



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: August 28, 2020

Subject: July 2020
Financial Report

Attached is the Monthly Financial Report for the period ending July 31, 2020.

GENERAL FUND

The Controller's Office is projecting an ending fund balance of \$106.8 million for FY2021. This is \$87.5 million lower than the projection of the Finance Department. The difference is due to a \$87.5 million lower revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$52 million below the City's target of holding 7.5% of total expenditures, excluding debt service and Pay As You Go (PAYGO), in reserve. The FY2021 beginning fund balance is \$15 million higher than the FY2020 ending fund balance reported in the June 30, 2020 Monthly Financial Report. The increase is due to year-end adjustments to revenues and expenditures that will not be final until the FY2020 Comprehensive Annual Financial Report is published.

We have decreased our revenue projection by \$10 million from our FY2021 Trends Report published in May 2020. Property tax revenue was reduced by \$10 million due to a lower population number from the U.S. Census Bureau for the City of Houston, which was released after the Trends Report.

The major differences between our revenue projection and that of the Finance Department are as follows:

- Sales Tax is lower by \$65 million due to the Controller's Office using a larger negative growth rate from FY2020 due to the continued economic impact of COVID-19 and lower oil prices.
- Industrial Assessments are lower by \$1.3 million.
- Other Taxes are lower by \$4.1 million.
- Electric, Telephone, Gas and Other Franchise is lower by \$2.7 million.
- Licenses and Permits are lower by \$2.5 million.
- Charges for Services are lower by \$3.4 million.
- Municipal Courts Fines and Forfeits and Other Fines and Forfeits are lower by \$3.6 million.
- Interest income and Miscellaneous income is lower by \$4.4 million.

We decreased our expenditure estimates by \$18 million from our Trends Report due to savings from Redeployment of \$36.7 million. The savings were offset by:

- Personnel costs increased by \$7.1 million
- Cadet classes increased by \$11.9 million.

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

ENTERPRISE FUNDS

The Aviation Operating Fund is projected at the FY2021 Trends number of \$392 million, which is \$89 million less than the Adopted Budget. The lower projection is due to expected decreases in revenues from Concessions, Parking, and enplanements.

We are projecting no changes from the Adopted Budget in the Convention and Entertainment Operating Fund, the Combined Utility System Fund, the Storm Water Fund, or the Dedicated Drainage and Street Renewal Funds 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 July 31, 2020, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	3.71%
Combined Utility System	0.28%
Aviation	8.68%
Convention and Entertainment	3.42%

Respectfully submitted,



Chris B. Brown
City Controller



CITY OF HOUSTON

Finance Department

Sylvester Turner

Mayor

Finance Department
P.O. Box 1562
Houston, Texas 77251-1562

T. 832-393-9051
F. 832-393-9116
www.houstontx.gov

To: Mayor Sylvester Turner
City Council Members

Date: August 28, 2020

Subject: 1+11 Financial Report

Attached is the 1+11 Financial Report for the period ending July 31, 2020. Fiscal Year 2021 projections are based on one month of actual results and eleven months of projections.

General Fund

Fiscal Year 2020

In accordance with government accounting standards for governmental funds, the final revenues for FY2020 will include revenues earned through June 30 only if they are collected by the end of August. Expenditures through June 30 will include spending incurred before the end of June. These expenses continue to be recorded as accruals to Fiscal Year 2020 until August 31.

The current preliminary undesignated fund balance for the General Fund is \$284.7 million which is approximately \$10.9 million higher than our June MoFR projection. The results are not final until the publication of the FY2020 Comprehensive Annual Financial Report.

Fiscal Year 2021

Both our revenue and expenditure projections remain at budget.

General Fund Revenues (amounts expressed in thousands)

Category	Unaudited Preliminary FY2020	FY21 Adopted Budget	FY21 Current Projection	FY21 Variance Over/(Under)
Property Tax	\$1,215,780	\$1,233,391	\$1,233,391	-
Sales Tax	684,425	675,000	675,000	-
Franchise Fees	170,208	157,259	157,259	-
Other	327,858	356,418	356,418	-
Total	\$2,398,271	\$2,422,068	\$2,422,068	-

General Fund Expenditures (amounts expressed in thousands)

Category	Unaudited Preliminary FY2020	FY21 Adopted Budget	FY21 Current Projection	FY21 Variance Over/(Under)
Police	\$891,606	\$930,934	\$930,934	-
Fire	489,926	509,951	509,951	-
Other Departments	652,859	674,217	674,217	-
Debt Service/PAYGO	399,203	397,644	397,644	-
Total	\$2,433,594	\$2,512,745	\$2,512,745	-

We are currently projecting the ending fund balance of \$194.2 million, which is \$23.6 million higher than the Adopted Budget and 9.2% of estimated expenditures less debt service and pay-as-you-go (PAYGO).

Fund Balance (amounts expressed in thousands)

Category	Unaudited Preliminary FY2020	FY21 Adopted Budget*	FY21 Current Projection	FY21 Variance Over/(Under)
Fund Balance - Beginning of Year	\$321,439	\$261,100	\$284,724	23,624
Changes to Designated Fund Balance	-	168	168	-
Budgeted Increase/(Decrease) in Fund Balance	(35,323)	(90,678)	(90,678)	-
Change in Inventory/Prepaid Items/Imprest Cash	(1,392)	-	-	-
Fund Balance, End of Year	\$284,724	\$170,590	\$194,214	\$23,624
% of Expenditures Less Debt Service and PAYGO	14.0%	8.1%	9.2%	1.1%

* The estimated beginning fund balance at the time of budget adoption.

A summary of all variances from the 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 the following forecast changes in the Enterprise Funds, Special Revenue Funds and other funds from the Adopted Budget.

Aviation

Operating Revenues decreased by \$86.9 million primarily due to lower than anticipated garage parking revenues; retail, ground transport and auto rental concessions; and grounds and hangar rental fees primarily attributable to decreased passenger activities as a result of COVID-19. Non-Operating Revenues decreased by \$2.1 million due to lower than anticipated interest on pooled investment. Operating expenditures decreased by \$7.4 million primarily due to lower than anticipated parking services contracts, building maintenance services, and insurance fees. As a result, Operating Transfers decreased by \$81.5 million.

Sincerely,



Tantri Emo
Director



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

Finance - Major Variances from Adopted Budget

<u>Revenues</u>		Variance Over/(Under)*
Month Reported	Revenue Detail	
	Total Revenues	-
	Fund Balance	
	Additional Beginning Fund Balance	23,624
	Total Financial Resources	23,624

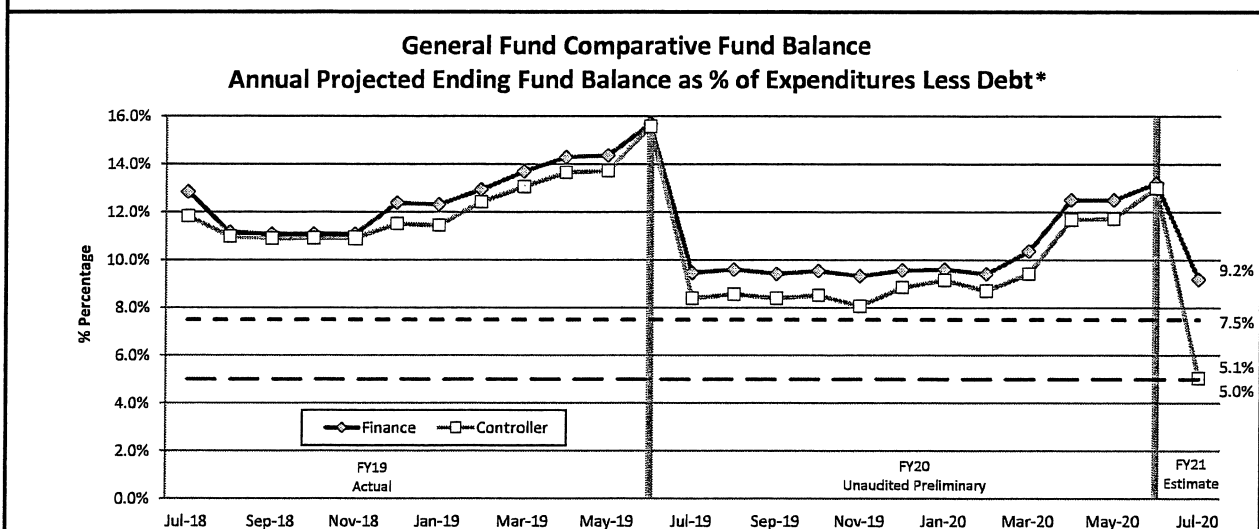
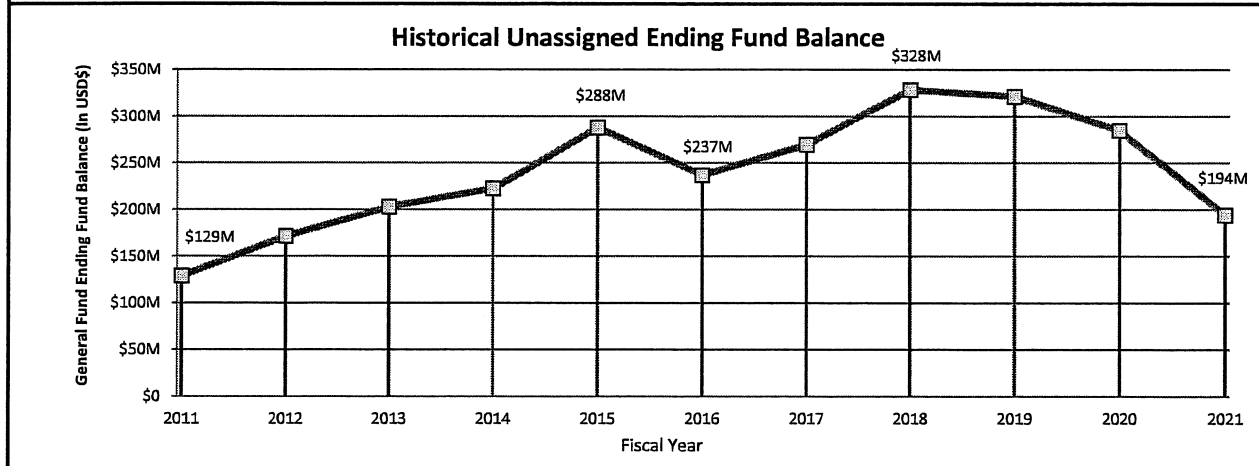
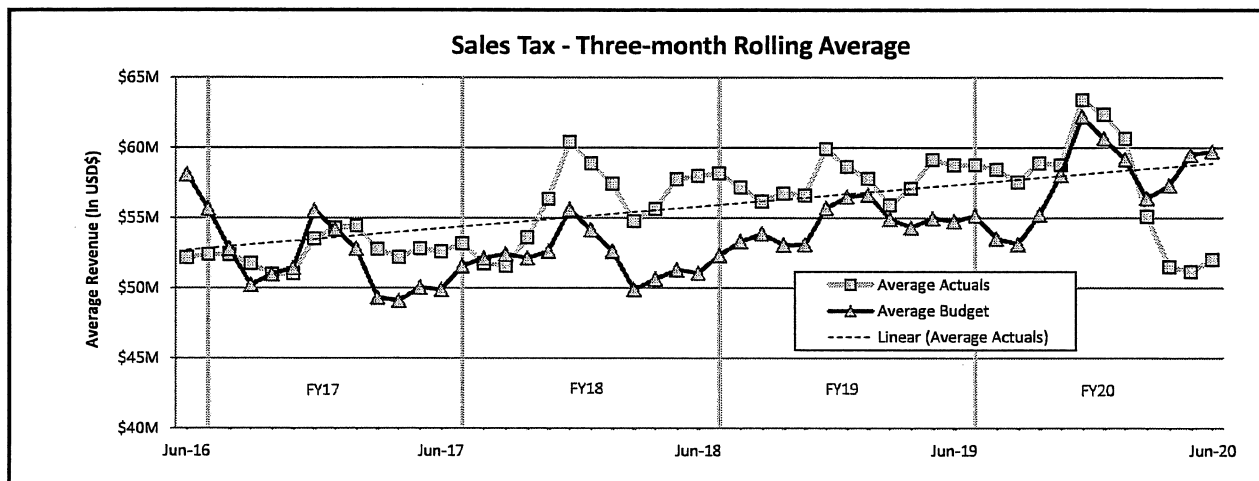
<u>Expenditures</u>		
Month Reported	Expenditure Detail	
	Total Expenditures	-

*Total may reflect slight variances due to rounding.



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 July 31, 2020
(amounts expressed in thousands)

Actual YTD
Current Budget

	FY2021							
	Unaudited Preliminary FY2020	Adopted Budget	Current Budget	Controller's Projection	Finance Projection	Actual YTD	Controller - Finance Variance	Controller - Finance
Revenues								
General Property Taxes	1,215,780	1,233,391	1,233,391	1,233,391	1,233,391	4,950	-	✓
Industrial Assessments	24,797	19,311	19,311	18,050	19,311	917	(1,261)	✓
Sales Tax	684,425	675,000	675,000	610,000	675,000	57,583	(65,000)	✓
Other Taxes	15,379	19,528	19,528	15,390	19,528	-	(4,138)	✓
Electric Franchise	100,774	99,454	99,454	97,465	99,454	8,133	(1,989)	✓
Telephone Franchise	31,459	24,455	24,455	23,966	24,455	2,188	(489)	✓
Gas Franchise	12,386	13,034	13,034	12,774	13,034	1,086	(260)	✓
Other Franchise	25,589	20,316	20,316	19,909	20,316	1,698	(407)	✓
Licenses and Permits	32,527	33,989	33,989	31,464	33,989	2,402	(2,525)	✓
Intergovernmental	23,438	54,682	54,682	54,682	54,682	10,941	-	✓
Charges for Services	65,818	82,197	82,197	78,809	82,197	5,402	(3,388)	✓
Direct Interfund Services	59,174	63,175	63,175	63,175	63,175	4,737	-	✓
Indirect Interfund Services	27,789	24,258	24,258	24,258	24,258	446	-	✓
Municipal Courts Fines and Forfeits	16,794	19,744	19,744	16,881	19,744	1,124	(2,863)	✓
Other Fines and Forfeits	3,020	3,846	3,846	3,072	3,846	243	(774)	✓
Interest	10,485	9,011	9,011	6,900	9,011	328	(2,111)	✓
Miscellaneous/Other	14,196	13,978	13,978	11,722	13,978	971	(2,256)	✓
Total Revenues	2,363,830	2,409,369	2,409,369	2,321,908	2,409,369	103,149	(87,461)	✓
Expenditures								
Administration & Regulatory Affairs	27,744	29,592	29,592	29,592	29,592	1,329	-	✓
City Council	9,329	10,843	10,843	10,843	10,843	608	-	✓
City Secretary	1,112	1,013	1,013	1,013	1,013	55	-	✓
Controller	7,700	8,678	8,678	8,678	8,678	625	-	✓
Finance	16,780	18,955	18,955	18,955	18,955	1,203	-	✓
Fire	489,926	509,951	509,951	509,951	509,951	43,631	-	✓
General Services	41,307	44,834	44,834	44,834	44,834	2,114	-	✓
Housing and Community Development	514	516	516	516	516	77	-	✓
Houston Emergency Center	9,617	9,617	9,617	9,617	9,617	-	-	✓
Houston Health Department	53,612	62,793	62,793	62,793	62,793	14,429	-	✓
Houston Public Works	27,649	27,157	27,157	27,157	27,157	74	-	✓
Human Resources	2,364	2,529	2,529	2,529	2,529	184	-	✓
Information Technology	5,980	-	-	-	-	(67)	-	✓
Legal	14,625	16,060	16,060	16,060	16,060	1,347	-	✓
Library	40,267	43,650	43,650	43,650	43,650	2,793	-	✓
Mayor's Office	7,477	7,576	7,576	7,576	7,576	489	-	✓
Municipal Courts	27,860	30,047	30,047	30,047	30,047	1,931	-	✓
Neighborhoods	10,282	11,519	11,519	11,519	11,519	738	-	✓
Office of Business Opportunity	3,331	3,820	3,820	3,820	3,820	289	-	✓
Parks and Recreation	69,571	66,225	66,225	66,225	66,225	4,053	-	✓
Planning and Development	3,848	3,448	3,448	3,448	3,448	281	-	✓
Police	891,606	930,934	930,934	930,934	930,934	74,682	-	✓
Solid Waste Management	97,339	88,976	88,976	88,976	88,976	7,930	-	✓
Total Departmental Expenditures	1,859,840	1,928,731	1,928,731	1,928,731	1,928,731	158,795	-	✓
General Government	174,551	186,370	186,370	186,370	186,370	39,134	-	✓
Total Expenditures Other Than Debt	2,034,391	2,115,101	2,115,101	2,115,101	2,115,101	197,929	-	✓
Other Adjustments*	-	(5,200)	(5,200)	(5,200)	(5,200)	-	-	✓
Captured Revenue Transfer to DDSRF	46,476	86,291	86,291	86,291	86,291	-	-	✓
Debt Service Transfer	352,727	316,553	316,553	316,553	316,553	-	-	✓
Total Expenditures and Other Uses	2,433,594	2,512,745	2,512,745	2,512,745	2,512,745	197,929	-	✓
Net Current Activity	(69,764)	(103,376)	(103,376)	(190,837)	(103,376)	(94,780)	(87,461)	✓
Other Financing Sources (Uses)								
Transfers from Other Funds	12,954	10,199	10,199	10,199	10,199	122	-	✓
Sale of Capital Assets	21,487	2,500	2,500	2,500	2,500	-	-	✓
Total Other Financing Sources (Uses)	34,441	12,699	12,699	12,699	12,699	123	-	✓
Fund Balances								
Fund Balance - Beginning of Year	321,439	284,724	284,724	284,724	284,724	284,724	-	✓
Changes to Designated Fund Balance**	-	168	168	168	168	-	-	✓
Budgeted Increase/(Decrease) in Fund Balance	(35,323)	(90,678)	(90,678)	(90,678)	(90,678)	(94,657)	-	✓
Change in Inventory/Prepaid Items/Imprest Cash	(1,392)	-	-	-	-	-	-	✓
(Budgeted Gap)/Increase in Fund Balance***	-	-	-	(87,461)	-	-	(87,461)	✓
Fund Balance, End of Year****	284,724	194,214	194,214	106,753	194,214	190,067	(87,461)	✓

*Adjustments includes debt prepayment from Building Inspection Fund.
 **The total designation for the Budget Stabilization Fund is approximately \$16.2 million. In FY2018, \$20 million was transferred to Disaster Recovery Fund (Fund 5303) for Hurricane Harvey and was replenished in FY2020, per the Financial Policies. Subsequently, \$5 million was transferred to the COVID-19 Disaster Fund (Fund 5306) for Coronavirus 2019 pandemic which will need to be replenished by FY2022 to the Budget Stabilization 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 \$158,633 based on current projections. The City will be \$51,880 below 7.5% based on the Controller's Projections for FY2021.
 † Indicates projection exceeds 5% or \$5M of budget expenditures or projected revenues are 5% or \$5M less than current budget.
 Total may reflect slight variances due to rounding.

Coronavirus Relief Fund 5307
For the period ended July 31, 2020
(amounts expressed in thousands)

Budget	Unaudited March 1, 2020 to June 30, 2020	Current Fiscal Year		Cumulative Mar 1, 2020 to Dec 30, 2020	Budget vs Actual (Cumulative Spend vs Approved Budget) Under/(Over)	
		MTD Actual	YTD Actual			
Cash Inflows						
Coronavirus Relief Funds (CRF) ⁽²⁾	\$ 404,869	\$ 404,869	\$ -	\$ -	\$ 404,869	
Interest Income	\$ 224	\$ 158	\$ 66	\$ 66	\$ 224	
Total Inflows	\$ 405,093	\$ 405,027	\$ 66	\$ 66	\$ 405,093	
Cash Outflows - Category of Spending^{(1), (3)}						
Payroll for public health and safety employees Budgeted personnel and services diverted to a substantially different use	\$ 63,485	\$ 37,620	\$ -	\$ -	\$ 37,620	\$ 25,865
Improvements to telework capabilities of public employees	\$ 21,186	\$ 3,906	\$ -	\$ -	\$ 3,906	\$ 17,280
Medical expenses	\$ 18,254	\$ 16	\$ -	\$ -	\$ 16	\$ 18,238
Public Health expenses	\$ 19,559	\$ 224	\$ 2	\$ 2	\$ 226	\$ 19,333
Economic Support	\$ 175,907	\$ 6,680	\$ 3,199	\$ 3,199	\$ 9,878	\$ 166,029
All items not listed above ^{(4), (5), (6)}	\$ 47,500	\$ 14,851	\$ 64	\$ 64	\$ 14,915	\$ 32,585
	\$ 59,202	\$ -	\$ 10,408	\$ 10,408	\$ 10,408	\$ 48,794
Total Outflows	\$ 405,093	\$ 63,296	\$ 13,673	\$ 13,673	\$ 76,969	\$ 328,124
Net Current Flows		\$ 341,730	\$ (13,606)	\$ (13,606)	\$ 328,124	

Note:

1. Current amounts in the Budget column are fluid and subject to change.
2. Period of Performance: March 1, 2020 through December 30, 2020.
3. The initial CRF spend plan was presented to City Council in July 2020.
4. The \$10.4M in this expenditure category is related to the payment to the Zoo for COVID-19 related activities.
5. In accordance with US Treasury guidelines interest earnings is included as part of this projected spend.
6. As of the MoFR period end reporting date, the Budget amount includes \$38.1M of Contingency.





Fund Summary - Other Funds

For the period ended July 31, 2020

(amounts expressed in thousands)

	Beginning of Year Fund Balance	Revenues*				Controller's Projection	Finance Projection	Finance	Controller
		Unaudited Preliminary FY2020	FY2021 Current Budget	FY2021 Actual YTD					
Enterprise									
Aviation		493,721	480,923	21,496		391,956	391,956	✓	✓
Convention and Entertainment Facilities		97,383	76,239	3,413		76,239	76,239	✓	✓
Combined Utility System		1,168,338	1,187,193	108,767		1,187,193	1,187,193	✓	✓
DDSRF-Ad Valorem**	-	-	135,196	38,832		135,196	135,196	✓	✓
DDSRF-Drainage Charge**	80,452	208,450	111,797	7,596		111,797	111,797	✓	✓
DDSRF-Metro ET AL**	-	-	82,625	-		82,625	82,625	✓	✓
Storm Water**	3,331	53,049	75,725	2,180		75,725	75,725	✓	✓
Risk Management									
Health Benefits	61,980	400,798	418,227	34,127		418,227	418,227	✓	✓
Long-Term Disability	2,687	1,463	1,448	120		1,448	1,448	✓	✓
Property and Casualty	73	30,899	49,986	11		49,986	49,986	✓	✓
Worker's Compensation	232	31,189	32,681	2,551		32,681	32,681	✓	✓
Special Revenue									
Asset Forfeiture Fund	7,949	7,839	4,123	301		4,123	4,123	✓	✓
Auto Dealers Special Revenue Fund	1,574	7,322	7,873	458		7,873	7,873	✓	✓
BARC Special Revenue Fund	2,829	11,360	11,390	118		11,390	11,390	✓	✓
Bayou Greenway 2020 Fund	1,071	1,231	1,411	106		1,411	1,411	✓	✓
Building Inspection Special Fund	35,547	87,828	89,547	6,748		89,547	89,547	✓	✓
Cable Television Special Fund	3,884	3,545	4,832	6		4,832	4,832	✓	✓
Child Safety Fund	2,347	3,077	3,460	46		3,460	3,460	✓	✓
Contractors Responsibility Fund	2,297	684	495	39		495	495	✓	✓
Essential Public Health Services Fund	5,957	13,973	23,096	23,022		23,096	23,096	✓	✓
Forensic Transition Special Fund	(144)	518	727	108		727	727	✓	✓
Health Special Revenue Fund	5,219	4,644	4,627	375		4,627	4,627	✓	✓
Historic Preservation Fund	1,850	242	236	9		236	236	✓	✓
Houston Emergency Center Fund	3,128	22,976	27,038	(1,045)		27,038	27,038	✓	✓
Houston Transtar Center Fund	3,381	3,098	3,002	5		3,002	3,002	✓	✓
Laboratory Operations & Maintenance Fund	238	408	491	35		491	491	✓	✓
Local Truancy Prevention & Diversion Fund	947	797	987	49		987	987	✓	✓
Maintenance Renewal & Replacement Fund	15,153	24,668	24,461	22		24,461	24,461	✓	✓
Municipal Court Building Security Fund	36	458	683	42		683	683	✓	✓
Municipal Court Technology Fee Fund	2,159	887	1,024	40		1,024	1,024	✓	✓
Municipal Jury Fund	2	2	6	1		6	6	✓	✓
Parks Golf Special Fund	142	4,386	6,467	558		6,467	6,467	✓	✓
ParkHouston Special Revenue Fund	238	16,875	21,104	840		21,104	21,104	✓	✓
Parks Special Revenue Fund	1,366	1,688	2,292	67		2,292	2,292	✓	✓
Planning & Development Special Rev. Fund	6,691	8,015	7,722	667		7,722	7,722	✓	✓
Police Special Services Fund	5,760	6,578	8,192	119		8,192	8,192	✓	✓
Recycling Revenue Fund	1,316	4,405	4,191	12		4,191	4,191	✓	✓
Special Waste Transportation & Inspection Fund	1,366	3,959	4,582	193		4,582	4,582	✓	✓
Swimming Pool Safety Fund	931	1,262	1,355	137		1,355	1,355	✓	✓
Tourism Promotion Special Revenue Fund	3,233	15,456	15,491	5		15,491	15,491	✓	✓

* 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 July 31, 2020

(amounts expressed in thousands)

	Expenditures*					Net Current Activity (Proj.)	End of Year Fund Balance (Proj.)	Finance	Controller
	Unaudited Preliminary FY2020	FY2021 Current Budget	FY2021 Actual YTD	Controller's Projection	Finance Projection				
Enterprise									
Aviation	427,562	480,923	62,746	391,956	391,956	-		✓	✓
Convention and Entertainment Facilities	99,674	75,780	3,415	75,780	75,780	459		✓	✓
Combined Utility System	1,106,731	1,281,726	26,784	1,281,726	1,281,726	(94,533)		✓	✓
DDSRF-Ad Valorem**	-	76,513	73	76,513	76,513	58,683	58,683	✓	✓
DDSRF-Drainage Charge**	196,734	164,019	42,838	164,019	164,019	(52,222)	28,230	✓	✓
DDSRF-Metro ET AL**	-	81,289	4,352	81,289	81,289	1,336	1,336	✓	✓
Storm Water**	56,324	76,426	3,071	76,426	76,426	(700)	2,631	✓	✓
Risk Management									
Health Benefits	375,924	416,762	33,532	416,762	416,762	1,465	63,445	✓	✓
Long-Term Disability	1,310	1,493	73	1,493	1,493	(44)	2,643	✓	✓
Property and Casualty	30,908	49,986	759	49,986	49,986	-	73	✓	✓
Worker's Compensation	30,961	32,681	2,682	32,681	32,681	-	-	✓	✓
Special Revenue									
Asset Forfeiture Fund	7,437	9,500	571	9,500	9,500	(5,377)	2,572	✓	✓
Auto Dealers Special Revenue Fund	7,851	9,233	966	9,233	9,233	(1,360)	214	✓	✓
BARC Special Revenue Fund	11,637	13,567	784	13,567	13,567	(2,177)	652	✓	✓
Bayou Greenway 2020 Fund	1,198	1,473	68	1,473	1,473	(62)	1,009	✓	✓
Building Inspection Special Fund	87,007	111,477	5,977	111,477	111,477	(21,930)	13,617	✓	✓
Cable Television Special Fund	3,524	5,073	140	5,073	5,073	(241)	3,641	✓	✓
Child Safety Fund	815	3,460	(715)	3,460	3,460	-	2,347	✓	✓
Contractors Responsibility Fund	922	946	13	946	946	(451)	1,846	✓	✓
Essential Public Health Services Fund	15,078	16,215	975	16,215	16,215	6,881	12,838	✓	✓
Forensic Transition Special Fund	689	727	58	727	727	-	(144)	✓	✓
Health Special Revenue Fund	4,727	7,021	137	7,021	7,021	(2,395)	2,824	✓	✓
Historic Preservation Fund	279	719	(5)	719	719	(483)	1,367	✓	✓
Houston Emergency Center Fund	25,315	30,088	1,773	30,088	30,088	(2,875)	78	✓	✓
Houston Transtar Center Fund	2,424	3,171	238	3,171	3,171	(169)	3,212	✓	✓
Laboratory Operations & Maintenance Fund	364	567	3	567	567	(76)	162	✓	✓
Local Truancy Prevention & Diversion Fund	807	1,481	67	1,481	1,481	(494)	453	✓	✓
Maintenance Renewal & Replacement Fund	17,743	26,383	1,566	26,383	26,383	(1,922)	13,231	✓	✓
Municipal Court Building Security Fund	515	615	-	615	615	68	104	✓	✓
Municipal Court Technology Fee Fund	1,057	1,200	20	1,200	1,200	(176)	1,983	✓	✓
Municipal Jury Fund	-	-	-	-	-	6	8	✓	✓
Parks Golf Special Fund	4,971	6,436	422	6,436	6,436	31	173	✓	✓
ParkHouston Special Revenue Fund	18,749	21,111	877	21,111	21,111	(7)	231	✓	✓
Parks Special Revenue Fund	3,471	3,616	160	3,616	3,616	(1,324)	42	✓	✓
Planning & Development Special Rev. Fund	6,840	13,071	438	13,071	13,071	(5,349)	1,342	✓	✓
Police Special Services Fund	7,250	11,294	253	11,294	11,294	(3,102)	2,658	✓	✓
Recycling Revenue Fund	3,953	4,687	149	4,687	4,687	(496)	820	✓	✓
Special Waste Transportation & Inspection Fund	4,550	5,772	379	5,772	5,772	(1,190)	176	✓	✓
Swimming Pool Safety Fund	1,096	1,934	92	1,934	1,934	(580)	351	✓	✓
Tourism Promotion Special Revenue Fund	14,618	15,763	3,544	15,763	15,763	(272)	2,961	✓	✓

* 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 July 31, 2020
(amounts expressed in millions)

COMMERCIAL PAPER	Draws FY21	Draws Month	Refunded FY21	Amount Available to be Drawn	Amount Outstanding
General Obligation					
<i> Voter Authorized 2001 & 2006 & 2012 Election</i>					
Series G-1	0.00	0.00	0.00	75.00	0.00
Series G-2	0.00	0.00	0.00	107.00	18.00
Series H-2	0.00	0.00	0.00	60.00	40.00
Series J	0.00	0.00	0.00	125.00	0.00
<i> Non-Voter Authorized</i>					
Series E1-Equipment & Capital	0.00	0.00	0.00	60.00	40.00
Series E2- Equipment & Capital	0.00	0.00	0.00	36.10	33.90
Series E2- Metro Street Projects	0.00	0.00	0.00	30.00	0.00
Series K-1	0.00	0.00	0.00	200.00	0.00
Series K-2	0.00	0.00	0.00	100.00	0.00
Total General Obligation	0.00	0.00	0.00	793.10	131.90
Combined Utility System					
Series B-1	20.00	20.00	100.00	80.00	20.00
Series B-2	0.00	0.00	0.00	75.00	0.00
Series B-3	0.00	0.00	75.00	75.00	0.00
Series B-4	0.00	0.00	100.00	100.00	0.00
Series B-5	0.00	0.00	0.00	250.00	0.00
Series B-6	0.00	0.00	0.00	100.00	0.00
Total Combined Utility System	20.00	20.00	275.00	680.00	20.00
Airport System					
Series A&B	8.00	8.00	0.00	9.03	140.97
Total Airport System	8.00	8.00	0.00	9.03	140.97
Convention & Entertainment					
Series A	0.00	0.00	0.00	55.00	20.00
Series B	1.00	1.00	0.00	49.00	1.00
Total Convention and Entertainment	0.00	1.00	0.00	104.00	21.00
Totals	\$28.00	\$29.00	\$275.00	\$1,586.13	\$313.87

City of Houston, Texas
Total Outstanding Debt
For the period end July 31, 2020
(amounts expressed in thousands)

	July 31, 2020	July 31, 2019
Payable from Ad Valorem Taxes		
Public Improvement Bonds ^(a)	1,888,435	1,990,860
Commercial Paper Notes ^(b)	131,900	165,000
Pension Obligations	1,523,220	1,536,930
Certificates of Obligations	12,340	13,535
Subtotal	3,555,895	3,706,325
Payable from Sources Other Than Ad Valorem Taxes		
Combined Utility System		
Combined Utility System Revenue Bonds	6,410,875	5,970,330
Combined Utility System Commercial Paper Notes ^(c)	20,000	185,000
Water and Sewer System Revenue Bonds ^(d)	165,903	180,220
Contract Revenue Obligations - CWA	56,955	60,710
Combined Utility System Subordinate Lien	430,805	441,895
Airport System		
Airport System Subordinate Lien	1,766,250	1,855,340
Airport System Sr. Lien Commercial Paper Notes ^(e)	140,970	55,470
Airport Special Facilities Revenue Bonds ^(f)	775,935	929,250
Hotel Occupancy Tax and Civic Parking		
Facilities Revenue Bonds ^(g)	613,619	638,019
Hotel Occupancy Tax And Parking Revenue		
Flexible Rate Notes, Series A&B ^(h)	21,000	65,000
Subtotal	10,402,312	10,381,234
Total Debt Payable by the City	\$13,958,207	\$14,087,559

- (a) In Nov 2001, voters authorized \$776 million in tax bonds. In Nov 2006, voters authorized \$625 million in tax bonds. In Nov 2012, voters authorized \$410 million in tax bonds. In Nov 2017, voters authorized \$495 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: \$200 million and K2: \$100 million.
- (c) The City has authorized \$700 million in Combined Utility System Commercial Paper Notes.
- (d) As of June 2020, total outstanding includes \$115.954 million accreted value of capital appreciation bonds.
- (e) The City authorized the increase of Airport Senior Lien Commercial Paper Notes Series A&B from \$150 million to \$350 million. In May 2016, the Airport Inferior Lien appropriation facilities was also increased from \$225 million to \$450 million.
- (f) The City of Houston is not legally obligated for payment of the debt service for the Special Facilitated Revenue Bonds. All Special Facility Revenue Bonds are secured solely from Special Facility Lease Revenues.
- (g) As of June 2020, total outstanding includes \$167.281 million accreted value of capital appreciation bonds.
- (h) The City authorized \$75 million of Subordinate Lien Hotel Occupancy Tax and Parking Revenue Flexible Rate Notes, Series A in October 2017, and authorized \$50 million of Subordinate Lien Hotel Occupancy Tax and Parking Revenue Flexible Rate Notes, Series B in May 2019.

City of Houston, Texas
Voter-Authorized Obligations
For the period end July 31, 2020
(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	20,000	-	-
Total	776,000	776,000	773,300	2,700	2,700
November 2006 Election					
Streets, Bridges, Traffic Control	\$ 320,000	\$ 219,950	\$ 75,565	\$ 144,385	\$ 244,435
Parks and Recreation	55,000	55,000	55,000	-	-
Public Safety	135,000	135,000	135,000	-	-
Permanent and General Improvements ^(b)	60,000	60,000	60,000	-	-
Public Libraries	37,000	37,000	37,000	-	-
Low Income Housing	18,000	18,000	7,531	\$ 10,469	\$ 10,469
Total	\$ 625,000	\$ 524,950	\$ 370,096	\$ 154,854	\$ 254,904
November 2012 Election					
Streets, Bridges, Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	166,000	166,000	103,893	62,107	62,107
Public Safety	144,000	144,000	103,878	40,122	40,122
Permanent and General Improvements ^(b)	57,000	57,000	39,216	17,784	17,784
Public Libraries	28,000	28,000	28,000	0	0
Low Income Housing	15,000	7,068	2,108	4,960	12,892
Total	\$ 410,000	\$ 402,068	\$ 277,095	\$ 124,973	\$ 132,905
November 2017 Election					
Streets, Bridges, Traffic Control	\$ -	-	\$ -	\$ -	\$ -
Parks and Recreation	104,000	47,457	-	47,457	104,000
Public Safety	159,000	108,299	-	108,299	159,000
Permanent and General Improvements ^(b)	109,000	79,021	-	79,021	109,000
Public Libraries	123,000	48,082	1,000	47,082	122,000
Low Income Housing	-	-	-	-	\$ -
Total	\$ 495,000	\$ 282,859	\$ 1,000	\$ 281,859	\$ 494,000
Combined Total (2001, 2006, 2012 and 2017 Elections)	\$ 2,306,000	\$ 1,985,877	\$ 1,421,491	\$ 564,386	\$ 884,509

(a) As of July 31, 2020

(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"), and November of 2017 (the "2017 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.

Dedicated Drainage & Street Renewal Fund - Drainage Charge Fund (2310)

The Dedicated Drainage & Street Renewal Fund (DDSRF) funds group provides a dedicated, pay-as-you-go fund for enhancement, improvement and ongoing renewal of Houston's drainage and streets, as well as traffic control operations. This fund is funded by the Drainage Fee and is administered by the Houston Public Works Department. The DDSRF funds group is not technically an enterprise fund but is grouped with the Combined Utility System for clarity.

Dedicated Drainage & Street Renewal Fund - Ad Valorem Tax Fund (2311)

Prior to FY2021, this fund was a part of DDSRF Fund 2310. The DDSRF funds group provides a dedicated, pay-as-you-go fund for enhancement, improvement and ongoing renewal of Houston's drainage and streets, as well as traffic control operations. This fund is funded by Ad Valorem Tax and is administered by the Houston Public Works Department. The DDSRF funds group is not technically an enterprise fund but is grouped with the Combined Utility System for clarity.

Dedicated Drainage & Street Renewal Fund - Metro ET AL Fund (2312)

Prior to FY2021, this fund was a part of DDSRF Fund 2310. The DDSRF funds group provides a dedicated, pay-as-you-go fund for enhancement, improvement and ongoing renewal of Houston's drainage and streets, as well as traffic control operations. This fund is primarily funded by reimbursements under the Metro General Mobility Program and is administered by the Houston Public Works Department. The DDSRF funds group is not technically an enterprise fund but is grouped with the Combined Utility System for clarity.

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.

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)

This fund is used to account for the long-term sick leave benefits for eligible City employees. The LTO Fund is funded solely by the City through premiums charged to the departments based on the number of employees covered by the plan. Such premiums cover the cost of all benefits (claims) to the employees and third party administrative fees. This fund is administered by the Human Resources Department.

Property and Casualty Fund (1004)

This fund records the transactions of the City's self-insurance program for lost and personnel action claims. The Administration and Regulatory Affairs Department oversees the insurance functions while the Legal Department administers the claims portion. Revenue is generated from premiums assessed to other funds; premiums are based on projected expenditures.

Workers' Compensation Fund (1011)

This fund was established to collect and report all costs of compliance to statutes related to Workers Compensation. The revenues are derived through charging the departments an administrative premium semi-monthly per employee plus all direct costs related to claim expenditures, which includes indemnity, medical and disability payments. This fund is administered by the Human Resources Department. 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 Special Revenue Fund (2200)

This fund is budgeted to collect the license fees paid by tow truck drivers and various automotive sales, repair, storage and salvage dealers to finance a portion of the Houston Police Department's enforcement efforts regarding privately owned storage lots. This fund is also administered by the Houston 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)

This fund is administered by the Houston Parks and Recreation Department (HPARD). This fund was created to manage the HPARD's maintenance of the White Oak Bayou Trail based upon the Bayou Greenways 2020 initiative agreement entered between the City of Houston and the Houston Parks Board, Inc. in December 2013.

Building Inspection Special 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.

Cable Television Special 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. 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 come from an assessment of Municipal Court fees on non-criminal municipal violations and a portion of each vehicle registration authorized by Harris County. The Police Department administers this fund.

Contractor Responsibility Fund (2424)

This fund is managed by the Office of Business Opportunity (OBO) and governed by Executive Order 1-7. Funds are collected through the implementation of the Pay or Play Program, which is administered by OBO. The revenue collected in the Contractor Responsibility Fund is used to offset the cost of uninsured citizens in the Houston and Harris County area.

Essential Public Health Services Fund (2010)

This 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 as defined by Chapter 121 of the Texas Health and Safety Code. This fund is administered by the Houston Health Department.

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)

This fund includes several programs that are supported by ordinances including ambulance permits, food and drug, vital statistics, international travel immunizations, Geriatric Dental Program and specific public health purposes. This fund is administered by the Houston Health Department.

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 (Police, Fire/EMS computer Aided Dispatch System, Radio System and Records Management Systems) into one state of the art facility. This fund is administered by the Houston Emergency Center Department.

Houston TranStar Center Fund (2402)

This fund was established for planning, design, operation and maintenance of transportation and emergency management operations within the greater Houston area. Funding is derived from revenue received from member agencies and is prorated based on occupancy and use of center facilities. This fund is administered by the Public Works and Engineering Department.

Laboratory Operations and Maintenance Fund (2008)

This fund is solely designated for laboratory operations and maintenance for the retention of all revenue from laboratory fees. It pertains to Ordinance Amending Chapter 21 of the Code of Ordinance relating to laboratory fee. This fund is administered by the Houston Health Department.

Local Truancy Prevention and Diversion Fund (2211)

This fund was formerly named the "Juvenile Case Manager Fee Fund" created in FY2009 and administered by the Municipal Courts Department (MCD). The name change occurred in January of FY2020 and continues to be administered by MCD. The fund includes expenditures for the salary, benefits, and operational costs related to the staff. Revenue is generated from the funds portion of the local consolidated fee dictated by section 134.103 of the Texas Local Government Code. The mission of the 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 the students and families, and to limit a juvenile's exposure to the criminal justice system.

Maintenance Renewal and Replacement Fund (MRR) (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 Department and Parks and Recreation Department.

Municipal Court Building Security Fund (2206)

This Fund was established in FY 1997 and is administered by the Municipal Courts Department. The fund includes all security related contractual expenditures and additional security enhancements for the courts. Revenue is generated from the funds portion of the local consolidated fee dictated by section 134.103 of the Texas Local Government Code. 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, procedure, and personnel are present at all court facilities.

Municipal Jury Fund (2215)

The fund was created in January of FY2020 and is administered by the Municipal Courts Department. Revenue is generated from the funds portion of the local consolidated fee dictated by section 134.103 of the Texas Local Government Code. Funds shall only be used to fund juror reimbursements and otherwise finance jury services.

Municipal Court Technology Fee Fund (2207)

This fund was established in FY 2001 and is administered by the Municipal Courts Department. Revenue is generated from the funds portion of the local consolidated fee dictated by section 134.103 of the Texas Local Government Code. The purpose of the fund is to finance technological enhancements for the Municipal Courts and maintain systems to operate in an efficient manner.

ParkHouston Special Revenue Fund (8700)

This Fund was formerly named the "Parking Management Fund". 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 Revenue Fund (2104)

This fund was created to receive the revenues derived from all golf facilities, whether operated by the City or private entities, including all related concession fee revenues which are to be used exclusively for the maintenance, operation and improvement to any or all such golf courses.

Parks Special Revenue Fund (2100)

This is a Parks and Recreation Department fund for revenue from revenue generating activities and certain expenditures related to operations of the City's municipal tennis centers. As well as supplementing youth programs.

Planning and Development Special Revenue Fund (2308)

This fund was established in FY2016 to support development-related services such as: subdivision plat review, permit review and one half of the lot size/minimum building line program. The fund is administered by the Planning and Development Department.

Police Special Services Fund (2201)

This fund is used to account for activities that are not covered under the General Fund Budget. The activities include: joint police operations, security and traffic control, undercover support services and use of Houston Police Department facilities. The Houston 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 Transportation and Inspection 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.

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 Houston Health Department.

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.