



# CITY OF HOUSTON

Finance Department

**Annise D. Parker**

Mayor

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

**Date:** July 25, 2014

**Subject:** 12+0 Financial Report

Attached is the 12+0 Financial Report for the period ending June 30, 2014. Fiscal Year 2014 projections are based on twelve months of actual results which will not be finalized until the publication of FY2014 Comprehensive Annual Financial Report.

## **General Fund**

We are currently projecting an ending fund balance of \$210 million, which is approximately \$6 million more than last month and 11.4% of expenditures less debt service payments.

The projection for Revenues and Other Sources decreased by \$3.7 million from last month due to the following forecast changes:

- Property Tax decreased by \$5.6 million due to higher tax reimbursements,
- Industrial Assessment increased by \$939,000 due to higher than anticipated collections,
- Sales Tax decreased by \$500,000 due to lower than anticipated sales tax receipts. The sales tax receipt for May were \$844,000 (1.7%) higher than the same period last year,
- Other Taxes increased by \$475,000 mainly due to higher receipts for Mixed Beverage Tax,
- Other Franchise Fees increased by \$300,000 mainly due to higher than anticipated Cable TV Franchise Fees and Solid Waste Hauler Franchise Fees,
- Licenses and Permits increased by \$483,000 mainly due to Burglar Alarm Permits and Special Fire Permits being higher than anticipated,
- Charges for Services increased by \$2.9 million mainly due to Ambulance Fees, Police Services, and Extra Garbage Container Fees being higher than anticipated,

- Direct Interfund Services decreased by \$646,000 due to lower than anticipated charge back services to Houston Permit Center and Houston Transtar,
- Municipal Courts Fines and Forfeits decreased by \$703,000 mainly due to lower ticket issuance,
- Miscellaneous/Other revenue decreased by \$640,000 mainly due to lower than projected reimbursement from CenterPoint Energy,
- Sale of Capital Assets decreased by \$833,000 due to a delay in land sales.

The projection for Expenditures and Other Uses decreased by \$9.6 million from last month's projection due personnel, supplies, and services saving in various departments of \$3.5 million as well as year-end health benefits adjustment of \$6.1 million.

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

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

#### **Aviation**

Operating Revenues increased by \$6.3 million mainly due to higher garage parking and concession revenues. Operating Expenses decreased by \$5.1 million due to personnel, supplies, and services saving. Non-Operating Revenues increased by \$2.3 million mainly due to prior year revenues charges adjustments to the airlines. As a result, Operating Transfers increased by \$13.8 million.

#### **Combined Utility System**

Operating Expenditures decreased by \$5.9 million due to lower than anticipated insurance premiums, electricity, chemical costs, assessments charges, infrastructure maintenance services, and fuel. Operating Transfers decreased by \$14.7 million mainly due to lower variable debt service costs of \$13.5 million, a lower transfer to the Storm Water Fund of \$297,000, and a delay in purchasing equipment services of \$894,000.

#### **Convention & Entertainment**

Operating Revenues increased by \$1.2 million mainly due to higher garage parking revenues.

#### **Storm Water Fund**

Expenditures decreased by \$343,000 mainly due to lower costs in personnel, construction work services, vehicle maintenance and fuel. The Operating Transfer-In decreased by \$343,000 due to less funding needed from the CUS Fund attributable to Storm Water's expenditure savings.

### **Health Benefits**

Revenues decreased by \$18.9 million to reflect refunds of health benefits contribution as a result of lower projected claims. This is in compliance with Governmental Accounting Standards Board (GASB) guidance. Expenditures decreased by \$14.2 million mainly due to lower medical claims than anticipated.

### **Long Term Disability**

Expenditures decreased by \$1.1 million mainly due to actuarial adjustments for medical claims.

### **Property and Casualty Fund**

Revenues and Expenditures decreased by \$2.2 million due to costs for legal services being less than anticipated.

### **Workers' Compensation Fund**

Operating Revenues and Expenditures decreased \$838,000 due to lower claims than anticipated.

### **Asset Forfeiture Fund**

Revenues increased by \$1.8 million due to higher confiscations. Expenditures decreased by \$1 million mainly due to savings in supplies and services, and delays in equipment purchases.

### **Auto Dealers Fund**

Expenditures decreased by \$305,000 mainly due to delays in equipment purchases.

### **BARC Special Revenue Fund**

Expenditures decreased by \$290,000 to reflect savings in personnel, supplies, and services.

### **Building Inspection Fund**

Revenues increased by \$2.3 million mainly due to higher permit activities than anticipated.

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

Expenditures decreased by \$1 million mainly due to delays in implementing various Texas 1115 Medicare waiver projects.

### **Forensic Transition Special Fund**

Revenues and Expenditures decreased by \$450,000 due to savings in supplies and services as well as transfers to General Fund.

**Parking Management Fund**

Revenues increased by \$509,000 mainly due to higher parking fees and violations than anticipated. Expenditures decreased by \$883,000 to reflect saving in personnel, supplies, services, and delays in equipment purchases.

**Parks Golf Special Fund**

Expenditures decreased by \$402,000 to reflect savings in personnel.

**Parks Special Revenue Fund**

Revenues increased by \$286,000 mainly due to increase in miscellaneous revenue for tree removal and mitigation.

**Police Special Services Fund**

Expenditures decreased by \$387,000 due to personnel, supplies and services savings.

**Recycling Expansion Program Fund**

Revenues decreased by \$458,000 mainly due to lower than anticipated recycling revenues. Expenditures decreased by \$495,000 due to savings in personnel and services.

**Special Waste Fund**

Expenditures decreased by \$1.7 million mainly due to delays in construction projects and vehicles purchase.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Kelly Dowe".

Kelly Dowe

Director