

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: April 3, 2015

Subject: February 2015
Financial Report

Attached is the Monthly Financial Report for the period ending February 28, 2015.

GENERAL FUND

The Controller's Office is projecting an ending fund balance of \$180.9 million for FY2015. This is \$22.1 million lower than the projection of the Finance Department. The difference is due to a \$22.1 million higher revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$31.6 million above the City's target of holding 7.5% of total expenditures, excluding debt service, in reserve.

We have increased our revenue projection \$4.9 million from last month's projection. Our projection for Telephone Franchise Fees increased \$670,000, recognizing higher 2nd quarter receipts than expected. We have also increased our projection for Other Franchise fees \$1 million, for higher Cable TV receipts. Licenses & Permits was increased \$437,000 for higher plan reviews and dumpster permits. Charges for Services was increased \$429,000 for higher platting fees. Miscellaneous/Other was increased \$832,000 for higher than projected miscellaneous revenues. Finally, we increased our projection for Sale of Capital Assets \$1.3 million for higher expected sales of land.

The major differences are in six categories:

- (1) Property Taxes are \$3.4 million lower as Controller's Office is using a lower ending Taxable Values projection than Finance.
- (2) Industrial Assessments are \$1 million lower as Controller's Office is using a lower valuation and collection rate than Finance.
- (3) Sales Tax is \$3.9 million lower, as Controller's Office is using Dr. Gilmer's April 2014 growth estimate of 3.3%, and adjusting to actual as monthly receipts are determined.
- (4) Charges for Services are \$4.9 million lower, primarily from lower Ambulance collections projections by Controller's Office. The City is in negotiations with Medicare/Medicaid for prior revenues received which may be returned. We have requested an update on the status from the City Attorney.
- (5) Municipal Courts Fines and Forfeits are \$3.3 million lower, primarily from lower trending of moving violation receipts by Controller's Office.
- (6) Miscellaneous/Other is \$2.3 million lower, as Controller's Office is projecting lower one-time revenue receipts.

Expenditure projections were increased \$4.0 million from last month's projection. Finance was increased \$400,000 for the Enterprise Risk Management contract. General Services was increased \$244,000 for term pay and security services. Legal was decreased \$452,000 for savings in personnel. Lastly, General Government was increased \$3.6 million for higher Limited Purpose Annexation payments.

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

ENTERPRISE FUNDS

In the Aviation Operating Fund, our projection for Operating Revenues decreased \$4.2 million, mainly for lower Terminal Space rentals and Landing Fees. Operating Expenses were decreased \$9 million primarily from savings in personnel and delays in asset and infrastructure assessments. Non-operating Revenues decreased \$722,000 from delays in sales of land. Finally, our projection for Operating Transfers increased \$4 million for Debt Service, Renewal and Replacement, and Operating Reserve transfers.

In the Combined Utility System Operating Fund, Operating and Non-Operating Revenues were decreased \$6.9 million to reflect a change in utility penalty revenue calculation methodology. Operating Expenses were decreased \$9.3 million for delays in filling vacant positions, lower insurance premiums and material costs, and delays in equipment purchases. Operating Transfers were also decreased \$10.8 million for lower debts service costs and delayed equipment purchases.

Our projection in the Convention & Entertainment Operating Fund for Non-Operating Revenues increased \$509,000 to reflect higher than expected Hotel Occupancy Tax revenues. Operating Transfers was increased \$1.3 million mainly for higher interest related to the Capital Appreciation Bond.

Finally, in the Dedicated Drainage & Street Renewal Fund, our projection for Revenues was decreased \$1.2 million to reflect a change in the drainage penalty calculation methodology, and third party revenue collections.

We are currently projecting no material changes in the Stormwater Fund this month.

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 February 28, 2015, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	3.34%
Combined Utility System	0.00%
Aviation	14.41%
Convention and Entertainment	18.84%

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: April 3, 2015

Subject: 8+4 Financial Report

Attached is the 8+4 Financial Report for the period ending February 28, 2015. Fiscal Year 2015 projections are based on eight months of actual results and four months of projections.

General Fund

We are currently projecting ending fund balance of \$203.1 million, which is relatively unchanged from last month and 10.2% of expenditures less debt service.

The projection for Revenues and Other Sources increased by \$4.2 million from last month due to the following forecast changes:

- Sale of Capital Assets increased by \$1.3 million due to increased land sales,
- Other Franchise Fees increased by \$951,000 mainly due to higher than anticipated Cable TV Franchise Fees,
- Licenses and Permits increased by \$853,000 due to Burglar Alarm Permits being higher than anticipated,
- Interest increased by \$600,000 due to higher cash receipts than anticipated,
- Telephone Franchise increased by \$361,000 due to higher receipts than anticipated.

The projection for Expenditures and Other Uses increased by \$4.1 million from last month mainly due to the following:

- \$3.6 million increase in General Government to reflect payments related to Limited Purpose Annexations as a result of higher sales tax projection,
- \$400,000 increase in Finance Department to reflect the additional cost for Enterprise Financial Risk Management,

- \$244,000 increase in General Services Department due to higher than anticipated termination pay and security service costs,
- \$222,000 increase in Administration and Regulatory Affairs Department mainly due to a higher administration cost as a result of higher burglar permits revenues,
- \$452,000 decrease in Legal Department mainly due to vacancy saving.

Enterprise, Special Revenue and Other Funds

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

Aviation

Operating Revenues decreased by \$4.2 million primarily due to decrease in Terminal Space Rental and Signatory Landing Fees. Operating Expenses decreased by \$9 million mainly due to personnel saving and delays in asset and infrastructure assessments. Non-Operating Revenues decreased by \$722,000 due to delays in sales of land. As a result, Operating Transfers increased by \$4 million.

Convention & Entertainment

Non-Operating Revenues increased by \$509,000 mainly due to higher than anticipated Hotel Occupancy Tax (HOT) revenues. Operating Transfers-Out increased by \$1.3 million primarily due to higher interest related to Capital Appreciation Bond.

Dedicated Drainage & Street Renewal Fund

Revenues decreased by \$1.2 million as a result of the change in drainage penalty calculation methodology and third party collection revenue accounts.

Combined Utility System

Operating and Non-Operating Revenues decreased by \$6.9 million as a result of the change in utility penalty revenue calculation methodology. Operating Expenditures decreased by \$9.3 million mainly due to delays in filling vacant positions, lower insurance premiums, lower materials purchasing, and delays in equipment purchases. Operating Transfers decreased by \$10.8 million due to lower system debt service costs and delays in equipment purchases.

Property and Casualty Fund

Revenues and Expenditures decreased by \$3.6 million primarily due to lower property insurance premiums than anticipated.

Bayou Greenway 2020 Fund

Revenues and Expenditures decreased by \$1.5 million to reflect project costs for Hike and Bike Trails in the Parks Special Capital Fund (Fund 4012).

Building Inspection Fund

Revenues increased by \$2.1 million due to higher permit activities than anticipated. Expenditures decreased by \$4.3 million primarily due to delays in filling vacant positions as well as savings in supplies and services. Operating Transfers Out increased by \$5.6 million for pre-payment of Debt Services.

Cable TV Fund

Revenues increased by \$453,000 due to increase in Public Education Government (PEG) contributions.

Essential Public Health Services Fund

Expenditures decreased by \$3 million mainly due to vacancy savings and delays in implementing various Texas 1115 Medicare Waiver programs.

Health Special Revenue Fund

Expenditures decreased by \$328,000 mainly due to delays in equipment purchases.

Parking Management Fund

Expenditures decreased by \$582,000 mainly due to lower Indirect Cost Recovery payments.

Parks Golf Special Fund

Revenues decreased by \$472,000 due to lower rental revenues than anticipated.

Police Special Services Fund

Revenues decreased by \$886,000 mainly due to lower than anticipated Interfund Airport Police Services. Expenditures decreased by \$3 million due to saving in overtime as well as supplies and services.

Special Waste Fund

Expenditures decreased by \$1.1 million due to delays in construction projects.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Kelly Dowe', with a long horizontal stroke extending to the right.

Kelly Dowe
Director

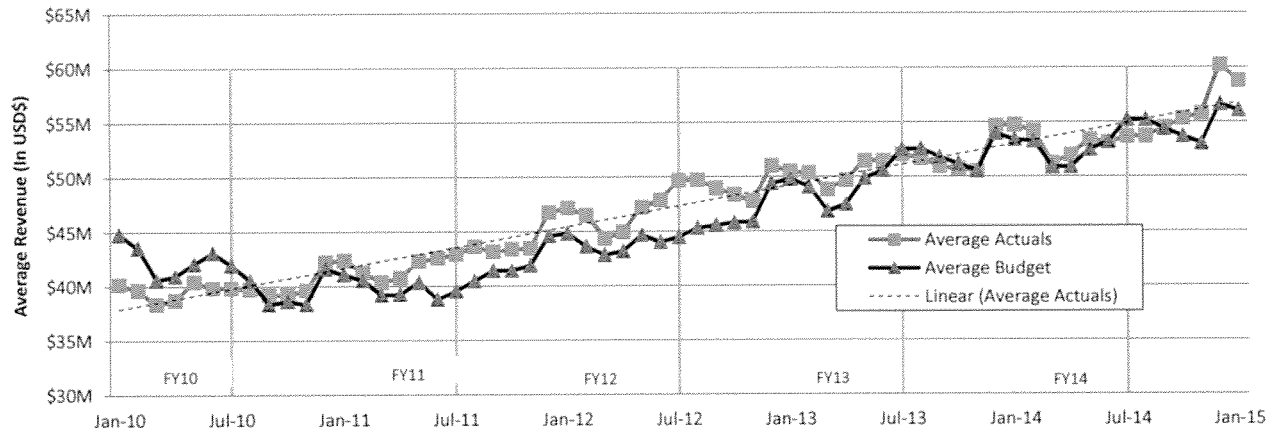




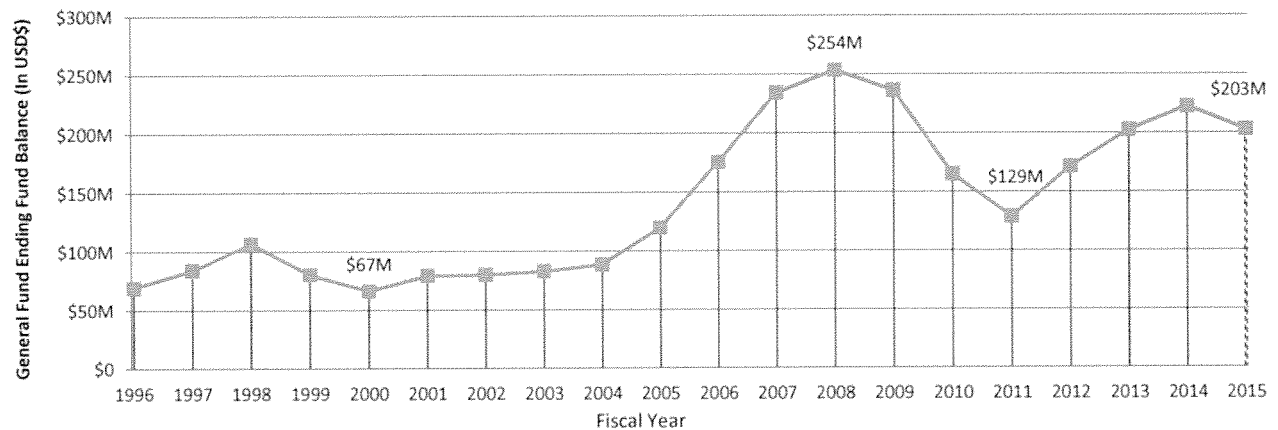
General Fund (Fund 1000)

Sales Tax Growth and Comparative Fund Balance

Sales Tax - Three-month Rolling Average

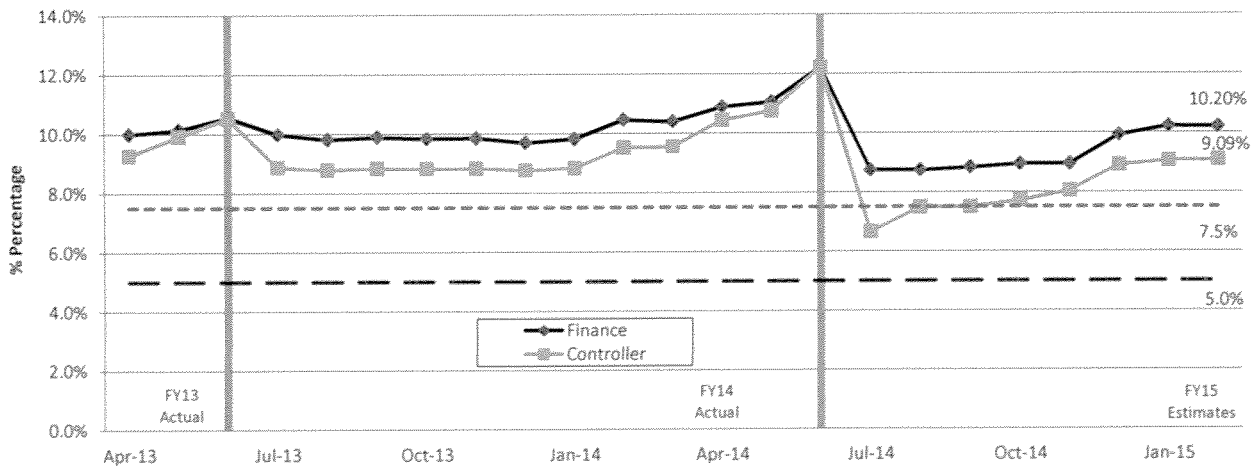


Historical Unassigned Ending Fund Balance



General Fund Comparative Fund Balance

Annual Projected Ending Fund Balance as % of Expenditures Less Debt*



*The City desires to maintain an ending fund balance equal to 7.5% of expenditures before debt service. Ordinance 2003-474 requires a 5% fund balance of expenditures before debt service.



General Fund (Fund 1000)

For the period ended February 28, 2015
(amounts expressed in thousands)

Actual YTD
Current Budget

FY2015								
	FY2014 Actual	Current Budget	Controller's Projection	Finance Projection	Actual YTD	Controller - Finance Variance		Finance Controller
Revenues								
General Property Taxes	976,240	1,067,338	1,068,780	1,072,174	1,130,811	(3,394)	<div><div></div></div>	<div><div></div></div>
Industrial Assessments	16,534	15,000	15,000	16,000	132	(1,000)	<div><div></div></div>	<div><div></div></div>
Sales Tax	629,441	666,968	666,585	670,468	444,996	(3,883)	<div><div></div></div>	<div><div></div></div>
Other Taxes	14,056	14,168	14,200	14,914	7,637	(714)	<div><div></div></div>	<div><div></div></div>
Electric Franchise	101,054	100,670	100,670	100,572	66,832	98	<div><div></div></div>	<div><div></div></div>
Telephone Franchise	43,913	42,225	42,295	42,586	28,728	(291)	<div><div></div></div>	<div><div></div></div>
Gas Franchise	16,493	14,538	14,538	14,538	9,692	-	<div><div></div></div>	<div><div></div></div>
Other Franchise	28,529	27,665	29,360	30,316	19,862	(956)	<div><div></div></div>	<div><div></div></div>
Licenses and Permits	35,757	34,504	35,463	36,270	23,971	(807)	<div><div></div></div>	<div><div></div></div>
Intergovernmental	20,897	21,619	24,585	24,585	13,443	-	<div><div></div></div>	<div><div></div></div>
Charges for Services	56,059	53,070	53,695	58,547	42,695	(4,852)	<div><div></div></div>	<div><div></div></div>
Direct Interfund Services	43,257	48,453	48,332	48,332	31,577	-	<div><div></div></div>	<div><div></div></div>
Indirect Interfund Services	18,558	23,725	23,725	23,725	13,063	-	<div><div></div></div>	<div><div></div></div>
Municipal Courts Fines and Forfeits	30,493	31,308	25,558	28,843	16,725	(3,285)	<div><div></div></div>	<div><div></div></div>
Other Fines and Forfeits	4,683	4,673	4,294	4,650	2,960	(356)	<div><div></div></div>	<div><div></div></div>
Interest	2,407	2,401	2,600	3,000	1,567	(400)	<div><div></div></div>	<div><div></div></div>
Miscellaneous/Other	15,432	9,170	8,924	11,226	6,552	(2,302)	<div><div></div></div>	<div><div></div></div>
Total Revenues	2,053,803	2,177,495	2,178,604	2,200,746	1,861,243	(22,142)	<div><div></div></div>	<div><div></div></div>
Expenditures								
Administration & Regulatory Affairs	25,069	29,593	30,022	30,022	21,946	-	<div><div></div></div>	<div><div></div></div>
City Council	6,208	11,958	11,958	11,958	4,412	-	<div><div></div></div>	<div><div></div></div>
City Secretary	755	905	893	893	542	-	<div><div></div></div>	<div><div></div></div>
Controller	8,134	8,634	8,590	8,590	5,287	-	<div><div></div></div>	<div><div></div></div>
Finance	16,388	19,399	19,772	19,772	12,222	-	<div><div></div></div>	<div><div></div></div>
Fire	452,316	506,798	505,219	505,219	332,348	-	<div><div></div></div>	<div><div></div></div>
General Services	49,874	41,130	41,610	41,610	23,761	-	<div><div></div></div>	<div><div></div></div>
Health and Human Services	52,985	57,012	60,132	60,132	43,315	-	<div><div></div></div>	<div><div></div></div>
Housing and Community Development	1,285	667	663	663	421	-	<div><div></div></div>	<div><div></div></div>
Houston Emergency Center	12,171	12,386	12,518	12,518	9,290	-	<div><div></div></div>	<div><div></div></div>
Human Resources	3,300	3,600	3,590	3,590	2,161	-	<div><div></div></div>	<div><div></div></div>
Information Technology	23,696	24,040	23,565	23,565	14,250	-	<div><div></div></div>	<div><div></div></div>
Legal	14,931	16,492	15,566	15,566	9,975	-	<div><div></div></div>	<div><div></div></div>
Library	37,906	39,978	39,384	39,384	24,748	-	<div><div></div></div>	<div><div></div></div>
Mayor's Office	7,073	8,042	8,001	8,001	5,549	-	<div><div></div></div>	<div><div></div></div>
Municipal Courts	24,617	28,076	27,929	27,929	17,731	-	<div><div></div></div>	<div><div></div></div>
Neighborhoods	11,154	12,210	12,151	12,151	7,395	-	<div><div></div></div>	<div><div></div></div>
Office of Business Opportunity	2,550	2,913	2,895	2,895	1,838	-	<div><div></div></div>	<div><div></div></div>
Parks and Recreation	65,876	70,176	69,402	69,402	43,654	-	<div><div></div></div>	<div><div></div></div>
Planning and Development	7,505	8,406	8,062	8,062	4,804	-	<div><div></div></div>	<div><div></div></div>
Police	723,066	758,826	750,157	750,157	491,232	-	<div><div></div></div>	<div><div></div></div>
Public Works and Engineering	33,891	34,265	34,247	34,247	21,871	-	<div><div></div></div>	<div><div></div></div>
Solid Waste Management	73,556	73,691	73,932	73,932	46,575	-	<div><div></div></div>	<div><div></div></div>
Total Departmental Expenditures	1,654,306	1,769,197	1,760,258	1,760,258	1,145,323	-	<div><div></div></div>	<div><div></div></div>
General Government	167,281	224,897	230,529	230,529	102,886	-	<div><div></div></div>	<div><div></div></div>
Total Expenditures Other Than Debt	1,821,587	1,994,094	1,990,787	1,990,787	1,248,210	-	<div><div></div></div>	<div><div></div></div>
Debt Service Transfer	243,813	264,500	264,500	264,500	264,500	-	<div><div></div></div>	<div><div></div></div>
Total Expenditures and Other Uses	2,065,400	2,258,594	2,255,287	2,255,287	1,512,710	-	<div><div></div></div>	<div><div></div></div>
Net Current Activity	(11,597)	(81,099)	(76,683)	(54,541)	348,533	(22,142)		
Other Financing Sources (Uses)								
Proceeds from Notes	-	-	-	-	-	-	<div><div></div></div>	<div><div></div></div>
Transfers from Other Funds	26,639	30,139	30,286	30,286	19,706	-	<div><div></div></div>	<div><div></div></div>
Sale of Capital Assets	1,017	2,500	4,710	4,710	3,790	-	<div><div></div></div>	<div><div></div></div>
Total Other Financing Sources (Uses)	27,656	32,639	34,996	34,996	23,496	-	<div><div></div></div>	<div><div></div></div>
Fund Balances								
Fund Balance - Beginning of Year	202,839	222,621	222,621	222,621	222,621	-		
Changes to Designated Fund Balance*	2,720	-	-	-	-	-		
Budgeted Increase/(Decrease) in Fund Balance	16,059	(48,460)	(48,460)	(48,460)	372,029	-		
Change in Inventory/Prepaid Items/Imprest Cash	1,003	-	-	-	-	-		
(Budgeted Gap)/Increase in Fund Balance**	-	-	6,773	28,914	-	(22,141)		
Fund Balance, End of Year***	222,621	174,161	180,934	203,075	594,650	(22,141)		

*The total designation for the Rainy Day Fund is currently \$20M.

**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 \$149,309 based on current projections. Ordinance 2003-474 requires a 5% fund balance of expenditures less Debt Service. The City will be \$31,626 above 7.5% based on the Controller's Projections for FY2015.

- Indicates projection exceeds 5% or 55M of budget expenditures or projected revenues are 5% or 55M less than current budget.



Fund Summary - Other Funds

For the period ended February 28, 2015

(amounts expressed in thousands)

	Revenues*						Finance	Controller
	Beginning of Year Fund Balance	FY2014 Actual	FY2015 Current Budget	FY2015 Actual YTD	Controller's Projection	Finance Projection		
<u>Enterprise</u>								
Aviation		460,824	482,694	328,095	484,245	484,245	✓	✓
Convention and Entertainment Facilities		109,933	101,866	78,625	104,160	104,160	✓	✓
Combined Utility System		1,002,674	1,027,796	670,325	1,015,811	1,015,811	✓	✓
Dedicated Drainage & Street Renewal**	69,378	195,622	206,630	116,309	214,493	214,493	✓	✓
Storm Water**	2,126	51,643	56,192	26,639	56,192	56,192	✓	✓
<u>Risk Management</u>								
Health Benefits	30,089	339,764	343,826	232,050	337,513	337,513	✓	✓
Long-Term Disability	1,457	1,320	1,332	895	1,332	1,332	✓	✓
Property and Casualty	71	25,499	37,551	12,775	33,971	33,971	✓	✓
Worker's Compensation	-	23,849	26,177	14,390	26,178	26,178	✓	✓
<u>Special Revenue</u>								
Asset Forfeiture	6,684	8,875	7,799	4,863	7,759	7,759	✓	✓
Auto Dealers	4,361	7,058	7,063	4,360	7,063	7,063	✓	✓
BARC Special Revenue	1,275	8,922	11,608	11,334	11,809	11,809	✓	✓
Bayou Greenway 2020	-	-	777	519	779	779	✓	✓
Building Inspection	27,171	75,737	71,274	55,243	80,456	80,456	✓	✓
Building (Court) Security	78	829	866	427	700	700	✓	✓
Cable Television	537	4,289	4,254	2,290	4,707	4,707	✓	✓
Child Safety	59	3,294	3,235	2,152	3,235	3,235	✓	✓
Contractors Responsibility	2,045	390	422	543	555	555	✓	✓
Digital Automated Red Light Enforcement	-	598	-	-	-	-	✓	✓
Digital Houston	696	7	4	3	4	4	✓	✓
Essential Public Health Services	7,567	12,056	14,299	17,579	17,602	17,602	✓	✓
Forensic Transition Special	25	15,933	14,090	6,533	10,271	10,271	✓	✓
Health Special Revenue	5,539	3,589	2,917	1,668	2,980	2,980	✓	✓
Historic Preservation	1,020	348	228	268	305	305	✓	✓
Houston Civic Events	-	-	2,025	1,668	2,054	2,054	✓	✓
Houston Emergency Center	3,807	24,206	26,017	16,544	26,149	26,149	✓	✓
Houston Transtar Center	2,414	2,437	2,268	1,536	2,308	2,308	✓	✓
Juvenile Case Manager	1,766	1,340	1,356	820	1,356	1,356	✓	✓
Laboratory Operations and Maintenance	310	461	399	289	485	485	✓	✓
Maintenance Renewal & Replacement	-	-	14,271	14,278	14,289	14,289	✓	✓
Parking Management	2,039	19,201	18,313	12,646	19,048	19,048	✓	✓
Parks Golf	1,363	5,807	6,489	3,563	6,017	6,017	✓	✓
Parks Special Revenue	6,843	2,354	1,945	1,337	2,005	2,005	✓	✓
Police Special Services	5,912	11,068	11,342	5,096	10,456	10,456	✓	✓
Recycling Expansion Program	2,506	1,852	2,037	644	1,554	1,554	✓	✓
Special Waste	3,561	2,767	2,758	1,946	2,758	2,758	✓	✓
Supplemental Environmental Protection	208	116	112	14	29	29	✓	✓
Swimming Pool Safety	797	1,125	1,053	659	1,161	1,161	✓	✓
Technology Fee	140	1,371	1,375	739	1,177	1,177	✓	✓

* Revenues include non-operating revenues

** Dedicated Drainage Fund and Storm Water Fund are not technically Enterprise Funds, but are grouped with the Combined Utility System for clarity

Note: Finance's Projection updated on a quarterly basis

⚠ Indicates projected revenues are 5% or \$5M less than Current Budget



Fund Summary - Other Funds

For the period ended February 28, 2015

(amounts expressed in thousands)

	Expenditures*					Net Current Activity (Proj.)	End of Year Fund Balance (Proj.)	Finance	Controller
	FY2014 Actual	FY2015 Current Budget	FY2015 Actual YTD	Controller's Projection	Finance Projection				
Enterprise									
Aviation	462,704	482,694	252,284	484,245	484,245	-		✓	✓
Convention and Entertainment Facilities	97,008	101,538	76,981	102,683	102,683	1,477		✓	✓
Combined Utility System	973,115	1,026,506	584,965	997,713	997,713	18,098		✓	✓
Dedicated Drainage & Street Renewal**	210,813	253,230	129,863	251,405	251,405	(36,912)	32,466	✓	✓
Storm Water**	54,641	56,192	26,645	56,192	56,192	-	2,126	✓	✓
Risk Management									
Health Benefits	318,991	343,799	216,329	335,430	335,430	2,083	32,172	✓	✓
Long-Term Disability	306	1,551	915	1,551	1,551	(219)	1,238	✓	✓
Property and Casualty	25,505	37,551	14,993	33,971	33,971	-	71	✓	✓
Worker's Compensation	23,849	26,177	13,549	26,178	26,178	-	-	✓	✓
Special Revenue									
Asset Forfeiture	8,691	11,600	4,265	11,600	11,600	(3,841)	2,843	✓	✓
Auto Dealers	6,457	8,838	4,630	8,838	8,838	(1,775)	2,586	✓	✓
BARC Special Revenue	8,430	12,212	6,411	12,212	12,212	(403)	872	✓	✓
Bayou Greenway 2020	-	777	283	777	777	2	2	✓	✓
Building Inspection	63,730	77,011	40,240	76,240	76,240	4,216	31,387	✓	✓
Building (Court) Security	773	869	466	769	769	(69)	9	✓	✓
Cable Television	6,643	4,483	1,821	4,707	4,707	(0)	537	✓	✓
Child Safety	3,444	3,235	1,580	3,235	3,235	-	59	✓	✓
Contractors Responsibility	1,420	1,311	279	1,353	1,353	(798)	1,247	✓	✓
Digital Automated Red Light Enforcement	598	-	-	-	-	-	-	✓	✓
Digital Houston	503	607	210	365	365	(361)	335	✓	✓
Essential Public Health Services	7,054	17,458	7,672	14,429	14,429	3,173	10,740	✓	✓
Forensic Transition Special	15,908	14,090	7,529	10,271	10,271	-	25	✓	✓
Health Special Revenue	2,490	3,796	1,875	3,468	3,468	(488)	5,051	✓	✓
Historic Preservation	263	509	232	509	509	(205)	815	✓	✓
Houston Civic Events	-	2,025	1,263	2,025	2,025	-	29	✓	✓
Houston Emergency Center	23,800	26,017	16,385	26,149	26,149	-	3,807	✓	✓
Houston Transtar Center	2,309	2,915	1,647	2,791	2,791	(483)	1,931	✓	✓
Juvenile Case Manager	1,325	1,879	969	1,879	1,879	(523)	1,243	✓	✓
Laboratory Operations and Maintenance	477	579	381	579	579	(94)	216	✓	✓
Maintenance Renewal & Replacement	-	14,271	8,241	14,289	14,289	-	-	✓	✓
Parking Management	20,091	20,004	9,603	19,272	19,272	(224)	1,815	✓	✓
Parks Golf	5,528	6,460	3,668	6,460	6,460	(443)	920	✓	✓
Parks Special Revenue	1,420	3,160	1,346	3,160	3,160	(1,155)	5,688	✓	✓
Police Special Services	12,028	12,726	5,393	9,745	9,745	711	6,623	✓	✓
Recycling Expansion Program	1,037	2,598	91	3,176	3,176	(1,622)	884	✓	✓
Special Waste	2,538	5,139	2,380	4,086	4,086	(1,328)	2,233	✓	✓
Supplemental Environmental Protection	39	163	148	188	188	(159)	49	✓	✓
Swimming Pool Safety	789	1,159	649	1,117	1,117	44	841	✓	✓
Technology Fee	1,340	1,189	549	1,189	1,189	(12)	128	✓	✓

* 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

Note: Finance's Projection updated on a quarterly basis

⚡ Indicates projection exceeds 5% or \$5M of budget expenditures

City of Houston, Texas
Commercial Paper Issued and Available
For the period ended February 28, 2015
(amounts expressed in millions)

COMMERCIAL PAPER	Draws FY15	Draws Month	Refunded FY15	Amount Available to be Drawn	Amount Outstanding
General Obligation					
<u>Voter Authorized 2001 & 2006 Election</u>					
Series G-1	0.00	0.00	0.00	75.00	0.00
Series G-2	15.00	10.00	90.00	94.90	30.10
Series H-2	0.00	0.00	0.00	90.20	9.80
Series J	10.00	0.00	35.00	115.00	10.00
<u>Non-Voter Authorized</u>					
Series E1-Equipment & Capital	42.00	5.00	77.45	58.00	42.00
Series E2- Equipment & Capital	20.00	0.00	30.00	50.00	20.00
Series E2- Metro Street Projects	0.00	0.00	0.00	30.00	0.00
Series K-1	0.00	0.00	0.00	150.00	0.00
Series K-2	0.00	0.00	0.00	100.00	0.00
Total General Obligation	87.00	15.00	232.45	763.10	111.90
Combined Utility System					
Series B-1	0.00	0.00	0.00	100.00	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	250.00	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	33.30	0.00	0.00	115.50	34.50
Total Airport System	33.30	0.00	0.00	115.50	34.50
Convention & Entertainment					
Series A	0.00	0.00		33.00	42.00
Total Convention and Entertainment	0.00	0.00	0.00	33.00	42.00
Totals	\$120.30	\$15.00	\$232.45	\$1,611.60	\$188.40

City of Houston, Texas
Total Outstanding Debt
For the period ended February 28, 2015
(amounts expressed in thousands)

	February 28, 2015	February 28, 2014
Payable from Ad Valorem Taxes		
Public Improvement Bonds ^(a)	2,619,645	2,561,515
Commercial Paper Notes ^(b)	111,900	212,350
Pension Obligations	601,430	607,775
Certificates of Obligations	18,660	20,870
Subtotal	3,351,635	3,402,510
Payable from Sources Other Than Ad Valorem Taxes		
Combined Utility System		
Combined Utility System Revenue Bonds	5,956,560	5,747,995
Combined Utility System Commercial Paper Notes ^(c)	0	75,000
Water and Sewer System Revenue Bonds ^(d)	141,976	277,387
Contract Revenue Obligations - CWA	85,925	98,900
Airport System		
Airport System Sr. Lien Bonds ^(e)	449,660	449,660
Airport System Subordinate Lien	1,711,170	1,766,285
Airport System Sr. Lien Commercial Paper Notes ^(f)	34,500	1,000
Airport System Inferior Lien Contracts ^(g)	17,760	23,075
Airport Special Facilities Revenue Bonds ^(h)	659,125	662,730
Hotel Occupancy Tax and Civic Parking		
Facilities Revenue Bonds ⁽ⁱ⁾	579,102	559,118
Hotel Occupancy Tax And Parking Revenue Commercial Paper ^(j)	42,000	42,000
Subtotal	9,677,778	9,703,151
Total Debt Payable by the City	\$13,029,413	\$13,105,661

(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: \$125 million,H-2: \$100 million,
J: \$125 million, K1: \$150 million and K2: \$100 million.

(c) The City has authorized \$700 million in Combined Utility System Commercial Paper Notes.

(d) Includes \$ 84.6 million accreted value of capital appreciation bonds at this date and \$77.2 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 \$17.8 million for Series 1997A Special Facilities Bonds. See footnote (g).

(i) Includes \$135.6 million accreted value of capital appreciation bonds at this date and \$121.9 million last year.

(j) The City has authorized \$75 million of Subordinate Lien Hotel Occupancy Tax and Parking Revenue Commercial Paper.

City of Houston, Texas
Voter-Authorized Obligations
For the period ended February 28, 2015
(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	\$ 473,000	\$ 1,000	\$ 1,000
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	12,485	7,515	7,515
Total	\$ 776,000	\$ 776,000	\$ 767,485	\$ 8,515	\$ 8,515
November 2006 Election					
Streets, Bridges, Traffic Control	\$ 320,000	\$ 219,950	\$ 76,260	\$ 143,690	\$ 243,740
Parks and Recreation	55,000	55,000	55,000	0	0
Public Safety	135,000	135,000	108,555	26,445	26,445
Permanent and General Improvements ^(b)	60,000	60,000	54,750	5,250	5,250
Public Libraries	37,000	37,000	37,000	0	0
Low Income Housing	18,000	18,008	3,000	15,008	15,000
Total	\$ 625,000	\$ 524,958	\$ 334,565	\$ 190,393	\$ 290,435
November 2012 Election					
Streets, Bridges, Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	166,000	50,890	2,000	48,890	164,000
Public Safety	144,000	74,143	0	74,143	144,000
Permanent and General Improvements ^(b)	57,000	29,393	5,250	24,143	51,750
Public Libraries	28,000	13,545	1,850	11,695	26,150
Low Income Housing	15,000	2,000	0	2,000	15,000
Total	\$ 410,000	\$ 169,971	\$ 9,100	\$ 160,871	\$ 400,900
Combined Total (2001, 2006, 2012 Elections)	\$ 1,811,000	\$ 1,470,929	\$ 1,111,150	\$ 359,779	\$ 699,850

(a) As of February, 2015

(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.

Combined Utility System Fund (8300, 8301, 8305)

The Combined Utility System is composed of three separate funds: the Water and Sewer System Operating Fund; the Combined Utility System Operating Fund and the Combined Utility System General Purpose Fund. The fund provides for the operation of the City's treated and untreated water, as well as, receives and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers. This fund is administered by the Public Works & Engineering Department.

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.

Bayou Greenway 2020 Fund (2106)

The Bayou Greenway 2020 Fund is administered by the Houston Parks Department. This fund was created to manage the maintenance of the Bayou Greenways 2020 project based upon the Bayou Greenways 2020 initiative entered between the City of Houston and the Houston Parks Board, Inc. in December 2013.

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 and is administered by the Municipal Courts Department. This fund includes all security related contractual expenditures and additional security enhancements for the courts. Revenue is generated by the collection of a court fee for each paid conviction as allowed by State law. The mission of the Municipal Court Building Security Fund is to protect the health and welfare of civilians and employees by ensuring that adequate equipment, procedures, and personnel are present at all court facilities.

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.

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.

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 is administered by the Finance Department. In FY2015, the Digital Automated Red Light Enforcement Program (DARLEP) function will be reported in the General Fund (Fund 1000) therefore, closing out Fund 2212.

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 fund's 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 and the Houston Public Library. This fund 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. This fund also provides future funding for the maintenance needs of the historic Julia Ideson Building.

Houston Civic Events Fund (2429)

The fund is administered by the Mayor's Office. This fund was created to promote consistent quality, family-oriented entertainment to Houston citizens and visitors. It is used to enhance the image of the City and highlight Houston's diverse culture. In addition to event production, the Mayor's Office of Special Events processes requests for special events, parade and street function permits, evaluates event co-sponsorship on city property, and provides production assistance for sponsored, co-sponsored, or fee-paid events.

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 in FY2009 and is administered by the Municipal Courts Department. This fund includes expenditures for the salary, benefits, and operational costs related to the Juvenile Case Manager staff. Revenue is generated by the collection of a court fee for each paid conviction as allowed by State law. The mission of the Juvenile Case Manager Fee Fund is to partner with school districts within the City of Houston in an effort to increase school attendance and reduce truancy through early identification, assessment and prevention services, to enhance the accountability of students and families, and to limit a juvenile's exposure to the criminal justice system.

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.

Maintenance Renewal and Replacement Fund (2105)

This fund is to provide funds needed to maintain and replace systems in buildings and assets as well as to protect the City of Houston's investments. This fund recognizes the shared responsibility of the City and its departments to maintain, upgrade, or replace building systems as they approach the end of their life cycle. This fund also addresses development and maintenance of the physical infrastructure of these facilities. This fund is administered, in partnership, by General Services and Houston Parks and Recreation 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.

Storm Water Fund (2302)

This fund receives revenue from the Combined Utility System Fund and Dedicated Drainage and Street Renewal Fund. Funds are transferred to this fund to support storm water drainage operation and maintenance activities. The core purpose is to provide the best level of maintenance to the storm water infrastructure with the resources provided and to maintain flow of storm water free of debris and foreign objects that cause flooding.

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 was established in FY2001 and is administered by the Municipal Courts Department. Revenue is generated by the collection of a court fee for each paid conviction as allowed by State law. The purpose of the fund is to finance technological enhancements for the Municipal Courts and maintain systems to operate in an efficient manner.