



# CITY OF HOUSTON

Finance Department

**Annise D. Parker**

Mayor

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**To:** Mayor Annise D. Parker  
City Council Members

**Date:** November 4, 2011

**Subject:** 3+9 Financial and  
Operations Report

Attached is the 3+9 Financial and Operations Report for the period ending September 30, 2011. Fiscal Year 2012 projections are based on three months of actual results and nine months of projections.

## **General Fund**

We are currently projecting ending fund balance of \$139.0 million, which is approximately \$3.3 million higher than last month.

Revenues and Other Sources increased by \$8.7 million due to the following:

- Property Tax increased by \$6.4 million to reflect the 3-year average collection rate
- Other Franchise Fee increased by \$263,000 due to delinquent payments received for Solid Waste Franchise Fees
- Direct Interfund increased by \$209,000 to reflect increased cost recovery for community services from other fund
- Indirect Interfund increased by \$313,000 due to higher than anticipated Indirect Cost Grant reimbursement
- Transfer from Other funds increased by \$1.5 million due to: a transfer from the Building Inspection Fund of \$2.5 million for sale of land realized in July 2011 offset by a decrease in the Parking Management transfer by \$1.0 million as a result of a delay in parking meter rate implementation

Our projection for Expenditures and Other Uses increased by \$5.8 million due to the following:

- \$145,000 increase in Fire due to recruiting and promotional cost
- \$755,000 increase in Health, mainly due to higher security services cost than anticipated

- \$259,000 increase in Department of Neighborhoods to reflect personnel costs in community services for citizens with disabilities, reimbursed from other fund
- \$4.8 million increase in Parks to reflect costs for tree removal and funding for community centers and pools through the end of FY2012
- \$3.3 million increase in Police to fund traffic enforcement and reduce backlog in the crime lab
- \$5.7 million increase in General Government as a net result of: saving from termination pay of \$3.5 million, and a transfer of \$9.2 million to the Dedicated Drainage and Street Renewal Fund to reflect captured ad valorem tax revenue as a result of a higher certified taxable value as well as recent debt refinancing savings. This was previously budgeted in the Debt Service transfer.
- Correspondingly, the Debt Service transfer decreased by \$9.2 million

### **Enterprise, Special Revenue and Other Funds**

We are projecting no change in Enterprise Funds, Special Revenue Funds and all other funds from the 2+10 Report, with the exception of the following:

#### **Aviation**

Operating Revenue and Operating Transfer decreased by \$3.1 million mainly due to lower than anticipated landing fees as well as building and ground rental fees.

#### **Combined Utility System**

Operating Revenues increased by \$16.9 million due to the continuous dry weather conditions. As a result, Operating Expenditures increased by \$11 million to cover the costs of increased water main breaks.

Non Operating Revenues decreased by \$1.9 million mainly due to lower interest rates offset by increased cost in CWA Debt. Operating Transfers decreased by \$4.1 million due to refunding of Junior Lien Debt.

#### **Dedicated Drainage & Street Renewal Fund**

Revenues decreased by \$45 million to reflect: a decrease in all capital funding going directly to the appropriate Dedicated Drainage Street and Renewal Capital Fund (Fund 4040) of \$54 million offset by an increase in captured ad valorem tax revenue from General Fund of \$9.2 million.

Expenditures decreased by \$55 million as a result of the reduction in capital projects being diverted to Fund 4040 in the amount of \$54 million and personnel savings of \$700,000

### **Building Inspection Fund**

Revenues and Transfer-Out increased by \$2.5 million as a result of the land sales realized in July 2011 which will be transferred to General Fund.

Expenditure decreased by \$296,000 due to personnel savings.

### **Houston TranStar**

Revenues increased by \$444,000 to reflect federal funding from Surface Transportation Program (STP).

### **Mobility Response Team**

Revenues increased by \$400,000 as funding being received from Houston Galveston Area Council for the Mobility Phase II study. As a result, expenditures increased by \$329,000 for the project costs included in this study.

### **Parking Management**

Revenues decreased by \$1.7 million mainly due to the delay of the extended hours metered parking enforcement. As a result, transfer to General Fund decreased by \$1.0 million.

### **Police Special Services**

Revenues decreased by \$3.2 million to reflect the funding from METRO and LEOSE (Law Enforcement Officer Standard and Education) grant funding that will not be received this fiscal year. As a result, expenditure projection decreased by \$1.5 million.

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

Sincerely,



Kelly Dowe  
Director