



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:** May 25, 2012

**Subject:** April 2012  
Financial Report

Attached is the Monthly Financial and Operations Report for the period ending April 30, 2012.

**GENERAL FUND**

The Controller's office is projecting an ending fund balance of \$140.1 million for FY2012. This is \$23.0 million lower than the projection of the Finance Department. The difference is due to a \$12.5 million higher revenue projection from the Finance Department and a \$10.5 million higher projection for the Sale of Capital Assets from the Finance Department. Based on our current projections, the fund balance will be \$18.9 million **above** the City's target of holding 7.5% of total expenditures, excluding debt service, in reserve. This amount includes the un-designation of the \$20 million in the Rainy Day Fund in FY2011, as well as the designation of \$2.7 million of contingent funding of the DARLEP settlement, and designation of \$5 million back to the Rainy Day Fund in FY2012.

While we have changed several revenue projections, the total increased \$6.4 million over last month's projection. Property Tax was increased \$2.9 million for higher taxable values and collections. Other Franchise Fees increased \$855,000 for higher Cable and Solid Waste Hauler fees. Our projection for Licenses & Permits increased \$896,000 for additional receipts of Special Fire Permits and Food Dealer permits. Charges for Services increased \$988,000 for higher Ambulance collections. Finally, we are increasing Municipal Courts Fines & Forfeits \$821,000 for higher Moving Violation receipts.

The major differences (over \$1 million) are still in only four categories: (1) Property Tax revenues are \$1.9 million lower than the Finance Department due to the Controller's office using a collection rate of 97.4% versus 97.7% for Finance. (2) Finance is reporting Sales Tax \$6.9 million higher than the Controller's projection. Currently three months' revenues are unknown. (3) Finance is reporting Municipal Courts Fines & Forfeits \$2.4 million higher than Controller's projection. Low ticket issuance in the beginning of the fiscal year has caused the collections to be under budget. (4) Sale of Capital Assets are \$10.5 million lower than the Finance Department, as the Controller's office has not recognized all proposed land sales, which have yet to be finalized and approved by Council.

The expenditure projection was unchanged from last month's report.

**ENTERPRISE FUNDS**

In the Aviation Operating Fund, we have increased our projection for Operating Revenues \$1.1 million for higher Auto Rental and Retail Concession revenues. Interfund Transfers was reduced \$1 million, netted against an increase of \$2 million in Capital Improvement Transfer.

**Mayor Annise D. Parker  
City Council Members  
April 30, 2012, Monthly Financial and Operations Report**

Our projection for the Combined Utility System Operating Expenses decreased \$1.5 million mainly for lower pump repair costs, which are now done in-house. We have also decreased our projection for Operating Transfers \$6.2 million mainly for lower interest costs on variable rate debt and commercial paper, as well as a lower Transfer to Stormwater.

In the Dedicated Drainage & Street Renewal Fund, we have decreased our revenue projection \$1.5 million from lower drainage charges than expected to be received.

Finally, in the Stormwater Fund this month we have decreased our projection for Operating Expenses \$827,000 for lower contract costs. We also reduced our projection for Other Financing Sources \$1.5 million, for lower Operating Transfers In from CUS, partially offset by an decrease in Transfers Out for lower discretionary debt costs.

There were no material changes in the Convention & Entertainment fund this month.

**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 April 30, 2012, the ratio of unhedged variable rate debt for each type of outstanding debt was:

|                              |       |
|------------------------------|-------|
| General Obligation           | 9.6%  |
| Combined Utility System      | 3.1%  |
| Aviation                     | 16.9% |
| Convention and Entertainment | 18.3% |

Respectfully submitted,



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Ronald C. Green  
City Controller