



CITY OF HOUSTON

Finance Department

Annise D. Parker

Mayor

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To: Mayor Annise D. Parker
City Council Members

Date: April 30, 2012

Subject: 9+3 Financial and
Operations Report

Attached is the 9+3 Financial and Operations Report for the period ending March 31, 2012. Fiscal Year 2012 projections are based on nine months of actual results and three months of projections.

General Fund

We are currently projecting ending unrestricted fund balance of \$161.8 million which is approximately 10% of the expenditures less debt service.

Projection for Revenues and Other Sources increased by \$12.9 million from last month due to the following:

- Property Tax revenue increased by \$4.2 million due to higher taxable value primarily in commercial and multi-family.
- Sales Tax revenue increased by \$9 million due to continuing favorable economic trends. The sales tax receipts for February were \$4.8 million (13.7%) higher than the same period last year;
- Charges for Services increased by \$226,000 mainly due to platting fees;
- Direct Interfund Services decreased by \$802,000 due to lower Interfund Communication Repair as a result of reduction in radio devices and Interfund Fire protection for the airport as a result of overtime savings;
- Transfer from Other Funds increased by \$193,000 mainly due to higher HOT Tax revenues.

Projection for Expenditures and Other Uses increased by \$346,000 from last month mainly due to payment to the arts group as a result of higher HOT Tax revenues projection.

Enterprise, Special Revenue and Other Funds

We are projecting no change in Enterprise Funds, Special Revenue Funds and all other funds from the 8+4 Report, with the exception of the following:

Aviation

Expenditures for Debt Service Interest decreased by \$3.7 million due to lower interest cost than anticipated. As a result, Capital Improvement Transfer increased by the same amount.

Convention & Entertainment

Non-Operating Revenues increased by \$909,000 mainly due to higher than anticipated HOT Tax revenues. Operating Transfer increased by \$3.4 million as a result to the higher HOT Tax revenues as well as lower debt service transfer than anticipated.

Combined Utility System

Operating Expenditures decreased by \$515,000 mainly due to savings in water conservation rebate, insurance fees and consulting services; offset by increased cost in repairing water main line breaks as a result of extreme drought conditions.

Operating Transfer decreased by \$5.9 million due to lower interest rates on the First Lien variable debt series as well as lower cash transfer needed for Storm Water Fund.

Storm Water Fund

Operating Revenues increased by \$315,000 due to revenues received from performing additional special projects. Operating Expenditures decreased by \$527,000 mainly due to delay in new bond issuance to take advantage of the lower interest rates in commercial paper. As a result, Operating Transfer In decreased by \$842,000.

Health Benefits

Operating Expenditures increased by \$554,000 due to higher claims than anticipated.

Cable TV

Operating Revenues and Expenditures increased by \$1.1 million due to fund balance transfer.

Houston TranStar

Operating Expenditures decreased by \$319,000 due to the deferral of several projects and purchases until FY2013.

Police Special Services

Operating Revenues decreased by \$321,000 mainly due to less revenues received for damaged police vehicle restitution. As a result, operating expenditures decreased by the same amount due to less fuel cost allowance.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly Dowe". The signature is fluid and cursive, with a large loop at the end of the last name.

Kelly Dowe
Director