

OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

CHRIS B. BROWN

To: Mayor Sylvester Turner
City Council Members

From: Chris B. Brown
City Controller

Date: April 1, 2016

**Subject: February 2016
Financial Report**

Attached is the Monthly Financial Report for the period ending February 29, 2016.

GENERAL FUND

The Controller's Office is projecting an ending fund balance of \$175.3 million for FY2016. This is \$19.1 million lower than the projection of the Finance Department. The difference is due to a \$19.1 million higher revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$23.2 million above the City's target of holding 7.5% of total expenditures, excluding debt service and Pay As You Go (PAYGO), in reserve.

We have decreased our revenue projection \$6.9 million from our January projection. Our projection for Property Tax decreased \$9.2 million. This is due to continued losses in delinquent taxes for large refunds (\$6.9 million) and lower than expected taxable values (\$2.3 million). Other Franchise Fees increased \$1.1 million to recognize higher Cable and Solid Waste Hauler receipts than projected. Intergovernmental was decreased \$775,000 for lower Section 1115 Health Waiver program recoveries in the Health Department. We also decreased our projection for Charges for Services \$293,000 to reflect lower demolition and radio fees. Direct Interfund was increased \$2.0 million for higher Police and Fire Services provided to Aviation. Finally, we increased Miscellaneous/Other by \$369,000 for higher payments in lieu of taxes.

The major differences are in seven categories:

- (1) Property tax is \$1.7 million lower, as Controller's Office is projecting lower collection rates.
- (2) Industrial Assessments is \$1.2 million lower, as Controller's Office is using a lower valuation and collection rate than Finance.
- (3) Sales Tax is \$7.1 million lower, as Controller's Office is projecting negative growth for FY2016. The January sales tax receipt was down 7.5% from the same month prior year amount. The last three months receipts are down 5.94%. Our projection remains at 5.52% down for the year.
- (4) Telephone Franchise is \$2.4 million lower, as Controller's Office is projecting continued decreases in the number of land lines in use.
- (5) Other Franchise is \$1.6 million lower, as Controller's Office is projecting lower Cable and Solid Waste Hauler receipts than Finance.
- (6) Licenses & Permits is \$1.4 million lower, as Controller's Office is projecting lower receipts.
- (7) Miscellaneous is \$3.3 million lower, as Controller's Office is projecting lower one-time revenue receipts.

Expenditure projections were decreased \$2.9 million from last month's report. Several department projections were decreased to reflect restricted account costs of \$5.6 million, while several departments were increased a total of \$2.7 million for higher term pay and overtime. Health was decreased \$767,000 for delays in reporting of the

**Mayor Sylvester Turner
City Council Members
February Monthly Financial Report**

Section 1115 Health Waiver program. Finally, Solid Waste was increased \$777,000 for an increase in the transfer to the Recycling Special Fund.

ENTERPRISE FUNDS

Our projection for the Aviation Operating Fund decreased \$7.2 million for Operating Revenues for lower retail concession receipts. Operating Expenses increased \$2.4 million for higher electricity, Police and Fire services. Non-Operating Revenues increased \$1 million for higher Interest revenues. These changes caused the Operating Transfer to decrease \$8.6 million.

In the Combined Utility System Fund Operating Revenues increased \$5.0 million from higher water and sewer sales in the first half of the year. Operating Expenses decreased \$22.8 million for delays in program implementation and maintenance activities. Non-Operating Revenues decreased \$620,000 for lower impact fees received. Operating Transfers decreased \$22.7 million for lower debt service costs and delays in vehicle purchases.

Additionally, in the Dedicated Drainage & Street Renewal Fund, Revenues increased \$1.8 million for higher interest revenues. Expenditures decreased \$11.7 million for delays in vehicle purchases and lower transfers out to Storm Water Fund.

Finally, in the Storm Water Fund, Expenditures decreased \$4.8 million for delays in vehicle purchases and vacancy savings. Also, Operating Transfers In decreased \$1 million, for lower transfers from DDSRF.


We are currently projecting no material changes in the Convention & Entertainment Operating 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 29, 2016, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	5.47%
Combined Utility System	2.94%
Aviation	14.84%
Convention and Entertainment	11.96%

Respectfully submitted,



Chris B. Brown
City Controller



CITY OF HOUSTON

Finance Department

Sylvester Turner

Mayor

Finance Department
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To: Mayor Sylvester Turner
City Council Members

Date: April 1, 2016

Subject: 8+4 Financial Report

Attached is the 8+4 Financial Report for the period ending February 29, 2016. Fiscal Year 2016 projections are based on eight months of actual results and four months of projections.

General Fund

We are currently projecting the ending fund balance of \$194.4 million, which is \$2.4 million higher than last month and 9.6% of expenditures less debt service and pay-as-you-go (PAYGO) transfers.

The projection for Revenues and Other Sources decreased by \$618,000 from last month due to the following forecast changes:

- Property Taxes decreased by \$9.1 million due to lower than anticipated delinquent tax collections as a result of large refunds related to litigation of commercial property values,
- Telephone Franchise increased by \$2.4 million due to higher receipts than anticipated,
- Other Franchise increased by \$2.1 million due to higher than anticipated Cable TV & Solid Waste Hauler Franchise fees,
- Intergovernmental revenues decreased by \$775,000 mainly due to lower than anticipated TX 1115 Health Waiver state reimbursement. As a result, the expenditure projection will also decrease,
- License and Permits increased by \$1.7 million due to higher receipts than anticipated,
- Direct Interfund Services increased by \$2.0 million due to higher than anticipated reimbursement for fire and police airport services,
- Miscellaneous/Other revenue increased by \$747,000 mainly due to higher than anticipated recoveries and refunds for standby fees.

The Projection for Expenditures and Other Uses decreased by \$2.9 million from last month mainly due to the following:

- \$5.6 million decrease in various departments mainly to reflect savings in service chargeback funds such as IT costs and electricity,

- \$2.7 million increase in various departments, primarily due to higher than anticipated termination pay and overtime,
- \$767,000 decrease in the Houston Health Department due to delays in reporting of the TX 1115 Health Waiver program,
- \$777,000 increase in the Solid Waste Department to reflect a higher transfer to the Recycling Special Fund pertaining to the recycling program.

Enterprise, Special Revenue and Other Funds

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

Aviation

Operating Revenues decreased by \$7.2 million primarily due to lower than anticipated retail concessions. Operating Expenses increased by \$2.4 million mainly due to higher than anticipated electricity cost and higher reimbursement for police and fire services. Non-Operating Revenues increased by \$1 million mainly due to increase in interest on pooled investments. As a result, Operating Transfers decreased by \$8.6 million.

Combined Utility System

Operating Revenues increased by \$5.0 million due to higher water and sewer sales attributed to dry weather in the first and second quarters. Operating Expenses decreased by \$22.8 million due to delay in program implementation for regulatory compliance in operations and maintenance activities.

Non-Operating Revenues decreased \$620,000 due to lower impact fees. Operating Transfers decreased by \$22.7 million due to lower system debt service cost and delays in vehicle purchases.

Dedicated Drainage & Street Renewal Fund

Revenues increased by \$1.8 million mainly due to a higher transfer from capital funds to reflect interest earned. Expenditures decreased \$11.7 million due to delays in vehicle purchases and less transfer required to capital projects and Storm Water Fund.

Storm Water Fund

Expenditures decreased by \$4.8 million mainly due to delays in vehicle purchases and vacancy savings. As a result Operating Transfers In decreased by \$1 million.

Health Benefits Fund

Revenues increased by \$1.3 million mainly due to a higher number of subscribers than budgeted. Expenditures increased by \$1.9 million due to higher medical claims than anticipated.

Workers' Compensation Fund

Revenues and Expenditures decreased by \$2.5 million due to lower claims.

Asset Forfeiture Fund

Revenues decreased by \$2.4 million to reflect lower than anticipated confiscations. Expenditures decreased \$2.9 million mainly due to savings in supplies and services.

Auto Dealers Fund

Revenues increased by \$253,000 mainly due to higher sales of impounded vehicles. Expenditures decreased by \$402,000 mainly due to savings in supplies and services.

Building Inspection Fund

Expenditures decreased by \$10 million mainly due to delays in vehicle purchases, utilizing less outsourcing for plan reviews, and vacancy savings. Operating Transfers Out increased by \$23.5 million for pre-payment of debt services.

Cable TV Fund

Revenues increased by \$255,000 due to increase in Public Education Government (PEG) contributions. Expenditures decreased by \$487,000 primarily due to contract savings.

Contract Responsibility Fund

Revenues increased by \$290,000 due to higher than anticipated Pay-or-Play revenues. Expenditures decreased by \$321,000 due to contract savings.

Essential Public Health Services Fund

Revenues decreased by \$2.7 million due to delays in reporting of the 1115 Waiver program. Expenditures decreased by \$3.3 million due to vacancy savings.

Houston Emergency Center

Revenues increased by \$1.5 million mainly due to higher reimbursement from Harris County for additional 9-1-1 call takers and the NICE log recording project. As a result, expenditures increased by \$1.6 million.

Juvenile Case Manager Fee Fund

Expenditures decreased by \$325,000 due to delays in filling vacant positions.

Maintenance Renewal and Replacement Fund

Expenditures increased by \$497,000 due to higher maintenance costs than anticipated.

Municipal Court Technology Fee Fund

Expenditures decreased by \$421,000 due to contract savings.

Parking Management Fund

Revenues increased \$266,000 due to an increase in parking citations and booting fees.

Police Special Services Fund

Revenues increased by \$415,000 due to higher than anticipated judgements and claims. Expenditures decreased by \$2 million mainly due to delays in equipment purchases.

Recycling Expansion Program Fund

Revenues decreased by \$729,000 primarily due to lower than anticipated recycling revenues related to the current market for commodities. Expenditures increased by \$512,000 due to costs related to the new recycling contract, offset by savings in supplies and services.

Special Waste Fund

Expenditures decreased by \$476,000 due to vacancy savings and delay in vehicle purchases,

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

Sincerely,



Kelly Dowe

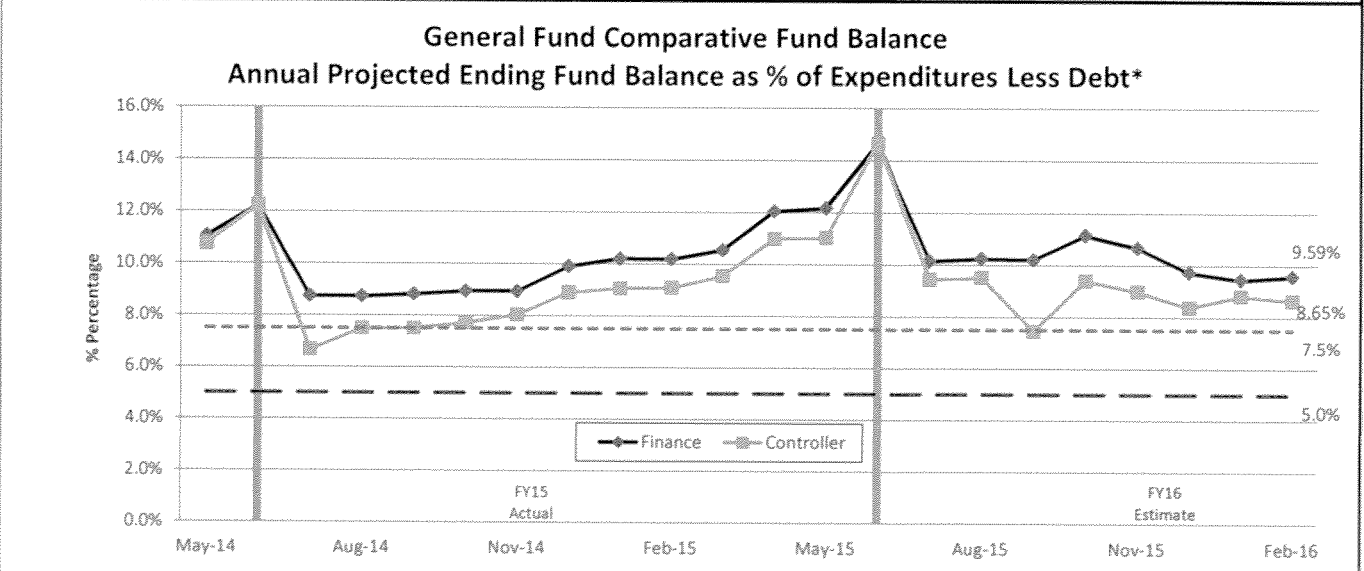
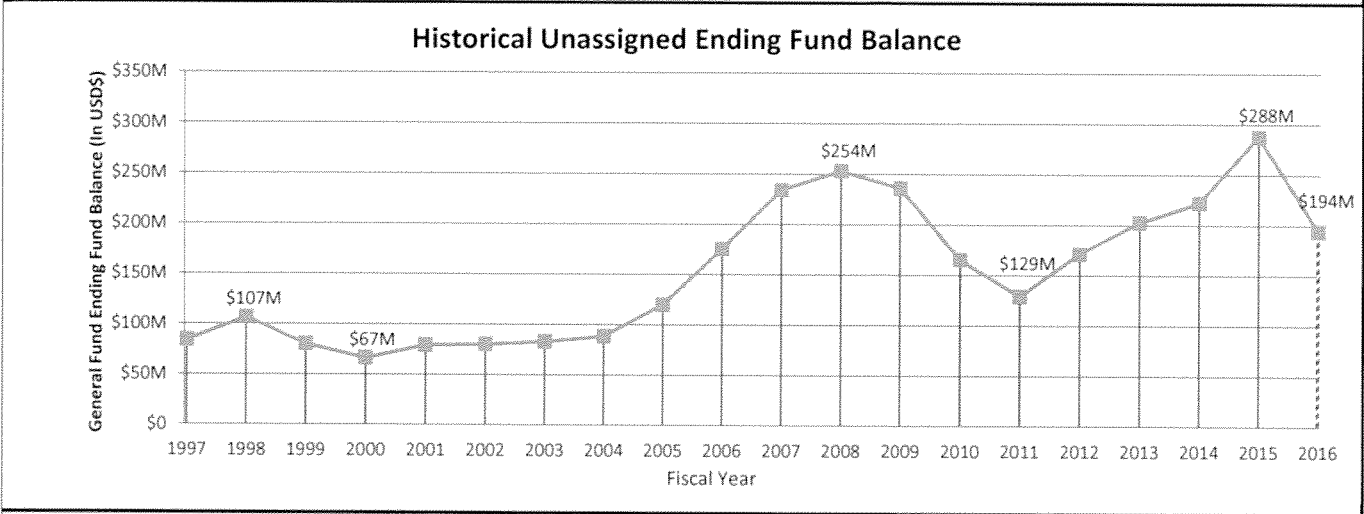
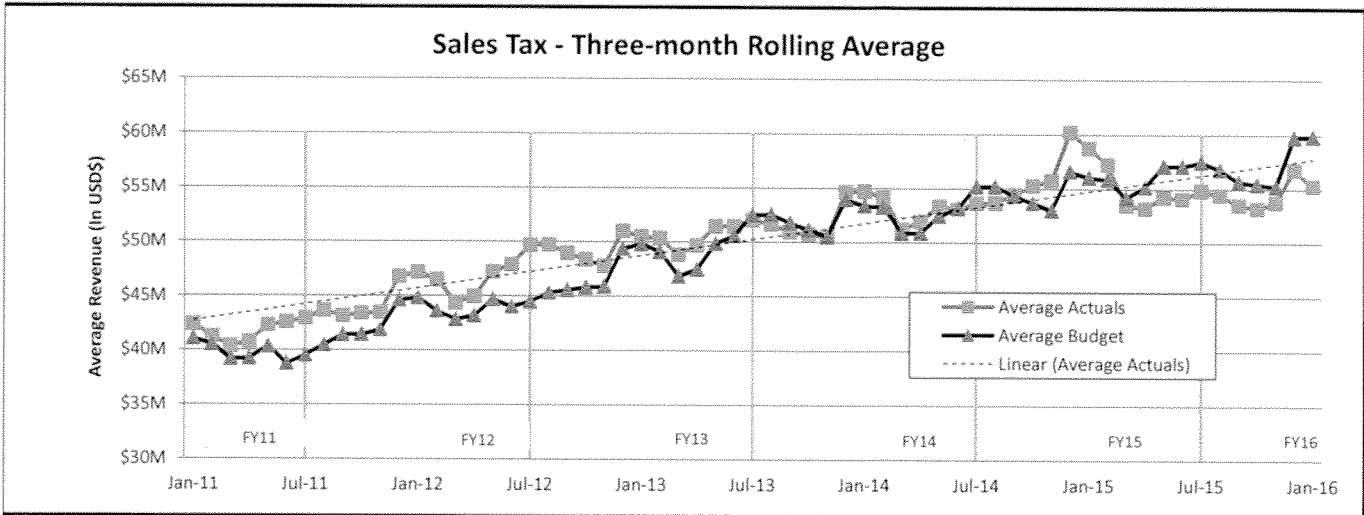
Director





General Fund (Fund 1000)

Sales Tax Growth and Comparative Fund Balance



*According to the financial policies, Ordinance 2014-1078, the City is required to maintain an ending fund balance equal to 7.5% of expenditures before debt service and pay-as-you-go (PAYGO).



General Fund (Fund 1000)

For the period ended February 29, 2016
(amounts expressed in thousands)

Actual YTD
Current Budget

FY2016									
	FY2015 Actual	Adopted Budget	Current Budget	Controller's Projection	Finance Projection	Actual YTD	Controller - Finance Variance	Finance	Controller
Revenues									
General Property Taxes	1,074,435	1,114,029	1,114,029	1,091,068	1,092,731	1,164,373	(1,663)		
Industrial Assessments	16,736	18,200	18,200	17,000	18,200	395	(1,200)		
Sales Tax	667,061	688,837	688,837	629,200	636,300	428,293	(7,100)		
Other Taxes	15,992	16,679	16,679	16,193	16,679	7,773	(486)		
Electric Franchise	100,565	101,142	101,142	101,142	101,146	67,280	(4)		
Telephone Franchise	43,451	40,865	40,865	40,810	43,220	28,728	(2,410)		
Gas Franchise	14,538	14,840	14,840	14,840	14,840	9,893	-		
Other Franchise	31,283	30,945	30,945	31,585	33,156	21,366	(1,571)		
Licenses and Permits	37,999	37,870	37,870	38,134	39,555	25,549	(1,421)		
Intergovernmental	24,185	26,470	26,470	53,472	53,472	41,745	-		
Charges for Services	63,272	53,207	53,207	58,815	58,432	41,832	383		
Direct Interfund Services	47,851	50,705	50,705	53,553	53,553	34,659	-		
Indirect Interfund Services	25,328	26,750	26,750	26,790	26,790	14,792	-		
Municipal Courts Fines and Forfeits	25,447	28,698	28,698	22,411	22,813	15,545	(402)		
Other Fines and Forfeits	4,732	4,156	4,156	4,329	4,260	3,029	69		
Interest	3,040	3,000	3,000	3,600	3,600	1,931	-		
Miscellaneous/Other	17,217	12,757	12,757	23,039	26,345	19,021	(3,306)		
Total Revenues	2,213,132	2,269,150	2,269,150	2,225,981	2,245,092	1,926,204	(19,111)		
Expenditures									
Administration & Regulatory Affairs	28,891	29,526	29,442	29,496	29,496	21,864	-		
City Council	10,592	18,347	19,326	19,379	19,379	5,749	-		
City Secretary	805	889	897	800	800	465	-		
Controller	8,135	8,665	8,696	8,683	8,683	5,176	-		
Finance	18,359	20,525	20,171	19,783	19,783	12,624	-		
Fire	494,140	509,590	508,329	507,767	507,767	334,591	-		
General Services	41,817	41,246	41,216	41,222	41,222	22,571	-		
Houston Health Department	59,550	61,763	61,914	60,639	60,639	43,537	-		
Housing and Community Development	669	689	688	498	498	331	-		
Houston Emergency Center	12,518	12,364	12,364	10,495	10,495	9,273	-		
Human Resources	3,285	3,589	3,560	3,579	3,579	2,212	-		
Information Technology	22,554	24,164	24,241	23,950	23,950	14,757	-		
Legal	15,072	16,181	15,852	15,746	15,746	10,034	-		
Library	38,707	40,003	40,211	40,138	40,138	24,544	-		
Mayor's Office	7,600	8,124	8,048	8,131	8,131	6,029	-		
Municipal Courts	26,863	29,441	29,298	29,101	29,101	18,008	-		
Neighborhoods	12,018	12,238	12,244	12,143	12,143	7,818	-		
Office of Business Opportunity	2,743	2,932	2,917	2,913	2,913	1,932	-		
Parks and Recreation	68,621	70,676	71,579	71,297	71,297	44,656	-		
Planning and Development	7,708	8,464	6,015	6,118	6,118	4,584	-		
Police	741,252	806,992	807,711	800,946	800,946	531,842	-		
Public Works and Engineering	32,260	35,286	35,293	31,458	31,458	20,397	-		
Solid Waste Management	74,794	76,658	76,604	75,772	75,772	45,946	-		
Total Departmental Expenditures	1,728,953	1,838,351	1,836,616	1,820,054	1,820,054	1,188,940	-		
General Government	235,459	206,903	206,280	207,129	207,129	109,080	-		
Total Expenditures Other Than Debt	1,964,412	2,045,254	2,042,896	2,027,183	2,027,183	1,298,020	-		
Transfer to Special Revenues	-	27,771	27,758	27,771	27,771	-	-		
Captured Revenue Transfer to DDSRF	-	22,275	22,288	22,275	22,275	-	-		
Debt Service Transfer	264,500	295,954	295,954	295,954	295,954	295,954	-		
Total Expenditures and Other Uses	2,228,912	2,391,254	2,388,896	2,373,183	2,373,183	1,593,974	-		
Net Current Activity	(15,780)	(122,104)	(119,746)	(147,202)	(128,091)	332,230	(19,111)		
Other Financing Sources (Uses)									
Transfers from Other Funds	31,363	30,725	30,725	29,582	29,582	19,899	(0)		
Sale of Capital Assets	46,652	5,500	5,500	5,501	5,501	4,787	-		
Total Other Financing Sources (Uses)	78,015	36,225	36,225	35,083	35,083	24,687	(0)		
Fund Balances									
Fund Balance - Beginning of Year	222,621	287,843	287,843	287,843	287,843	287,843	-		
Changes to Designated Fund Balance*	-	(453)	(453)	(453)	(453)	-	-		
Budgeted Increase/(Decrease) in Fund Balance	62,235	(85,879)	(85,879)	(85,879)	(85,879)	356,917	-		
Change in Inventory/Prepaid Items/Imprest Cash	2,987	-	-	-	-	-	-		
{Budgeted Gap}/increase in Fund Balance**	-	-	2,358	(26,240)	(7,129)	-	(19,111)		
Fund Balance, End of Year***	287,843	201,511	203,869	175,271	194,382	644,760	(19,111)		

*The total designation for the Budget Stabilization Fund is currently \$3.4M. The \$17M was transferred to the 2015 Flood Disaster Fund.

**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.

***According to the financial policies, Ordinance 2014-1078, the City is required to maintain an ending fund balance equal to 7.5% of expenditures less Debt Service and Pay-As-You-Go (PAYGO) which is \$152,039 based on current projections. The City will be \$23,232 above 7.5% based on the Controller's Projections for FY2016.

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



Fund Summary - Other Funds
 For the period ended February 29, 2016
 (amounts expressed in thousands)

	Beginning of Year Fund Balance	Revenues*				Controller's Projection	Finance Projection	Finance	Controller
		FY2015 Actual	FY2016 Current Budget	FY2016 Actual YTD					
Enterprise									
Aviation		490,648	501,727	327,268	495,284	495,284	✓	✓	
Convention and Entertainment Facilities		105,561	106,147	74,496	99,968	99,968	✓	✓	
Combined Utility System		986,065	1,060,788	739,814	1,070,067	1,070,067	✓	✓	
Dedicated Drainage & Street Renewal**	27,672	216,228	224,055	124,645	226,034	226,034	✓	✓	
Storm Water**	2,000	49,926	57,084	27,153	56,074	56,074	✓	✓	
Risk Management									
Health Benefits	31,791	327,896	337,512	226,279	339,928	339,928	✓	✓	
Long-Term Disability	829	1,344	1,344	918	1,381	1,381	✓	✓	
Property and Casualty	75	29,449	35,743	4,478	35,397	35,397	✓	✓	
Worker's Compensation	-	21,251	23,903	13,621	21,095	21,095	✓	✓	
Special Revenue									
Asset Forfeiture	5,794	6,668	7,130	2,879	3,407	3,407	✓	✓	
Auto Dealers	3,338	6,701	6,997	4,297	6,900	6,900	✓	✓	
BARC Special Revenue	3,341	12,040	11,486	10,863	11,399	11,399	✓	✓	
Bayou Greenway 2020	406	864	950	492	950	950	✓	✓	
Building Inspection	41,023	83,398	73,783	57,567	84,749	84,749	✓	✓	
Building (Court) Security	3	679	743	477	750	750	✓	✓	
Cable Television	712	4,794	4,780	2,462	5,036	5,036	✓	✓	
Child Safety	4	3,280	3,220	2,280	3,429	3,429	✓	✓	
Contractors Responsibility	2,068	956	574	662	864	864	✓	✓	
Digital Houston	353	4	-	1	1	1	✓	✓	
Essential Public Health Services	12,520	17,614	19,473	17,615	17,194	17,194	✓	✓	
Forensic Transition Special	25	10,703	11,321	5,694	9,839	9,839	✓	✓	
Health Special Revenue	5,391	2,871	3,011	1,403	3,132	3,132	✓	✓	
Historic Preservation	1,701	972	929	297	929	929	✓	✓	
Houston Civic Events	4	2,158	2,932	2,324	3,021	3,021	✓	✓	
Houston Emergency Center	5,223	25,451	26,245	16,663	25,778	25,778	✓	✓	
Houston Transtar Center	2,100	2,406	2,091	1,387	2,000	2,000	✓	✓	
Juvenile Case Manager	1,561	1,269	1,436	811	1,179	1,179	✓	✓	
Laboratory Operations and Maintenance	531	483	539	333	479	479	✓	✓	
Maintenance Renewal & Replacement	648	14,289	16,431	16,463	16,463	16,463	✓	✓	
Parking Management	2,070	20,396	19,063	13,816	19,909	19,909	✓	✓	
Parks Golf	1,422	5,635	6,289	3,589	6,289	6,289	✓	✓	
Parks Special Revenue	6,561	2,184	2,038	1,311	2,038	2,038	✓	✓	
Planning & Development Special Revenue	-	-	4,283	319	4,283	4,283	✓	✓	
Police Special Services	6,765	10,213	9,982	4,263	10,397	10,397	✓	✓	
Recycling Expansion Program	2,129	2,230	2,577	348	1,848	1,848	✓	✓	
Special Waste	2,805	2,792	2,809	2,547	3,770	3,770	✓	✓	
Supplemental Environmental Protection	54	33	31	13	13	13	✓	✓	
Swimming Pool Safety	893	1,074	1,191	748	1,191	1,191	✓	✓	
Technology Fee	256	1,111	1,248	638	1,050	1,050	✓	✓	

* 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 29, 2016
(amounts expressed in thousands)

	Expenditures*					Net Current Activity (Proj.)	End of Year Fund Balance (Proj.)	Finance	Controller
	FY2015 Actual	FY2016 Current Budget	FY2016 Actual YTD	Controller's Projection	Finance Projection				
Enterprise									
Aviation	490,609	501,727	279,887	495,284	495,284	-		✓	✓
Convention and Entertainment Facilities	104,929	105,746	74,149	99,567	99,567	401		✓	✓
Combined Utility System	959,481	1,098,368	603,479	1,038,519	1,038,519	31,548		✓	✓
Dedicated Drainage & Street Renewal**	257,934	234,656	117,492	222,914	222,914	3,120	30,792	✓	✓
Storm Water**	50,052	57,084	27,166	52,323	52,323	3,751	5,751	✓	✓
Risk Management									
Health Benefits	325,943	346,609	231,346	348,477	348,477	(8,549)	23,242	✓	✓
Long-Term Disability	1,973	1,666	970	1,646	1,646	(265)	564	✓	✓
Property and Casualty	29,446	35,743	8,425	35,397	35,397	-	75	✓	✓
Worker's Compensation	21,251	23,903	12,552	21,095	21,095	-	-	✓	✓
Special Revenue									
Asset Forfeiture	7,558	12,100	3,127	6,755	6,755	(3,348)	2,446	✓	✓
Auto Dealers	7,722	8,771	5,100	8,645	8,645	(1,745)	1,593	✓	✓
BARC Special Revenue	9,974	12,360	7,200	12,099	12,099	(700)	2,641	✓	✓
Bayou Greenway 2020	458	950	408	942	942	8	414	✓	✓
Building Inspection	69,546	91,128	41,620	101,482	101,482	(16,733)	24,290	✓	✓
Building (Court) Security	754	762	441	710	710	40	43	✓	✓
Cable Television	4,619	4,918	1,761	4,431	4,431	605	1,317	✓	✓
Child Safety	3,337	3,220	(897)	3,433	3,433	(4)	-	✓	✓
Contractors Responsibility	933	1,078	102	757	757	107	2,175	✓	✓
Digital Houston	347	335	209	335	335	(334)	19	✓	✓
Essential Public Health Services	12,661	21,398	9,542	18,088	18,088	(894)	11,626	✓	✓
Forensic Transition Special	10,703	11,321	6,344	9,839	9,839	-	25	✓	✓
Health Special Revenue	3,019	4,191	2,152	4,179	4,179	(1,047)	4,344	✓	✓
Historic Preservation	291	760	123	760	760	169	1,870	✓	✓
Houston Civic Events	2,154	2,932	1,829	2,990	2,990	-	35	✓	✓
Houston Emergency Center	24,035	26,245	16,435	27,810	27,810	(2,032)	3,191	✓	✓
Houston Transtar Center	2,720	3,107	1,334	3,107	3,107	(1,107)	993	✓	✓
Juvenile Case Manager	1,474	2,007	956	1,682	1,682	(503)	1,058	✓	✓
Laboratory Operations and Maintenance	262	711	352	711	711	(232)	299	✓	✓
Maintenance Renewal & Replacement	13,641	16,431	8,415	16,344	16,344	119	767	✓	✓
Parking Management	20,365	20,769	9,873	21,001	21,001	(1,092)	978	✓	✓
Parks Golf	5,577	6,290	3,996	6,287	6,287	2	1,424	✓	✓
Parks Special Revenue	2,465	2,422	1,126	2,413	2,413	(375)	6,186	✓	✓
Planning & Development Special Revenue	-	3,714	595	3,714	3,714	569	569	✓	✓
Police Special Services	9,360	11,558	6,330	9,580	9,580	817	7,582	✓	✓
Recycling Expansion Program	2,606	3,365	129	3,877	3,877	(2,029)	100	✓	✓
Special Waste	3,548	4,626	3,031	5,350	5,350	(1,580)	1,225	✓	✓
Supplemental Environmental Protection	189	61	10	67	67	(54)	-	✓	✓
Swimming Pool Safety	978	1,223	696	1,097	1,097	94	987	✓	✓
Technology Fee	995	992	243	571	571	479	735	✓	✓

* 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 29, 2016
(amounts expressed in millions)

COMMERCIAL PAPER	Draws FY16	Draws Month	Refunded FY16	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	94.90	30.10
Series H-2	20.00	0.00	0.00	70.20	29.80
Series J	0.00	0.00	0.00	115.00	10.00
<i><u>Non-Voter Authorized</u></i>					
Series E1-Equipment & Capital	10.00	0.00	0.00	33.00	67.00
Series E2- Equipment & Capital	5.00	0.00	0.00	30.00	40.00
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	35.00	0.00	0.00	698.10	176.90
Combined Utility System					
Series B-1	20.00	0.00	0.00	80.00	20.00
Series B-2	0.00	0.00	0.00	75.00	0.00
Series B-3	0.00	0.00	0.00	5.00	70.00
Series B-4	45.00	0.00	0.00	5.00	95.00
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	65.00	0.00	0.00	515.00	185.00
Airport System					
Series A&B	25.00	5.00	0.00	75.50	74.50
Total Airport System	25.00	5.00	0.00	75.50	74.50
Totals	\$125.00	\$5.00	\$0.00	\$1,288.60	\$436.40

City of Houston, Texas
Total Outstanding Debt
For the period ended February 29, 2016
(amounts expressed in thousands)

	February 29, 2016	February 28, 2015
Payable from Ad Valorem Taxes		
Public Improvement Bonds ^(a)	2,447,340	2,619,645
Commercial Paper Notes ^(b)	176,900	111,900
Pension Obligations	594,640	601,430
Certificates of Obligations	16,360	18,660
Subtotal	3,235,240	3,351,635
Payable from Sources Other Than Ad Valorem Taxes		
Combined Utility System		
Combined Utility System Revenue Bonds	5,853,740	5,956,560
Combined Utility System Commercial Paper Notes ^(c)	185,000	0
Water and Sewer System Revenue Bonds ^(d)	149,745	141,976
Contract Revenue Obligations - CWA	71,855	85,925
Combined Utility System Subordinate Lien	25,915	0
Airport System		
Airport System Sr. Lien Bonds ^(e)	440,385	449,660
Airport System Subordinate Lien	1,654,040	1,711,170
Airport System Sr. Lien Commercial Paper Notes ^(f)	74,500	34,500
Airport System Inferior Lien Contracts ^(g)	12,155	17,760
Airport Special Facilities Revenue Bonds ^(h)	808,685	659,125
Hotel Occupancy Tax and Civic Parking		
Facilities Revenue Bonds ⁽ⁱ⁾	627,116	579,102
Hotel Occupancy Tax And Parking Revenue Commercial Paper ^(j)	0	42,000
Subtotal	9,903,135	9,677,778
Total Debt Payable by the City	\$13,138,375	\$13,029,413

(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, KI: \$150 million and K2: \$100 million.

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

(d) Includes \$ 92.4 million accreted value of capital appreciation bonds at this date and \$84.6 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 and \$225 million of inferior lien appropriation facilities which will increase to \$450 million in May 2016

(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 \$146.2 million accreted value of capital appreciation bonds at this date and \$135.6 million last year.

(j) The City authorized \$75 million of Subordinate Lien Hotel Occupancy Tax and Parking Revenue Commercial Paper in October 2013, currently there is no commercial paper outstanding

City of Houston, Texas
Voter-Authorized Obligations
For the period ended February 29, 2016
(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	\$ 471,300	\$ 2,700	\$ 2,700
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	10,985	9,015	9,015
Total	\$ 776,000	\$ 776,000	\$ 764,285	\$ 11,715	\$ 11,715
November 2006 Election					
Streets, Bridges, Traffic Control	\$ 320,000	\$ 219,950	\$ 75,215	\$ 144,735	\$ 244,785
Parks and Recreation	55,000	55,000	55,000	0	0
Public Safety	135,000	135,000	112,905	22,095	22,095
Permanent and General Improvements ^(b)	60,000	60,000	58,400	1,600	1,600
Public Libraries	37,000	37,000	37,000	0	0
Low Income Housing	18,000	18,008	3,500	14,508	14,500
Total	\$ 625,000	\$ 524,958	\$ 342,020	\$ 182,938	\$ 282,980
November 2012 Election					
Streets, Bridges, Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	166,000	91,726	8,000	83,726	158,000
Public Safety	144,000	107,023	1,900	105,123	142,100
Permanent and General Improvements ^(b)	57,000	38,600	6,750	31,850	50,250
Public Libraries	28,000	24,916	8,195	16,721	19,805
Low Income Housing	15,000	2,000	0	2,000	15,000
Total	\$ 410,000	\$ 264,265	\$ 24,845	\$ 239,420	\$ 385,155
Combined Total (2001, 2006, 2012 Elections)	\$ 1,811,000	\$ 1,565,223	\$ 1,131,150	\$ 434,073	\$ 679,850

(a) As of February 29, 2016

(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 five major entertainment centers and city-owned parking garages: Jesse H. Jones Hall, Bayou Place, Gus S. Wortham Center, George R. Brown Convention Center and Theater District 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.

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 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.

Planning & Development Special Revenue Fund (2308)

The fund is administered by the Planning and Development Department. This fund was established in December 2015 to support development-related services such as: subdivision plat review, permit review and one half of the lot size/minimum building line program.

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.