



# CITY OF HOUSTON

Finance Department

**Annise D. Parker**

Mayor

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

**Date:** January 31, 2014

**Subject:** 6+6 Financial Report

Attached is the 6+6 Financial Report for the period ending December 31, 2013. Fiscal Year 2014 projections are based on six months of actual results and six months of projections.

## **General Fund**

We are currently projecting ending fund balance of \$179.5 million, which is approximately \$1.6 million less than last month and 9.7% of expenditures less debt service payments.

The projection for Revenues and Other Sources increased by \$11.5 million from last month due to the following forecast changes:

- General Property Tax increased by \$15.7 million due to higher taxable values,
- Telephone Franchise decreased by \$300,000 due to lower second quarter receipts than anticipated,
- Licenses and Permits increased by \$712,000 mainly due to higher burglar alarm permit collections, plan review fees, and administrative fees,
- Intergovernmental decreased by \$1.9 million due to delays in various projects related to TX1115 Waiver,
- Indirect Interfund Services decreased by \$1 million due to lower grants reimbursement;
- Municipal Courts Fines and Forfeits decreased by \$2.6 million mainly due to lower ticket issuance for moving violations,
- Transfer from Other Funds increased by \$772,000 due to higher Hotel Occupancy Tax collection than anticipated.

The projection for Expenditures and Other Uses increased by \$13.1 million from last month mainly due to the following:

- \$2.8 million health benefits savings in various departments;
- \$4.3 million increase in workers compensation payments for both Fire and Police Department;
- \$8.5 million increase in the Fire Department due to higher costs for overtime, pension and additional cadets classes;
- \$1.9 million decrease in the Health Department due to delays in various projects related to TX1115 Waiver;
- \$4.8 million increase in General Government to reflect: (1) LPA payment in the amount of \$2 million, (2) lawsuit settlement for termination pay in the amount of \$2 million, and (3) higher Hotel Occupancy Tax collection in the amount of \$772,000.

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

We are projecting no change in Enterprise Funds, Special Revenue Funds and all other funds from the 5+7 Report, with the exception of the following:

#### **Aviation**

Operating Revenues increased by \$3.6 million mainly due to higher auto car rental and concession revenues. Operating Expenses increased by \$1.1 million primarily due to increase in personnel. Non-Operating Revenues decreased by \$589,000 due to decrease in Interest on Pooled Investment. As a result, Operating Transfers increased by \$1.9 million.

#### **Convention & Entertainment**

Non-Operating Revenues and Operating Transfers increased by \$3.8 million primarily due to increase in Hotel Occupancy Tax collections.

#### **Storm Water Fund**

Expenditures decreased by \$444,000 primarily due to personnel savings.

### **Combined Utility System**

Operating Expenditures decreased by \$1.3 million primarily due to personnel saving. Non-Operating Revenues increased by \$3 million due to upward trend in Impact Fee Revenues from Special Development Projects. Operating Transfers decreased by \$14.2 million due to lower in interest on First Lien Bonds.

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

Expenditures decreased by \$1.5 million primarily due to personnel savings and lower costs in construction material.

### **Health Benefits Fund**

Revenues decreased by \$2 million as a result of rate adjustments for City contributions. Expenditures decreased by \$22 million mainly due to downtrend in claims activity.

### **Worker's Compensation Fund**

Operating Revenues and Expenditures increased by \$3.9 million due to higher claims experienced in the Fire and Police Departments.

### **Asset Forfeiture Fund**

Revenues increased by \$442,000 primarily due to additional confiscation judgments.

### **Building Inspection Fund**

Revenues increased by \$3.8 million mainly due to increased permit activities. Expenditures decreased by \$604,000 due to personnel saving.

### **Digital Automated Red Light Enforcement Program**

Revenues decreased by \$2.2 million due to a lower than anticipated collections. As a result, expenditures decreased by \$1.6 million due to a lower payment to the State.

### **Essential Public Health Services Fund**

Revenues decreased by \$2.2 million due to delay implementation in various projects. Expenditures decreased by \$3.8 million as a result of the project delays as well as personnel saving.

**Parking Management Fund**

Expenditures decreased by \$681,000 mainly due to personnel saving.

**Park Special Revenue Fund**

Revenues increased by \$579,000 to reflect lawsuit settlements.

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

Sincerely,

A handwritten signature in black ink that reads "Kelly Dowe". The signature is written in a cursive style with a large, looping initial "K".

Kelly Dowe

Director