



CITY OF HOUSTON

Finance and Administration
Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Judy Gray Johnson, Director
Finance and Administration

Date: March 26, 2004

Subject: **February Monthly Financial and
Operations Report**

Attached is the Monthly Financial and Operations Report for the period ending February 29, 2004.

General Fund Revenues

Overall, there is very little change in our General Fund revenue estimate, with a net increase of \$603 thousand. While we have made adjustments in several categories, only two are significant.

Sales Taxes

We have increased our estimate by \$2.1 million, due to continued receipts that exceed expectations. The most recent check was up 7.5% from the same time last year. The last two checks combined were up \$4.3 million from the previous year.

Franchise Revenues

Electric and telephone franchise revenues continue to fall behind, and we now expect that both of these will end the fiscal year lower than in FY03. We have reduced our estimate from last month by \$2 million.

General Fund Expenditures

We have adjusted our estimates of departmental spending upward by \$1 million in the Parks Department. We have increased spending estimates in general government by \$3.1 million. The main changes are in limited purpose annexations with an increase of \$1.4 million, elections with an increase of \$1.6 million and management consulting services by \$284 thousand for the actuarial reports of the pension plans. These are offset by small reductions in several categories.

Transfers from Other Funds

We have increased our projection for transfers from other funds to the General Fund by \$1.2 million. This will cover the cost of the special election to be held May 15th. The expected source of funds is the Street and Bridge Construction Fund, which has balances that are not legally restricted. City Council will be asked to approve this transfer in the next few weeks.

March 26, 2004

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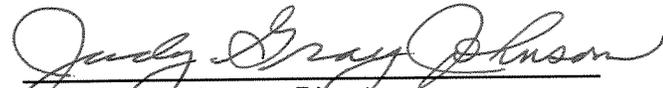
Fund Balance

We are projecting an ending General Fund balance of \$84.8 million, which is higher than originally budgeted.

Pension Fund Contributions

We have added a new page to the report this month, at the request of Council Member Sekula-Gibbs. The Pension Fund Contribution Summary is on page 17.

If you have any questions, please let me know.



Judy Gray Johnson, Director

Department of Finance and Administration