



December 20, 2012

Dr. William J. Jackson
Harris County Budget Management Office
1001 Preston, Room #938
Houston, Texas 77002

RE: Harris County Sports & Convention Corporation
Fiscal Year 2013-2014 Budget Request

Harris County
Sports & Convention
Corporation

One Reliant Park
Houston, TX
77054

832.667.1841
Fax 832.667.1410

Dear Mr. Jackson:

Enclosed for Commissioners Court consideration is the General & Administrative Budget for Fiscal Year 2013-2014 for Harris County Sports & Convention Corporation (HCSCC). This budget was approved for transmittal by HCSCC's Board of Directors on December 19, 2012. This budget includes a request for funding in the amount of \$7,228,000 from Harris County to replace funding previously provided by the Harris County Houston Sports Authority and funding in the amount of \$4,500,000 from Harris County for the property insurance premium.

HCSCC is working with the Reliant Park Facility Manager, SMG, to finalize the budget for park operations for FY2013-2014. The staff of HCSCC plans to finalize this review for the HCSCC Board's January 2013 monthly meeting. At that time, SMG's budget for park operations will be considered by the HCSCC Board along with the final budget for HCSCC for FY2013-2014. A copy of this final budget will be filed with Commissioners Court for the March 2013 budget hearings.

HCSCC wishes to point out to the Commissioners Court that significant liabilities related to the operations of Reliant Park remained unfunded. The Corporation has obtained property insurance for Reliant Park on behalf of Harris County, but the property insurance obtained is subject to deductibles based on the value of the buildings. This deductible must be funded in the event of a loss by Harris County. Additionally, in previous CIP requests, HCSCC has identified funding requirements for a renewal & replacement fund for Reliant Park. HCSCC has not received funding for this request and the financial impact will begin to be realized as the buildings and equipment at Reliant Park continue to age.



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Thank you for your assistance regarding this matter. We are available to discuss this budget request as necessary. Please contact me if you have any questions or need additional information relative to the budget.

Sincerely,

A handwritten signature in black ink, appearing to read "Willie P. Loston".

Willie P. Loston
Executive Director

**HARRIS COUNTY SPORTS & CONVENTION CORPORATION
SCHEDULE OF PROJECTED REVENUES AND EXPENDITURES
FOR THE PERIOD OF MARCH 1, 2013- FEBRUARY 28, 2014**

REVENUES AND OTHER SOURCES	Proposed FY2014 Budget	Approved FY2013 Budget	Increase/ Decrease
Revenues - Unrestricted			
400-00 - County Funding - Property Insurance - Non Stadium	\$ 2,250,000.00	\$ 1,875,000.00	\$ 375,000.00
403-02 - Income From Operations	-	141,252.00	(141,252.00)
403-01 - Promotion/Event Revenue - Mgmt. Fee	670,000.00	670,000.00	-
404-01 - Sponsorship Revenue	1,046,430.00	1,046,430.00	-
415-00 - Interest Income	3,000.00	3,000.00	-
Total Revenues - Unrestricted	3,969,430.00	3,735,682.00	233,748.00
Revenues - Restricted			
400-01 - County Funding - Stadium Property Insurance	2,250,000.00	1,875,000.00	375,000.00
400-01 - County Funding - Restricted (Non-Ad Valorem Tax)	7,228,000.00	7,228,000.00	-
Total Revenues - Restricted	9,478,000.00	9,103,000.00	375,000.00
Other Sources - Prior-Year CarryOver	1,559,141.00	1,015,580.00	543,561.00
REVENUES AND OTHER SOURCES - TOTAL	\$15,006,571.00	\$13,854,262.00	\$ 1,152,309.00

EXPENDITURES AND OTHER USES

Expenditures - Unrestricted

615-00 - Audit Fees	\$ 75,000.00	\$ 75,000.00	\$ -
625-00 - Legal Services	125,000.00	125,000.00	-
627-00 - Professional Consulting Services	10,000.00	10,000.00	-
630-00 - Accounting Services	7,000.00	7,000.00	-
635-00 - Insurance - Director & Officer'	36,300.00	33,000.00	3,300.00
636-00 - Insurance - General Liability	38,500.00	32,000.00	6,500.00
637-00 - Insurance - Excess Liability	28,600.00	26,000.00	2,600.00
640-01 - Insurance - Broker Fee	5,000.00	5,000.00	-
640-10 - Insurance - Property Insurance Other than Stadium	2,250,000.00	1,875,000.00	375,000.00
640-15 - Insurance - Flood	9,900.00	9,000.00	900.00
639-00 - Insurance - Crime & Employee Di	1,485.00	1,350.00	135.00
645-00 - Office Supplies - Other	9,000.00	9,000.00	-
645-10 - Plant Service	7,500.00	7,500.00	-
646-00 - Copier	9,000.00	9,000.00	-
650-00 - Postage	1,625.00	1,625.00	-
656-00 - Non-Capital Equipment & Furniture	5,000.00	5,000.00	-
670-00 - Courier Service	6,100.00	6,100.00	-
675-00 - Telephone	500.00	500.00	-
677-00 - Printing	7,500.00	7,500.00	-
697-00 - Membership Dues	2,000.00	2,000.00	-
687-00 - Dues and Subscriptions	3,500.00	3,500.00	-
640-00 - Travel Expense	10,000.00	10,000.00	-
658-00 - Turf - Topsoil, Sand, etc.	45,000.00	45,000.00	-
665-00 - Local Travel	4,000.00	4,000.00	-
685-00 - Bank Service Charges	10,000.00	10,000.00	-
690-00 - Business Development	1,200.00	1,200.00	-
696-00 - Annual County Rent	1.00	1.00	-

**HARRIS COUNTY SPORTS & CONVENTION CORPORATION
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FOR THE PERIOD OF MARCH 1, 2013- FEBRUARY 28, 2014**

REVENUES AND OTHER SOURCES	Proposed FY2014 Budget	Approved FY2013 Budget	Increase/ Decrease
698-00 - Annual Corporation Charter Fee	5.00	5.00	-
700-02 - Facility Management Fee	670,000.00	670,000.00	-
700-07 - Building Repair (Unrestricted)	914,335.00	530,000.00	384,335.00
700-09 - Stadium Roof Inspection	-	35,000.00	(35,000.00)
700-19 - Annual Fee - City of Houston	6,100.00	6,100.00	-
700-32 - Day Lot Staffing	28,000.00	26,500.00	1,500.00
700-41 - Annual Fee - Trustee (JPMorgan)	2,500.00	2,500.00	-
700-47 - Concessionaire Maint. Fund	278,250.00	265,000.00	13,250.00
700-48 - Vehicle License/Registration	-	250.00	(250.00)
900-00 - Staffing Expense	742,720.00	737,750.00	4,970.00
623-00 - Retirement Plan Match	46,200.00	41,520.00	4,680.00
623-10 - Retirement Plan Administration	5,000.00	3,000.00	2,000.00
927-00 - Employee Healthcare	67,250.00	60,200.00	7,050.00
928-00 - Employee Life Insurance	3,200.00	3,067.00	133.00
934-00 - Workers Compensation	6,000.00	3,500.00	2,500.00
950-00 - Payroll Taxes	50,300.00	46,594.00	3,706.00
Total Expenditures - Unrestricted	5,528,571.00	4,751,262.00	777,309.00
Expenditures - Restricted			-
640-10 - Insurance - Property - Reliant Stadium	2,250,000.00	1,875,000.00	375,000.00
700-06 - Parking Revenue Pledge	4,000,000.00	4,000,000.00	-
700-07 - Building Repair - Restricted	728,000.00	728,000.00	-
700-60 - Working Capital Reserve (Restricted) See Note 1	2,500,000.00	2,500,000.00	-
Total Expenditures - Restricted	9,478,000.00	9,103,000.00	375,000.00
EXPENDITURES AND OTHER USES - TOTAL	\$15,006,571.00	\$13,854,262.00	\$ 1,152,309.00

Section 7. Open Meeting. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the Board at which this Resolution was adopted was posted at a place convenient and readily accessible at all times to the general public, as required by the Open Meetings Act, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered, and formally acted upon. The Board further ratifies, approves and confirms such written notice and the contents and postings thereof.

Section 8. Ratification and Confirmation. All acts, transactions or agreements undertaken prior to the adoption of this Resolution by any member of the Board of Directors or any officers or other representatives of the Corporation in connection with the matters authorized by this Resolution and all actions incidental thereto are hereby ratified, confirmed, approved and adopted by the Corporation.

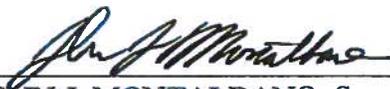
Adopted at Board of Directors meeting held on December 19, 2012

EXECUTED THIS 19th day of December 2012 by the Chairman of the Corporation.

HARRIS COUNTY SPORTS & CONVENTION CORPORATION

By: 
EDGARDO E. COLÓN, Chairman

The undersigned certifies that Edgardo E. Colón is the Chairman of the Corporation and is authorized to deliver this Certified Resolution. This resolution has not been repealed, amended or rescinded and is in full force and effect as of the date of its execution.

By: 
JOHN J. MONTALBANO, Secretary/Treasurer