



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: June 24, 2016

Subject: May 2016
Financial Report

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

GENERAL FUND

The Controller's Office is projecting an ending fund balance of \$198.5 million for FY2016. This is \$10.9 million lower than the projection of the Finance Department. The difference is due to a \$10.9 million higher revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$46.5 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 increased our revenue projection \$3.8 million from our April projection. Sales Tax was increased \$1.6 million due to the April receipt being higher than expected; our current projection is for FY2016 to end down 4.04% from FY2015. Intergovernmental was decreased \$389,000 for lower administration payments from the TIRZ. Charges for Services was increased \$392,000 for higher Ambulance receipts. Municipal Courts Fines & Forfeits was increased \$867,000 for higher than expected receipts. We decreased Miscellaneous/Other \$1.4 million for prior year expenditure adjustments and contributions from others. Finally, we increased Sale of Capital Assets \$2.5 million for sales of land.

The major differences are in five categories:

- (1) Industrial Assessments is \$2.0 million lower, as Controller's Office is using a lower valuation and collection rate than Finance.
- (2) Telephone Franchise is \$1.2 million lower, as Controller's Office is projecting continued decreases in the number of land lines in use.
- (3) Other Franchise is \$1.1 million lower, as Controller's Office is projecting lower Cable and Solid Waste Hauler receipts than Finance.
- (4) Charges for Services is \$1.6 million lower, as Controller's Office is projecting lower ambulance receipts.
- (5) Miscellaneous/Other is \$4.1 million lower, as the Finance Department is not projecting prior year adjustments at this time.

Expenditure projections were unchanged from last month's report.

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

General Obligation	2.98%
Combined Utility System	0.64%
Aviation	15.07%
Convention and Entertainment	11.89%

Respectfully submitted,



Chris B. Brown
City Controller



CITY OF HOUSTON

Finance Department

Sylvester Turner

Mayor

Finance Department
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To: Mayor Sylvester Turner
City Council Members

Date: June 24, 2016

Subject: 11+1 Financial Report

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

General Fund

We are currently projecting the ending fund balance of \$209.4 million, which is \$13 million higher than last month and 10.3% of expenditures less debt service and pay-as-you-go (PAYGO) transfers.

The projection for Revenues and Other Sources increased by \$13 million from last month due to the following forecast changes:

- Property Taxes increased by \$4.6 million due to lower TIRZ payment than anticipated,
- Sales Tax increased by \$2.9 million due to higher than anticipated receipts. The sales tax receipts for April were \$6.7 million (11.9%) lower than the budget and \$769,000 (1.5%) lower than the same period last year,
- Charges for Services increased by \$2.7 million mainly due to higher than anticipated Ambulance Fees,
- Sales of Capital Assets increased by \$2.5 million to reflect land sales,
- Municipal Courts Fines and Forfeits increased by \$1.4 million due to higher than anticipated receipts,
- Miscellaneous/Other revenue decreased by \$615,000 mainly to recognize an accounting adjustment for prior year expenditures,
- Intergovernmental decreased by \$389,000 in Tax Incremental Reinvestment Zones (TIRZ) administrative fees due to lower TIRZ taxable values.

The projection for Expenditures and Other Uses remained unchanged from last month.

Enterprise, Special Revenue and Other Funds

We are projecting no forecast changes in Enterprise Funds, Special Revenue Funds and other funds from the 10+2 Report.

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

Sincerely,



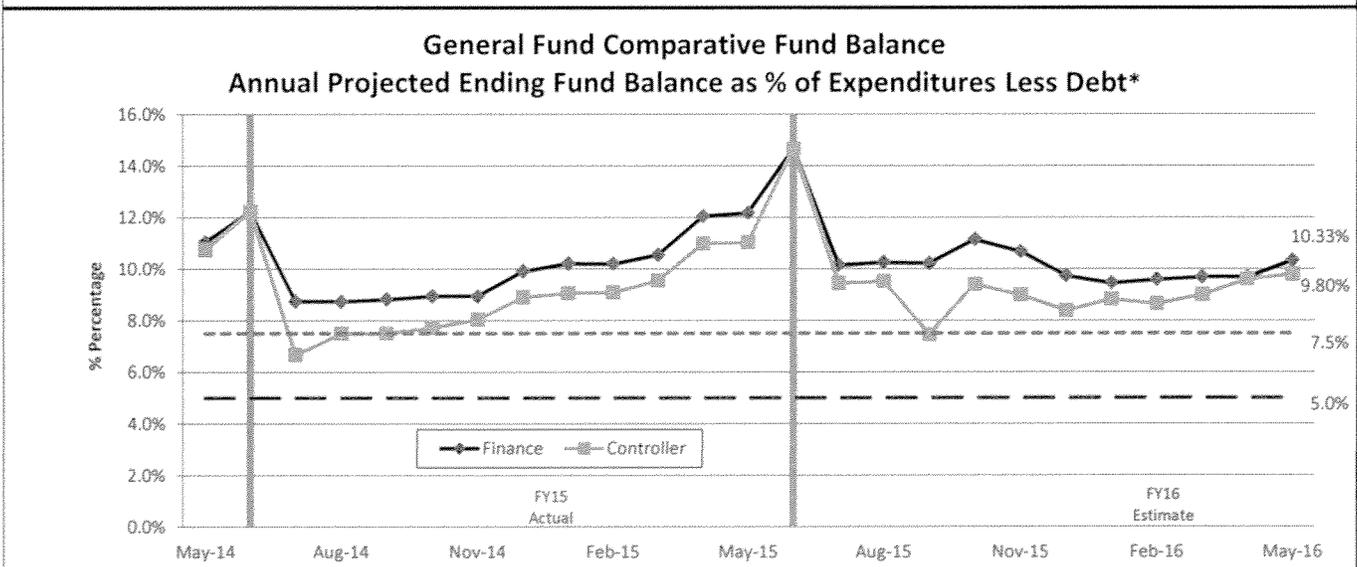
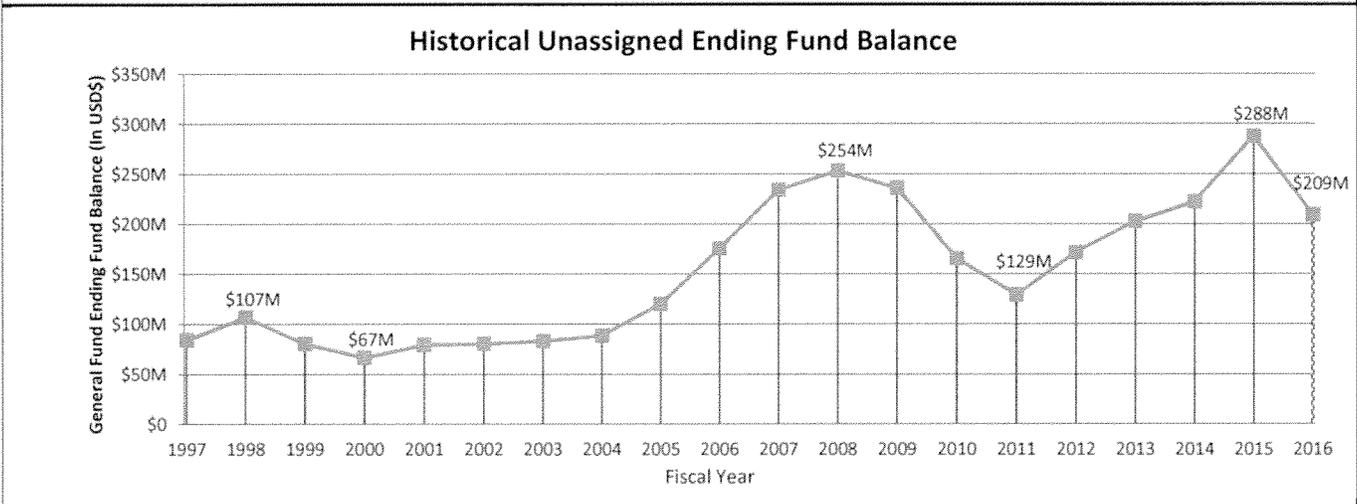
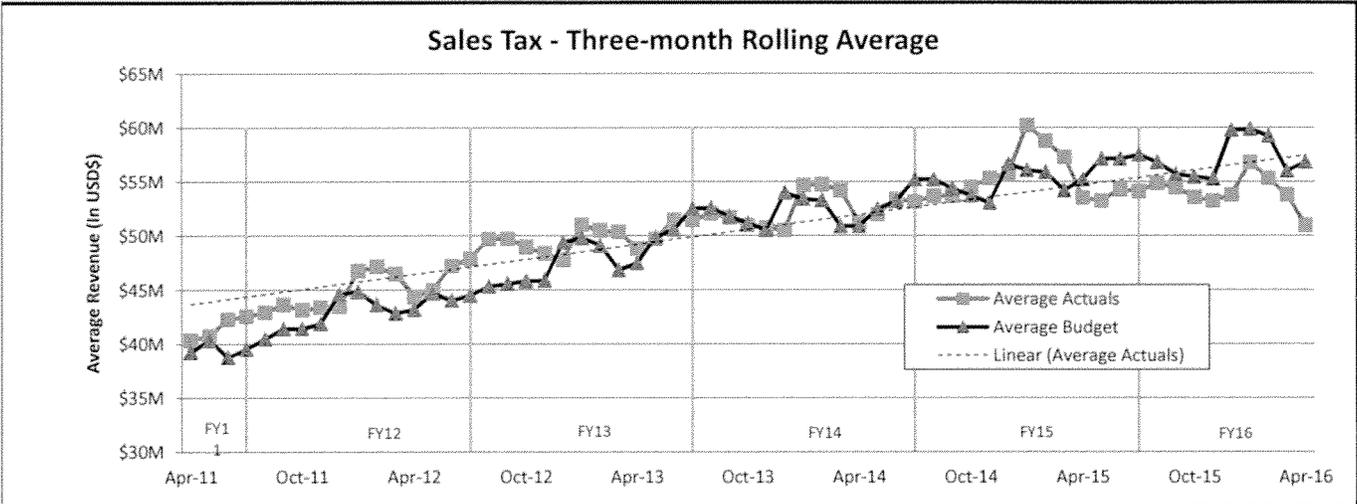
FOR
Kelly Dowe
Director





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 May 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		
Revenues									
General Property Taxes	1,074,435	1,114,029	1,114,029	1,098,217	1,097,310	1,092,876	907		✓
Industrial Assessments	16,736	18,200	18,200	17,000	18,993	10,322	(1,993)		✓
Sales Tax	667,061	688,837	688,837	639,008	639,249	579,272	(241)		✓
Other Taxes	15,992	16,679	16,679	16,201	16,616	12,034	(415)		✓
Electric Franchise	100,565	101,142	101,142	101,142	101,146	92,541	(4)		✓
Telephone Franchise	43,451	40,865	40,865	42,060	43,220	39,466	(1,160)		✓
Gas Franchise	14,538	14,840	14,840	14,840	14,840	13,603	-		✓
Other Franchise	31,283	30,945	30,945	32,086	33,156	29,598	(1,070)		✓
Licenses and Permits	37,999	37,870	37,870	38,557	39,325	35,848	(768)		✓
Intergovernmental	24,185	26,470	26,470	53,096	53,096	42,193	-		✓
Charges for Services	63,272	53,116	53,116	59,682	61,247	57,040	(1,565)		✓
Direct Interfund Services	47,851	50,797	50,797	53,642	53,642	48,699	-		✓
Indirect Interfund Services	25,328	26,750	26,750	26,790	26,790	21,649	-		✓
Municipal Courts Fines and Forfeits	25,447	28,698	28,698	23,776	24,162	22,217	(386)		✓
Other Fines and Forfeits	4,732	4,156	4,156	4,517	4,532	4,357	(15)		✓
Interest	3,040	3,000	3,000	3,600	3,600	3,346	-		✓
Miscellaneous/Other	17,217	12,757	12,757	21,670	25,812	20,317	(4,142)		✓
Total Revenues	2,213,132	2,269,151	2,269,151	2,245,884	2,256,736	2,125,378	(10,852)		✓
Expenditures									
Administration & Regulatory Affairs	28,891	29,526	29,496	29,496	29,496	26,840	-		✓
City Council	10,592	18,347	19,379	19,379	19,379	9,276	-		✓
City Secretary	805	889	879	800	800	629	-		✓
Controller	8,135	8,665	8,731	8,683	8,683	7,275	-		✓
Finance	18,359	20,525	20,254	19,783	19,783	16,530	-		✓
Fire	494,140	509,590	507,891	507,767	507,767	459,299	-		✓
General Services	41,817	41,246	41,383	41,222	41,222	31,483	-		✓
Houston Health Department	59,550	61,763	61,441	60,639	60,639	56,034	-		✓
Housing and Community Development	669	689	577	498	498	431	-		✓
Houston Emergency Center	12,518	12,364	10,495	10,495	10,495	10,364	-		✓
Human Resources	3,285	3,589	3,637	3,579	3,579	3,005	-		✓
Information Technology	22,554	24,164	24,594	23,950	23,950	19,921	-		✓
Legal	15,072	16,181	15,839	15,746	15,746	13,755	-		✓
Library	38,707	40,003	40,205	40,138	40,138	34,559	-		✓
Mayor's Office	7,600	8,124	8,164	8,164	8,164	7,429	-		✓
Municipal Courts	26,863	29,441	29,147	28,514	28,514	24,831	-		✓
Neighborhoods	12,018	12,238	12,264	12,264	12,264	10,838	-		✓
Office of Business Opportunity	2,743	2,932	2,947	2,913	2,913	2,596	-		✓
Parks and Recreation	68,621	70,676	71,297	71,297	71,297	61,431	-		✓
Planning and Development	7,708	8,464	6,118	6,118	6,118	5,526	-		✓
Police	741,252	806,992	801,946	800,946	800,946	724,636	-		✓
Public Works and Engineering	32,260	35,286	31,629	31,458	31,458	28,107	-		✓
Solid Waste Management	74,794	76,658	75,772	75,772	75,772	65,520	-		✓
Total Departmental Expenditures	1,728,953	1,838,351	1,824,085	1,819,621	1,819,621	1,620,315	-		✓
General Government	235,459	206,903	218,809	207,129	207,129	136,910	-		✓
Total Expenditures Other Than Debt	1,964,412	2,045,254	2,042,894	2,026,750	2,026,750	1,757,225	-		✓
Transfer to Special Revenues	-	27,771	27,758	27,771	27,771	-	-		✓
Captured Revenue Transfer to DDSRF	-	22,275	22,288	22,275	22,275	-	-		✓
Debt Service Transfer	264,500	295,954	295,954	295,954	295,954	295,954	-		✓
Total Expenditures and Other Uses	2,228,912	2,391,254	2,388,894	2,372,750	2,372,750	2,053,179	-		✓
Net Current Activity	(15,780)	(122,103)	(119,743)	(126,866)	(116,014)	72,199	(10,852)		✓
Other Financing Sources (Uses)									
Transfers from Other Funds	31,363	30,725	30,725	30,042	30,042	26,116	-		✓
Sale of Capital Assets	46,652	5,500	5,500	7,963	7,963	7,881	-		✓
Total Other Financing Sources (Uses)	78,015	36,225	36,225	38,004	38,004	33,998	-		✓
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	(85,878)	(85,878)	(85,878)	(85,878)	106,197	-		✓
Change in Inventory/Prepaid Items/Imprest Cash	2,987	-	-	-	-	-	-		✓
(Budgeted Gap)/Increase in Fund Balance**	-	-	2,360	(2,984)	7,868	-	(10,852)		✓
Fund Balance, End of Year***	287,843	201,512	203,872	198,528	209,380	394,040	(10,852)		✓

*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 \$152,006 based on current projections. The City will be \$46,522 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 May 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		490,648	495,284	451,611	495,284	495,284	✓	✓	
Convention and Entertainment Facilities		101,231	106,147	100,833	102,939	102,939	✓	✓	
Combined Utility System		986,065	1,060,788	988,103	1,070,067	1,070,067	✓	✓	
Dedicated Drainage & Street Renewal**	27,672	216,228	224,055	154,704	226,034	226,034	✓	✓	
Storm Water**	2,000	49,926	57,084	44,478	56,074	56,074	✓	✓	
Risk Management									
Health Benefits	31,791	327,896	337,512	311,579	339,928	339,928	✓	✓	
Long-Term Disability	829	1,344	1,344	1,267	1,381	1,381	✓	✓	
Property and Casualty	75	29,449	35,397	17,831	35,397	35,397	✓	✓	
Worker's Compensation	-	21,251	21,186	19,521	21,186	21,186	✓	✓	
Special Revenue									
Asset Forfeiture	5,794	6,668	7,130	3,460	3,603	3,603	✓	✓	
Auto Dealers	3,338	6,701	6,997	6,607	6,900	6,900	✓	✓	
BARC Special Revenue	3,341	12,040	11,486	11,377	11,494	11,494	✓	✓	
Bayou Greenway 2020	406	864	950	703	950	950	✓	✓	
Building Inspection	41,023	83,398	73,783	77,833	84,749	84,749	✓	✓	
Building (Court) Security	5	680	750	728	800	800	✓	✓	
Cable Television	712	4,794	4,780	3,654	5,113	5,113	✓	✓	
Child Safety	4	3,280	3,220	3,250	3,429	3,429	✓	✓	
Contractors Responsibility	2,068	956	574	1,001	1,003	1,003	✓	✓	
Digital Houston	353	4	1	2	2	2	✓	✓	
Essential Public Health Services	12,520	17,614	19,473	17,182	17,204	17,204	✓	✓	
Forensic Transition Special	25	10,703	11,321	7,030	9,839	9,839	✓	✓	
Health Special Revenue	5,391	2,871	3,011	2,281	3,134	3,134	✓	✓	
Historic Preservation	1,701	972	929	374	376	376	✓	✓	
Houston Civic Events	4	2,158	2,932	2,335	3,021	3,021	✓	✓	
Houston Emergency Center	5,221	25,451	26,245	21,483	25,964	25,964	✓	✓	
Houston Transtar Center	2,100	2,406	2,091	1,953	2,000	2,000	✓	✓	
Juvenile Case Manager	1,561	1,269	1,436	1,135	1,229	1,229	✓	✓	
Laboratory Operations and Maintenance	531	483	539	440	479	479	✓	✓	
Maintenance Renewal & Replacement	648	14,289	16,431	16,475	16,481	16,481	✓	✓	
Parking Management	2,359	20,522	19,063	19,461	19,909	19,909	✓	✓	
Parks Golf	1,422	5,635	6,289	5,072	6,289	6,289	✓	✓	
Parks Special Revenue	6,561	2,184	2,038	2,010	2,038	2,038	✓	✓	
Planning & Development Special Revenue	-	-	4,283	2,537	4,283	4,283	✓	✓	
Police Special Services	6,764	10,213	9,982	6,854	9,878	9,878	✓	✓	
Recycling Expansion Program	2,129	2,230	2,577	473	1,848	1,848	✓	✓	
Special Waste	2,805	2,792	2,809	3,165	3,770	3,770	✓	✓	
Supplemental Environmental Protection	54	33	31	53	53	53	✓	✓	
Swimming Pool Safety	893	1,074	1,191	1,031	1,191	1,191	✓	✓	
Technology Fee	256	1,111	1,248	863	1,050	1,050	✓	✓	

* 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 May 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	495,284	364,348	495,284	495,284	-		✓	✓
Convention and Entertainment Facilities	104,929	105,746	92,674	102,568	102,568	371		✓	✓
Combined Utility System	959,481	1,098,368	911,037	1,038,519	1,038,519	31,548		✓	✓
Dedicated Drainage & Street Renewal**	257,934	234,656	164,555	222,914	222,914	3,120	30,792	✓	✓
Storm Water**	50,052	57,084	45,523	52,324	52,324	3,750	5,750	✓	✓
Risk Management									
Health Benefits	325,943	348,477	319,998	348,477	348,477	(8,549)	23,242	✓	✓
Long-Term Disability	1,973	1,666	1,387	1,646	1,646	(265)	564	✓	✓
Property and Casualty	29,447	35,398	21,784	35,397	35,397	-	75	✓	✓
Worker's Compensation	21,251	21,186	18,203	21,179	21,179	7	7	✓	✓
Special Revenue									
Asset Forfeiture	7,558	9,163	5,277	6,749	6,749	(3,146)	2,648	✓	✓
Auto Dealers	7,722	8,771	7,369	8,645	8,645	(1,745)	1,593	✓	✓
BARC Special Revenue	9,974	12,360	10,161	12,099	12,099	(605)	2,736	✓	✓
Bayou Greenway 2020	458	950	570	942	942	8	414	✓	✓
Building Inspection	69,546	102,128	59,175	101,482	101,482	(16,733)	24,290	✓	✓
Building (Court) Security	754	755	650	710	710	90	95	✓	✓
Cable Television	4,619	4,957	2,839	4,360	4,360	753	1,465	✓	✓
Child Safety	3,337	3,433	2,638	3,433	3,433	(4)	-	✓	✓
Contractors Responsibility	933	1,078	142	757	757	246	2,314	✓	✓
Digital Houston	347	354	292	354	354	(352)	1	✓	✓
Essential Public Health Services	12,661	21,398	15,565	17,914	17,914	(710)	11,810	✓	✓
Forensic Transition Special	10,703	9,864	8,446	9,839	9,839	-	25	✓	✓
Health Special Revenue	3,019	4,191	2,799	4,179	4,179	(1,045)	4,346	✓	✓
Historic Preservation	291	760	165	750	750	(374)	1,327	✓	✓
Houston Civic Events	2,154	3,012	2,464	3,012	3,012	-	13	✓	✓
Houston Emergency Center	24,035	27,962	23,445	27,962	27,962	(1,998)	3,223	✓	✓
Houston Transtar Center	2,720	3,107	2,333	3,107	3,107	(1,107)	993	✓	✓
Juvenile Case Manager	1,474	2,007	1,326	1,577	1,577	(348)	1,213	✓	✓
Laboratory Operations and Maintenance	262	711	553	711	711	(232)	299	✓	✓
Maintenance Renewal & Replacement	13,641	16,431	12,412	16,344	16,344	137	785	✓	✓
Parking Management	20,364	21,001	14,030	21,001	21,001	(1,092)	1,267	✓	✓
Parks Golf	5,577	6,290	5,454	6,287	6,287	2	1,424	✓	✓
Parks Special Revenue	2,465	2,422	1,518	2,413	2,413	(375)	6,186	✓	✓
Planning & Development Special Revenue	-	3,714	1,694	3,714	3,714	569	569	✓	✓
Police Special Services	9,360	11,558	9,513	10,134	10,134	(256)	6,508	✓	✓
Recycling Expansion Program	2,606	3,877	220	3,877	3,877	(2,029)	100	✓	✓
Special Waste	3,548	5,350	3,910	5,350	5,350	(1,580)	1,225	✓	✓
Supplemental Environmental Protection	188	72	24	106	106	(53)	1	?	?
Swimming Pool Safety	978	1,223	999	1,097	1,097	94	987	✓	✓
Technology Fee	995	992	405	471	471	579	835	✓	✓

* 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 May 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	15.00	10.00	0.00	79.90	45.10
Series H-2	25.00	0.00	0.00	65.20	34.80
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	67.00	100.00	0.00
Series E2- Equipment & Capital	5.00	0.00	40.00	70.00	0.00
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	55.00	10.00	107.00	785.10	89.90
Combined Utility System					
Series B-1	20.00	0.00	20.00	100.00	0.00
Series B-2	0.00	0.00	0.00	75.00	0.00
Series B-3	0.00	0.00	70.00	75.00	0.00
Series B-4	85.00	40.00	95.00	60.00	40.00
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	105.00	40.00	185.00	660.00	40.00
Airport System					
Series A&B	33.00	3.00	0.00	67.50	82.50
Total Airport System	33.00	3.00	0.00	67.50	82.50
Totals	\$193.00	\$53.00	\$292.00	\$1,512.60	\$212.40

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

	May 31, 2016	May 31, 2015
Payable from Ad Valorem Taxes		
Public Improvement Bonds ^(a)	2,320,605	2,447,340
Commercial Paper Notes ^(b)	89,900	141,900
Pension Obligations	587,375	594,640
Certificates of Obligations	16,360	16,360
Subtotal	3,014,240	3,200,240
Payable from Sources Other Than Ad Valorem Taxes		
Combined Utility System		
Combined Utility System Revenue Bonds	5,964,895	5,917,480
Combined Utility System Commercial Paper Notes ^(c)	40,000	70,000
Water and Sewer System Revenue Bonds ^(d)	151,804	143,898
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)	82,500	49,500
Airport System Inferior Lien Contracts ^(g)	12,155	17,760
Airport Special Facilities Revenue Bonds ^(h)	808,685	813,845
Hotel Occupancy Tax and Civic Parking		
Facilities Revenue Bonds ⁽ⁱ⁾	630,779	641,226
Subtotal	9,883,012	9,900,464
Total Debt Payable by the City	\$12,897,252	\$13,100,704

(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 \$ 94.5 million accreted value of capital appreciation bonds at this date and \$86.6 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 \$225 million of inferior lien appropriation facilities which increased to \$450 million in May 2016

(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 \$12.2 million for Series 1997A Special Facilities Bonds. See footnote (g).

(i) Includes \$149.9 million accreted value of capital appreciation bonds at this date and \$135.9 million last year.

City of Houston, Texas
Voter-Authorized Obligations
For the period ended May 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	\$ 471,288	\$ 2,712	\$ 2,712
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	\$ 764,273	\$ 11,727	\$ 11,727
November 2006 Election					
Streets, Bridges, Traffic Control	\$ 320,000	\$ 219,950	\$ 75,727	\$ 144,223	\$ 244,273
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	59,400	600	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	\$ 343,532	\$ 181,426	\$ 281,468
November 2012 Election					
Streets, Bridges, Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	166,000	91,726	15,500	76,226	150,500
Public Safety	144,000	107,023	2,900	104,123	141,100
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	\$ 33,345	\$ 230,920	\$ 376,655
Combined Total (2001, 2006, 2012 Elections)	\$ 1,811,000	\$ 1,565,223	\$ 1,141,150	\$ 424,073	\$ 669,850

(a) As of May 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.