



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:** September 4, 2015

**Subject:** July 2015  
Financial Report

Attached is the Monthly Financial Report for the period ending July 31, 2015.

**GENERAL FUND**

The Controller's Office is projecting an ending fund balance of \$193.3 million for FY2016. This is \$14.6 million lower than the projection of the Finance Department. The difference is due to a \$14.6 million higher revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$39.9 million above the City's target of holding 7.5% of total expenditures, excluding debt service and Pay As You Go (PAYGO), in reserve. Please remember the FY2015 Ending Fund Balance as shown does not reflect several year-end expenditure accruals. The FY2015 numbers are draft until completion of the year-end audit.

We have increased our revenue projection \$2.0 million from our April Trends Report projection. Property Tax increased \$15.9 million to reflect the revised Proposition 1 cap amount. This increased due to the recent disaster declaration in May. Our projection for Sales Tax decreased \$13.9 million to recognize lower recent receipts than expected. Current Period receipts were up only 0.89% from last year (most recent three-month average). The actual receipts three-month average is only up 1.6%. Due to the continued decrease in the price of oil, combined with the recent stock market losses and downturn in the economy, we are only projecting an increase of 0.89% for the year.

The major differences are in three categories:

- (1) Industrial Assessments is \$1.2 million lower, as Controller's Office is using a lower valuation and collection rate than Finance.
- (2) Sales Tax is \$7.2 million lower, as Controller's Office is projecting lower growth based on the most recent three months receipts.
- (3) Miscellaneous/Other is \$2.8 million lower, as Controller's Office is projecting lower one-time revenue receipts.

Expenditure projections are currently projected at budget.

**ENTERPRISE FUNDS**

We are currently projecting all Enterprise funds revenues and expenses at budget.

Mayor Annise D. Parker  
City Council Members  
July 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 July 31, 2015, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	4.58%
Combined Utility System	1.92%
Aviation	14.39%
Convention and Entertainment	11.69%

Respectfully submitted,



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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:** September 4, 2015

**Subject:** 1+11 Financial Report

Attached is the 1+11 Financial Report for the period ending July 31, 2015. Fiscal Year 2016 projections are based on one month of actual results and eleven months of projections.

**General Fund**

**Fiscal Year 2015**

The unaudited preliminary figures for FY2015 are shown for each fund. There may be additional adjustments made for both revenues and expenditures until the audit is finalized. The preliminary undesignated fund balance for the General Fund is \$291.1 million which is approximately \$39.1 million higher than the June MoFR projection. This is largely due to year-end savings in supplies and services in various departments. These preliminary numbers are subject to change until the annual audit is completed.

**Fiscal Year 2016**

We are currently projecting the ending fund balance of \$207.8 million, which is approximately 10.2% of estimated expenditures less debt service and pay-as-you-go (PAYGO) transfers.

Our projection for Revenues and Other Sources decreased by \$3 million from the Adopted Budget due to the following:

- Property Taxes increased by \$15.9 million due to the revised Proposition 1 cap reflecting the recent May disaster recovery cost estimates,
- Sales Tax decreased by \$9.8 million due lower prior year revenues,
- Municipal Courts Fines and Forfeits decreased by \$3 million due to prior year trends.

The projection for Expenditures and Other Uses are at budget. It reflects budget transfers from General Government to the Parks and Recreation Department of \$550,000 for the After School Program (Motion 2014-0587).

## Enterprise, Special Revenue and Other Funds

We are projecting Enterprise Funds, Special Revenue Funds and all other funds at budget.

## Houston Economy

**Energy** – After two months of relative stability, the average price per barrel of oil fell nearly 15% to \$50.9 for the month of July. This is the lowest since March 2015 when the average price was \$47.8 per barrel. Compared to July 2014 the average price per barrel is down 51%. Similarly, the oil rig count is down 58% compared to July 2014.

**Employment** – According to the Bureau of Labor Statistics, the total nonfarm employment in the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area stood at 2,987,000 in June 2015 up approximately 1.9% year-over-year. For the same period, the national job count increased by 2.1%. The Houston area has seen job increases since July 2010; however the rate of gain has slowed in 2015. The Houston area job market continues to feel the fall-out from the oil price decrease. Adding to the growing number of energy company layoffs, Houston based Conoco Phillips recently announced 10% reduction of its workforce with hundreds of those jobs in the Houston region. Experts predict more oil industry layoffs ahead.

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**Home Sales** – Despite falling oil prices and concern over growing energy industry layoffs, the Houston area housing market continues to be a bright spot in the economy as single-family home sales continue to soar. According to Houston Association of REALTORS, July single-family home sales totaled 8,147 units, the highest one-month volume ever compared to 7,769 a year earlier. The average price of a single-family home rose 6.3% year-over-year to \$293,790. For the second month in a row, home sales and prices surpassed last year's record breaking pace.

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

Sincerely,



Kelly Dowe

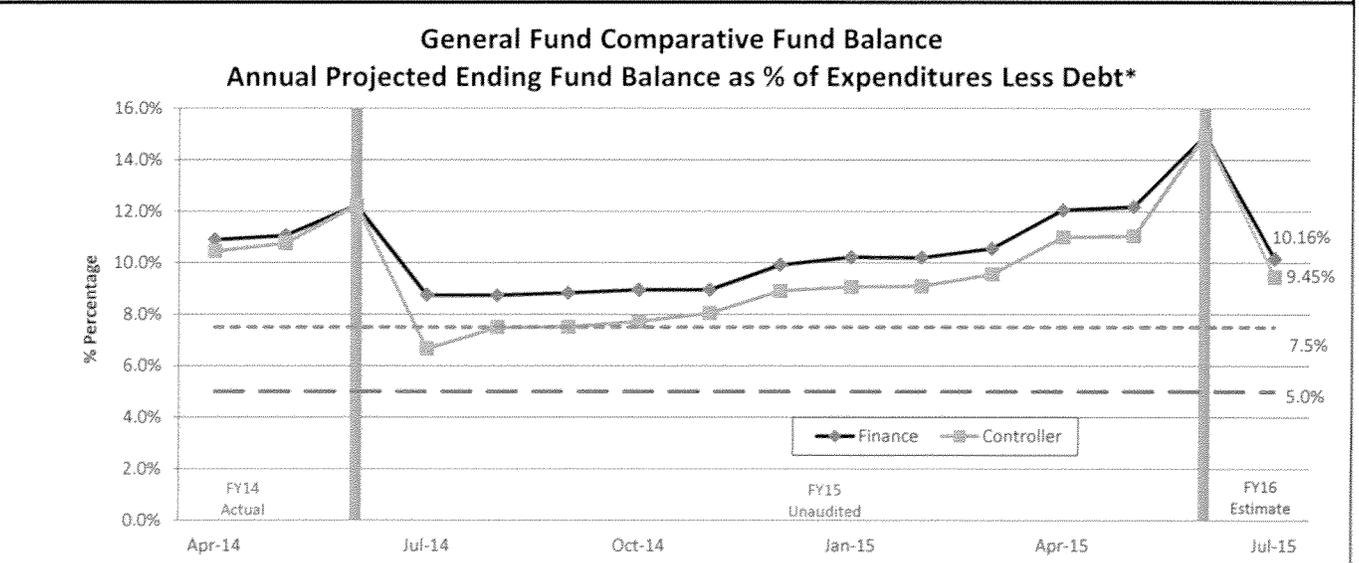
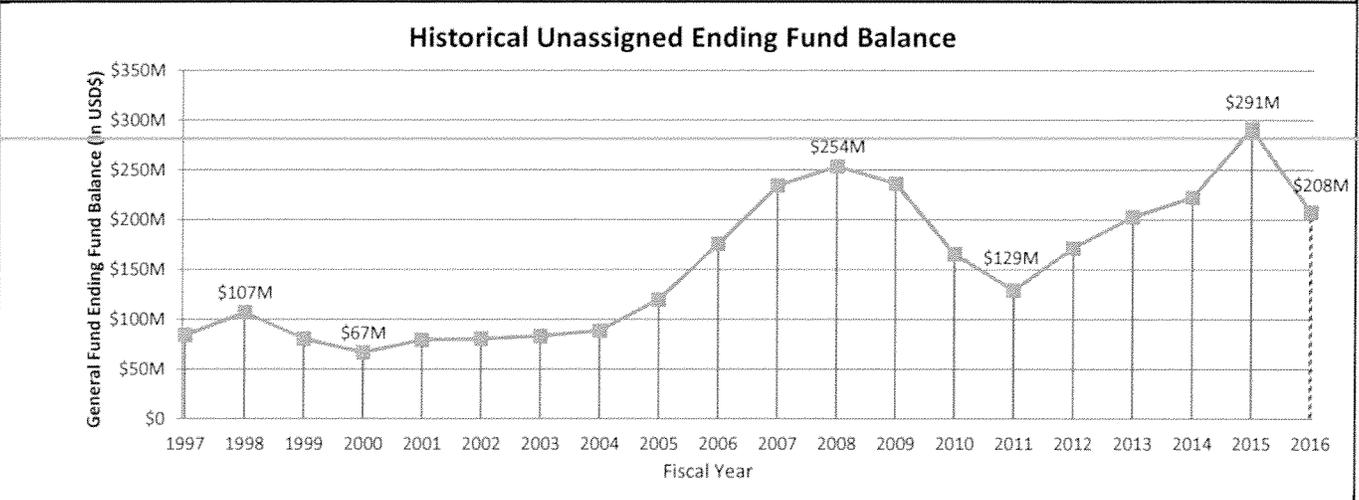
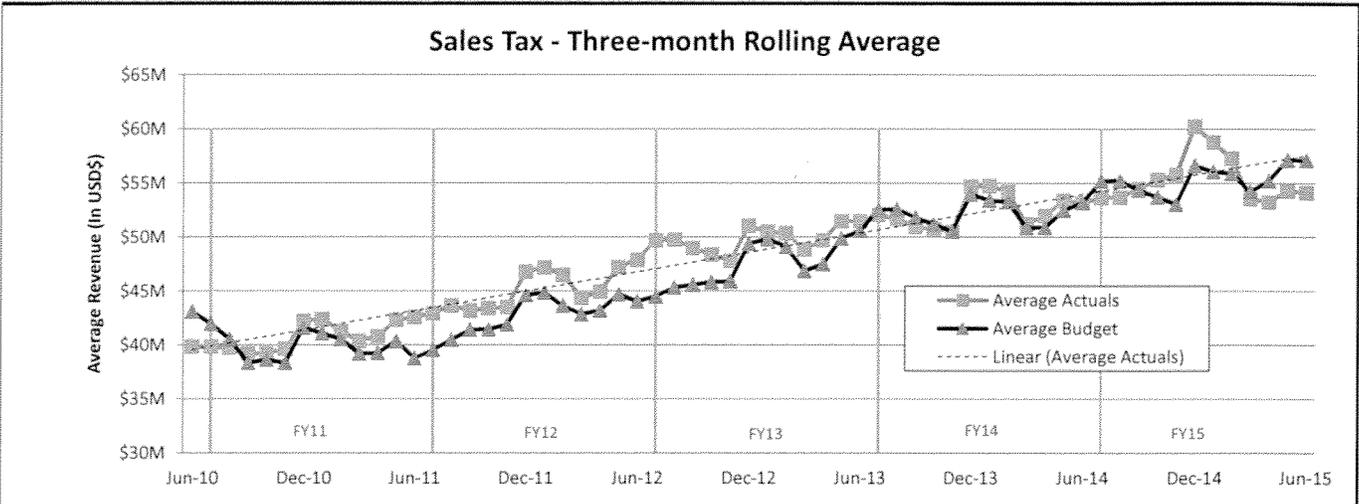
Director





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 July 31, 2015
(amounts expressed in thousands)

Actual YTD
Current Budget

Table with columns: Unaudited Preliminary FY2015, Current Budget, Controller's Projection, Finance Projection, Actual YTD, Controller - Finance Variance. Rows include Revenues (General Property Taxes, Industrial Assessments, etc.) and Expenditures (Administration & Regulatory Affairs, City Council, etc.).

\*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.
\*\*\*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 \$153,394 based on current projections.



**Fund Summary - Other Funds**  
 For the period ended July 31, 2015  
 (amounts expressed in thousands)

	Beginning of Year Fund Balance	Revenues*				Controller's Projection	Finance Projection	Finance	Controller
		Unaudited Preliminary FY2015	FY2016 Current Budget	FY2016 Actual YTD					
<b>Enterprise</b>									
Aviation		499,558	501,727	44,112	501,727	501,727	✓	✓	
Convention and Entertainment Facilities		109,952	106,147	17,973	106,147	106,147	✓	✓	
Combined Utility System		997,251	1,060,788	92,143	1,060,788	1,060,788	✓	✓	
Dedicated Drainage & Street Renewal**	49,865	203,140	224,055	9,912	224,055	224,055	✓	✓	
Storm Water**	2,087	49,261	57,084	2,446	57,084	57,084	✓	✓	
<b>Risk Management</b>									
Health Benefits	32,272	328,960	337,512	28,264	337,512	337,512	✓	✓	
Long-Term Disability	1,299	1,344	1,344	113	1,344	1,344	✓	✓	
Property and Casualty	78	29,427	35,743	294	35,743	35,743	✓	✓	
Worker's Compensation	-	22,434	23,903	2,011	23,903	23,903	✓	✓	
<b>Special Revenue</b>									
Asset Forfeiture	5,843	6,668	7,130	437	7,130	7,130	✓	✓	
Auto Dealers	3,342	6,701	6,997	537	6,997	6,997	✓	✓	
BARC Special Revenue	3,339	12,060	11,485	9,908	11,485	11,485	✓	✓	
Bayou Greenway 2020	406	864	950	86	950	950	✓	✓	
Building Inspection	41,382	83,377	73,783	8,458	73,783	73,783	✓	✓	
Building (Court) Security	(6)	670	743	57	743	743	✓	✓	
Cable Television	92	3,555	4,780	1	4,780	4,780	✓	✓	
Child Safety	1	3,279	3,220	298	3,220	3,220	✓	✓	
Contractors Responsibility	2,068	956	574	75	574	574	✓	✓	
Digital Automated Red Light Enforcement	-	598	-	-	-	-	✓	✓	
Digital Houston	354	4	-	-	-	-	✓	✓	
Essential Public Health Services	12,517	17,614	19,473	2,155	19,473	19,473	✓	✓	
Forensic Transition Special	175	10,853	11,321	-	11,321	11,321	✓	✓	
Health Special Revenue	5,369	2,846	3,011	154	3,011	3,011	✓	✓	
Historic Preservation	1,701	972	929	70	929	929	✓	✓	
Houston Civic Events	8	2,158	2,932	2	2,932	2,932	✓	✓	
Houston Emergency Center	5,276	25,451	26,245	1,382	26,245	26,245	✓	✓	
Houston Transtar Center	2,119	2,406	2,091	1	2,091	2,091	✓	✓	
Juvenile Case Manager	1,524	1,251	1,436	113	1,436	1,436	✓	✓	
Laboratory Operations and Maintenance	538	483	539	41	539	539	✓	✓	
Maintenance Renewal & Replacement	828	14,289	16,431	-	16,431	16,431	✓	✓	
Parking Management	3,893	20,245	19,063	1,327	19,063	19,063	✓	✓	
Parks Golf	1,419	5,635	6,289	486	6,289	6,289	✓	✓	
Parks Special Revenue	6,602	2,224	2,038	156	2,038	2,038	✓	✓	
Police Special Services	5,416	8,885	9,982	73	9,982	9,982	✓	✓	
Recycling Expansion Program	719	819	2,577	13	2,577	2,577	✓	✓	
Special Waste	2,804	2,792	2,809	206	2,809	2,809	✓	✓	
Supplemental Environmental Protection	74	33	31	-	31	31	✓	✓	
Swimming Pool Safety	895	1,074	1,191	115	1,191	1,191	✓	✓	
Technology Fee	244	1,099	1,248	76	1,248	1,248	✓	✓	

\* 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 July 31, 2015  
 (amounts expressed in thousands)

	Expenditures*					Net Current Activity (Proj.)	End of Year Fund Balance (Proj.)	Finance	Controller
	Unaudited Preliminary FY2015	FY2016 Current Budget	FY2016 Actual YTD	Controller's Projection	Finance Projection				
<b>Enterprise</b>									
Aviation	384,999	501,727	40,346	501,727	501,727	-		✓	✓
Convention and Entertainment Facilities	86,500	105,746	17,965	105,746	105,746	401		✓	✓
Combined Utility System	959,777	1,098,368	98,560	1,098,368	1,098,368	(37,580)		✓	✓
Dedicated Drainage & Street Renewal**	222,653	234,656	17,168	234,656	234,656	(10,601)	39,264	✓	✓
Storm Water**	49,300	57,084	2,468	57,084	57,084	-	2,087	✓	✓
<b>Risk Management</b>									
Health Benefits	326,777	346,609	29,100	346,609	346,609	(9,097)	23,175	✓	✓
Long-Term Disability	1,503	1,666	115	1,666	1,666	(322)	977	✓	✓
Property and Casualty	29,421	35,743	1,156	35,743	35,743	-	78	✓	✓
Worker's Compensation	22,434	23,903	1,827	23,903	23,903	-	-	✓	✓
<b>Special Revenue</b>									
Asset Forfeiture	7,509	12,100	354	12,100	12,100	(4,970)	873	✓	✓
Auto Dealers	6,176	8,771	627	8,771	8,771	(1,774)	1,568	✓	✓
BARC Special Revenue	9,976	12,360	759	12,360	12,360	(875)	2,464	✓	✓
Bayou Greenway 2020	458	950	33	950	950	-	406	✓	✓
<del>Building Inspection</del>	<del>69,166</del>	<del>91,128</del>	<del>4,948</del>	<del>91,128</del>	<del>91,128</del>	<del>(17,345)</del>	<del>24,037</del>	<del>✓</del>	<del>✓</del>
Building (Court) Security	754	762	-	762	762	(19)	(25)	✓	✓
Cable Television	4,000	4,918	139	4,918	4,918	(138)	(46)	✓	✓
Child Safety	3,337	3,220	(897)	3,220	3,220	-	1	✓	✓
Contractors Responsibility	933	1,078	12	1,078	1,078	(504)	1,564	✓	✓
Digital Automated Red Light Enforcement	598	-	-	-	-	-	-	✓	✓
Digital Houston	346	335	28	335	335	(335)	20	✓	✓
Essential Public Health Services	12,664	21,398	896	21,398	21,398	(1,925)	10,592	✓	✓
Forensic Transition Special	10,703	11,321	1,088	11,321	11,321	-	175	✓	✓
Health Special Revenue	3,016	4,191	241	4,191	4,191	(1,180)	4,189	✓	✓
Historic Preservation	291	760	5	760	760	169	1,870	✓	✓
Houston Civic Events	2,150	2,932	202	2,932	2,932	-	8	✓	✓
Houston Emergency Center	23,982	26,245	1,782	26,245	26,245	-	5,276	✓	✓
Houston Transtar Center	2,701	3,107	105	3,107	3,107	(1,016)	1,103	✓	✓
Juvenile Case Manager	1,493	2,007	127	2,007	2,007	(571)	953	✓	✓
Laboratory Operations and Maintenance	255	711	56	711	711	(172)	366	✓	✓
Maintenance Renewal & Replacement	13,461	16,431	(217)	16,431	16,431	-	828	✓	✓
Parking Management	18,391	20,934	235	20,934	20,934	(1,871)	2,022	✓	✓
Parks Golf	5,579	6,290	375	6,290	6,290	(1)	1,418	✓	✓
Parks Special Revenue	2,465	2,422	82	2,422	2,422	(384)	6,218	✓	✓
Police Special Services	9,381	11,558	265	11,558	11,558	(1,576)	3,840	✓	✓
Recycling Expansion Program	2,606	3,365	14	3,365	3,365	(788)	(69)	✓	✓
Special Waste	3,549	4,626	229	4,626	4,626	(1,817)	987	✓	✓
Supplemental Environmental Protection	167	61	(1)	61	61	(30)	44	✓	✓
Swimming Pool Safety	976	1,223	93	1,223	1,223	(32)	863	✓	✓
Technology Fee	995	992	-	992	992	256	500	✓	✓

\* 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 July 31, 2015**  
**(amounts expressed in millions)**

COMMERCIAL PAPER	Draws FY16	Draws Month	Refunded FY16	Amount Available to be Drawn	Amount Outstanding
<b>General Obligation</b>					
<i><u>Voter Authorized 2001 &amp; 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	0.00	0.00	0.00	90.20	9.80
Series J	0.00	0.00	0.00	115.00	10.00
<i><u>Non-Voter Authorized</u></i>					
Series E1-Equipment & Capital	5.00	5.00	0.00	38.00	62.00
Series E2- Equipment & Capital	0.00	0.00	0.00	35.00	35.00
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
<b>Total General Obligation</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>	<b>728.10</b>	<b>146.90</b>
<b>Combined Utility System</b>					
Series B-1	0.00	0.00	0.00	100.00	0.00
Series B-2	0.00	0.00	0.00	150.00	0.00
Series B-3	0.00	0.00	0.00	5.00	70.00
Series B-4	0.00	0.00	0.00	50.00	50.00
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
<b>Total Combined Utility System</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>655.00</b>	<b>120.00</b>
<b>Airport System</b>					
Series A&B	10.00	10.00	0.00	90.50	59.50
<b>Total Airport System</b>	<b>10.00</b>	<b>10.00</b>	<b>0.00</b>	<b>90.50</b>	<b>59.50</b>
<b>Totals</b>	<b>\$15.00</b>	<b>\$15.00</b>	<b>\$0.00</b>	<b>\$1,473.60</b>	<b>\$326.40</b>

**City of Houston, Texas**  
**Total Outstanding Debt**  
**For the period ended July 31, 2015**  
**(amounts expressed in thousands)**

	July 31, 2015	July 31, 2014
<b>Payable from Ad Valorem Taxes</b>		
Public Improvement Bonds <sup>(a)</sup>	2,447,340	2,422,445
Commercial Paper Notes <sup>(b)</sup>	146,900	257,350
Pension Obligations	594,640	601,430
Certificates of Obligations	16,360	18,660
<b>Subtotal</b>	<b>3,205,240</b>	<b>3,299,885</b>
<b>Payable from Sources Other Than Ad Valorem Taxes</b>		
<b>Combined Utility System</b>		
Combined Utility System Revenue Bonds	5,908,360	5,944,050
Combined Utility System Commercial Paper Notes <sup>(c)</sup>	120,000	0
Water and Sewer System Revenue Bonds <sup>(d)</sup>	145,214	148,630
Contract Revenue Obligations - CWA	85,925	98,900
<b>Airport System</b>		
Airport System Sr. Lien Bonds <sup>(e)</sup>	440,385	449,660
Airport System Subordinate Lien	1,654,040	1,711,170
Airport System Sr. Lien Commercial Paper Notes <sup>(f)</sup>	59,500	4,500
Airport System Inferior Lien Contracts <sup>(g)</sup>	12,155	17,760
Airport Special Facilities Revenue Bonds <sup>(h)</sup>	813,845	662,500
<b>Hotel Occupancy Tax and Civic Parking</b>		
Facilities Revenue Bonds <sup>(i)</sup>	641,406	564,715
Hotel Occupancy Tax And Parking Revenue Commercial Paper <sup>(j)</sup>	0	42,000
<b>Subtotal</b>	<b>9,880,830</b>	<b>9,643,885</b>
<b>Total Debt Payable by the City</b>	<b>\$13,086,070</b>	<b>\$12,943,770</b>

(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 \$ 87.9 million accreted value of capital appreciation bonds at this date and \$80.2 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 \$136 million accreted value of capital appreciation bonds at this date and \$127.6 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 July 31, 2015**  
**(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 <sup>(a)</sup></u>	<u>Commercial Paper Notes Approved by City Council but Unissued</u>	<u>All Voter Authorized but Unissued</u>
<b>November 2001 Election</b>					
Streets, Bridges, Traffic Control	\$ 474,000	\$ 474,000	\$ 470,300	\$ 3,700	\$ 3,700
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 <sup>(b)</sup>	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
<b>Total</b>	<b>\$ 776,000</b>	<b>\$ 776,000</b>	<b>\$ 763,285</b>	<b>\$ 12,715</b>	<b>\$ 12,715</b>
<b>November 2006 Election</b>					
Streets, Bridges, Traffic Control	\$ 320,000	\$ 219,950	\$ 79,200	\$ 140,750	\$ 240,800
Parks and Recreation	55,000	55,000	55,000	0	0
Public Safety	135,000	135,000	109,115	25,885	25,885
Permanent and General Improvements <sup>(b)</sup>	60,000	60,000	55,950	4,050	4,050
Public Libraries	37,000	37,000	37,000	0	0
Low Income Housing	18,000	18,008	3,500	14,508	14,500
<b>Total</b>	<b>\$ 625,000</b>	<b>\$ 524,958</b>	<b>\$ 339,765</b>	<b>\$ 185,193</b>	<b>\$ 285,235</b>
<b>November 2012 Election</b>					
Streets, Bridges, Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	166,000	50,890	4,000	46,890	162,000
Public Safety	144,000	74,143	0	74,143	144,000
Permanent and General Improvements <sup>(b)</sup>	57,000	29,393	5,750	23,643	51,250
Public Libraries	28,000	13,545	3,350	10,195	24,650
Low Income Housing	15,000	2,000	0	2,000	15,000
<b>Total</b>	<b>\$ 410,000</b>	<b>\$ 169,971</b>	<b>\$ 13,100</b>	<b>\$ 156,871</b>	<b>\$ 396,900</b>
<b>Combined Total (2001, 2006, 2012 Elections)</b>	<b>\$ 1,811,000</b>	<b>\$ 1,470,929</b>	<b>\$ 1,116,150</b>	<b>\$ 354,779</b>	<b>\$ 694,850</b>

(a) As of July 31, 2015

(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, 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.

### **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 is 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.