



# Special Revenue Funds Claw-back Updates

January 7, 2019

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Chief Business Officer / Director of Finance



# Overview

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- On June 18, 2019 City Council approved Ordinance 2019-447, which established an annual process by which excess money can be transferred to the General Fund.
  - By 60 days following the end of each fiscal year, any amount of money in the fund's current fiscal year-end balance that is in excess of four months of the average of the previous three fiscal years' audited expenditures less debt from the current fiscal year's ending funding balance, may be appropriated by City Council and transferred to the general fund for general city expenditures, as needed, to the extent the transferred funds are not committed funds under federal and state law, regulation or grant.



# Overview

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- Per Motion No. 2019 – 0302, within 60 days of the transfers of funds from each Impacted Special Revenue Fund to the General Fund fund balance, the City Controller and the Finance Director shall include the amount of such transfer in a report to be presented at the City Council meeting provided under Article I, Section 2-2, Rule 1 ( e ) of the City of Houston Code of Ordinances. In addition, the Finance Department shall make a determination within 90 days whether or not fees are commensurate with the costs, which determination will be provided to the Mayor and members of City Council.

# Assigned vs Committed Fund Balance

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- **Assigned** – Fund balance that reflects the government’s intended use of resources established at either the highest level of decision making or by a body (finance committee) or an official designated for that purpose.
- **Committed** – Self-imposed legal limitation by the government’s highest level decision making authority (City Council, County Commission, etc.). Committed amounts cannot be redeployed (transferred) for other purposes unless formal action is approved, or reversed, by the decision making authority.



# Claw-back Summary

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- Calculations were performed collaboratively with Finance and the impacted departments to determine the assigned and committed fund balance.
- \$2.6 million was transferred from each Impacted Special Revenue Fund to the General Fund fund balance for FY19.

No.	Impacted Special Revenue Fund	Amount
1	Parks Special Revenue Fund	\$ 1,200,000
2	Health Special Revenue Fund	668,370
3	Housing Special Revenue Fund	612,547
4	Planning & Development Special Revenue Fund	104,394
5	Swimming Pool Safety Special Revenue Fund	48,677
6	Building Inspection Special Revenue Fund	-
7	Laboratory Operations and Maintenance Fund	-
8	Special Waste Transportation and Inspection Fund	-
	<b>Total</b>	<b>\$ 2,633,988</b>



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# Questions?