

# CITY OF HOUSTON FISCAL YEAR 2014

## MONTHLY FINANCIAL REPORT

For period ending August 31, 2013

ANNISE D. PARKER  
Mayor

RONALD C. GREEN  
City Controller







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 27, 2013

**Subject:** August 2013  
Financial Report

Attached is the Monthly Financial Report for the period ending August 31, 2013.

**GENERAL FUND**

The Controller's Office is projecting an ending fund balance of \$161.7 million for FY2014. This is \$18.6 million lower than the projection of the Finance Department. The difference is due to a \$18.6 million higher revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$23.8 million above the City's target of holding 7.5% of total expenditures, excluding debt service, in reserve.

We have increased our projection for Property Tax by \$24.8 million, reflecting the Certified Roll taxable value amounts received from the Appraisal District.

The major differences are in six categories:

- (1) Industrial Assessments are \$1 million lower as Controller's Office is using a lower collection rate than Finance.
- (2) Sales Tax revenues are \$9.3 million lower, as the Controller's Office is using Dr. Gilmer's April 2013 growth estimate, discounted by 1%.
- (3) Charges for Services are \$1.7 million lower. Controller's Office is projecting slightly lower Ambulance collections.
- (4) Municipal Courts are \$2.4 million lower, as the Controller's Office expects lower ticket issuance than Finance.
- (5) Interest is \$1 million lower reflecting lower cash balances and lower interest rates.
- (6) Miscellaneous/Other is \$1.3 million lower for one-time revenues. Our revenue projections agree with those from our FY2014 Trends report.

Expenditure projections have increased \$12.1 million over the adopted budget amount. The projection for General Government increased \$10.8 million for higher captured revenue transfers to Dedicated Drainage & Street Renewal Fund as a result of expected higher property tax revenues. We also increased the Debt Service Transfer \$813,000 for the effect of sequestration. Finally, we have increased several departments by a total of \$215,000 in various departments to reflect allocation of unspent FY2013 City Council funds for core services.

Please remember that all FY2013 numbers are preliminary estimates and subject to change until the annual audit is completed and the Comprehensive Annual Financial Report is published. The preliminary fund balance for FY2013 decreased \$13.2 million from July's report, primarily from additional expenditure accruals in Fire, Police, and General Government.

**ENTERPRISE FUNDS**

In the Dedicated Drainage & Street Renewal Fund, we have increased our revenue projection \$11 million reflecting higher captured revenue transferred from the General Fund

**Mayor Annise D. Parker  
City Council Members  
August Monthly Financial Report**

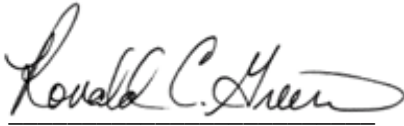
We are currently projecting the Aviation Operating Fund, Convention & Entertainment Operating Fund, Combined Utility System, and Stormwater Funds at budget.

**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 August 31, 2013, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	6.4%
Combined Utility System	0.0%
Aviation	17.4%
Convention and Entertainment	18.3%

Respectfully submitted,



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 27, 2013

**Subject:** 2+10 Financial and  
Operations Report

Attached is the 2+10 Financial and Operations Report for the period ending August 31, 2013. Fiscal Year 2014 projections are based on two months of actual results and 10 months of projections.

## **General Fund**

We are currently projecting ending fund balance of \$180.4 million, which is \$2.1 million lower than last month and 9.81% of expenditures less debt. This is due to changes in the current forecasts and the FY13 unaudited preliminary ending fund balance.

Revenues and Other Sources increased by \$23.1 million due to higher than anticipated property tax values based on the August Certified Tax Roll.

Expenditures and Other Uses increased by \$12.1 million from last month due to the following:

- \$11.0 million increase in General Government to reflect higher captured revenues transfer to Dedicated Drainage & Street Renewal Fund as a result of higher property tax value,
- \$813,000 increase in Debt Service transfers due to sequestration,
- \$215,000 increase in various departments to reflect funding allocation in unspent City Council funds from Fiscal Year 2013 to support core services of the City,
- Funding transfer of \$250,000 from General Government to Finance to cover the cost for the EMS collection transition.

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

We are projecting no change in Enterprise Funds, Special Revenue Funds and all other funds from the 1+11 Report, with the exception of the following:

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

Revenues increased by \$11.0 million due to higher captured revenues transferred from General Fund.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly Dowe". The signature is fluid and cursive, with the first name "Kelly" and last name "Dowe" clearly distinguishable.

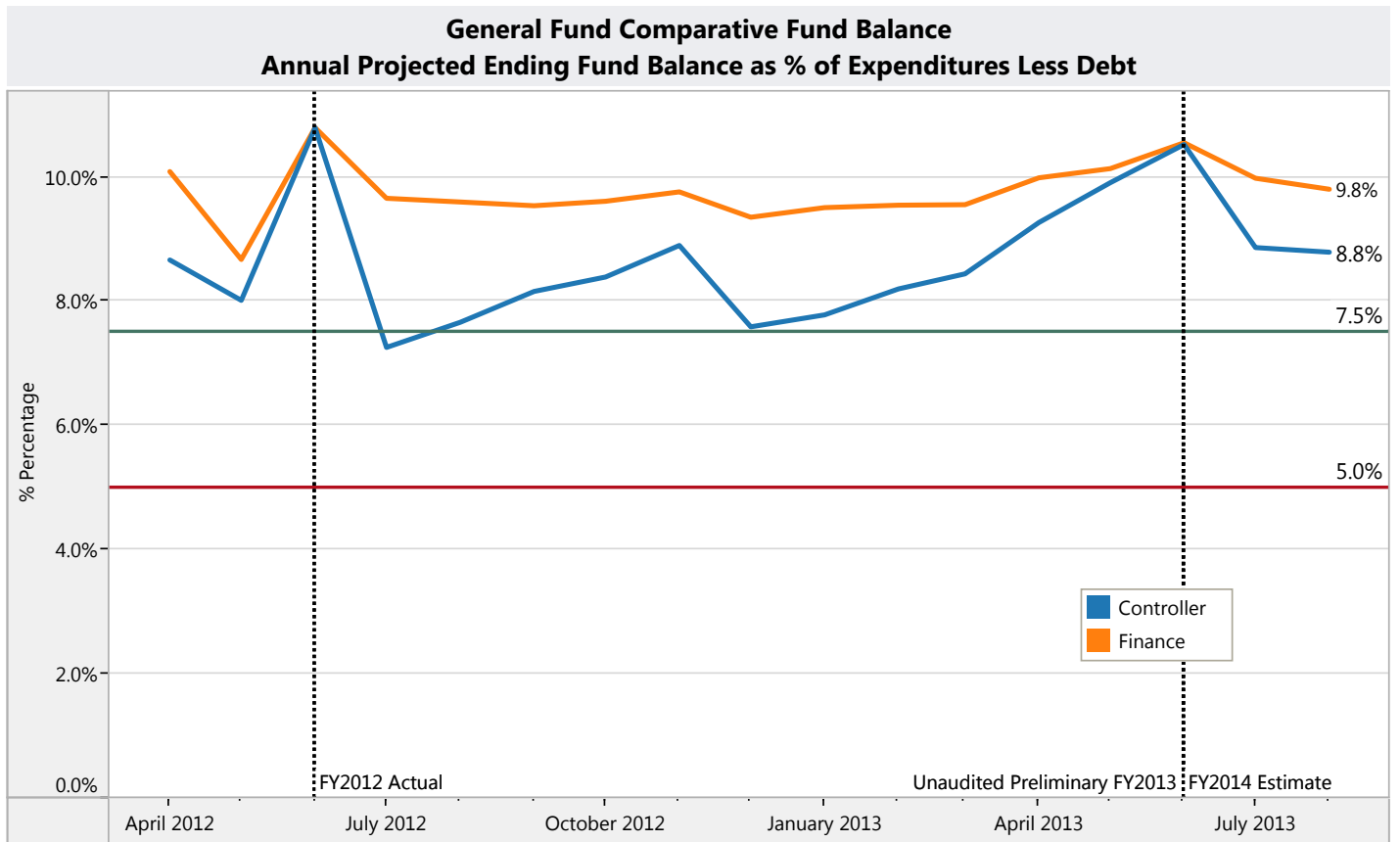
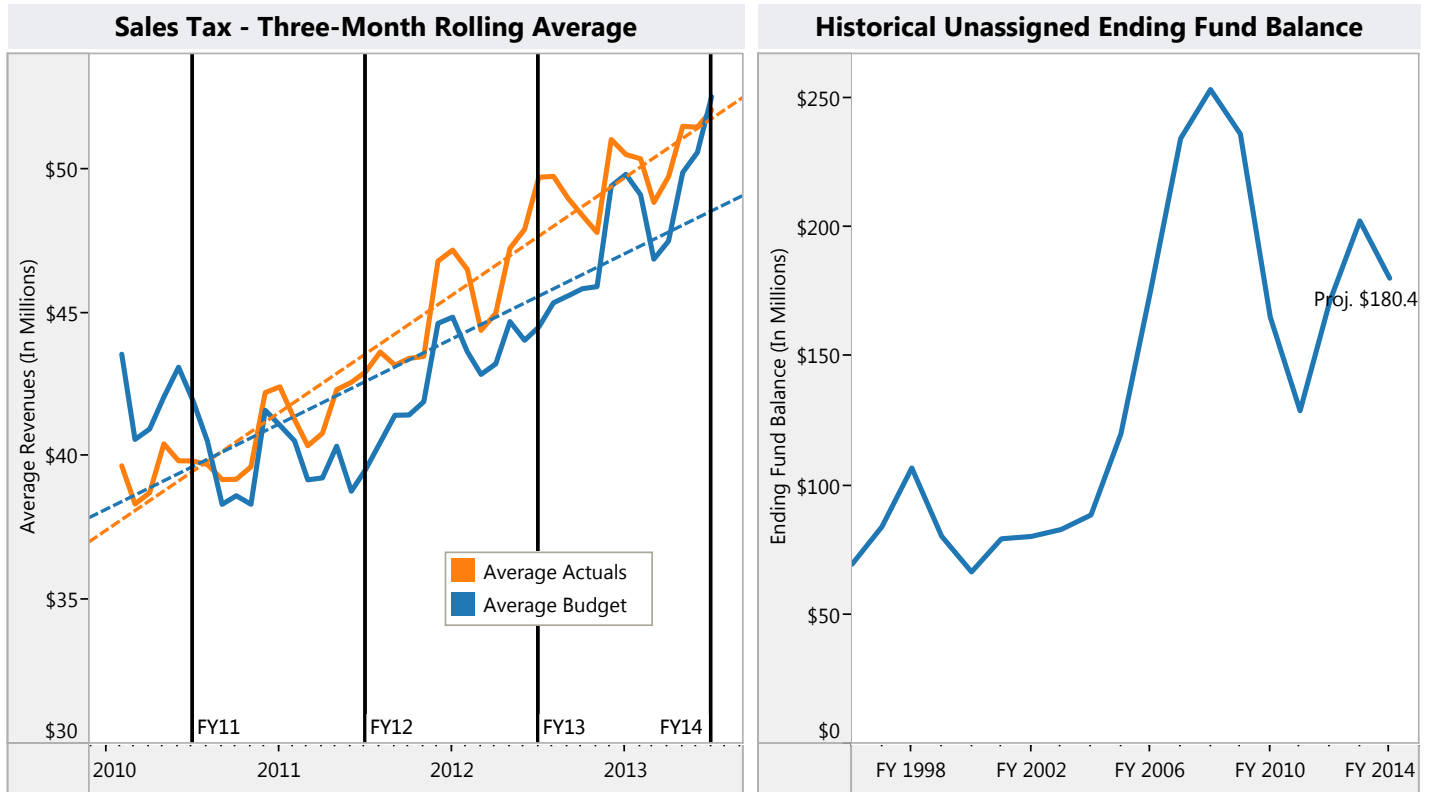
Kelly Dowe

Director



# General Fund

## Sales Tax Growth & Comparative Fund Balance







# General Fund (Fund 1000)

For the period ended August 31, 2013

(amounts expressed in thousands)

Actual YTD  
Current Budget

	FY2014							Controller Finance
	Unaudited Preliminary FY2013	Current Budget	Controller's Projection	Finance Projection	Actual YTD	Controller - Finance Variance		
Revenues								
General Property Taxes	910,034	945,408	967,578	968,487	7,204	(909)		
Industrial Assessments	29,845	15,000	14,000	15,000	205	(1,000)		
Sales Tax	600,558	629,602	620,272	629,602	100,848	(9,330)		
Other Taxes	10,184	9,995	9,994	9,995	70	(1)		
Electric Franchise	103,941	100,526	100,526	100,526	16,488	-		
Telephone Franchise	45,143	44,623	44,623	44,623	7,437	-		
Gas Franchise	19,194	16,492	16,492	16,492	2,749	-		
Other Franchise	27,026	26,812	26,812	26,812	4,475	-		
Licenses and Permits	34,220	32,819	32,275	32,819	5,508	(544)		
Intergovernmental	12,354	21,063	21,063	21,063	97	-		
Charges for Services	42,232	47,759	46,027	47,759	3,259	(1,732)		
Direct Interfund Services	43,519	46,455	46,455	46,455	6,753	-		
Indirect Interfund Services	16,908	20,558	20,558	20,558	1,229	-		
Municipal Courts Fines and Forfeits	31,814	33,799	31,375	33,799	4,046	(2,424)		
Other Fines and Forfeits	4,666	4,648	4,279	4,648	751	(369)		
Interest	3,081	3,000	2,000	3,000	349	(1,000)		
Miscellaneous/Other	8,985	8,058	6,725	8,058	1,172	(1,333)		
Total Revenues	1,943,704	2,006,617	2,011,054	2,029,696	162,640	(18,642)		
Expenditures								
Administration& Regulatory Affairs	28,095	26,012	26,012	26,012	10,539	-		
City Council	6,003	6,613	6,613	6,613	1,039	-		
City Secretary	775	862	862	862	116	-		
Controller	7,548	8,398	8,398	8,398	1,292	-		
Finance	10,267	17,922	17,922	17,922	1,500	-		
Fire	433,226	447,390	447,390	447,390	74,094	-		
General Services	48,640	48,879	48,879	48,879	6,107	-		
Health and Human Services	43,953	55,834	55,834	55,834	7,121	-		
Housing and Community Dev.	2,483	1,348	1,348	1,348	158	-		
Houston Emergency Center	11,856	12,171	12,171	12,171	3,043	-		
Human Resources	3,133	3,494	3,494	3,494	521	-		
Information Technology	18,394	21,263	21,263	21,263	2,800	-		
Legal	13,779	15,233	15,233	15,233	2,340	-		
Library	33,263	38,360	38,360	38,360	5,115	-		
Mayor's Office	6,125	7,072	7,072	7,072	1,117	-		
Municipal Courts	22,187	25,366	25,366	25,366	3,824	-		
Neighborhoods	10,090	11,327	11,327	11,327	1,671	-		
Office of Business Opportunity	2,253	2,574	2,574	2,574	378	-		
Parks and Recreation	64,097	65,963	65,963	65,963	10,411	-		
Planning and Development	7,120	7,995	7,995	7,995	1,212	-		
Police	697,417	722,745	722,745	722,745	119,784	-		
Public Works and Engineering	37,708	35,119	35,119	35,119	5,924	-		
Solid Waste Management	68,935	70,555	70,555	70,555	9,795	-		
Total Departmental Expenditures	1,577,347	1,652,495	1,652,495	1,652,495	269,901	-		
General Government	127,503	175,700	186,941	186,941	-	-		
Total Expenditures Other Than Debt	1,704,850	1,828,195	1,839,436	1,839,436	269,901	-		
Debt Service Transfer	240,203	243,000	243,813	243,813	-	-		
Total Expenditures and Other Uses	1,945,053	2,071,195	2,083,249	2,083,249	269,901	-		
Net Current Activity	(1,349)	(64,578)	(72,195)	(53,553)	(107,261)	(18,642)		
Other Financing Sources (Uses)								
Proceeds from Notes	10,666	-	-	-	-	-		
Transfers from Other Funds	30,685	27,770	27,770	27,770	187	-		
Sale of Capital Assets	4,602	2,500	2,500	2,500	605	-		
Total Other Financing Sources (Uses)	45,953	30,270	30,270	30,270	792	-		
Fund Balances								
Fund Balance - Beginning of Year	171,677	202,642	202,642	202,642	202,642	-		
Changes to Designated Fund Balance*	(15,000)	1,000	1,000	1,000	-	-		
Budgeted Increase/(Decrease) in Fund Balance	44,604	(34,308)	(34,308)	(34,308)	(106,469)	-		
Change in Inventory/Prepaid Items/Imprest Cash	1,361	-	-	-	-	-		
(Budgeted Gap)/Increase in Fund Balance**	-	-	(7,617)	11,025	-	(18,642)		
Fund Balance, End of Year***	202,642	169,334	161,717	180,359	96,173	(18,642)		

\*The Rainy day Fund of \$20 million became unassigned in FY2011. In FY2012, the City reassigned \$5M to the Rainy Day Fund and another \$15M in FY2013. The total designation for the Rainy Day Fund is currently \$20M. In FY2014, the City designated \$1.72M out of the General Fund fund balance as restricted in the event that DARLEP collections are insufficient (Ordinance 2012-98)

\*\*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.

\*\*\*The City desires to maintain an ending fund balance equal to 7.5% of expenditures less Debt Service which is \$137,958 based on current projections. Ordinance 2003-474 requires a 5% fund balance of expenditures less Debt Service. The City will be \$23,759 above 7.5% based on the Controllers Projections for FY2014.

- 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 August 31, 2013  
(amounts expressed in thousands)

		Revenues*				
	Beginning of Year Fund Balance	Unaudited Preliminary FY2013	FY2014 Current Budget	FY2014 Actual YTD	Controller's Projection	Finance Projection
<b><u>Enterprise</u></b>						
Aviation		452,724	450,337	79,042	450,337	450,337
Convention and Entertainment Facilities		85,240	87,909	24,789	87,909	87,909
Combined Utility System		972,319	1,022,558	189,448	1,022,558	1,022,558
Dedicated Drainage & Street Renewal***	93,299	178,858	176,908	21,796	187,918	187,918
Storm Water***	5,000	49,971	55,725	5,690	55,725	55,725
<b><u>Risk Management</u></b>						
Health Benefits	9,112	336,168	357,070	59,617	357,070	357,070
Long-Term Disability	444	1,307	1,326	219	1,326	1,326
Property and Casualty	71	24,245	35,766	315	35,766	35,766
Worker's Compensation	-	19,564	21,332	4,110	21,332	21,332
<b><u>Special Revenue</u></b>						
Asset Forfeiture	6,500	9,189	6,629	2,012	6,629	6,629
Auto Dealers	3,759	7,215	6,795	1,336	6,795	6,795
BARC Special Revenue	785	7,755	8,563	7,480	8,563	8,563
Building Inspection	15,167	63,984	61,953	11,957	61,953	61,953
Building (Court) Security	22	892	900	120	900	900
Cable Television	2,891	4,131	4,214	8	4,214	4,214
Child Safety	209	3,298	3,090	540	3,090	3,090
Contractors Responsibility	3,075	738	472	87	472	472
Digital Automated Red Light Enforcement	-	160	3,052	68	3,052	3,052
Digital Houston	1,192	14	12	1	12	12
Essential Public Health Services	2,565	2,565	14,279	3	14,279	14,279
Forensic Transition Special	-	-	19,918	30	19,918	19,918
Health Special Revenue	4,394	2,222	2,888	686	2,888	2,888
Historic Preservation	935	253	213	57	213	213
Houston Emergency Center	3,401	22,362	25,190	3,652	25,190	25,190
Houston Transtar Center	2,286	2,249	2,513	423	2,513	2,513
Juvenile Case Manager	1,750	1,241	1,246	194	1,246	1,246
Laboratory Operations and Maintenance	324	483	399	60	399	399
Parking Management	2,931	19,212	18,784	2,877	18,784	18,784
Parks Golf	1,084	6,011	6,135	1,039	6,135	6,135
Parks Special Revenue	5,910	2,303	2,027	236	2,027	2,027
Police Special Services	7,176	10,304	8,737	102	8,737	8,737
Recycling Expansion Program	1,691	1,004	2,080	128	2,080	2,080
Special Waste	3,299	2,430	2,588	396	2,588	2,588
Supplemental Environmental Protection	131	86	104	48	104	104
Swimming Pool Safety	459	983	975	194	975	975
Technology Fee	109	1,169	1,211	162	1,211	1,211

\* Revenues include non-operating revenues

\*\* 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

\*\*\*\* Finance's Projection updated on a quarterly basis



Indicates fund is projected to have a negative ending fund balance. For Enterprise Funds, this indicates projected net current activity exceeds 5% or \$5M of budgeted net current activity.

Expenditures**					Net Current Activity (Proj.)	End of Year Fund Balance (Proj.)	
Unaudited Preliminary FY2013	FY2014 Current Budget	FY2014 Actual YTD	Controller's Projection	Finance Projection			
371,247	450,337	71,272	450,337	450,337	-		✓
81,666	87,569	22,983	87,569	87,569	340		✓
924,062	1,026,872	134,641	1,026,872	1,026,872	(4,314)		✓
161,629	186,057	12,347	186,057	186,057	1,861	95,160	✓
47,564	58,725	4,964	58,725	58,725	(3,000)	2,000	✓
312,928	357,107	48,741	357,107	357,107	(37)	9,075	✓
1,926	1,480	179	1,480	1,480	(154)	290	✓
24,251	35,766	1,753	35,766	35,766	-	71	✓
19,564	21,332	3,814	21,332	21,332	-	-	✓
6,769	12,600	427	12,600	12,600	(5,971)	529	✓
6,341	6,776	950	6,776	6,776	19	3,778	✓
7,949	8,922	1,299	8,922	8,922	(359)	426	✓
59,792	66,514	7,490	66,514	66,514	(4,561)	10,606	✓
882	763	95	763	763	137	159	✓
3,809	6,640	253	6,640	6,640	(2,427)	464	✓
3,314	3,090	937	3,090	3,090	-	209	✓
498	1,111	20	1,111	1,111	(639)	2,436	✓
281	2,513	-	2,513	2,513	539	539	✓
419	598	51	598	598	(586)	606	✓
-	15,932	102	15,932	15,932	(1,653)	912	✓
-	19,918	2,917	19,918	19,918	-	-	✓
2,031	3,506	270	3,506	3,506	(618)	3,776	✓
157	652	22	652	652	(439)	496	✓
22,384	25,190	3,416	25,190	25,190	-	3,401	✓
2,010	2,861	274	2,861	2,861	(348)	1,938	✓
1,118	1,407	215	1,407	1,407	(161)	1,589	✓
476	593	186	593	593	(194)	130	✓
18,823	20,876	1,004	20,876	20,876	(2,092)	839	✓
5,296	6,174	1,042	6,174	6,174	(39)	1,045	✓
1,259	2,252	193	2,252	2,252	(225)	5,685	✓
8,567	12,023	1,911	12,023	12,023	(3,286)	3,890	✓
1,314	2,692	20	2,692	2,692	(612)	1,079	✓
2,071	4,880	322	4,880	4,880	(2,292)	1,007	✓
76	200	2	200	200	(96)	35	✓
711	928	124	928	928	47	506	✓
1,395	1,360	95	1,320	1,320	(109)	-	✓



**City of Houston, Texas**  
**Commercial Paper Issued and Available**  
**For the period ended Aug 31, 2013**  
**(amounts expressed in millions)**

<b>COMMERCIAL PAPER</b>	<b>Draws FY14</b>	<b>Draws Month</b>	<b>Refunded FY14</b>	<b>Amount Available to be Drawn</b>	<b>Amount Outstanding</b>
<b>General Obligation</b>					
<b><u>Voter Authorized 2001 &amp; 2006 Election</u></b>					
Series G-1	0.00	0.00	0.00	75.00	0.00
Series G-2	10.00	10.00	0.00	29.90	95.10
Series H-2	0.00	0.00	0.00	90.20	9.80
Series J	0.00	0.00	0.00	125.00	0.00
<b><u>Non-Voter Authorized</u></b>					
Series E1-Equipment & Capital	0.00	0.00	0.00	25.00	75.00
Series E2- Equipment & Capital	15.00	15.00	0.00	55.00	15.00
Series E2- Metro Street Projects	0.00	0.00	0.00	23.00	7.00
Series H - Drainage	0.00	0.00	0.00	0.00	0.00
Series K-1	0.00	0.00	0.00	100.00	0.00
Series K-2	0.00	0.00	0.00	100.00	0.00
<b>Total General Obligation</b>	<b>25.00</b>	<b>25.00</b>	<b>0.00</b>	<b>623.10</b>	<b>201.90</b>
<b>Combined Utility System</b>					
Series B-1	0.00	0.00	0.00	250.00	0.00
Series B-2	0.00	0.00	0.00	75.00	0.00
Series B-3	0.00	0.00	0.00	75.00	0.00
Series B-4	0.00	0.00	0.00	100.00	0.00
Series B-5	0.00	0.00	0.00	100.00	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>700.00</b>	<b>0.00</b>
<b>Airport System</b>					
Series A&B	0.00	0.00	0.00	150.00	0.00
<b>Total Airport System</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>150.00</b>	<b>0.00</b>
<b>Convention &amp; Entertainment</b>					
Series A	0.00	0.00	0.00	8.00	42.00
<b>Total Convention and Entertainment</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8.00</b>	<b>42.00</b>
<b>Totals</b>	<b>\$25.00</b>	<b>\$25.00</b>	<b>\$0.00</b>	<b>\$1,481.10</b>	<b>\$243.90</b>

**City of Houston, Texas**  
**Total Outstanding Debt**  
**For the period ended Aug 31, 2013**  
**(amounts expressed in thousands)**

	<b>August 31, 2013</b>	<b>August 31, 2012</b>
<b>Payable from Ad Valorem Taxes</b>		
Public Improvement Bonds <sup>(a)</sup>	2,561,515	2,602,570
Commercial Paper Notes <sup>(b)</sup>	201,900	236,900
Pension Obligations	607,775	587,525
Certificates of Obligations	11,870	17,365
<b>Subtotal</b>	<b>3,383,060</b>	<b>3,444,360</b>
<b>Payable from Sources Other Than Ad Valorem Taxes</b>		
<b>Combined Utility System</b>		
Combined Utility System Revenue Bonds	5,751,435	5,411,030
Combined Utility System Commercial Paper Notes <sup>(c)</sup>	0	160,400
Water and Sewer System Revenue Bonds <sup>(d)</sup>	284,525	345,888
Contract Revenue Obligations - CWA	112,320	125,740
<b>Airport System</b>		
Airport System Sr. Lien Bonds <sup>(e)</sup>	449,660	449,660
Airport System Subordinate Lien	1,766,285	1,818,055
Airport System Sr. Lien Commercial Paper Notes <sup>(f)</sup>	0	0
Airport System Inferior Lien Contracts <sup>(g)</sup>	23,075	28,115
Airport Special Facilities Revenue Bonds <sup>(h)</sup>	666,320	679,372
<b>Hotel Occupancy Tax and Civic Parking</b>		
Facilities Revenue Bonds <sup>(i)</sup>	578,800	593,887
Hotel Occupancy Tax Commercial Paper <sup>(j)</sup>	42,000	43,000
<b>Subtotal</b>	<b>9,674,419</b>	<b>9,655,147</b>
<b>Total Debt Payable by the City</b>	<b>\$13,057,479</b>	<b>\$13,099,507</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: \$100 million, H-2: \$100 million, J: \$125 million, K1: \$100 million and K2: \$100 million.
- (c) The City has authorized \$700 million in Combined Utility System Commercial Paper Notes.
- (d) Includes \$73.5 million accreted value of capital appreciation bonds at this date and \$109.8 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") George Bush Airport. These sublease payments constitute Inferior Lien Obligations under the Airport bond ordinance.
- (h) All Special Facility Revenue Bonds are secured solely from Special Facility Lease Revenues. Does not include \$23.1 million for Series 1997A Special Facilities Bonds. See footnote (g).
- (i) Includes \$115.4 million accreted value of capital appreciation bonds at this date and \$112 million last year.
- (j) The City has authorized \$50 million of Subordinate Lien Hotel Occupancy Tax and Parking Revenue Commercial Paper Notes.

**City of Houston, Texas**  
**Voter-Authorized Obligations**  
**For the period ended Aug 31, 2013**  
**(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	\$ 471,850	\$ 2,150	\$ 2,150
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	11,185	8,815	8,815
<b>Total</b>	<b>\$ 776,000</b>	<b>\$ 776,000</b>	<b>\$ 765,035</b>	<b>\$ 10,965</b>	<b>\$ 10,965</b>
<b>November 2006 Election</b>					
Streets, Bridges, Traffic Control	\$ 320,000	\$ 219,950	\$ 74,560	\$ 145,390	\$ 245,440
Parks and Recreation	55,000	55,000	38,100	16,900	16,900
Public Safety	135,000	135,000	80,105	54,895	54,895
Permanent and General Improvements <sup>(b)</sup>	60,000	60,000	47,000	13,000	13,000
Public Libraries	37,000	37,000	36,350	650	650
Low Income Housing	18,000	13,633	0	13,633	18,000
<b>Total</b>	<b>\$ 625,000</b>	<b>\$ 520,583</b>	<b>\$ 276,115</b>	<b>\$ 244,468</b>	<b>\$ 348,885</b>
<b>November 2012 Election</b>					
Streets, Bridges, Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	166,000	24,190	0	24,190	166,000
Public Safety	144,000	21,793	0	21,793	144,000
Permanent and General Improvements <sup>(b)</sup>	57,000	18,843	0	18,843	57,000
Public Libraries	28,000	8,195	0	8,195	28,000
Low Income Housing	15,000	0	0	0	15,000
<b>Total</b>	<b>\$ 410,000</b>	<b>\$ 73,021</b>	<b>\$ -</b>	<b>\$ 73,021</b>	<b>\$ 410,000</b>
<b>Combined Total (2001, 2006, 2012 Elections)</b>	<b>\$ 1,811,000</b>	<b>\$ 1,369,604</b>	<b>\$ 1,041,150</b>	<b>\$ 328,454</b>	<b>\$ 769,850</b>

(a) As of Aug 31, 2013

(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 six major entertainment centers and City-owned parking garages: Jesse H. Jones Hall, Bayou Place, Houston Center for The Arts, Gus S. Wortham Center, George R. Brown Convention Center, Tranquility Park garage and Civic Center garage.

#### **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. Total outstanding debt payable from ad valorem taxes (as of December 31, 2012) is \$3.47 billion. The portion of the debt associated with drainage and street improvements is estimated at \$1.69 billion. The Dedicated Drainage and Street Renewal Fund is not technically an enterprise fund, but is grouped with the Combined Utility System for clarity.

### 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.

**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 to provide for the safety of civilians and civil service employees conducting business at Municipal Court buildings. This fund generates revenue by charging a fee to every defendant convicted of any offense. The purpose of this fund is to contract security officers and purchase security equipment such as video arraignment equipment, court room cameras and the installation of a card-key security system. This fund is administered by the Municipal Courts Department.

**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.

**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 was previously administered by the Police Department. The Finance Department administered this fund starting FY2013.

**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, which 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.

**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 under Article 45.056 of the Texas Code of Criminal procedure to assess a juvenile case manager fee for each defendant convicted of a fine-only misdemeanor offense and may only be used to finance the salary and benefits of juvenile case managers. This fund is administered by the Municipal Courts Department.

**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.

**Mobility Response Team Fund (2304)**

The mission of the Mobility Response Team is to respond and mitigate significant traffic congestion resulting from malfunctioning traffic signals, accidents and other mobility issues throughout the City. The team is a partnership between the Police and Public Works and Engineering (PWE) 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.

**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 generates a fee charged for convictions on all traffic and non-traffic misdemeanor offenses occurring on or after June 25, 2000. The purpose of the fund is to finance technological enhancements for the Municipal Courts, including computer systems, networks, hardware, software, imaging systems, electronic ticket writers and docket management systems. The FY2014 Budget includes debt repayment on bonds issued to purchase the new case management system and other equipment and services necessary for the operation of the new system. This fund is administered by the Municipal Courts Department.



# AUGUST 2013 FISCAL YEAR 2014

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