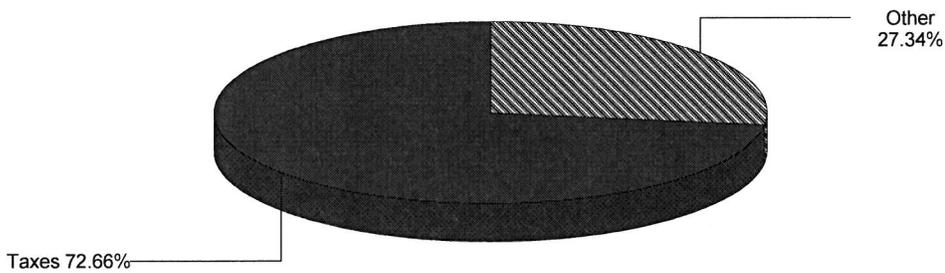


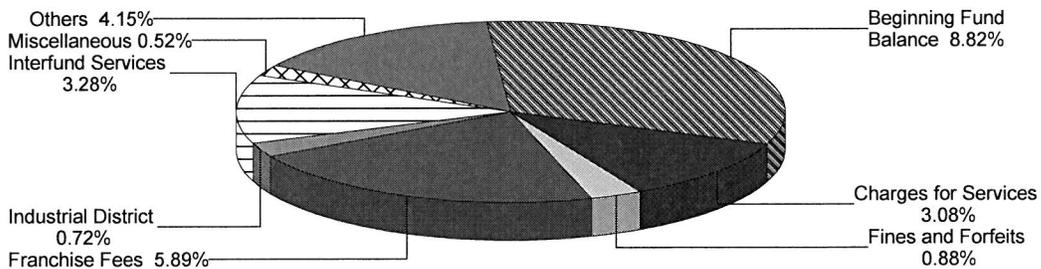
GENERAL FUND RESOURCES SUMMARY

The General Fund is the City of Houston's largest operating fund. With total resources of \$2.7 billion budgeted in FY2021, this fund relies heavily on various forms of revenue to finance its operations. As illustrated below, approximately 73% percent of the total resources in the General Fund are from taxes, mainly property and sales taxes.

GENERAL FUND RESOURCES FY2021 BUDGET



COMPOSITION OF OTHER (ABOVE)



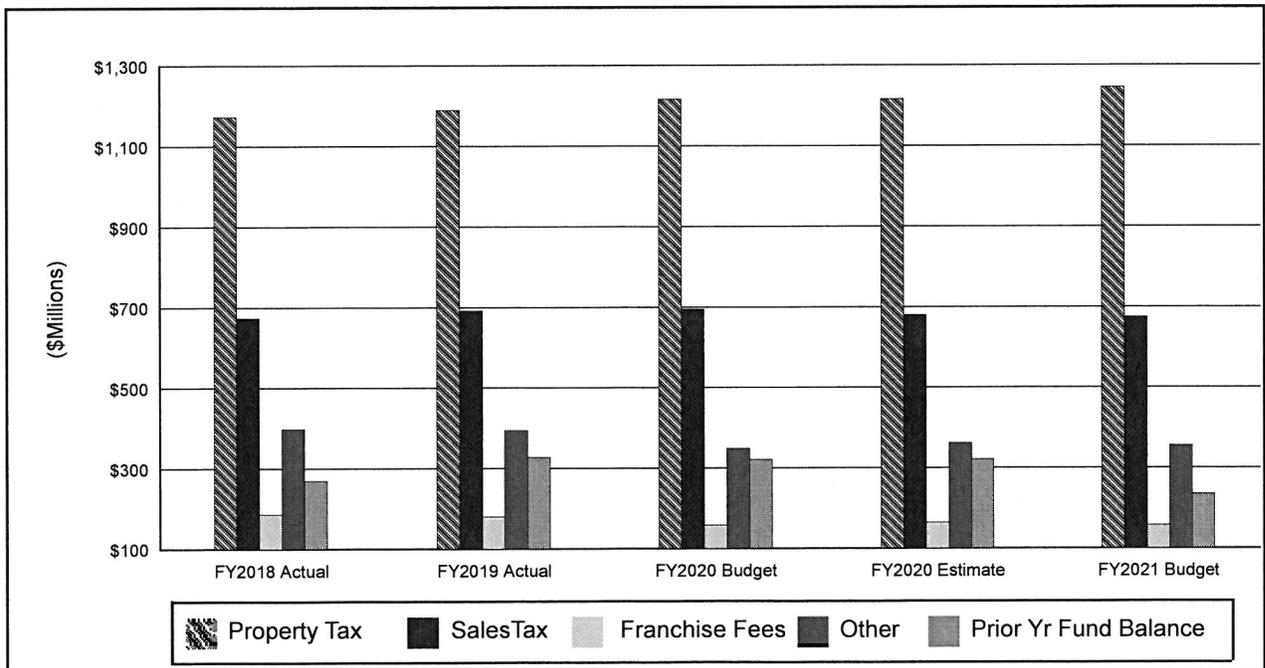
FISCAL YEAR 2021 BUDGET

The composition of the FY2021 General Fund resources is listed below:

| <u>RESOURCE CATEGORIES</u> | <u>RESOURCE FY2021 BUDGET*</u> | <u>% OF TOTAL BUDGET</u> |
|--|------------------------------------|------------------------------|
| Taxes: | | |
| Property Taxes | 1,244,606 | 46.64% |
| Sales Taxes | 675,000 | 25.29% |
| Other Tax | 19,528 | 0.73% |
| Franchise Fees | 157,259 | 5.89% |
| Industrial District | 19,311 | 0.72% |
| Licenses and Permits | 33,989 | 1.28% |
| Intergovernmental | 54,682 | 2.05% |
| Charges for Services | 82,197 | 3.08% |
| Interfund Services | 87,432 | 3.28% |
| Fines and Forfeits | 23,591 | 0.88% |
| Interest | 9,010 | 0.35% |
| Miscellaneous/Other | 13,978 | 0.52% |
| Total Revenue | <u>2,420,583</u> | <u>90.71%</u> |
| Sale of Capital Assets | 2,500 | 0.09% |
| Transfers In | 10,199 | 0.38% |
| Beginning FY2021 Fund Balance | 235,342 | 8.82% |
| TOTAL RESOURCES | <u><u>2,668,624</u></u> | <u><u>100.00%</u></u> |
| * Dollars in Thousands | | |
| Total may reflect slight variances due to rounding | | |

The graph below provides a four-year comparison of the City's resources in millions of dollars.

**RELATIONSHIP OF GENERAL FUND RESOURCES
FY2018 THROUGH FY2021**



Total General Fund Revenue

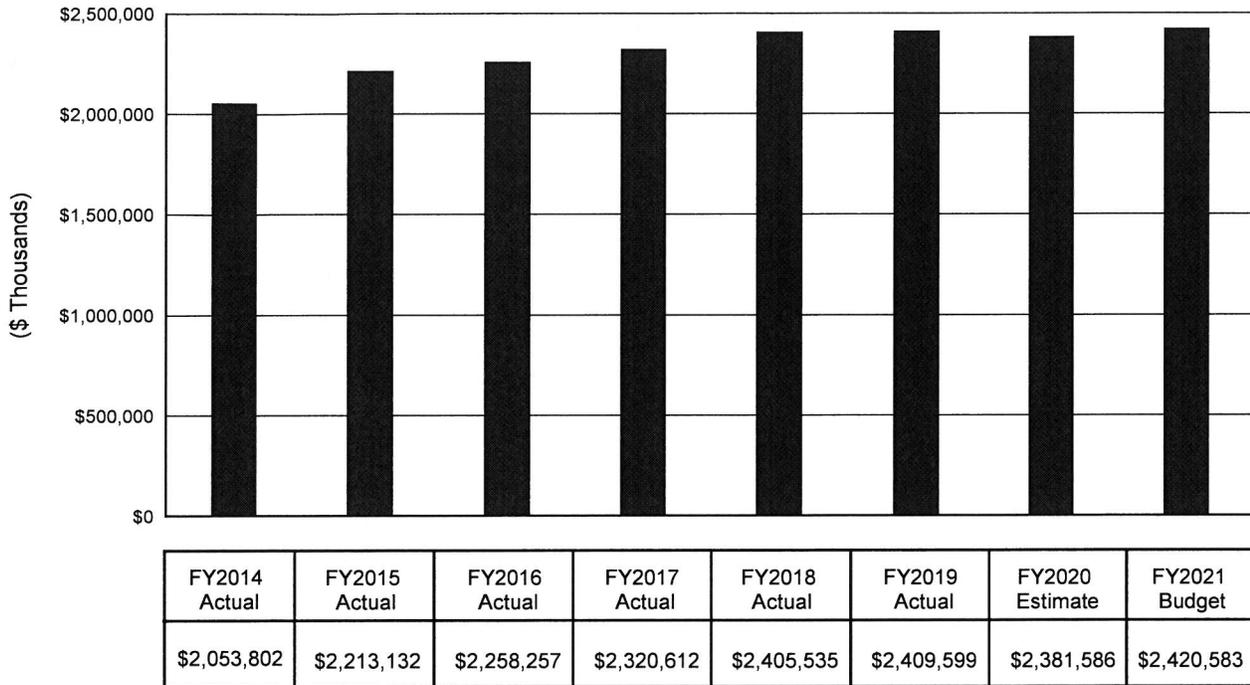


Table I below provides the FY2021 General Fund revenue budget by categories. As shown, the total revenue is expected to be \$2.4 billion or \$39 million higher than the projected FY2020 revenue.

**Table I
FY2021 Revenue Budget
Compared with FY2020 Estimate**

| Category | Projected Revenue (\$ Thousands) | | |
|-------------------------------------|----------------------------------|------------------|-----------------------|
| | FY2020 Estimate | FY2021 Budget | Increase / (Decrease) |
| General Property Taxes | 1,215,687 | 1,244,606 | 28,919 |
| Industrial Assessment | 19,237 | 19,311 | 74 |
| Sales Taxes | 680,000 | 675,000 | (5,000) |
| Other Tax | 17,333 | 19,528 | 2,195 |
| Electric Franchise | 100,774 | 99,454 | (1,320) |
| Telephone Franchise | 28,094 | 24,455 | (3,639) |
| Gas Franchise | 12,386 | 13,034 | 648 |
| Other Franchise | 22,721 | 20,316 | (2,405) |
| Licenses and Permits | 34,021 | 33,989 | (32) |
| Intergovernmental | 51,736 | 54,682 | 2,946 |
| Charges for Services | 63,863 | 82,197 | 18,334 |
| Direct Interfund Services | 62,665 | 63,175 | 510 |
| Indirect Interfund Services | 27,871 | 24,258 | (3,613) |
| Municipal Courts Fines and Forfeits | 18,158 | 19,744 | 1,586 |
| Other Fines and Forfeits | 3,746 | 3,846 | 100 |
| Interest | 9,440 | 9,010 | (430) |
| Miscellaneous/Other | 13,854 | 13,978 | 124 |
| Total | 2,381,586 | 2,420,583 | 38,997 |

FISCAL YEAR 2021 BUDGET

Table II provides the revenue estimate for each distinct revenue source that is expected to produce at least \$3 million in FY2021. The remainder of this document describes the projection logic that has been used for each of these items.

**Table II
Revenue Estimates for
Revenue Sources Over \$3 Million**

| Item | Projected Revenue (\$ Thousands) | | |
|--|----------------------------------|------------------|---------------------------|
| | FY2020 Estimate | FY2021 Budget | Increase / (Decrease) |
| General Property Taxes | 1,215,687 | 1,244,606 | 28,919 |
| Sales Taxes | 680,000 | 675,000 | (5,000) |
| Industrial Assessment | 19,237 | 19,311 | 74 |
| Mixed Beverage Tax | 17,333 | 19,528 | 2,195 |
| Electric Franchise | 99,414 | 97,693 | (1,721) |
| Telephone Franchise | 28,002 | 24,455 | (3,547) |
| Gas Franchise | 12,386 | 13,034 | 648 |
| Cable TV Franchise Fees | 14,314 | 11,896 | (2,418) |
| Solid Waste Hauler Franchise Fee | 8,300 | 8,380 | 80 |
| Licenses and Permits | 34,021 | 33,989 | (32) |
| TIRZ Funding | 30,707 | 29,904 | (803) |
| Intergovernmental Revenue - 1115 Waiver | 10,540 | 14,696 | 4,156 |
| Ambulance Fees | 48,000 | 51,000 | 3,000 |
| Ambulance Fee Supplemental Reimbursement | 10,406 | 10,000 | (406) |
| Other Charges for Services | 15,863 | 31,197 | 15,334 |
| Interfund Police Protection | 32,979 | 33,648 | 669 |
| Interfund Fire Protection | 20,274 | 20,274 | 0 |
| Other Direct Interfund | 9,412 | 9,252 | (160) |
| Indirect Cost Recovery | 27,871 | 24,258 | (3,613) |
| Moving Violations | 10,255 | 11,100 | 845 |
| Other Municipal Courts Fines and Forfeitures | 7,903 | 8,644 | 741 |
| Miscellaneous/Other | 13,854 | 13,978 | 124 |
| All Other Revenues | 14,828 | 14,740 | (88) |
| Total | 2,381,586 | 2,420,583 | 38,997 |

Taxes

Property Taxes

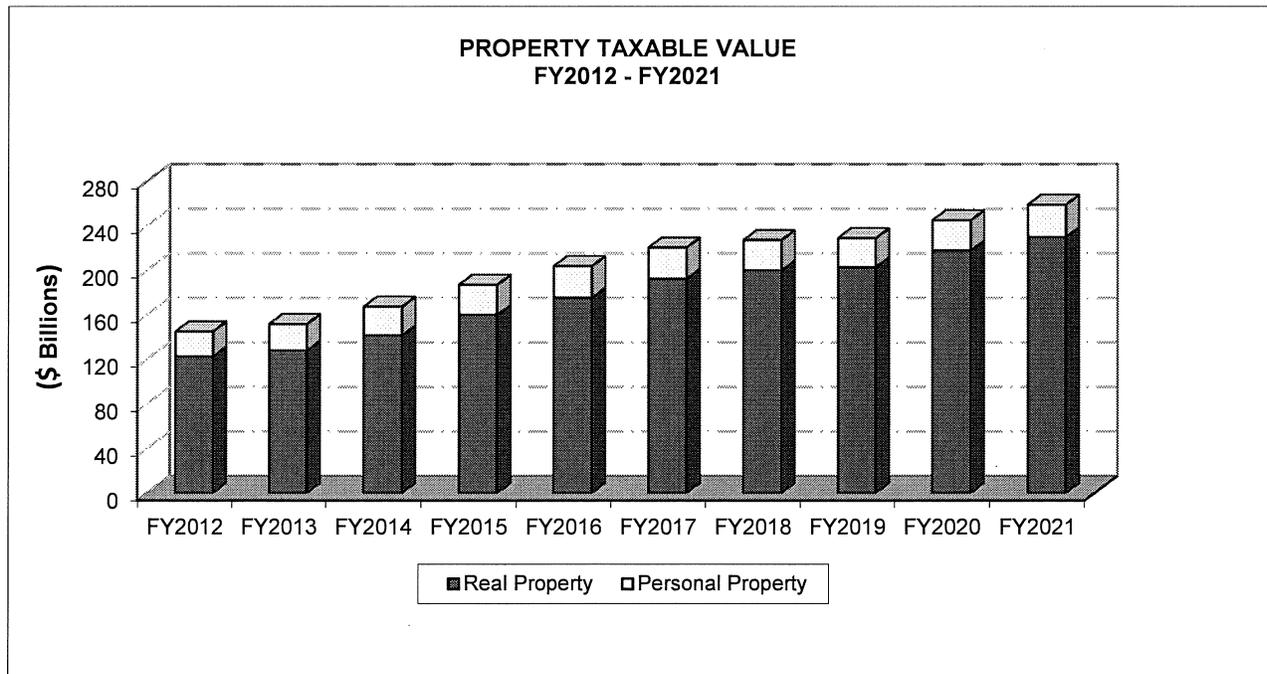
General property taxes are ad valorem taxes levied on the assessed valuation of real and personal property. Taxable values for all real and personal property within the City, depending on their locations, are established by the Harris County Appraisal District (HCAD), Montgomery County Appraisal District (MCAD) or Fort Bend County Appraisal District (FBCAD), collectively County Appraisal Districts (CAD), based upon market values as of January 1st. City Council approves exemptions such as homestead, 65 and over, disabled as well as Freeport exemptions and then sets a tax rate according to the state law. The current tax rate for Tax Year 2019 (FY2020) for the City of Houston is 56.792 cents per \$100 of taxable value.

Based upon the adopted tax rate set by Council and taxable value as assessed by CAD, tax bills are generated and sent to taxpayers by the Harris County Tax Office around mid-November. Payment is due by January 31st of the following year. Taxes not paid by the due date are delinquent and subject to penalties and interest charges. Taxpayers who wish to appeal values set by CAD may do so if taxes on the uncontested value are paid timely.

Occasionally, taxes are overpaid as a result of errors in appraisal or an overpayment by a taxpayer. The Harris County Tax Office refunds such payments based upon the Texas Property Tax Code and documentation supplied by the taxpayers. Fluctuations in collections reflect changes in assessed property values, collection efforts, and tax rate.

The FY2021 property tax value is based on the Certified Estimate provided by CAD to the City on April 30, 2020 is \$259.4 billion, which is net of the current senior/disabled exemption of \$160,000. The estimated taxable value is then reduced by the estimated incremental value of properties within the Tax Increment Reinvestment Zones (TIRZ). The taxable value net of TIRZ is estimated at \$223.6 billion.

Below is a graph showing the ten-year history of property taxable values in Houston, with the \$259.4 billion estimate shown for FY2021.



FISCAL YEAR 2021 BUDGET

**CITY OF HOUSTON APPRAISED VALUE
(\$ Millions)**

| <u>Fiscal Year</u> | <u>Tax Year</u> | <u>Real Property</u> | <u>Personal Property</u> | <u>Total Value</u> |
|--------------------|-----------------|----------------------|--------------------------|--------------------|
| 2005 | 2004 | 86,433 | 19,467 | 105,900 |
| 2006 | 2005 | 91,827 | 19,293 | 111,120 |
| 2007 | 2006 | 99,483 | 20,858 | 120,341 |
| 2008 | 2007 | 112,241 | 23,214 | 135,455 |
| 2009 | 2008 | 125,982 | 23,645 | 149,628 |
| 2010 | 2009 | 125,999 | 24,094 | 150,093 |
| 2011 | 2010 | 120,546 | 22,360 | 142,905 |
| 2012 | 2011 | 122,747 | 22,279 | 145,026 |
| 2013 | 2012 | 128,081 | 23,670 | 151,752 |
| 2014 | 2013 | 141,684 | 25,714 | 167,398 |
| 2015 | 2014 | 160,088 | 26,956 | 187,043 |
| 2016 | 2015 | 175,512 | 28,267 | 203,779 |
| 2017 | 2016 | 192,510 | 28,023 | 220,533 |
| 2018 | 2017 | 200,189 | 27,131 | 227,319 |
| 2019 | 2018 | 203,039 | 26,475 | 229,515 |
| 2020 | 2019 | 218,180 | 27,403 | 245,583 |
| 2021 | 2020 | 230,429 | 28,941 | 259,370* |

*County Appraisal District Certified Estimates, as of April 30, 2020.

Property Tax Collections

In November 2004, Proposition No. 1 was passed amending the City Charter to limit the annual increase in total ad valorem tax revenues. The increase is capped at the lower of the increase in Consumer Price Index (CPI) plus the growth in population or 4.5% over the prior fiscal year. In addition, in November 2006, Proposition H was passed to further increase the applicable revenue limitations by \$90 million.

The FY2021 property tax revenue estimate is derived according to Proposition 1 and Proposition H. The Finance Department applied the 2019 inflation rate of 1.2712% and population estimate as of 7/1/2019 of 0.7681% to arrive at a net revenue estimate of \$1.24 billion. This revenue is approximately 2.4% higher than the estimated FY2020 revenue of \$1.22 billion. The property tax rate will be adjusted accordingly to levy revenues no higher than the Proposition 1 and Proposition H limitation.

The Proposition 1 and Proposition H revenue limitation is calculated with the following assumptions.

| <u>Population (1)</u> | | <u>CPI (2)</u> | |
|-----------------------|---------------------|----------------|-------------------|
| July 1, 2003 | 2,009,669 | 2003 | 163.7 |
| July 1, 2004 | 2,012,626 + 0.1471% | 2004 | 169.5 + 3.5431% |
| July 1, 2005 | 2,076,189 + 3.1582% | 2005 | 175.6 + 3.5988% |
| July 1, 2006 | 2,144,491 + 3.2898% | 2006 | 180.6 + 2.8474% |
| July 1, 2007 | 2,208,180 + 2.9699% | 2007 | 183.8 + 1.7929% |
| July 1, 2008 | 2,244,615 + 1.6500% | 2008 | 189.967 + 3.3339% |
| July 1, 2009 | 2,257,926 + 0.5930% | 2009 | 190.495 + 0.2779% |
| July 1, 2010 | 2,099,451 + 0.0000% | 2010 | 194.172 + 1.9302% |
| July 1, 2011 | 2,145,146 + 2.1765% | 2011 | 200.495 + 3.2564% |
| July 1, 2012 | 2,160,821 + 0.7307% | 2012 | 204.213 + 1.8544% |
| July 1, 2013 | 2,195,914 + 1.6241% | 2013 | 207.574 + 1.6458% |
| July 1, 2014 | 2,239,558 + 1.9875% | 2014 | 213.365 + 2.7898% |
| July 1, 2015 | 2,296,224 + 2.5302% | 2015 | 213.039 - 0.1528% |
| July 1, 2016 | 2,303,482 + 0.3161% | 2016 | 216.414 + 1.5842% |
| July 1, 2017 | 2,312,717 + 0.4009% | 2017 | 220.657 + 1.9606% |
| July 1, 2018 | 2,325,502 + 0.5528% | 2018 | 225.927 + 2.3883% |
| July 1, 2019 (3) | 2,343,365 + 0.7681% | 2019 | 228.799 + 1.2712% |

FISCAL YEAR 2021 BUDGET

| | (\$ In Thousand) |
|--|--------------------|
| Proposition 1 | |
| FY2005 Actual | \$671,294 |
| Population Increase 2004 | 0.1471% |
| CPI Increase 2004 | <u>3.5431%</u> |
| FY2006 CAP | \$696,066 |
| Population Increase 2005 | 3.1582% |
| CPI Increase 2005 | <u>3.5988%</u> |
| FY2007 CAP | \$743,100 |
| Population Increase 2006 | 3.2898% |
| CPI Increase 2006 | <u>2.8474%</u> |
| FY2008 CAP | \$788,705 |
| Population Increase 2007 | 2.9699% |
| CPI Increase 2007 | <u>1.7929%</u> |
| FY2009 CAP | \$826,269 |
| Population Increase 2008 | 1.6500% |
| CPI Increase 2008 | <u>3.3339%</u> |
| FY2010 CAP | \$867,450 |
| Population Increase 2009 | 0.5930% |
| CPI Increase 2009 | <u>0.2779%</u> |
| FY2011 CAP | \$875,005 |
| Population Decrease 2010 | -7.0186% |
| CPI Increase 2010 | <u>1.9302%</u> |
| FY2012 CAP | \$875,005 |
| Population Increase 2011 | 2.1765% |
| CPI Increase 2011 | <u>3.2564%</u> |
| FY2013 CAP | \$922,543 |
| Population Increase 2012 | 0.7307% |
| CPI Increase 2012 | <u>1.8544%</u> |
| FY2014 CAP | \$946,392 |
| Population Increase 2013 | 1.6241% |
| CPI Increase 2013 | <u>1.6458%</u> |
| FY2015 CAP | \$977,338 |
| Population Increase 2014 | 1.9875% |
| CPI Increase 2014 | <u>2.7898%</u> |
| FY2016 CAP | \$1,024,029 |
| Population Increase 2015 | 2.5302% |
| CPI Decrease 2015 | <u>-0.1528%</u> |
| FY2017 CAP | \$1,048,375 |
| Population Increase 2016 | 0.3161% |
| CPI Increase 2016 | <u>1.5842%</u> |
| FY2018 CAP | \$1,068,297 |
| Population Increase 2017 | 0.4009% |
| CPI Increase 2017 | <u>1.9606%</u> |
| FY2019 CAP | \$1,093,525 |
| Population Increase 2018 | 0.5528% |
| CPI Increase 2018 | <u>2.3883%</u> |
| FY2020 CAP | \$ 1,125,687 |
| Population Increase 2019 (3) | 0.7681% |
| CPI Increase 2019 | <u>1.2712%</u> |
| FY2021 CAP (4) | \$ 1,152,200 |
| | |
| Proposition H | \$90,000 |
| Disaster Declaration (5) | <u>\$2,406</u> |
| FY2021 CAP (6a) | \$1,244,606 |
| | |
| FY2020 Estimate | \$1,215,687 |
| FY2021 CAP (6b) | \$1,362,799 |
| Final FY2021 CAP (the Lower FY2021 CAP) | \$1,244,606 |

- (1) Population numbers based upon the US Census Bureau estimate most recently published when deciding limits of each respective year's property tax revenue budget increase.
- (2) CPI increase based on the change in the CPI-U for Houston-The Woodlands-Sugar Land, Texas as published by the Bureau of Labor Statistics, for the preceding calendar year.
- (3) Population numbers based upon Planning Department Population Growth as of July 1, 2019.
- (4) Includes amounts resulting from termination of or reduced participation in Tax Increment Reinvestment Zones.
- (5) Disaster Declaration expenditures for Tropical Storm Imelda.
- (6) The revenue cap is calculated:
 - a. In accordance with Proposition H, to increase the applicable revenue limitation by \$90 million.
 - b. Based on 4.5% Increase from FY2020 Estimate plus the lower of \$90 million or the prior year balance of Prop H supplement less prior year usage of Prop H.

Sales Tax

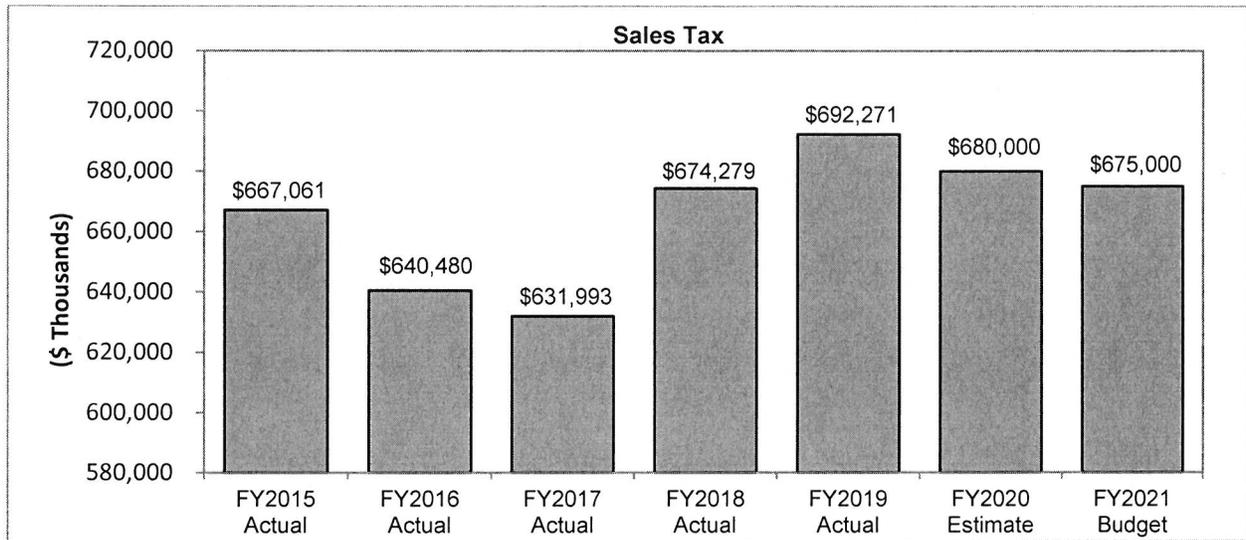
General sales and use taxes are imposed upon the sale or consumption of certain goods and services at the point of sale. In the City of Houston, a \$0.0825 sales and use tax is applied for every dollar of sales. The Metropolitan Transit Authority (METRO) receives \$0.01, and the State of Texas receives \$0.0625. The State Comptroller remits a \$0.01 share to the City, after withholding a 2% service charge.

The sales tax projections are derived from econometric models which take into account the sectors of the Houston economy and estimates of employment, income, oil prices, population, and Primary Metropolitan Statistical Area (PMSA) retail sales.

The FY2021 budget amount of \$675 million is approximately \$5 million, or 0.7% lower than FY2020 estimated amount of \$680 million. This estimate is relatively conservative due to the nature of the Coronavirus 2019 (COVID-19) pandemic that is affecting our national and global economy. This estimate is also supported by the uncertainty of how federal government assistance will impact the economy as well as the path of oil prices. Employment is the key driver of sales tax revenue, including consumer sales and business to business sales. Historically, the sales tax has responded in an immediate manner to changes in our employment growth and/or decline. The energy exploration and drilling boom has come to a halt, and while Houston's economy has diversified, it is still strongly tied to energy. Pre COVID-19, the City had experienced a modest growth in sales tax in FY2020 and anticipated another conservative 2% growth in FY2021. As a result of COVID-19, the City has experienced a cumulative estimated loss in sales tax revenue of almost \$100 million during both FY2020 and FY2021.

Dr. Gilmer and the Greater Houston Partnership have projected Houston's worst-case scenarios based on incomplete information since data on receipts lags by two months. Instead of the usual forecasting methods used, estimates are more illustrative in nature due to the uncertainty around stay-at-home orders and unemployment. Dr. Gilmer's report mentions approximately 250,000 lost jobs, and although this information is meaningful, the projections are hypothetical. The uncertainty about stay-at-home orders also contributes to the illustrative nature of the estimates, especially not knowing how long those orders could last or if they could be re-imposed if another spike in Coronavirus Disease 2019 (COVID-19) cases emerges. Until more information is known about the severity of this pandemic, the report does not provide significantly accurate projections.

The following graph provides a seven-year comparison of the City's Sales Tax revenue.



Industrial District Assessments

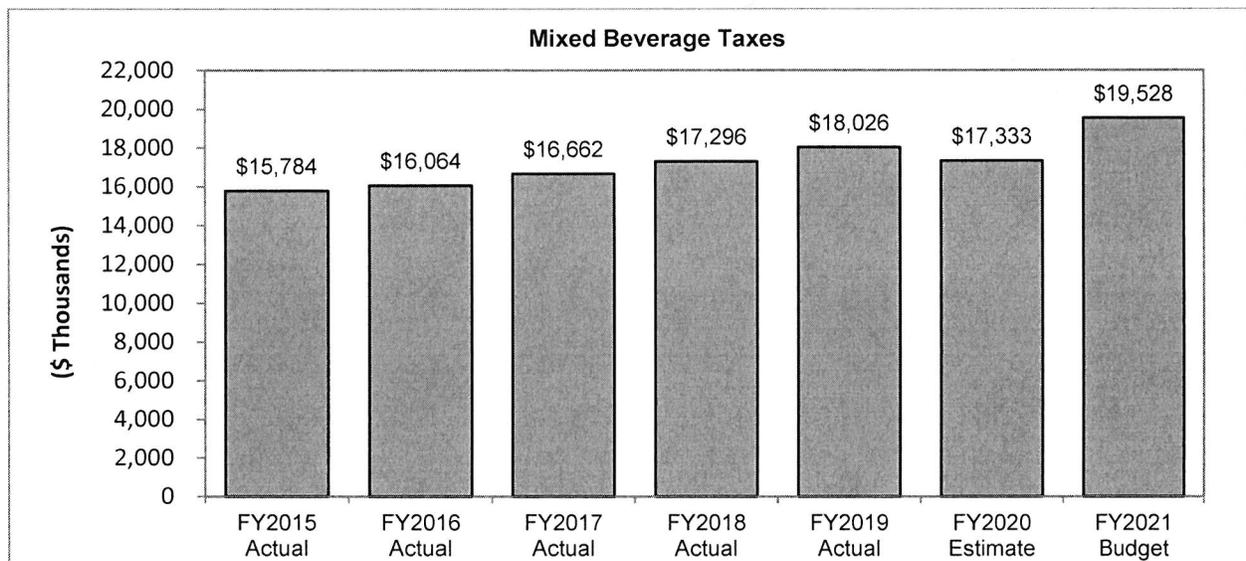
The City of Houston has Industrial District Contract Agreements with more than 100 companies located within the Houston Extra-Territorial Jurisdiction (ETJ), for a period of fifteen years. A contractually reduced ad valorem assessed valuation fee is calculated and billed annually to each company in lieu of the property being annexed and subject to City of Houston property taxes. Industrial District Assessments are based on current year property values provided by HCAD. The City expects to collect \$19.3 million in FY2021.

Mixed Beverage Tax

Following the end of each calendar quarter, the State Comptroller allocates 10.7143% of the mixed beverage tax received to the counties and cities.

Mixed beverage tax allocation amounts are dependent upon the timing and accuracy of taxpayer's returns and payments, but generally represent taxes remitted to the Comptroller's Office during the calendar quarter immediately preceding the month the allocation is distributed.

The FY2020 estimate is lower than FY2019 actuals due to COVID-19. For the FY2021 budget, we are anticipating the revenue estimate of \$19.5 million reflecting the trend in recent years. The following graph shows the seven-year comparison of the City's mixed beverage tax revenue.



Franchise Fees

Franchise fees are paid by companies, entities, or persons for the privilege of using public property for private purposes. Franchise agreements have been granted to numerous utilities and other enterprises, either directly by the City of Houston or by the State of Texas, including CenterPoint Energy, AT&T, several cable television firms, and others.

Changes in franchise revenue depend on many factors including economic fluctuations, rate charges, customer usage, franchise agreement changes and legislative actions. In FY2020, franchise revenue for cable and telephone decreased as a result of Texas Senate Bill 1152. This impacts the amount of compensation the local municipalities receive from companies that are occupying the rights-of-way to provide both cable/video services and telecommunications services by allowing these providers to pay only one fee.

Electric Franchise

Electric franchise fees are paid to the City for the right to conduct an electric light and power business and to use the City's rights-of-way for that business.

There are two companies in Houston that pay electric franchise fees: CenterPoint Energy Houston Electric ("CenterPoint") and Entergy. CenterPoint pays approximately 99.9% of the electric franchise fees paid to the City, which represents approximately \$97.7 million per year.

Prior to electric deregulation, which became effective on January 1, 2002, electricity franchise payments were calculated as a percentage of the electric company's gross revenues from sales to customers located within the City limits. Under this payment formula, electric franchise fees to the City fluctuated from \$80 million to as much as \$90 million per year.

From January 2002 through June 2005, franchise payments were no longer calculated based on a percentage of gross revenues, but instead were based on kilowatt hour consumption by customers within the City limits. During this period, electric franchise revenues dropped significantly, averaging \$75 million each year.

In July 2005, the City and CenterPoint entered into a new franchise agreement for a term of 30 years. The new agreement establishes a base franchise fee to the City of approximately \$96 million per fiscal year, payable monthly, which is adjusted annually based on kilowatt hours delivered in the City.

The FY2020 electric franchise fee estimate is \$99.4 million. The FY2021 electric franchise fee estimate of \$97.7 million is approximately 1.7% lower than the FY2020 estimate. Kilowatt hour consumption for calendar year 2019 was down 1.7% from 2018.

The City of Houston exercises original jurisdiction over the rates, operations and services of these electric utilities for the Houston area.

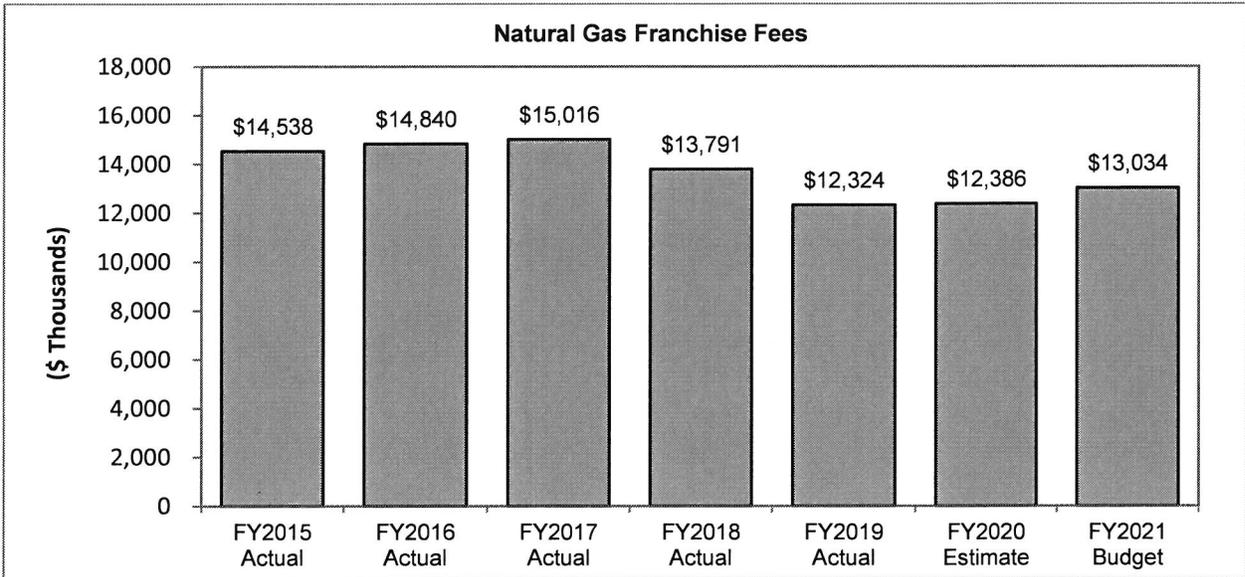
Natural Gas Franchise

Like electric franchise fees, natural gas franchise fees are paid by utilities that use the City's rights-of-way for the transportation, delivery, sale and distribution of natural gas to customers in the City.

There is one company in Houston that pays natural gas franchise fees to the City of Houston: CenterPoint Energy Resources Corporation ("CenterPoint" – formerly Entex). These fees are paid monthly and are based on 5% of gross receipts on a rolling 3-year average. For FY2021, franchise fees are based on CenterPoint's 2017, 2018 and 2019 gross revenues.

The estimate for FY2020 natural gas franchise fees from CenterPoint is approximately \$12.4 million. The FY2021 natural gas franchise fee estimate is \$13 million, an increase of 5.2% from FY2020. CenterPoint's calendar year 2019 revenues were \$271.3 million compared to calendar year 2016's revenues of \$232.4 million, an increase of 16.7%. Residential account revenues and Transportation revenues in 2019 were up 21.2% and 23.6%, respectively, compared to 2016's accounts, which accounts for the majority of the increase in overall revenue.

The graph below provides a seven-year comparison of the City's natural gas franchise fee revenue



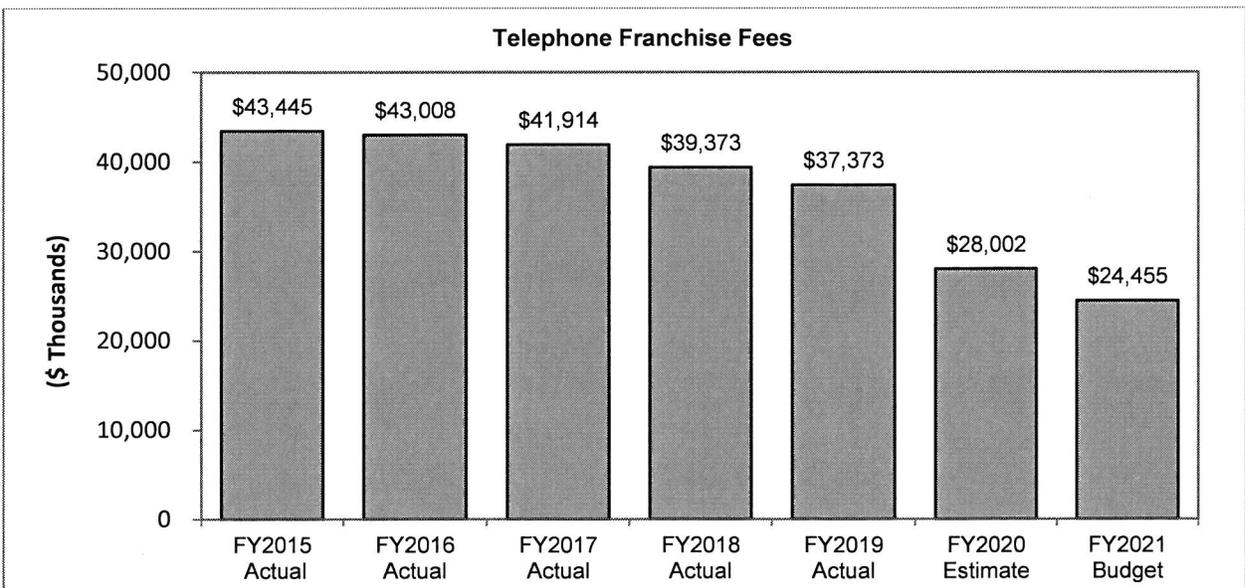
The City of Houston exercises original jurisdiction over the rates, operations and services of these natural gas utilities for the Houston area.

Telephone Franchise

Since deregulation of this industry in 2000, the telephone franchise fee paid to municipalities in Texas is derived by applying an "access line rate," assigned by the Public Utilities Commission of Texas (PUCT) and adjusted annually for inflation. The access line rates that is in effect during FY2021 are as follows: residential (\$1.88); non-residential (\$6.32); and point-to-point (\$17.86).

The FY2020 estimate for telephone franchise fee is \$28 million. The FY2021 projection of \$24.5 million is a 12.7% decrease from FY2020 estimate primarily due to Texas Senate Bill 1152.

The following graph below provides a seven-year comparison of the City's telephone franchise fee revenue.



Cable TV Franchise Fees

Currently, there are four cable television/video service-providers operating in Houston under state-issued certificates of franchise authority: Comcast Cable, AT&T U-Verse, Suddenlink, and En-Touch Systems. Under the terms of the state franchise, these operators also pay the City of Houston 5% of their gross revenues from sales to Houston customers. The largest of these franchises is Comcast, which accounts for approximately 94.1% of the total cable franchise revenue projection for FY2021. The projection for FY2021 is \$11.9 million, which is 16.9% lower than the FY2020 estimate of \$14.3 million primarily due to Texas Senate Bill 1152.

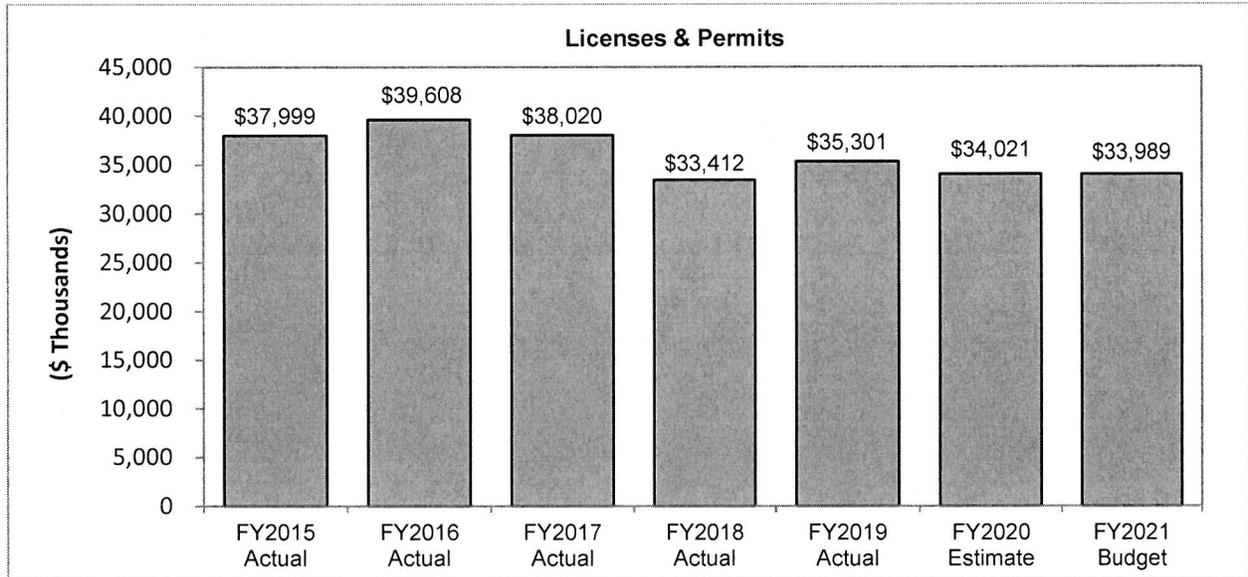
Solid Waste Hauler Franchise Fees

Solid waste haulers pay fees to compensate the City for the use of City streets. Approximately 142 active solid waste hauler franchises pay 4% of gross revenues from transporting commercial solid and industrial wastes that originate within the City limits. The FY2020 estimate for solid waste hauler franchise fees is \$8.3 million, exclusive of audit recoveries. The FY2021 estimate of \$8.4 million assumes an increase in revenues as a result of projected local economic growth.

Other Revenues

Licenses and Permits

The Licenses and Permits category includes such items as special fire, food dealer, burglar alarm, dumpster permits, and many other permits. The FY2021 revenue is estimated at \$34 million, which remains unchanged from the FY2020 estimate.



Ambulance Fees

City of Houston Code of Ordinance Chapter 4 permits the City to provide Emergency Medical Services including ambulance transport to the public and permits the City to partially recover the cost of providing those services. The base and variable fee structure is addressed under Section 4.13.

The City contracts with a third-party vendor for the billing and collection of Emergency Medical Services. The revenue projection for Emergency Medical Services provided by the City of Houston for FY2021, which is impacted by COVID-19, is \$51 million. This is \$3 million higher than the FY2020 estimate of \$48 million.

Other Charges for Services

Other charges for services include miscellaneous copy fees, public safety report fees, vending machine concessions, vehicle storage, hazardous material response, and others. The FY2021 revenues is \$31.2 million, which is \$15.3 million higher than the FY2020 estimate of \$15.9 million.

Interfund Direct Charges

The General Fund charges the Houston Airport System for airport police service, which is the responsibility of Houston Police Department (HPD). The FY2021 projection of \$33.6 million is \$669,000 higher, or approximately 2% higher than the FY2020 estimates of \$33 million.

The Aviation Enterprise Fund also pays for fire protection provided by the Fire Department to the Houston Airport System. The FY2021 projection of \$20.3 million which remains unchanged from the FY20 estimate.

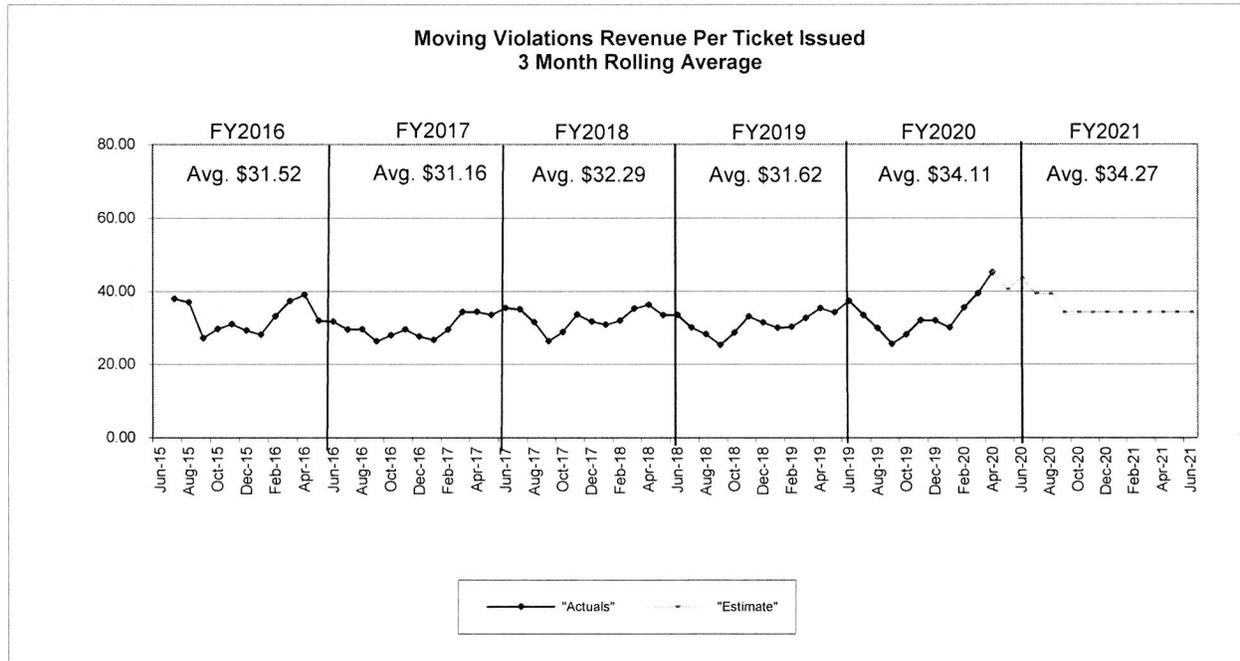
Payments received for other direct services performed by the General Fund are recovered throughout the year. The FY2021 projection of \$9.3 million is \$160,000 lower than the FY2020 estimate of \$9.4 million.

Indirect Cost Recovery

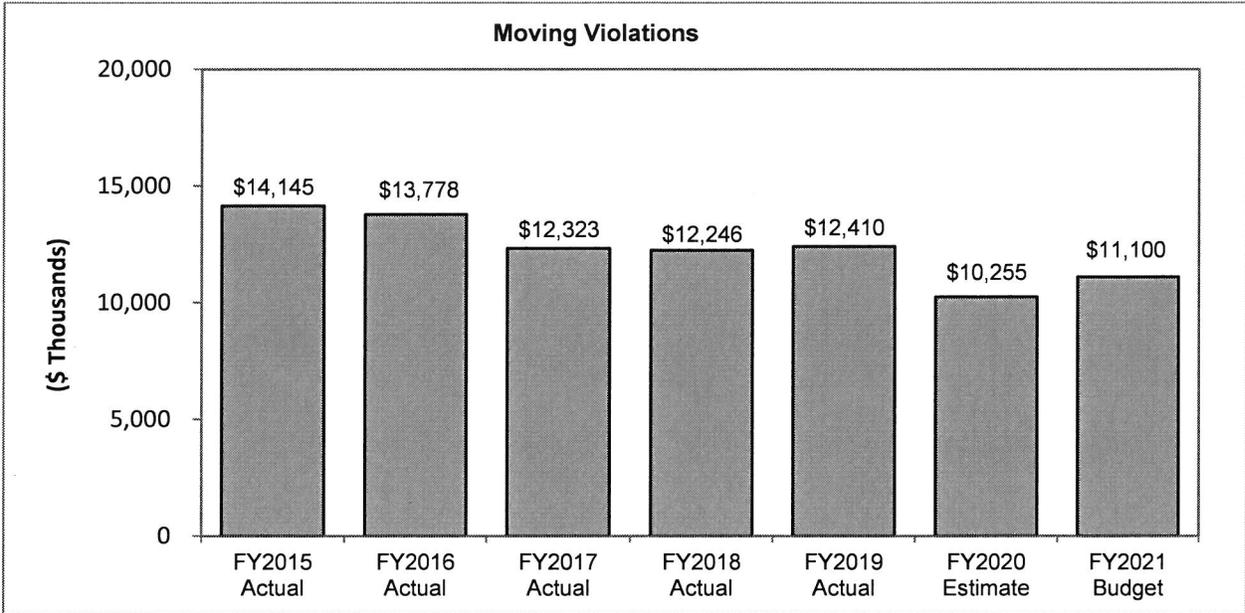
The General Fund provides citywide central support services and recovers the cost of these services through allocation of indirect costs. These amounts are determined through the preparation of an annual cost allocation plan, which distributes administrative overhead costs to General Fund operating departments and to other funds. For FY2021, the proposed plan calls for cost recoveries totaling \$24.3 million, a decrease of \$3.6 million in indirect interfund revenue from the FY2020 estimate of \$27.9 million.

Moving Violations

The FY2020 estimate and FY2021 budget are lower than FY2019 actual due to COVID-19. In FY2021, we project 323,923 tickets to be issued. Total Moving Violations revenue budgeted is \$11.1 million, which results in an average of \$34.27 for tickets issued in FY2021.



The graph below provides a seven-year comparison of the City's Moving Violations revenue.



Other Municipal Courts Fines and Forfeitures

The FY2021 Other Municipal Court Fines and Forfeitures are projected at \$8.6 million.

Miscellaneous/Other

The FY2021 revenue is estimated at \$14 million, which is approximately \$124,000 higher than FY2020 estimate of \$13.9 million. This is mainly due to legal settlement.

All Other Revenues

Estimated revenues in remaining categories have been calculated using simple trend analysis, as well as operational and collections information from the collecting department. These revenues are estimated at \$14.7 million in FY2021, relatively unchanged from FY2020 estimate.

A detailed listing of General Fund revenues by category are presented in the appendices.