



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: December 2, 2016

**Subject: October 2016
Financial Report**

Attached is the Monthly Financial Report for the period ending October 31, 2016.

GENERAL FUND

The Controller's Office is projecting an ending fund balance of \$226.0 million for FY2017. This is \$3.7 million lower than the projection of the Finance Department. The difference is due to a \$3.7 million higher revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$73.6 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 increased our revenue projection \$2.9 million from our September projection. Intergovernmental was increased \$2.9 million for higher than expected receipts from the Ambulance Supplemental Payment Program.

The major differences are in three categories:

- (1) Sales Tax is \$3.8 million higher, as Controller's Office is using Dr. Gilmer's April 2016 projection, less an additional 2%, for a total decrease of 3.09%.
- (2) Other Franchise is \$1.2 million lower, as Controller's Office is projecting lower Cable and Solid Waste Hauler receipts than Finance.
- (3) Licenses and Permits is \$2.8 million lower, as Controller's Office is projecting trends similar to FY2016.

Expenditure projections were unchanged from last month's report. This is \$17.6 million higher than the Adopted Budget.

ENTERPRISE FUNDS

We are projecting no material changes in the Enterprise Funds this month.

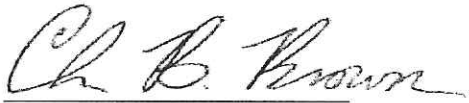
**Mayor Sylvester Turner
City Council Members
October Monthly Financial Report**

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 October 31, 2016, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	4.57%
Combined Utility System	1.27%
Aviation	15.22%
Convention and Entertainment	12.35%

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: December 2, 2016

Subject: 4+8 Financial Report

Attached is the 4+8 Financial Report for the period ending October 31, 2016. Fiscal Year 2017 projections are based on four months of actual results and eight months of projections.

General Fund

Our revenue projection is \$14.1 million higher than Adopted Budget and \$2.9 million higher than the 3+9 report due to a higher than anticipated reimbursement for the Ambulance Supplemental Payment Program (ASPP). The City of Houston is eligible to receive this funding because, as a governmental provider, it used public funds to provide ambulance services to Medicaid fee-for-service (FSS), Medicaid Managed Care, and uninsured patients.

General Fund Revenues (amounts expressed in thousands)

Category	FY16 Preliminary Unaudited	FY17 Adopted Budget	FY17 Current Projection	Variance Over/(Under)
Property Tax	\$1,098,664	\$1,133,191	\$1,144,481	\$11,290
Sales Tax	640,476	615,000	615,000	-
Franchise Fees	191,169	192,785	192,785	-
Other	370,538	357,437	360,293	2,856
Total	\$2,300,847	\$2,298,413	\$2,312,559	\$14,146

Our expenditure projection is \$17.6 million higher than Adopted Budget and remains unchanged from the 3+9 Report.

General Fund Expenditures (amounts expressed in thousands)

Category	FY16 Preliminary Unaudited	FY17 Adopted Budget	FY17 Current Projection	Variance Over/(Under)
Police	\$800,918	\$811,296	\$825,897	\$14,601
Fire	504,177	504,652	504,635	(17)
Other Departments	696,816	699,266	702,328	3,062
Debt Service/PAYGO	346,000	293,156	293,156	-
Total	\$2,347,911	\$2,308,370	\$2,326,016	\$17,646

As a result of these changes, and with the greater than anticipated beginning fund balance, we are currently projecting an ending fund balance of \$230 million, which is approximately 11.3% of estimated expenditures less debt service and pay-as-you-go (PAYGO) transfers.

Fund Balance (amounts expressed in thousands)

Category	FY16 Preliminary Unaudited	FY17 Adopted Budget	FY17 Current Projection	Variance Over/(Under)
Fund Balance - Beginning of Year	\$287,843	\$196,394	\$242,921	\$46,527
Changes to Designated Fund Balance	-	300	300	\$0
Budgeted Increase/(Decrease) in Fund Balance	(47,064)	(9,957)	(13,457)	(3,500)
Change in Inventory/Prepaid Items/Imprest Cash	2,142	-	-	\$0
Fund Balance, End of Year	\$242,921	\$186,737	\$229,764	\$43,027
% of Expenditures Less Debt Service and PAYGO	12.1%	9.3%	11.3%	2.0%

A Summary of all variances from Adopted Budget that have been reported year to date is included in the attachment to this letter.

Enterprise, Special Revenue and Other Funds

We are projecting no forecast changes in Enterprise Funds, Special Revenue Funds and other funds from the 3+9 Report.

Sincerely,



Kelly Dowe

Director



General Fund (Fund 1000)
 (amounts expressed in thousands)

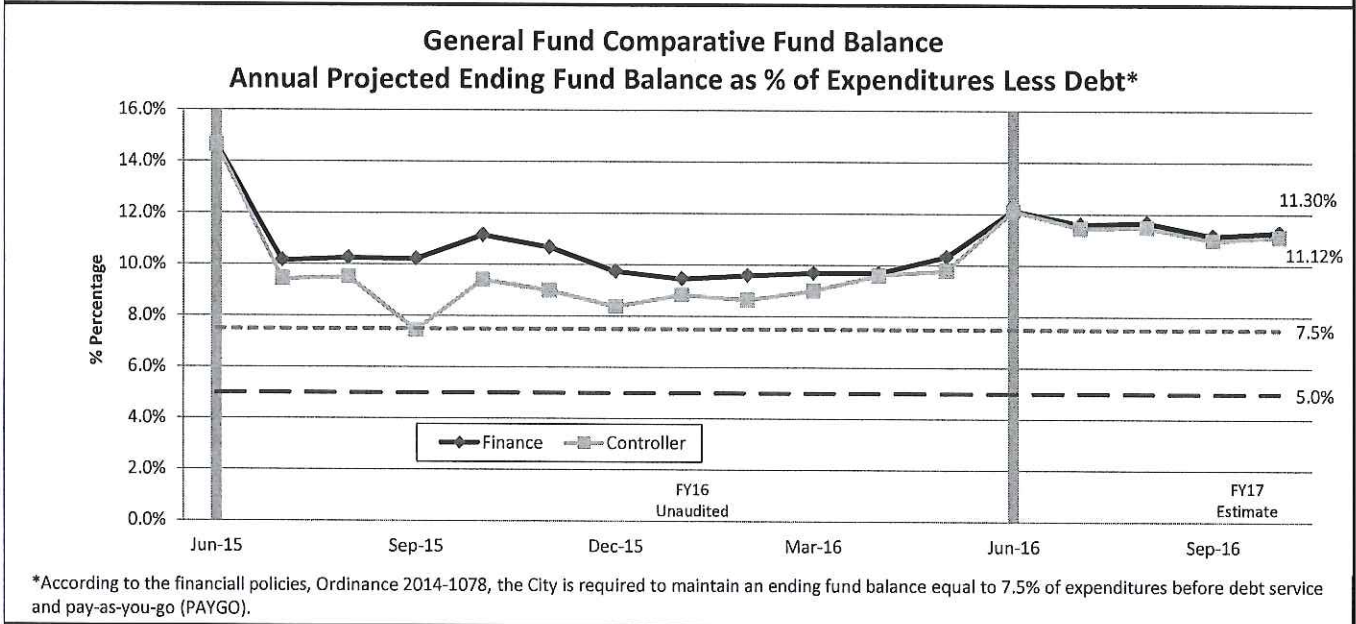
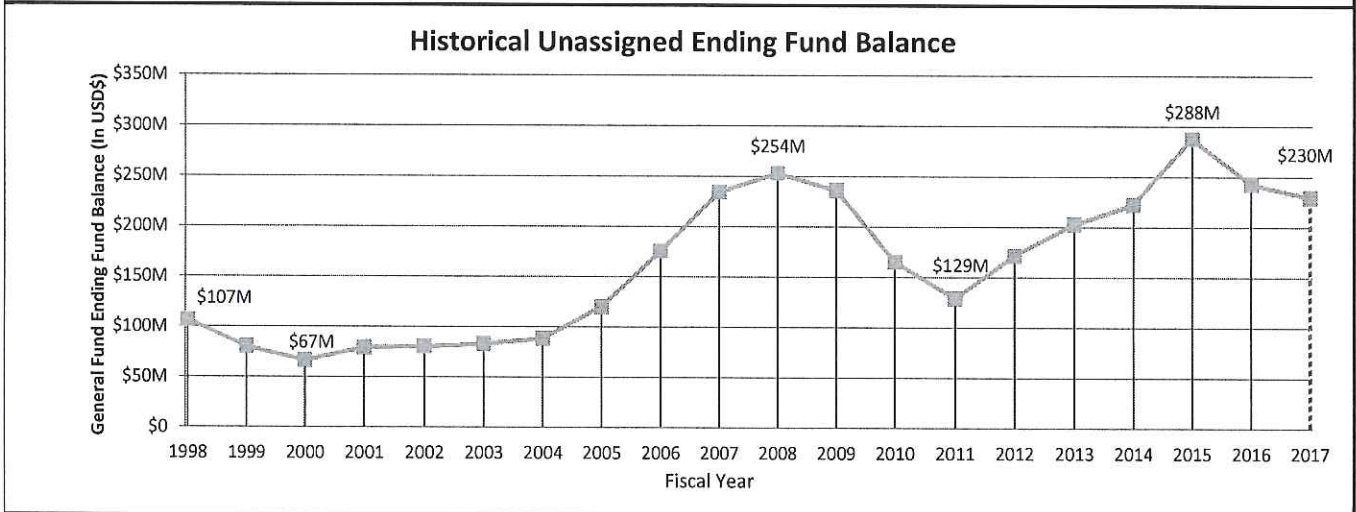
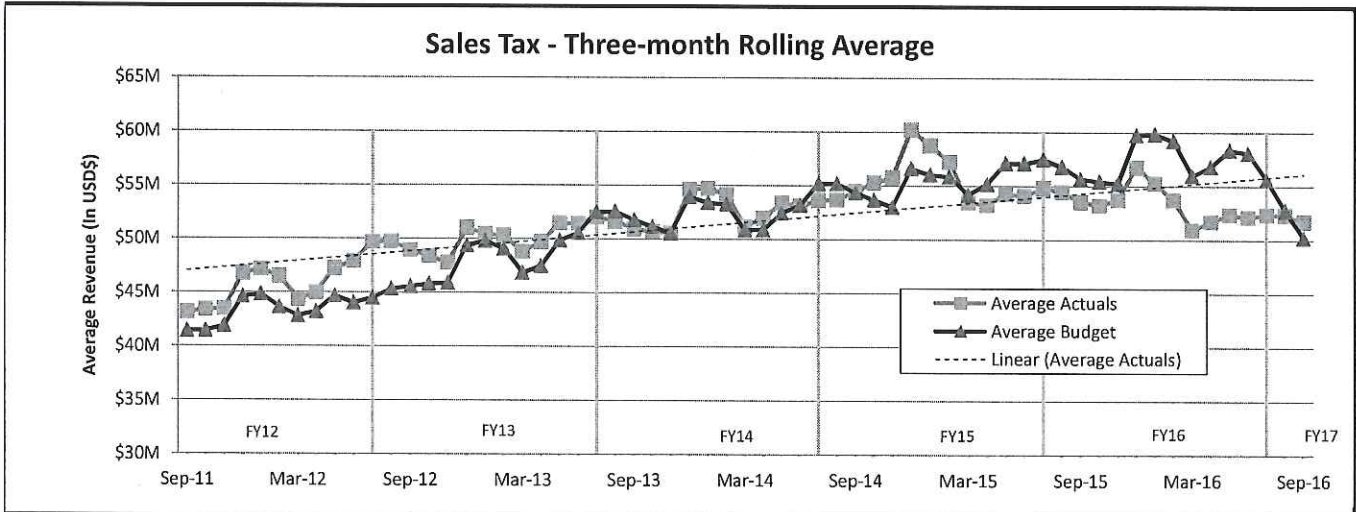
Finance - Major Variances from Adopted Budget

<u>Revenues</u>		Variance Over/(Under)
Month Reported	General Property Taxes	
July	Property Tax calculation adjustment based on updated US Census Bureau	5,183
August	Property Tax calculation adjustment based on disaster declaration for April Tax Day Flood	6,107
	Total General Property Taxes	11,290
	Intergovernmental	
October	Increase in Ambulance Supplemental Payment Program reimbursement	2,856
	Total Intergovernmental	2,856
	Total Revenues	14,146
	Additional Beginning Fund Balance	46,527
	Total Resources	60,673
<u>Expenditures</u>		
	Public Safety	
July	Elimination of a one-time planned deferral payment to the Houston Police Officers Pension System	12,500
July	Increase Police overtime to target key areas experiencing increased drug activity	2,000
September	Prior year City Council funds allocated to the Houston Police Department	101
	Total Public Safety	14,601
	Other Adjustments	
September	First quarter vacancy savings	(1,072)
September	Council District Service Fund rollover	1,559
September	Purchase refuse carts that are no longer eligible for capital funding.	1,000
September	Hire additional Park Rangers to deter increased drug activity at City parks	848
September	Increase transfer to the Mayor's Office of Special Events	500
September	Allocation of prior year City Council unspent funds	163
September	Other Expenditure Adjustments	47
	Total Other Adjustments	3,045
	Total Expenditures	17,646



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 October 31, 2016
 (amounts expressed in thousands)

Actual YTD
 Current Budget

	FY2017							Finance	Controller
	Unaudited Preliminary FY2016	Adopted Budget	Current Budget	Controller's Projection	Finance Projection	Actual YTD	Controller - Finance Variance		
Revenues									
General Property Taxes	1,098,664	1,133,191	1,133,191	1,144,481	1,144,481	13,475	-		
Industrial Assessments	19,239	18,043	18,043	17,500	18,043	59	(543)		
Sales Tax	640,476	615,000	615,000	618,796	615,000	203,357	3,796		
Other Taxes	16,271	16,909	16,909	16,500	16,909	3,911	(409)		
Electric Franchise	101,212	102,030	102,030	101,500	102,030	34,108	(530)		
Telephone Franchise	43,061	42,000	42,000	41,250	42,000	14,073	(750)		
Gas Franchise	14,840	15,016	15,016	15,000	15,016	5,005	(16)		
Other Franchise	32,056	33,739	33,739	32,500	33,739	11,181	(1,239)		
Licenses and Permits	39,608	41,811	41,811	39,000	41,811	11,439	(2,811)		
Intergovernmental	53,663	70,151	70,151	73,007	73,007	28,721	-		
Charges for Services	62,553	58,698	58,698	58,815	58,698	19,288	117		
Direct Interfund Services	54,024	53,897	53,897	53,897	53,897	17,294	-		
Indirect Interfund Services	26,611	27,436	27,436	27,436	27,436	7,173	-		
Municipal Courts Fines and Forfeits	24,960	22,812	22,812	22,500	22,812	6,805	(312)		
Other Fines and Forfeits	4,952	4,306	4,306	4,100	4,306	1,390	(206)		
Interest	3,700	3,000	3,000	3,000	3,000	940	-		
Miscellaneous/Other	22,367	13,825	13,825	13,000	13,825	4,218	(825)		
Total Revenues	2,258,257	2,271,864	2,271,864	2,282,282	2,286,010	382,437	(3,728)		
Expenditures									
Administration & Regulatory Affairs	29,241	30,523	30,523	30,437	30,437	6,248	-		
City Council	17,465	10,329	11,888	11,888	11,888	2,548	-		
City Secretary	685	908	908	878	878	226	-		
Controller	8,038	8,887	8,887	8,887	8,887	2,565	-		
Finance	17,657	19,622	19,622	19,583	19,583	5,098	-		
Fire	504,177	504,652	504,652	504,635	504,635	165,583	-		
General Services	40,706	41,223	41,223	41,056	41,056	10,564	-		
Housing and Community Development	490	533	533	533	533	279	-		
Houston Emergency Center	10,495	10,148	10,148	10,148	10,148	2,537	-		
Houston Health Department	61,248	65,639	65,665	65,360	65,360	18,966	-		
Human Resources	3,390	3,054	3,054	3,054	3,054	935	-		
Information Technology	22,274	23,363	23,363	23,363	23,363	6,618	-		
Legal	15,485	16,046	16,046	16,046	16,046	4,995	-		
Library	39,695	40,917	40,926	40,852	40,852	13,132	-		
Mayor's Office	8,000	7,696	7,696	8,196	8,196	3,687	-		
Municipal Courts	27,705	29,562	29,562	29,456	29,456	9,159	-		
Neighborhoods	12,472	11,705	11,736	11,721	11,721	3,375	-		
Office of Business Opportunity	2,835	3,049	3,049	2,995	2,995	954	-		
Parks and Recreation	70,169	73,139	73,223	74,072	74,072	23,890	-		
Planning and Development	5,804	4,189	4,189	4,099	4,099	1,266	-		
Police	800,918	811,296	813,397	825,897	825,897	267,966	-		
Public Works and Engineering	30,667	31,944	31,944	31,901	31,901	10,767	-		
Solid Waste Management	74,564	80,913	80,913	81,913	81,913	26,186	-		
Total Departmental Expenditures	1,804,180	1,829,337	1,833,147	1,846,970	1,846,970	587,544	-		
General Government	197,731	185,877	182,067	185,890	185,890	41,903	-		
Total Expenditures Other Than Debt	2,001,911	2,015,214	2,015,214	2,032,860	2,032,860	629,447	-		
Transfer to Special Revenues	27,758	(23,544)	(23,544)	(23,544)	(23,544)	-	-		
Captured Revenue Transfer to DDSRF	22,288	34,741	34,741	34,741	34,741	-	-		
Debt Service Transfer	295,954	281,959	281,959	281,959	281,959	-	-		
Total Expenditures and Other Uses	2,347,911	2,308,370	2,308,370	2,326,016	2,326,016	629,447	-		
Net Current Activity	(89,654)	(36,506)	(36,506)	(43,734)	(40,006)	(247,010)	(3,728)		
Other Financing Sources (Uses)									
Transfers from Other Funds	34,656	12,049	12,049	12,049	12,049	8,331	-		
Sale of Capital Assets	7,934	14,500	14,500	14,500	14,500	1,376	-		
Total Other Financing Sources (Uses)	42,590	26,549	26,549	26,549	26,549	9,708	-		
Fund Balances									
Fund Balance - Beginning of Year	287,843	242,921	242,921	242,921	242,921	242,921	-		
Changes to Designated Fund Balance*	-	300	300	300	300	-	-		
Budgeted Increase/(Decrease) in Fund Balance	(47,064)	(9,957)	(9,957)	(9,957)	(9,957)	(237,302)	-		
Change in Inventory/Prepaid Items/Imprest Cash	2,142	-	-	-	-	-	-		
(Budgeted Gap)/Increase in Fund Balance**	-	-	-	(7,228)	(3,500)	-	(3,728)		
Fund Balance, End of Year***	242,921	233,264	233,264	226,036	229,764	5,619	(3,728)		

*The total designation for the Budget Stabilization Fund is currently \$11.2M. The \$9M 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 \$152,465 based on current projections. The City will be \$73,572 above 7.5% based on the Controller's Projections for FY2017.
 † Indicates projection exceeds 5% or \$5M of budget expenditures or projected revenues are 5% or \$5M less than current budget.



Fund Summary - Other Funds
 For the period ended October 31, 2016
 (amounts expressed in thousands)

	Beginning of Year Fund Balance	Revenues*				Controller's Projection	Finance Projection	Finance	Controller
		Unaudited Preliminary FY2016	FY2017 Current Budget	FY2017 Actual YTD					
Enterprise									
Aviation		494,775	501,725	166,586	501,725	501,725	✓	✓	
Convention and Entertainment Facilities		101,913	99,254	39,944	99,254	99,254	✓	✓	
Combined Utility System		1,065,732	1,085,001	381,449	1,085,001	1,085,001	✓	✓	
Dedicated Drainage & Street Renewal**	50,391	227,227	214,201	34,509	214,201	214,201	✓	✓	
Storm Water**	5,820	54,105	54,999	16,061	54,999	54,999	✓	✓	
Risk Management									
Health Benefits	23,975	340,628	357,272	119,742	357,272	357,272	✓	✓	
Long-Term Disability	1,238	1,383	1,358	468	1,358	1,358	✓	✓	
Property and Casualty	75	23,426	35,396	3,163	35,396	35,396	✓	✓	
Worker's Compensation	-	20,344	21,544	7,251	21,544	21,544	✓	✓	
Special Revenue									
Asset Forfeiture	5,306	5,166	6,003	2,547	6,003	6,003	✓	✓	
Auto Dealers	2,209	7,220	6,900	2,231	6,900	6,900	✓	✓	
BARC Special Revenue	3,535	11,572	11,165	708	11,165	11,165	✓	✓	
Bayou Greenway 2020	763	986	1,330	346	1,332	1,332	✓	✓	
Building Inspection	34,198	84,838	81,681	26,331	81,681	81,681	✓	✓	
Building (Court) Security	109	814	750	188	750	750	✓	✓	
Cable Television	1,247	4,837	5,310	8	5,310	5,310	✓	✓	
Child Safety	109	3,539	3,429	1,142	3,429	3,429	✓	✓	
Contractors Responsibility	2,564	1,130	864	444	864	864	✓	✓	
Digital Houston	12	2	-	-	-	-	✓	✓	
Essential Public Health Services	11,520	17,192	24,694	5,060	24,694	24,694	✓	✓	
Forensic Transition Special	26	9,025	8,545	1,258	8,545	8,545	✓	✓	
Health Special Revenue	5,806	3,173	4,023	698	4,031	4,031	✓	✓	
Historic Preservation	1,840	371	333	77	333	333	✓	✓	
Houston Emergency Center	5,133	24,706	25,639	4,759	25,639	25,639	✓	✓	
Houston Transtar Center	1,574	2,363	2,259	597	2,259	2,259	✓	✓	
Juvenile Case Manager	1,375	1,261	1,179	372	1,179	1,179	✓	✓	
Laboratory Operations and Maintenance	318	494	464	176	484	484	✓	✓	
Maintenance Renewal & Replacement	1,531	16,488	17,906	7	17,906	17,906	✓	✓	
Parking Management	2,060	22,708	20,421	5,326	20,421	20,421	✓	✓	
Parks Golf	1,107	5,652	6,198	1,760	6,198	6,198	✓	✓	
Parks Special Revenue	7,073	2,229	2,216	734	2,216	2,216	✓	✓	
Planning & Development Special Revenue	416	3,201	7,092	2,101	7,092	7,092	✓	✓	
Police Special Services	7,077	10,550	7,662	586	7,662	7,662	✓	✓	
Recycling Revenue Fund	600	2,064	6,049	1,456	6,049	6,049	✓	✓	
Special Waste	2,391	3,991	4,079	1,051	4,085	4,085	✓	✓	
Supplemental Environmental Protection	-	76	-	-	-	-	✓	✓	
Swimming Pool Safety	919	1,130	1,225	353	1,225	1,225	✓	✓	
Technology Fee	770	950	1,290	336	1,290	1,290	✓	✓	
Tourism Promotion Special	242	3,005	20,197	6,317	20,348	20,348	✓	✓	

* 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

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



Fund Summary - Other Funds
 For the period ended October 31, 2016
 (amounts expressed in thousands)

	Expenditures*					Net Current Activity (Proj.)	End of Year Fund Balance (Proj.)	Finance	Controller
	Unaudited Preliminary FY2016	FY2017 Current Budget	FY2017 Actual YTD	Controller's Projection	Finance Projection				
Enterprise									
Aviation	402,951	501,725	140,039	501,725	501,725	-		✓	✓
Convention and Entertainment Facilities	103,432	98,955	39,609	98,955	98,955	299		✓	✓
Combined Utility System	990,594	1,115,935	217,456	1,112,970	1,112,970	(27,969)		✓	✓
Dedicated Drainage & Street Renewal**	204,508	226,907	42,731	225,703	225,703	(11,502)	38,889	✓	✓
Storm Water**	50,355	58,751	16,322	58,751	58,751	(3,751)	2,069	✓	✓
Risk Management									
Health Benefits	348,444	364,412	122,157	364,412	364,412	(7,140)	16,835	✓	✓
Long-Term Disability	974	1,645	528	1,645	1,645	(287)	951	✓	✓
Property and Casualty	23,426	35,396	4,121	35,396	35,396	-	75	✓	✓
Worker's Compensation	20,344	21,544	6,922	21,544	21,544	-	-	✓	✓
Special Revenue									
Asset Forfeiture	5,654	8,448	2,467	8,448	8,448	(2,445)	2,861	✓	✓
Auto Dealers	8,349	8,011	2,511	8,011	8,011	(1,111)	1,098	✓	✓
BARC Special Revenue	11,378	13,806	3,672	13,806	13,806	(2,641)	894	✓	✓
Bayou Greenway 2020	629	1,228	236	1,228	1,228	104	867	✓	✓
Building Inspection	91,664	95,491	23,511	93,639	93,639	(11,958)	22,240	✓	✓
Building (Court) Security	710	710	191	710	710	40	149	✓	✓
Cable Television	4,303	5,554	709	5,554	5,554	(243)	1,003	✓	✓
Child Safety	3,433	3,429	(793)	3,429	3,429	-	109	✓	✓
Contractors Responsibility	634	872	51	872	872	(8)	2,556	✓	✓
Digital Houston	343	-	10	-	-	-	12	✓	✓
Essential Public Health Services	18,192	26,109	6,016	26,109	26,109	(1,415)	10,105	✓	✓
Forensic Transition Special	9,024	8,545	2,424	8,545	8,545	-	26	✓	✓
Health Special Revenue	2,758	5,131	1,168	5,131	5,131	(1,100)	4,706	✓	✓
Historic Preservation	234	459	96	459	459	(126)	1,714	✓	✓
Houston Emergency Center	24,794	27,762	7,893	27,762	27,762	(2,123)	3,010	✓	✓
Houston Transtar Center	2,889	3,191	589	3,163	3,163	(904)	670	✓	✓
Juvenile Case Manager	1,447	2,035	547	2,035	2,035	(856)	519	✓	✓
Laboratory Operations and Maintenance	707	694	209	694	694	(210)	108	✓	✓
Maintenance Renewal & Replacement	15,643	17,906	3,924	17,906	17,906	-	1,531	✓	✓
Parking Management	22,719	20,978	5,101	20,978	20,978	(557)	1,503	✓	✓
Parks Golf	5,965	6,277	1,862	6,277	6,277	(79)	1,028	✓	✓
Parks Special Revenue	1,717	2,494	576	2,494	2,494	(278)	6,795	✓	✓
Planning & Development Special Revenue	2,785	7,057	1,572	7,057	7,057	35	451	✓	✓
Police Special Services	10,237	10,692	1,194	10,692	10,692	(3,030)	4,047	✓	✓
Recycling Revenue Fund	3,593	6,049	420	6,049	6,049	-	600	✓	✓
Special Waste	4,405	4,604	1,345	4,604	4,604	(519)	1,872	✓	✓
Supplemental Environmental Protection	130	-	-	-	-	-	-	✓	✓
Swimming Pool Safety	1,104	1,203	389	1,203	1,203	22	941	✓	✓
Technology Fee	437	915	131	915	915	375	1,145	✓	✓
Tourism Promotion Special	2,767	20,197	4,713	20,348	20,348	-	242	✓	✓

* 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

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

City of Houston, Texas
Commercial Paper Issued and Available
For the period end October 31, 2016
(amounts expressed in millions)

COMMERCIAL PAPER	Draws FY17	Draws Month	Refunded FY17	Amount Available to be Drawn	Amount Outstanding
General Obligation					
<i><u>Voter Authorized 2001 & 2006 & 2012 Election</u></i>					
Series G-1	0.00	0.00	0.00	75.00	0.00
Series G-2	5.00	5.00	0.00	69.90	55.10
Series H-2	10.00	0.00	0.00	55.20	44.80
Series J	0.00	0.00	0.00	115.00	10.00
<i><u>Non-Voter Authorized</u></i>					
Series E1-Equipment & Capital	15.00	0.00	0.00	85.00	15.00
Series E2- Equipment & Capital	10.00	0.00	0.00	55.00	15.00
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	40.00	5.00	0.00	735.10	139.90
Combined Utility System					
Series B-1	20.00	20.00	0.00	60.00	40.00
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	60.00	40.00
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	20.00	20.00	0.00	620.00	80.00
Airport System					
Series A&B	0.00	0.00	0.00	63.00	87.00
Total Airport System	0.00	0.00	0.00	63.00	87.00
Totals	\$60.00	\$25.00	\$0.00	\$1,418.10	\$306.90

City of Houston, Texas
Total Outstanding Debt
For the period end October 31, 2016
(amounts expressed in thousands)

	October 31, 2016	October 31, 2015
Payable from Ad Valorem Taxes		
Public Improvement Bonds ^(a)	2,320,605	2,447,340
Commercial Paper Notes ^(b)	139,900	156,900
Pension Obligations	587,375	594,640
Certificates of Obligations	16,360	16,360
Subtotal	3,064,240	3,215,240
Payable from Sources Other Than Ad Valorem Taxes		
Combined Utility System		
Combined Utility System Revenue Bonds	5,964,895	5,908,360
Combined Utility System Commercial Paper Notes ^(c)	80,000	120,000
Water and Sewer System Revenue Bonds ^(d)	155,291	147,079
Contract Revenue Obligations - CWA	71,855	85,925
Combined Utility System Subordinate Lien	25,915	0
Airport System		
Airport System Sr. Lien Bonds ^(e)	430,645	440,385
Airport System Subordinate Lien	1,590,590	1,654,040
Airport System Sr. Lien Commercial Paper Notes ^(f)	87,000	69,500
Airport System Inferior Lien Contracts ^(g)	6,240	12,155
Airport Special Facilities Revenue Bonds ^(h)	808,685	813,845
Hotel Occupancy Tax and Civic Parking		
Facilities Revenue Bonds ⁽ⁱ⁾	607,183	622,375
Subtotal	9,828,299	9,873,664
Total Debt Payable by the City	\$12,892,539	\$13,088,904

- (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 \$98 million accreted value of capital appreciation bonds at this date and \$89.7 million last year.
- (e) The Houston Airport System issued Senior Lien Revenue bonds on August 20, 2009.
- (f) City Council has authorized Airport Senior Lien Commercial Paper Notes Series A and B with \$150 million of appropriation capacity. In May 2016 the Airport Inferior Lien appropriation facilities was also increased from \$225 million to \$450 million.
- (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 \$6.2 million for Series 1997A Special Facilities Bonds. See footnote (g).
- (i) Includes \$146 million accreted value of capital appreciation bonds at this date and \$141.5 million last year.

City of Houston, Texas
Voter-Authorized Obligations
For the period end October 31, 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	-	-
Police and Fire Departments	82,000	82,000	82,000	-	-
Permanent and General Improvements ^(b)	80,000	80,000	80,000	-	-
Public Libraries	40,000	40,000	40,000	-	-
Low Income Housing	20,000	20,000	11,985	8,015	8,015
Total	776,000	776,000	765,285	10,715	10,715
November 2006 Election					
Streets, Bridges, Traffic Control	\$ 320,000	\$ 219,950	\$ 76,715	\$ 143,235	\$ 243,285
Parks and Recreation	55,000	55,000	55,000	-	-
Public Safety	135,000	135,000	120,405	14,595	14,595
Permanent and General Improvements ^(b)	60,000	60,000	60,000	-	-
Public Libraries	37,000	37,000	36,900	100	100
Low Income Housing	18,000	18,008	8,875	9,133	9,125
Total	\$ 625,000	\$ 524,958	\$ 357,895	\$ 167,063	\$ 267,105
November 2012 Election					
Streets, Bridges, Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	166,000	122,332	25,000	97,332	141,000
Public Safety	144,000	128,567	8,018	120,549	135,982
Permanent and General Improvements ^(b)	57,000	50,334	8,663	41,671	48,337
Public Libraries	28,000	28,000	10,195	17,805	17,805
Low Income Housing	15,000	3,100	0	3,100	15,000
Total	\$ 410,000	\$ 332,333	\$ 51,876	\$ 280,457	\$ 358,124
Combined Total (2001, 2006, 2012 Elections)	\$ 1,811,000	\$ 1,633,291	\$ 1,175,056	\$ 458,235	\$ 635,944

(a) As of October 31, 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 Airport. 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. 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 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 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 Revenue 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 purpose of this fund is to prevent the infiltration of fats, oils, and grease into the sanitary sewer system, and to assure that the City's infrastructure and health of the citizens are protected. All fees collected are expended only for the costs of permitting, inspecting, monitoring, controlling, educating and enforcing any violation pertaining to the management and disposal of the City-regulated waste. This fund is administered by the Houston Health Department.

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.

Tourism Promotion Special Revenue Fund (2429)

Previously known as the Houston Civic Events Fund, this fund is administered by the Mayor's Office. This fund was created to promote tourism through management and coordination of the civic celebration program, city's art and cultural plan, promote business travel and hotel occupancy in the City of Houston as well as protocol services.