



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: September 30, 2005

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

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

General Fund Revenues

- Our projection for FY06 General Fund revenues is \$2.98 million more than projected last month.
- We have received the Certified Tax Roll for FY2006, which is slightly higher than budgeted corresponding to an increase of \$732 thousand in our projection for Property Tax Revenue. This is approximately 2.9% above the FY2005 revenue level, and well under the Proposition 1 capped growth rate of 3.69%.
- We are increasing our projection for Natural Gas Franchise Fees by \$3.2 million as a result of a projected Gas Cost Adjustment rate increase by CenterPoint. These increases are offset by a projected \$960 thousand decrease in Telephone Franchise Fees.

General Fund Expenditures

- Our projection for FY06 General Fund expenditures is approximately \$2.04 million higher than last month.
- Police department expenditures are projected to be approximately \$3.5 million lower than budgeted, since the number of classified staff at the start of the fiscal year was 42 fewer than the assumption used when the budget was prepared.
- We are projecting Public Works and Engineering expenditures to be approximately \$5.4 million higher than last month's projection as a result of a projected increase in electricity costs due to the dramatic increase in the price of natural gas.

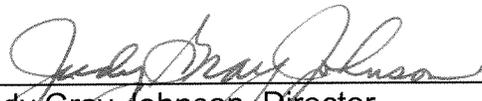
General Fund Ending Fund Balance

We are projecting an ending unreserved undesignated fund balance of \$119.6 million, which is slightly less than 8.7% of estimated expenditures less debt service.

Combined Utility System

All other funds are projected at budget for both revenues and expenditures except for Interest Income for the Combined Utility System, which is projected to be approximately \$1 million higher than last month.

Please let me know if you have any questions.



Judy Gray Johnson, Director