

CITY OF HOUSTON
FISCAL YEAR
2014

MONTHLY
FINANCIAL
REPORT

For period ending July 31, 2013

ANNISE D. PARKER
Mayor

RONALD C. GREEN
City Controller

CITY OF HOUSTON





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: August 30, 2013

Subject: July 2013
Financial Report

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

GENERAL FUND

The Controller's Office is projecting an ending fund balance of \$162.1 million for FY2014. This is \$20.4 million lower than the projection of the Finance Department. The difference is due to a \$20.4 million higher revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$25.0 million above the City's target of holding 7.5% of total expenditures, excluding debt service, in reserve.

The major differences are in seven categories:

- (1) Property Tax revenues are \$2.7 million lower due to the Controller's Office using a lower collection rate projection.
- (2) Industrial Assessments are \$1 million lower as Controller's Office is using a lower collection rate than Finance.
- (3) 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%.
- (4) Charges for Services are \$1.7 million lower. Controller's Office is projecting slightly lower Ambulance collections.
- (5) Municipal Courts are \$2.4 million lower, as the Controller's Office expects lower ticket issuance than Finance.
- (6) Interest is \$1 million lower reflecting lower cash balances and lower interest rates.
- (7) Miscellaneous/Other is \$1.3 million lower for one-time revenues. Our revenue projections agree with those from our FY2014 Trends report.

Expenditure projections are in line with the FY2014 Adopted Budget for all departments.

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.

**Mayor Annise D. Parker
City Council Members
July 2013 Monthly Financial Report**

ENTERPRISE FUNDS

We are currently projecting the Aviation Operating Fund, Convention & Entertainment Operating Fund, Combined Utility System, Dedicated Drainage & Street Renewal Fund 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 July 31, 2013, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	5.6%
Combined Utility System	0.0%
Aviation	13.7%
Convention and Entertainment	18.3%

Respectfully submitted,



Ronald C. Green
City Controller



CITY OF HOUSTON

Finance Department

Annise D. Parker

Mayor

Finance Department
P.O. Box 1562
Houston, Texas 77251-1562

T. 832-393-9051
F. 832-393-9116
www.houstontx.gov

To: Mayor Annise D. Parker
City Council Members

Date: August 30, 2013

Subject: 1+11 Financial Report

Attached is the 1+11 Financial Report for the period ending July 31, 2013. Fiscal Year 2014 projections are based on one month of actual results and 11 months of projections.

General Fund

Fiscal Year 2013

The unaudited preliminary figures for FY2013 are shown for each fund. In accordance with government accounting standards for governmental funds, the final revenues for FY2013 will include revenues earned through June 30 only if they are collected by the end of August. Expenditures through June 30 will include spending incurred before the end of June. As a result, there will be additional adjustments made for both revenues and expenditures. The preliminary undesignated fund balance for the General Fund is \$216 million which is approximately \$34 million higher than our June MFOR projection. This is largely due to health benefits adjustment of approximately \$10 million as a result of the Health Benefits Fund's surplus and other savings in various departments. These preliminary numbers are subject to change until the annual audit is completed.

Fiscal Year 2014

We are currently projecting both revenues and expenditures at budget. Our projection for the ending fund balance is \$182.5 million, which is approximately 9.98% of estimated expenditures less debt service.

Enterprise, Special Revenue and Other Funds

We are projecting Enterprise Funds, Special Revenue Funds and all other funds at budget.

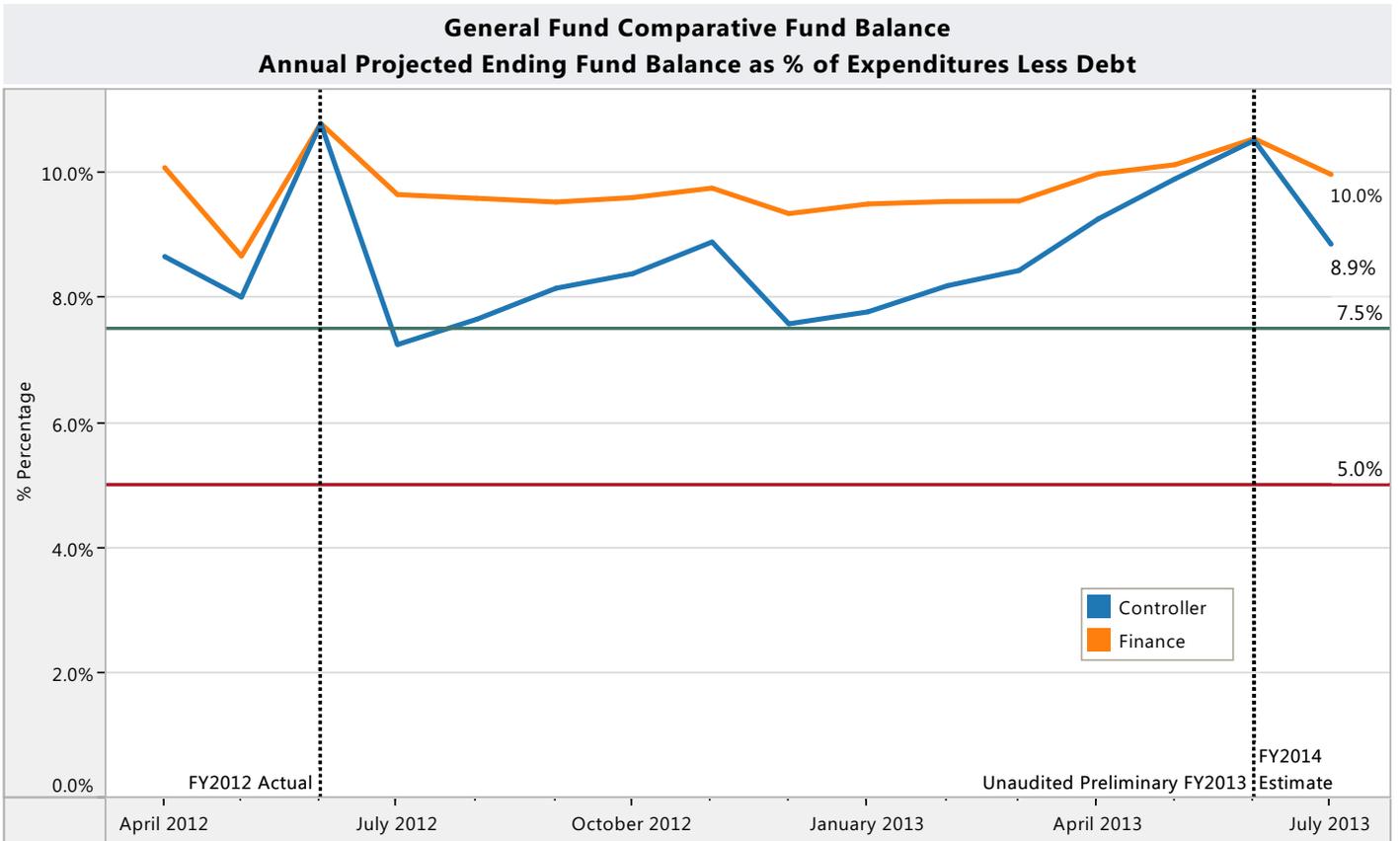
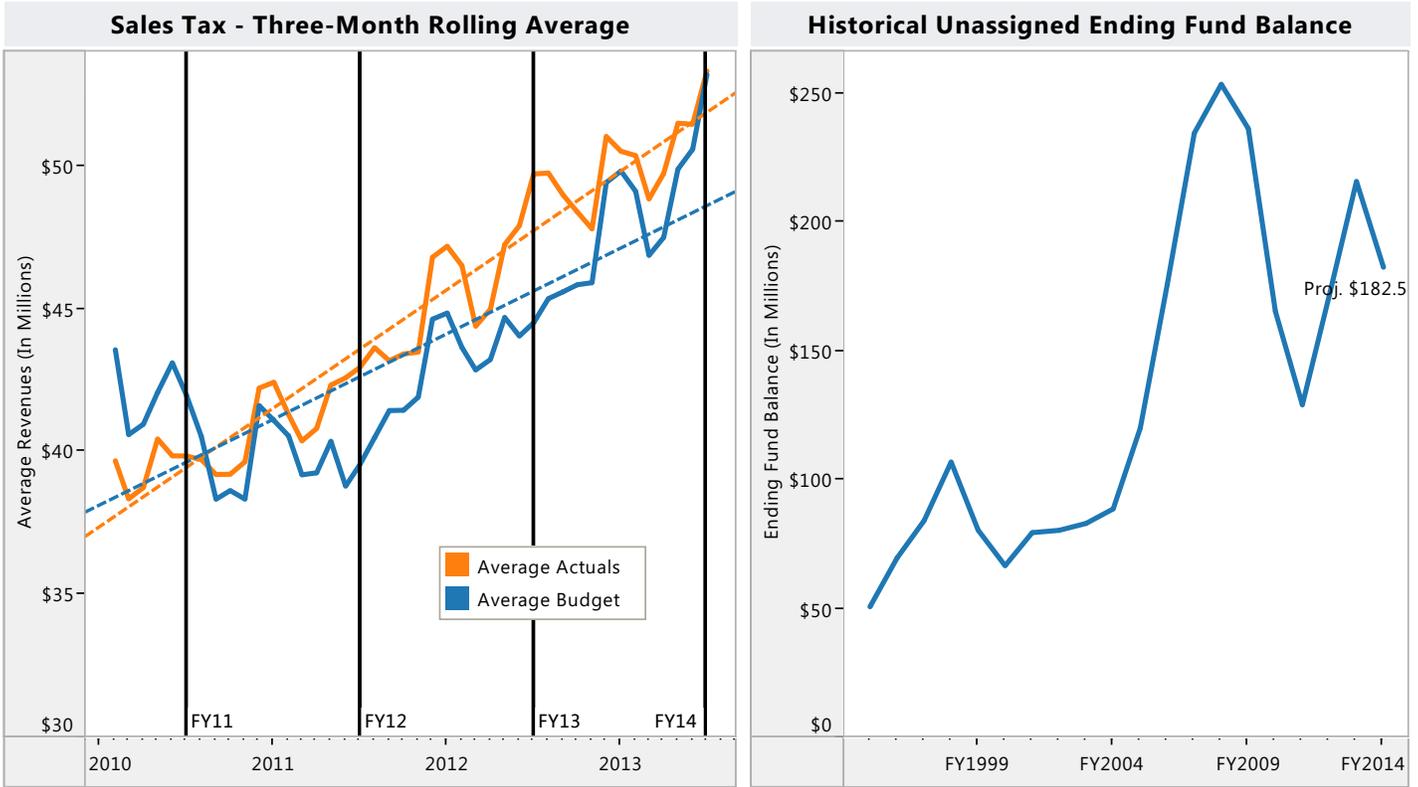
If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Dowe".

Kelly Dowe
Director

General Fund Sales Tax Growth & Comparative Fund Balance





General Fund

For the period ended July 31, 2013
(amounts expressed in thousands)

Actual YTD
Current Budget

	FY2014						Controller - Finance	Controller - Finance
	Unaudited Preliminary FY2013	Current Budget	Controller's Projection	Finance Projection	Actual YTD	Controller - Finance Variance		
Revenues								
General Property Taxes	910,177	945,408	942,735	945,408	4,737	(2,673)		✓
Industrial Assessments	29,845	15,000	14,000	15,000	99	(1,000)		✓
Sales Tax	596,635	629,602	620,272	629,602	51,333	(9,330)		✓
Other Taxes	10,189	9,995	9,994	9,995	22	(1)		✓
Electric Franchise	103,941	100,526	100,526	100,526	8,244	-		✓
Telephone Franchise	45,137	44,623	44,623	44,623	3,719	-		✓
Gas Franchise	19,194	16,492	16,492	16,492	1,374	-		✓
Other Franchise	26,999	26,812	26,812	26,812	2,238	-		✓
Licenses and Permits	34,223	32,819	32,275	32,819	2,614	(544)		✓
Intergovernmental	12,320	21,063	21,063	21,063	25	-		✓
Charges for Services	44,940	47,759	46,027	47,759	1,943	(1,732)		✓
Direct Interfund Services	44,024	46,455	46,455	46,455	3,376	-		✓
Indirect Interfund Services	16,908	20,558	20,558	20,558	551	-		✓
Municipal Courts Fines and Forfeits	30,580	33,799	31,375	33,799	2,882	(2,424)		✓
Other Fines and Forfeits	4,513	4,648	4,279	4,648	378	(369)		✓
Interest	3,081	3,000	2,000	3,000	172	(1,000)		✓
Miscellaneous/Other	9,255	8,058	6,725	8,058	632	(1,333)		✓
Total Revenues	1,941,961	2,006,617	1,986,211	2,006,617	84,339	(20,406)		✓
Expenditures								
Administration & Regulatory Affairs	27,849	26,012	26,012	26,012	8,826	-		✓
City Council	6,003	6,613	6,613	6,613	519	-		✓
City Secretary	775	862	862	862	58	-		✓
Controller	7,544	8,398	8,398	8,398	628	-		✓
Finance	10,262	17,672	17,672	17,672	730	-		✓
Fire	431,528	447,379	447,379	447,379	37,232	-		✓
General Services	48,380	48,879	48,879	48,879	2,017	-		✓
Health and Human Services	43,937	55,834	55,834	55,834	3,411	-		✓
Housing and Community Dev.	2,475	1,348	1,348	1,348	142	-		✓
Houston Emergency Center	11,856	12,171	12,171	12,171	-	-		✓
Human Resources	3,133	3,494	3,494	3,494	255	-		✓
Information Technology	18,352	21,263	21,263	21,263	1,383	-		✓
Legal	13,570	15,233	15,233	15,233	1,161	-		✓
Library	33,262	38,345	38,345	38,345	2,368	-		✓
Mayor's Office	6,120	7,072	7,072	7,072	550	-		✓
Municipal Courts	22,173	25,366	25,366	25,366	1,801	-		✓
Neighborhoods	10,053	11,327	11,327	11,327	863	-		✓
Office of Business Opportunity	2,253	2,574	2,574	2,574	184	-		✓
Parks and Recreation	63,839	65,937	65,937	65,937	4,820	-		✓
Planning and Development	7,120	7,995	7,995	7,995	607	-		✓
Police	695,134	722,582	722,582	722,582	59,504	-		✓
Public Works and Engineering	37,704	35,119	35,119	35,119	3,071	-		✓
Solid Waste Management	68,903	70,555	70,555	70,555	3,752	-		✓
Total Departmental Expenditures	1,572,225	1,652,030	1,652,030	1,652,030	133,883	-		✓
General Government	116,385	176,165	176,165	176,165	6,549	-		✓
Total Expenditures Other Than Debt	1,688,610	1,828,195	1,828,195	1,828,195	140,432	-		✓
Debt Service Transfer	240,203	243,000	243,000	243,000	-	-		✓
Total Expenditures and Other Uses	1,928,813	2,071,195	2,071,195	2,071,195	140,432	-		✓
Net Current Activity	13,148	(64,578)	(84,984)	(64,578)	(56,093)	(20,406)		
Other Financing Sources (Uses)								
Proceeds from Notes	10,666	-	-	-	-	-		✓
Transfers from Other Funds	30,685	27,770	27,770	27,770	-	-		✓
Sale of Capital Assets	4,630	2,500	2,500	2,500	373	-		✓
Total Other Financing Sources (Uses)	45,981	30,270	30,270	30,270	373	-		✓
Fund Balances								
Fund Balance - Beginning of Year	171,677	215,806	215,806	215,806	215,806	-		
Changes to Designated Fund Balance*	(15,000)	1,000	1,000	1,000	-	-		
Budgeted Increase/(Decrease) in Fund Balance (Budgeted Gap)/Increase in Fund Balance**	59,129	(34,308)	(34,308)	(34,308)	(55,721)	-		
	-	-	(20,406)	-	-	(20,406)		
Fund Balance, End of Year***	215,806	182,498	162,092	182,498	160,085	(20,406)		

*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 \$137,115 based on current projections. Ordinance 2003-474 requires a 5% fund balance of expenditures less Debt Service. The City will be \$24,977 above 7.5% based on the Controller's 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 July 31, 2013

(amounts expressed in thousands)

	Beginning of Year Fund Balance	Revenues*				
		Unaudited Preliminary FY2013	FY2014 Current Budget	FY2014 Actual YTD	Controller's Projection	Finance Projection
Enterprise						
Aviation	-	452,724	450,337	39,553	450,337	450,337
Convention and Entertainment Facilities	3,958	85,409	87,909	16,283	87,909	87,909
Combined Utility System	51,795	972,319	1,022,558	95,185	1,022,558	1,022,558
Dedicated Drainage & Street Renewal***	100,757	185,600	176,908	7,436	176,908	176,908
Storm Water***	5,219	50,085	55,725	2,699	55,725	55,725
Risk Management						
Health Benefits	5,239	336,163	357,070	29,801	357,070	357,070
Long-Term Disability	444	1,307	1,326	108	1,326	1,326
Property and Casualty	71	24,249	35,766	260	35,766	35,766
Worker's Compensation	-	19,610	21,332	2,357	21,332	21,332
Special Revenue						
Asset Forfeiture	6,403	9,086	6,629	383	6,629	6,629
Auto Dealers	3,910	7,215	6,795	810	6,795	6,795
BARC Special Revenue	790	7,755	8,563	7,350	8,563	8,563
Building Inspection	15,004	63,991	61,953	6,048	61,953	61,953
Building (Court) Security	9	879	900	65	900	900
Cable Television	2,366	3,073	4,214	3	4,214	4,214
Child Safety	207	3,296	3,090	261	3,090	3,090
Contractors Responsibility	3,075	738	472	61	472	472
Digital Automated Red Light Enforcement	21	160	3,052	17	3,052	3,052
Digital Houston	1,193	14	12	1	12	12
Essential Public Health Services	2,565	2,565	14,279	1	14,279	14,279
Forensic Transition Special	-	-	19,918	29	19,918	19,918
Health Special Revenue	4,470	2,268	2,888	150	2,888	2,888
Historic Preservation	935	253	213	7	213	213
Houston Emergency Center	2,681	22,629	25,190	2	25,190	25,190
Houston Transtar Center	2,285	2,249	2,513	66	2,513	2,513
Juvenile Case Manager	1,734	1,221	1,246	105	1,246	1,246
Laboratory Operations and Maintenance	327	485	399	30	399	399
Mobility Response Team	-	16	-	-	-	-
Parking Management	2,956	19,213	18,784	1,279	18,784	18,784
Parks Golf	1,058	6,011	6,135	527	6,135	6,135
Parks Special Revenue	5,906	2,303	2,027	113	2,027	2,027
Police Special Services	5,859	8,971	8,737	136	8,737	8,737
Recycling Expansion Program	1,690	1,004	2,080	29	2,080	2,080
Special Waste	3,334	2,463	2,588	200	2,588	2,588
Supplemental Environmental Protection	131	86	104	8	104	104
Swimming Pool Safety	462	985	975	105	975	975
Technology Fee	442	1,152	1,211	88	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

Expenditures**							
Unaudited Preliminary FY2013	FY2014 Current Budget	FY2014 Actual YTD	Controller's Projection	Finance Projection	Net Current Activity (Proj.)	End of Year Fund Balance (Proj.)	
371,247	450,337	41,394	450,337	450,337	-	-	✓
81,451	87,569	(7,690)	87,569	87,569	340	4,298	✓
920,524	1,026,872	104,355	1,026,872	1,026,872	(4,314)	47,481	✓
160,913	186,057	9,807	186,057	186,057	(9,149)	91,608	✓
47,459	58,725	2,696	58,725	58,725	(3,000)	2,219	✓
316,796	357,107	24,694	357,107	357,107	(37)	5,202	✓
1,926	1,480	78	1,480	1,480	(154)	290	✓
24,251	35,766	946	35,766	35,766	-	71	✓
19,610	21,332	2,157	21,332	21,332	-	-	✓
6,763	12,600	118	12,600	12,600	(5,971)	432	✓
6,190	6,776	271	6,776	6,776	19	3,929	✓
7,944	8,922	638	8,922	8,922	(359)	431	✓
59,962	66,514	3,670	66,514	66,514	(4,561)	10,443	✓
882	763	103	763	763	137	146	✓
3,276	6,640	116	6,640	6,640	(2,427)	(61)	⚠
3,314	3,090	-	3,090	3,090	-	207	✓
498	1,111	10	1,111	1,111	(639)	2,436	✓
260	2,513	-	2,513	2,513	539	560	✓
418	598	14	598	598	(586)	607	✓
-	15,932	22	15,932	15,932	(1,653)	912	✓
-	19,918	1,351	19,918	19,918	-	-	✓
2,001	3,506	158	3,506	3,506	(618)	3,852	✓
157	652	11	652	652	(439)	496	✓
22,471	25,190	1,642	25,190	25,190	-	2,681	✓
2,011	2,861	117	2,861	2,861	(348)	1,937	✓
1,114	1,407	91	1,407	1,407	(161)	1,573	✓
475	593	25	593	593	(194)	133	✓
2,098	-	-	-	-	-	-	✓
18,799	20,876	387	20,876	20,876	(2,092)	864	✓
5,322	6,174	447	6,174	6,174	(39)	1,019	✓
1,263	2,252	49	2,252	2,252	(225)	5,681	✓
8,551	12,023	306	12,023	12,023	(3,286)	2,573	✓
1,316	2,692	54	2,692	2,692	(612)	1,078	✓
2,069	4,880	137	4,880	4,880	(2,292)	1,042	✓
73	200	1	200	200	(96)	35	✓
710	928	57	928	928	47	509	✓
1,045	1,360	52	1,360	1,360	(149)	293	✓



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

COMMERCIAL PAPER	Draws FY14	Draws Month	Refunded FY14	Amount Available to be Drawn	Amount Outstanding
General Obligation					
<i><u>Voter Authorized 2001 & 2006 Election</u></i>					
Series G-1	0.00	0.00	0.00	75.00	0.00
Series G-2	0.00	0.00	0.00	39.90	85.10
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
<i><u>Non-Voter Authorized</u></i>					
Series E1-Equipment & Capital	0.00	0.00	0.00	25.00	75.00
Series E2- Equipment & Capital	0.00	0.00	0.00	80.00	0.00
Series E2- Metro Street Projects	0.00	0.00	0.00	13.00	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
Total General Obligation	0.00	0.00	0.00	648.10	176.90
Combined Utility System					
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
Total Combined Utility System	0.00	0.00	0.00	700.00	0.00
Airport System					
Series A&B	0.00	0.00	0.00	150.00	0.00
Total Airport System	0.00	0.00	0.00	150.00	0.00
Convention & Entertainment					
Series A	0.00	0.00	0.00	8.00	42.00
Total Convention and Entertainment	0.00	0.00	0.00	8.00	42.00
Totals	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,506.10	\$ 218.90

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

	<u>July 31,</u> <u>2013</u>	<u>July 31,</u> <u>2012</u>
Payable from Ad Valorem Taxes		
Public Improvement Bonds ^(a)	2,561,515	2,602,570
Commercial Paper Notes ^(b)	176,900	226,900
Pension Obligations	607,775	587,525
Certificates of Obligations	11,870	17,365
Subtotal	3,358,060	3,434,360
Payable from Sources Other Than Ad Valorem Taxes		
Combined Utility System		
Combined Utility System Revenue Bonds	5,751,435	5,411,030
Combined Utility System Commercial Paper Notes ^(c)	0	135,400
Water and Sewer System Revenue Bonds ^(d)	283,934	344,996
Contract Revenue Obligations - CWA	112,320	125,740
Airport System		
Airport System Sr. Lien Bonds ^(e)	449,660	449,660
Airport System Subordinate Lien	1,766,285	1,818,055
Airport System Sr. Lien Commercial Paper Notes ^(f)	0	0
Airport System Inferior Lien Contracts ^(g)	23,075	28,115
Airport Special Facilities Revenue Bonds ^(h)	666,320	679,372
Hotel Occupancy Tax and Civic Parking		
Facilities Revenue Bonds ⁽ⁱ⁾	577,740	592,570
Hotel Occupancy Tax Commercial Paper ^(j)	42,000	43,000
Subtotal	9,672,769	9,627,938
Total Debt Payable by the City	\$ 13,030,829	\$ 13,062,298

(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 \$72.9 million accreted value of capital appreciation bonds at this date and \$107.2 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") at George Bush Airport. These sublease payments constitute Inferior Lien Obligations under the Airport bond ordinances.

(h) All Special Facility Revenue Bonds are secured solely from Special Facility Lease Revenues. Does not include \$28.1 million for Series 1997A Special Facilities Bonds. See footnote (g).

(i) Includes \$114.4 million accreted value of capital appreciation bonds at this date and \$105.9 million last year.

(j) The City has authorized \$50 million of Subordinate Lien Hotel Occupancy Tax and Parking Revenue Commercial Paper.

City of Houston, Texas
Voter-Authorized Obligations
For the period ended July 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 ^(a)</u>	<u>Commercial Paper Notes Approved by City Council but Unissued</u>	<u>All Voter Authorized but Unissued</u>
November 2001 Election					
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 ^(b)	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	10,860	9,140	9,140
Total	\$ 776,000	\$ 776,000	\$ 764,710	\$ 11,290	\$ 11,290
November 2006 Election					
Streets, Bridges, Traffic Control	\$ 320,000	\$ 219,950	\$ 74,560	\$ 145,390	\$ 245,440
Parks and Recreation	55,000	55,000	36,700	18,300	18,300
Public Safety	135,000	135,000	76,105	58,895	58,895
Permanent and General Improvements ^(b)	60,000	60,000	45,400	14,600	14,600
Public Libraries	37,000	37,000	32,675	4,325	4,325
Low Income Housing	18,000	13,633	0	13,633	18,000
Total	\$ 625,000	\$ 520,583	\$ 265,440	\$ 255,143	\$ 359,560
November 2012 Election					
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 ^(b)	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
Total	\$ 410,000	\$ 73,021	\$ -	\$ 73,021	\$ 410,000
Combined Total (2001, 2006, 2012 Elections)	\$ 1,811,000	\$ 1,369,604	\$ 1,030,150	\$ 339,454	\$ 780,850

(a) As of July 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.



JULY 2013
FISCAL YEAR 2014

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