

OFFICE OF CITY CONTROLLER
CITY OF HOUSTON
INTER OFFICE CORRESPONDENCE

To	Mayor Bill White City Council Members	From	Annise D. Parker City Controller
		Date	February 25, 2005
		Subject	January 2005 Financial Report

Attached is the Monthly Financial and Operations Report for the period ending January 31, 2005.

GENERAL FUND

We are currently projecting a \$14.3 million shortfall for the general fund in FY05, or \$2.9 million less than predicted in December 2004. Overall, we are projecting a net \$2.9 increase in revenues, while expenditures remain substantially unchanged. The more significant changes can be summarized as follows:

Revenues

- Property tax revenues have decreased by \$420 thousand due to updated estimates on TIRZ transfers.
- Franchise revenues have increased by \$872 thousand due to higher than anticipated receipts.
- Miscellaneous other revenues have increased by \$2.2 million. This is based primarily on recoveries and refunds from Enterprise Funds for electricity owed from 2002 to 2004.

Expenditures

- The Solid Waste Management expenditure projection increased by \$3.1 million to reflect the costs of fuel and dumpsters. However, this is offset by anticipated decreases in other departments and in General Government.

ENTERPRISE FUNDS

There are no significant changes in the Convention and Entertainment Facilities Fund this month.

Non-operating revenues for the Combined Utility System Fund increased by \$15.1 million due to a gain on escrow restructuring. Also, planned capital acquisitions were reduced by \$4.9 million based on PWE's current plans for such purchases.

Personnel expenses were increased by \$1 million in the Aviation Fund. This amount was offset by a decrease of \$1 million in capital improvements.

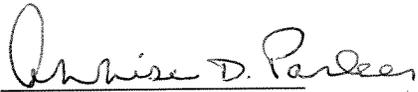
**Mayor Bill White
City Council Members
January 2005 Monthly Financial and Operations Report**

COMMERCIAL PAPER AND BONDS

The City's practice has been to maintain no more than 20% of the total outstanding debt for each type of debt in a variable rate structure. At month-end, the ratio for each type of outstanding debt was:

General Obligation	15.5%
Combined Utility System	19.5%
Aviation	17.4%
Convention and Entertainment	27.4%

Respectfully submitted,



Annise D. Parker
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City Controller