



CITY OF HOUSTON

Finance Department

Annise D. Parker

Mayor

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To: Mayor Annise D. Parker
City Council Members

Date: July 31, 2015

Subject: 12+0 Financial Report

Attached is the 12+0 Financial Report for the period ending June 30, 2015. Fiscal Year 2015 projections are based on twelve months of actual results which will not be finalized until the publication of FY2015 Comprehensive Annual Financial Report.

General Fund

We are currently projecting ending fund balance of \$252 million, which is \$9.2 million higher than last month and 12.7% of expenditures less debt service.

The projection for Revenues and Other Sources decreased by \$8.1 million from last month due to the following forecast changes:

- Property Tax increased by \$1.6 million due to higher collection rate,
- Industrial Assessment increased by \$462,000 due to higher than anticipated collections,
- Sales Tax decreased by \$13.4 million due to lower than anticipated sales tax receipts. The sales tax receipt for May were \$199,000 (0.4%) higher than the same period last year, and \$4.4 million (8%) lower than the budget,
- Licenses and Permits increased by \$848,000 mainly due to higher transportation network company permits as well as dumpster permits,
- Charges for Services increased by \$3.1 million mainly due to Ambulance Fees, Passport Services, and Platting Fees being higher than anticipated,
- Indirect Interfund Services increased by \$305,000 due to increase in indirect cost recovery from grants,
- Municipal Courts Fines and Forfeits decreased by \$1.5 million due to lower ticket issuance,
- Sale of Capital Assets increased by \$335,000 mainly due to an increase in street and easement sales.

The projection for Expenditures and Other Uses decreased by \$17.2 million from last month's projection due to personnel, supplies and services savings in various department of \$12.4 million as well as year-end health benefits adjustment of \$4.8 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:

Convention and Entertainment

Operating Revenues increased by \$821,000 due to higher parking revenues.

Aviation

Operating Revenues increased by \$13.5 million due to higher signatory landing, terminal space rental, and garage parking revenue. Operating Expenses decreased by \$2.6 million mainly due to delays in consulting services. Non-Operating Revenues increased by \$880,000 mainly due to reimbursement from Greater Houston Convention and Visitor's Bureau. As a result, Operating Transfers increased by \$17 million.

Storm Water Fund

Expenditures decreased by \$5.1 million primarily due to vacancy savings. As a result, Operating Transfer-In decreased by \$5.2 million.

Combined Utility System

Operating Revenues decreased by \$20.1 million mainly due to heavy rainfall in fourth quarter. Operating Expenditures decreased by \$8.2 million mainly due to delays in filling vacant positions and lower than anticipated project costs. Non-Operating Revenues increased by \$1.6 million to reflect land sales. Operating Transfers decreased by \$29.7 million due to lower variable debt service costs, a lower transfer to the Storm Water Fund, and a delay in vehicle and equipment purchases.

Health Benefits

Revenues decreased by \$9.1 million to reflect refunds of health benefits contributions to various funds as a result of lower claims. This is in compliance with Governmental Accounting Standards Board (GASB) guidance. Expenditures decreased by \$8.7 million due to lower medical claims than anticipated.

Property and Casualty Fund

Revenues and Expenditures decreased by \$4.5 million primarily due to lower claims than anticipated.

Asset Forfeiture Fund

Revenues decreased by \$403,000 due to lower confiscations. Expenditures decreased by \$1.3 million due to decrease in overtime, supplies, and delays in equipment purchases.

Auto Dealers Fund

Revenues decreased by \$373,000 due to lower than anticipated sale of impound vehicles and auto dealers licenses. Expenditures decreased by \$863,000 mainly due to delays in vehicle purchases.

BARC Special Revenue Fund

Expenditures decreased by \$2 million to reflect saving in personnel, supplies, services and delays in equipment purchases.

Bayou Greenway 2020 Fund

Expenditures decreased by \$340,000 due to delays in White Oak Bayou projects.

Building Inspection Fund

Revenues increased by \$3 million due to higher permit activities than anticipated. Expenditures decreased by \$6.4 million due to delays in filling vacant positions, services saving, and delays in capital equipment purchases.

Essential Public Health Services Fund

Expenditures decreased by \$1.1 million due to delays in implementing various Texas 1115 Medicare waiver projects.

Forensic Transition Special Fund

Revenues and Expenditures decreased by \$519,000 due to saving in personnel, supplies, and services.

Health Special Revenue Fund

Expenditures decreased by \$547,000 due to grant reimbursement and savings in supplies and services.

Houston Emergency Center Fund

Revenues decreased by \$704,000 due to lower than anticipated reimbursement for service provided to Houston Airport System and Greater of Houston 911 staff. Expenditures decreased by \$1.5 million mainly due to delays in filling vacant positions.

Parking Management Fund

Revenues increased by \$878,000 due to higher parking fees and violations than anticipated. Expenditures decreased by \$716,000 to reflect saving in personnel, supplies, services, and delays in vehicle purchases.

Park Golf Special Fund

Revenues decreased by \$378,000 mainly due to golf and property rental revenue being lower than anticipated. Expenditures decreased by \$296,000 to reflect savings in personnel.

Parks Special Revenue Fund

Revenues increased by \$283,000 mainly in due to higher building space rentals fees.

Police Special Services

Expenditures decreased by \$298,000 due to saving in personnel, supplies, services, and delays in vehicle purchases.

Recycling Expansion Program Fund

Revenues decreased by \$732,000 mainly due to lower than anticipated recycling revenues and sales of recyclable materials. Expenditures decreased by \$568,000 due to saving in supplies and services.

Special Waste Fund

Expenditures decreased by \$323,000 to reflect personal and services savings.

2015 Flood Disaster Event Update

Included in this report is the financial update pertaining to the 2015 Flood Disaster Event (Fund 5303). As of June 30, 2015, total funding of \$19 million (\$17 million from Budget Stabilization Fund and \$2 million from General Fund) has been transferred to 2015 Flood Disaster Fund. To date, the City has incurred recovery costs of \$367,039.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly Dowe". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kelly Dowe
Director