fund balance equal to 7.5% of expenditures less Debt Service and Pay-As-You-Go (PAYGO) which is \$152,259 based on current projections. The City will be \$26,988 above 7.5% based on the Controller's Projections for FY2016.

- 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 January 31, 2016
 (amounts expressed in thousands)

	Beginning of Year Fund Balance	Revenues*				Controller's Projection	Finance Projection	Finance	Controller
		FY2015 Actual	FY2016 Current Budget	FY2016 Actual YTD					
Enterprise									
Aviation		490,647	501,727	289,293	501,517	501,517	✓	✓	
Convention and Entertainment Facilities		105,561	106,147	63,580	99,968	99,968	✓	✓	
Combined Utility System		986,065	1,060,788	654,574	1,065,688	1,065,688	✓	✓	
Dedicated Drainage & Street Renewal**	27,672	216,228	224,055	108,237	224,280	224,280	✓	✓	
Storm Water**	2,000	49,926	57,084	24,428	57,084	57,084	✓	✓	
Risk Management									
Health Benefits	31,791	327,896	337,512	198,154	338,463	338,463	✓	✓	
Long-Term Disability	829	1,344	1,344	803	1,344	1,344	✓	✓	
Property and Casualty	75	29,449	35,743	4,425	35,397	35,397	✓	✓	
Worker's Compensation	-	21,251	23,903	11,896	23,571	23,571	✓	✓	
Special Revenue									
Asset Forfeiture	5,794	6,668	7,130	2,558	5,766	5,766	✓	✓	
Auto Dealers	3,340	6,701	6,997	3,706	6,647	6,647	✓	✓	
BARC Special Revenue	3,341	12,040	11,486	10,690	11,363	11,363	✓	✓	
Bayou Greenway 2020	406	864	950	492	950	950	✓	✓	
Building Inspection	41,023	83,398	73,783	51,120	84,749	84,749	✓	✓	
Building (Court) Security	3	679	743	405	679	679	✓	✓	
Cable Television	712	4,794	4,780	1,202	4,781	4,781	✓	✓	
Child Safety	3	3,280	3,220	1,974	3,344	3,344	✓	✓	
Contractors Responsibility	2,068	956	574	555	574	574	✓	✓	
Digital Houston	353	4	-	1	1	1	✓	✓	
Essential Public Health Services	12,514	17,614	19,473	17,601	19,855	19,855	✓	✓	
Forensic Transition Special	25	10,703	11,321	4,954	10,052	10,052	✓	✓	
Health Special Revenue	5,391	2,871	3,011	1,258	3,011	3,011	✓	✓	
Historic Preservation	1,701	972	929	261	929	929	✓	✓	
Houston Civic Events	4	2,158	2,932	2,316	2,967	2,967	✓	✓	
Houston Emergency Center	5,223	25,451	26,245	16,171	24,315	24,315	✓	✓	
Houston Transtar Center	2,100	2,406	2,091	1,108	2,000	2,000	✓	✓	
Juvenile Case Manager	1,561	1,269	1,436	675	1,269	1,269	✓	✓	
Laboratory Operations and Maintenance	531	483	539	295	539	539	✓	✓	
Maintenance Renewal & Replacement	648	14,289	16,431	16,450	16,443	16,443	✓	✓	
Parking Management	2,070	20,396	19,063	12,025	19,643	19,643	✓	✓	
Parks Golf	1,422	5,635	6,289	3,083	6,289	6,289	✓	✓	
Parks Special Revenue	6,561	2,184	2,038	1,091	2,038	2,038	✓	✓	
Planning & Development Special Revenue	-	-	4,283	-	4,283	4,283	✓	✓	
Police Special Services	6,765	10,213	9,982	4,089	9,982	9,982	✓	✓	
Recycling Expansion Program	2,129	2,230	2,577	329	2,577	2,577	✓	✓	
Special Waste	2,805	2,792	2,809	2,059	4,009	4,009	✓	✓	
Supplemental Environmental Protection	52	33	31	13	21	21	✓	✓	
Swimming Pool Safety	893	1,074	1,191	637	1,191	1,191	✓	✓	
Technology Fee	256	1,111	1,248	520	1,111	1,111	✓	✓	

* 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 January 31, 2016
 (amounts expressed in thousands)

	Expenditures*					Net Current Activity (Proj.)	End of Year Fund Balance (Proj.)	Finance	Controller
	FY2015 Actual	FY2016 Current Budget	FY2016 Actual YTD	Controller's Projection	Finance Projection				
Enterprise									
Aviation	490,609	501,727	246,244	501,517	501,517	-		✓	✓
Convention and Entertainment Facilities	104,929	105,746	63,245	99,567	99,567	401		✓	✓
Combined Utility System	959,481	1,098,368	567,179	1,084,018	1,084,018	(18,330)		✓	✓
Dedicated Drainage & Street Renewal**	257,934	234,656	101,759	234,656	234,656	(10,376)	17,296	✓	✓
Storm Water**	50,052	57,084	23,153	57,084	57,084	-	2,000	✓	✓
Risk Management									
Health Benefits	325,943	346,609	202,011	346,609	346,609	(8,146)	23,645	✓	✓
Long-Term Disability	1,973	1,666	740	1,666	1,666	(322)	507	✓	✓
Property and Casualty	29,446	35,743	7,147	35,397	35,397	-	75	✓	✓
Worker's Compensation	21,251	23,903	11,060	23,571	23,571	-	-	✓	✓
Special Revenue									
Asset Forfeiture	7,558	12,100	2,543	9,700	9,700	(3,934)	1,860	✓	✓
Auto Dealers	7,722	8,771	4,512	9,047	9,047	(2,400)	940	✓	✓
BARC Special Revenue	9,974	12,360	6,253	12,235	12,235	(872)	2,469	✓	✓
Bayou Greenway 2020	458	950	358	950	950	-	406	✓	✓
Building Inspection	69,546	91,128	36,348	88,085	88,085	(3,336)	37,687	✓	✓
Building (Court) Security	754	762	375	682	682	(3)	-	✓	✓
Cable Television	4,619	4,918	1,605	4,918	4,918	(137)	575	✓	✓
Child Safety	3,337	3,220	(897)	3,220	3,220	124	127	✓	✓
Contractors Responsibility	933	1,078	85	1,078	1,078	(504)	1,564	✓	✓
Digital Houston	347	335	188	335	335	(334)	19	✓	✓
Essential Public Health Services	12,661	21,398	8,070	21,398	21,398	(1,543)	10,971	✓	✓
Forensic Transition Special	10,703	11,321	5,694	10,052	10,052	-	25	✓	✓
Health Special Revenue	3,019	4,191	1,967	4,191	4,191	(1,180)	4,211	✓	✓
Historic Preservation	291	760	106	760	760	169	1,870	✓	✓
Houston Civic Events	2,154	2,932	1,555	2,967	2,967	-	4	✓	✓
Houston Emergency Center	24,035	26,245	14,358	26,245	26,245	(1,930)	3,293	✓	✓
Houston Transtar Center	2,720	3,107	1,116	3,107	3,107	(1,107)	993	✓	✓
Juvenile Case Manager	1,474	2,007	840	2,007	2,007	(738)	823	✓	✓
Laboratory Operations and Maintenance	262	711	322	711	711	(172)	359	✓	✓
Maintenance Renewal & Replacement	13,641	16,431	7,348	15,864	15,864	579	1,227	✓	✓
Parking Management	20,365	20,769	9,240	20,769	20,769	(1,126)	944	✓	✓
Parks Golf	5,577	6,290	3,496	6,290	6,290	(1)	1,421	✓	✓
Parks Special Revenue	2,465	2,422	717	2,422	2,422	(384)	6,177	✓	✓
Planning & Development Special Revenue	-	3,714	-	3,714	3,714	569	569	✓	✓
Police Special Services	9,360	11,558	4,247	11,558	11,558	(1,576)	5,189	✓	✓
Recycling Expansion Program	2,606	3,365	114	3,365	3,365	(788)	1,341	✓	✓
Special Waste	3,548	4,626	2,753	5,826	5,826	(1,817)	988	✓	✓
Supplemental Environmental Protection	189	61	10	61	61	(40)	12	✓	✓
Swimming Pool Safety	978	1,223	608	1,223	1,223	(32)	861	✓	✓
Technology Fee	995	992	211	992	992	119	375	✓	✓

* 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 5SM of budget expenditures

City of Houston, Texas
Commercial Paper Issued and Available
For the period ended January 31, 2016
(amounts expressed in millions)

COMMERCIAL PAPER	Draws FY16	Draws Month	Refunded FY16	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	0.00	0.00	0.00	94.90	30.10
Series H-2	20.00	10.00	0.00	70.20	29.80
Series J	0.00	0.00	0.00	115.00	10.00
<i><u>Non-Voter Authorized</u></i>					
Series E1-Equipment & Capital	10.00	0.00	0.00	33.00	67.00
Series E2- Equipment & Capital	5.00	0.00	0.00	30.00	40.00
Series E2- Metro Street Projects	0.00	0.00	0.00	30.00	0.00
Series K-1	0.00	0.00	0.00	150.00	0.00
Series K-2	0.00	0.00	0.00	100.00	0.00
Total General Obligation	35.00	10.00	0.00	698.10	176.90
Combined Utility System					
Series B-1	20.00	20.00	0.00	80.00	20.00
Series B-2	0.00	0.00	0.00	75.00	0.00
Series B-3	0.00	0.00	0.00	5.00	70.00
Series B-4	45.00	45.00	0.00	5.00	95.00
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	65.00	65.00	0.00	515.00	185.00
Airport System					
Series A&B	20.00	0.00	0.00	80.50	69.50
Total Airport System	20.00	0.00	0.00	80.50	69.50
Totals	\$120.00	\$75.00	\$0.00	\$1,293.60	\$431.40

City of Houston, Texas
Total Outstanding Debt
For the period ended January 31, 2016
(amounts expressed in thousands)

	January 31, 2016	January 31, 2015
Payable from Ad Valorem Taxes		
Public Improvement Bonds ^(a)	2,447,340	2,619,645
Commercial Paper Notes ^(b)	176,900	96,900
Pension Obligations	594,640	601,430
Certificates of Obligations	16,360	18,660
Subtotal	3,235,240	3,336,635
Payable from Sources Other Than Ad Valorem Taxes		
Combined Utility System		
Combined Utility System Revenue Bonds	5,853,740	5,956,560
Combined Utility System Commercial Paper Notes ^(c)	185,000	0
Water and Sewer System Revenue Bonds ^(d)	149,101	141,335
Contract Revenue Obligations - CWA	71,855	85,925
Combined Utility System Subordinate Lien	25,915	0
Airport System		
Airport System Sr. Lien Bonds ^(e)	440,385	449,660
Airport System Subordinate Lien	1,654,040	1,711,170
Airport System Sr. Lien Commercial Paper Notes ^(f)	69,500	34,500
Airport System Inferior Lien Contracts ^(g)	12,155	17,760
Airport Special Facilities Revenue Bonds ^(h)	808,685	659,125
Hotel Occupancy Tax and Civic Parking		
Facilities Revenue Bonds ⁽ⁱ⁾	625,971	577,952
Hotel Occupancy Tax And Parking Revenue Commercial Paper ^(j)	0	42,000
Subtotal	9,896,348	9,675,987
Total Debt Payable by the City	\$13,131,588	\$13,012,622

- (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: \$150 million and K2: \$100 million.
- (c) The City has authorized \$700 million in Combined Utility System Commercial Paper Notes.
- (d) Includes \$ 91.8 million accreted value of capital appreciation bonds at this date and \$84 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 and \$250 million of inferior lien appropriation facilities
- (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 \$145.1 million accreted value of capital appreciation bonds at this date and \$134.4 million last year.
- (j) The City authorized \$75 million of Subordinate Lien Hotel Occupancy Tax and Parking Revenue Commercial Paper in October 2013, currently there is no commercial paper outstanding

City of Houston, Texas
Voter-Authorized Obligations
For the period ended January 31, 2016
(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	\$ 471,300	\$ 2,700	\$ 2,700
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	10,985	9,015	9,015
Total	\$ 776,000	\$ 776,000	\$ 764,285	\$ 11,715	\$ 11,715
November 2006 Election					
Streets, Bridges, Traffic Control	\$ 320,000	\$ 219,950	\$ 75,215	\$ 144,735	\$ 244,785
Parks and Recreation	55,000	55,000	55,000	0	0
Public Safety	135,000	135,000	112,905	22,095	22,095
Permanent and General Improvements ^(b)	60,000	60,000	58,400	1,600	1,600
Public Libraries	37,000	37,000	37,000	0	0
Low Income Housing	18,000	18,008	3,500	14,508	14,500
Total	\$ 625,000	\$ 524,958	\$ 342,020	\$ 182,938	\$ 282,980
November 2012 Election					
Streets, Bridges, Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	166,000	91,726	8,000	83,726	158,000
Public Safety	144,000	107,023	1,900	105,123	142,100
Permanent and General Improvements ^(b)	57,000	38,600	6,750	31,850	50,250
Public Libraries	28,000	24,916	8,195	16,721	19,805
Low Income Housing	15,000	2,000	0	2,000	15,000
Total	\$ 410,000	\$ 264,265	\$ 24,845	\$ 239,420	\$ 385,155
Combined Total (2001, 2006, 2012 Elections)	\$ 1,811,000	\$ 1,565,223	\$ 1,131,150	\$ 434,073	\$ 679,850

(a) As of January 31, 2016

(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 five major entertainment centers and city-owned parking garages: Jesse H. Jones Hall, Bayou Place, Gus S. Wortham Center, George R. Brown Convention Center and Theater District 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.

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.

Planning & Development Special Revenue Fund (2308)

The fund is administered by the Planning and Development Department. This fund was established in December 2015 to support development-related services such as: subdivision plat review, permit review and one half of the lot size/minimum building line program.

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.