



CITY OF HOUSTON

Finance and Administration
Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Judy Gray Johnson, Director

Date: February 25, 2005

Subject: **JANUARY MONTHLY FINANCIAL
AND OPERATIONS REPORT**

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

General Fund Revenue

Our revenue estimates for the General Fund are virtually unchanged from last month. Some revenue projections have increased while others have declined. Highlights of our revenue estimates are as follows:

Property Tax

Our current estimate is \$804 thousand less than the last month due to revised estimates for TIRZ assessed value.

Sales Taxes

Sales tax revenues continue to be strong, with receipts in February 7.2% higher than February 2004. Fiscal year to date revenues are 8.1% above the same period last year. Approximately 1.74% is due to the increased limited purpose annexations.

Electric Franchise

We have increased our estimates of electric franchise revenues by \$366 thousand, due to a higher than anticipated 2nd quarter receipt.

Natural Gas Franchise

Natural gas franchise revenues are record levels, up by \$300 thousand, due to continued higher prices for natural gas.

Licenses and Permits

License and permit revenues are up by \$477 thousand, primarily due to increased collections of special fire permits and fire alarm permits.

Charges for Services

The January ambulance collections were \$2.8 million, the best month of the fiscal year. We estimate that February's collections, while very good, will be about \$400 thousand below January. The improvement will probably not be enough to maintain our estimate from last month and we have reduced our estimates by \$900 thousand. We have increased our estimate for miscellaneous service charges by \$141 thousand.

Direct Interfund Services

We have reduced our estimated revenues for direct interfund services for the Public Works and Engineering Department by \$345 thousand.

Municipal Courts Fines and Forfeits

We lowered our estimate by \$500 thousand for other fines and forfeitures.

Miscellaneous/Other

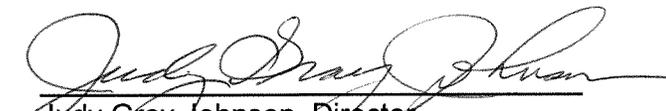
Miscellaneous revenues are up \$1.4 million primarily due to prior year corrections of franchise revenues.

General Fund Expenditures

We have updated our projections of departmental spending. A number of departments are spending below budgeted levels, while others could be over budget based on current levels of expenditures. Health benefit costs that are lower than originally budgeted have been incorporated into these projections. A significant contribution to the projected overrun in certain departments is the municipal pension costs. This coming month City Council will be asked to approve budget transfers from General Government that will cover the additional compensation and pension costs in the departments.

The most significant projected overrun is for the Solid Waste department. Projected fuel costs, expanded enforcement of dumpster permits, and disposal contract payment disputes lead us to project potential overrun of \$5.4 million.

If you have any questions, please let me know.



Judy Gray Johnson, Director
Finance and Administration Department