



CITY OF HOUSTON

Finance Department

Annise D. Parker

Mayor

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

T. 713-221-0935
F. 713-837-9654
www.houstontx.gov

To: Mayor Annise D. Parker
City Council Members

Date: January 27, 2012

Subject: 6+6 Financial and
Operations Report

Attached is the 6+6 Financial and Operations Report for the period ending December 31, 2011. Fiscal Year 2012 projections are based on six months of actual results and six months of projections.

General Fund

We are currently projecting ending fund balance of \$145.5 million, which is approximately 9.04% of the expenditures less debt service.

Projection for Revenues and Other Sources decreased by \$3.4 million due to the following:

- Municipal Courts Fines and Forfeits decreased \$2.0 million due to moving violations lower than anticipated
- Sale of Capital Assets decreased by \$1.4 million as a result of cancelled right-of-way sales

Projection for Expenditures and Other Uses decreased \$3.5 million primarily due to \$5.1 million savings in Health Benefits from various departments due to new lower contract rates. This is offset by an increase in projected electricity cost of \$1.2 million and \$500,000 increase in Solid Waste to maintain the commercial drivers' licenses.

Additionally, our expenditure projections also reflect the transfer of IT employees to Finance as well as Finance and ARA's employees to Mayor's Office to properly reflect the departmental functions.

Enterprise, Special Revenue and Other Funds

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

Aviation

Operating Revenues increased by \$1.8 million primarily due to building lease and auto rental concessions. As a result Operating Transfers also increased approximately \$2.0 million.

Convention & Entertainment

Operating Transfers increased by \$873,000 to reflect current debt service costs.

Combined Utility System

Operating Revenues increased by \$9.0 million primarily due to the continuous dry weather conditions during the second quarter.

Operating Expenditures decreased approximately \$2.8 million due to saving of \$5.2 million from delays in filling vacant position offset by an increase of \$2.7 million to cover cost of repairing water main line breaks throughout the city.

Operating Transfers decreased \$7.8 million as a result of debt service savings from smaller FY2011 new bond issuance and refunding of Junior Lien Bonds.

Dedicated Drainage & Street Renewal Fund

Revenues and expenditures decreased approximately \$2.9 million as all capital funding going directly to the Dedicated Drainage Street and Renewal Capital Fund (Fund 4040).

Storm Water

Operating Transfers-In decreased by \$308,000 due to less revenue being transferred from the Combined Utility System Fund as well as an increase in interest income.

Health Benefits Funds

Operating Revenues and Expenditures decreased by \$12.2 million due to savings from the Cigna health benefits contract.

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

Sincerely,



Kelly Dowe

Director