

Monthly Financial and Operations Report
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OFFICE OF THE CITY CONTROLLER

CITY OF HOUSTON
INTEROFFICE CORRESPONDENCE

TO: Mayor Bill White
City Council Members

From: Annise D. Parker
City Controller

Date: June 27, 2006

**Subject: May 2006
Financial Report**

Attached is the Monthly Financial and Operations Report for the period ending May 31, 2006.

GENERAL FUND

We are currently projecting a \$29.6 million surplus for the General Fund for Fiscal Year 2006, an increase of \$3.5 million from last month. This is the net impact of various changes in both revenues and expenditures.

Revenues

- Sales taxes continue to rise. As a result, our current estimate for this revenue category is \$2 million higher than last month.
- Miscellaneous Revenues are up by \$1.7 million, largely due to a number of land sales.
- Telephone Franchise Fees are up \$1 million due to higher than projected third quarter collections.
- Other Fines and Forfeits have increased \$796,000 due to higher than expected revenues for Library Fines, Other Interest Income and Miscellaneous Fines and Forfeits.
- Interest Income increased \$500,000 due to higher than expected earnings to date.
- Other Franchise Revenues are up \$450,000 due to higher than expected year to date revenues for Cable TV, Limousine Fees and Charter Tour Fees.
- Industrial Assessment Revenues have increased \$420,000 due to delinquent collections.

Expenditures

- Police expenditures are up by an estimated \$1.8 million due to increased overtime for special crime prevention initiatives, which began in June.
- Solid Waste expenditures are up by \$2.7 million. This is attributed to Rita expenditures for which FEMA has not reimbursed the city.
- The Fire Department has \$2 million worth of hurricane related expenditures, which have not been reimbursed by FEMA.
- Building Services expenditures increased by \$1 million due to higher than anticipated costs for electricity.
- Public Works expenditures declined \$1.5 million to adjust for electrical expenditures for streetlights and lower personnel costs.
- Health and Human Services expenditures are down \$1 million because medical equipment originally anticipated to be purchased in FY 2006 will instead be delivered in FY 07.

**Mayor Bill White
City Council Members
May 2006 Monthly Financial and Operations Report
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- General Government Expenditures have declined by \$1.1 million due to lower than expected expenditures for Insurance Fees and Real Estate Lease expenditures.

ENTERPRISE FUND

The Aviation Operating Fund reflects an \$826,000 increase in Income Before Operating Transfers. This is due to adjustments to the various revenue sources, both operating and non-operating, based on year-to-date revenues being annualized through the end of June 2006

The Convention and Entertainment Operating Fund reflects an increase of \$4.3 million in Income Before Operating Transfers. This is the net impact of continued increases (\$4.6 million) in Hotel Occupancy Tax revenues and increased Personnel Expenses of \$300,000. Personnel expenses are up due to variances in FTEs.

The Combined Utility System Operating Fund shows a decrease of \$5.9 million in Income Before Operating Transfers. \$5.2 million of the change is attributed to Electricity and Gas costs which had previously been excluded from year-to-date expense totals. There was also an increase in Supplies expenses of \$500,000 to reflect purchases of tools, fuel, electrical parts, mechanical parts, small technical equipment and plumbing supplies.

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		20.1%
Combined Utility System		20.9%
Aviation		21.9%
Convention	and	28.0%
Entertainment		

Respectfully submitted,



Annise D. Parker
City Controller



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: June 27, 2006

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

Attached is the Monthly Financial and Operations Report for the period ending May 31, 2006.

General Fund Revenues

Our projection for FY2006 General Fund revenues is \$5.4 million higher than last month.

- The projection for Sales Tax Revenue has been increased by \$2.5 million to reflect payments received through June for collections through April. The sales tax received in June 2006 is 22.9% higher than the sales tax received in June 2005.
- The projection for Industrial Assessments has been increased by \$420 thousand due to the collection of a sizeable delinquent account balance.
- The projection for Telephone Franchise Fee Revenue has been increased by \$1.3 million to reflect the actual 3rd quarter receipts.
- The projection for Interest Revenue has been increased by \$700 thousand primarily due to higher than projected cash balances.

General Fund Expenditures

Our projection for FY2006 General Fund expenditures is approximately \$3.5 million higher than last month.

- The projection for the Fire Department has been increased by \$1.95 million to account for hurricane Katrina expenditures that have not yet been reimbursed by FEMA.
- The projection for the Health and Human Services Department has been decreased by \$1 million, due mainly to equipment orders that have been delayed and are not expected to be completed by the end of the fiscal year.

June 27, 2006

- The projection for the Police Department has been increased by \$1.8 million, primarily due to new overtime initiatives focusing on the southwest area of the City that began in June.
- The projection for Public Works and Engineering has been decreased by \$1.5 million due primarily to a decrease in the estimated expenditures for streetlight electricity.
- The projection for the Solid Waste Department has been increased by \$2.7 million to account for hurricane Rita expenditures that have not yet been reimbursed by FEMA.

General Fund Ending Fund Balance

We are projecting an ending unreserved undesignated fund balance of approximately \$153 million, which is approximately 11.16% of estimated expenditures less debt service. This does not include the rainy day fund or sign abatement fund. The total unreserved fund balance is projected to be approximately \$175 million.

Aviation Operating Fund

- The projection for Building and Ground Area revenues has been decreased by \$3.2 million as the expense estimates used to develop the actual rates and charges for fiscal year 2006 were lower than budgeted.
- The projection for Parking and Concession revenues has been increased by \$2.7 million due to higher than expected passenger traffic in fiscal year 2006.
- The projection for Other Operating revenue has been increased by \$826 thousand to include a reimbursement from the Transportation Security Administration for security costs of the Houston Airport System.
- The projection for Interest Revenue has been increased by \$328 thousand due to rising interest rates on pooled investments.

Convention & Entertainment Facilities Operating Fund

- The projection for Personnel expense has been increased by \$300 thousand to reflect the current staffing levels. This projection was decreased in prior months, and is now approximately at the current budget amount.
- The projection for the Hotel Occupancy Tax revenue has been increased by \$4.1 million as a result of the increased average room rate as well as an increase in occupancy.
- The projection for Delinquent Hotel Occupancy Tax revenue has been increased by \$421 thousand due to higher than expected year-to-date collections.

June 27, 2006

Katrina Aid & Recovery Fund

Cost estimates through the end of June are \$258.3 million. Through the date of this letter, \$238.3 million has been approved by FEMA, leaving about \$20 million, which is expected to be approved by the end of June.

We continue to transition to the FEMA Individual Assistance program. Over 22,000 apartment units have been transferred to the individual assistance, effective June 1, 2006.

Please let me know if you have any questions.



Judy Gray Johnson, Director



MAY 2006

General Fund
Comparative Projections
Controller's Office and Finance and Administration
For the period ended May 31, 2006
(amounts expressed in thousands)

	FY2006						Variance between Controller and F&A
FY2005 Actual	Adopted Budget	Current Budget	% of Budget	Controller's Projection	F & A Projection		
Revenues							
General Property Taxes	\$ 671,294	\$ 690,246	\$ 690,246	46%	\$ 704,000	\$ 704,070	70
Industrial Assessments	14,635	13,830	13,830	1%	14,250	14,250	0
Sales Tax	370,583	395,845	395,845	26%	415,000	416,079	1,079
Electric Franchise	77,760	88,100	88,100	6%	88,300	88,100	(200)
Telephone Franchise	49,714	48,960	48,960	3%	49,000	49,300	300
Gas Franchise	18,520	18,767	18,767	1%	21,200	21,975	775
Other Franchise	16,269	15,801	15,801	1%	16,507	16,200	(307)
Licenses and Permits	17,692	19,073	19,073	1%	17,697	17,969	272
Intergovernmental	27,571	36,432	36,432	2%	36,214	36,915	701
Charges for Services	39,856	43,490	43,490	3%	40,671	42,143	1,472
Direct Interfund Services	61,233	44,345	44,345	3%	41,531	41,531	0
Indirect Interfund Services	11,031	14,887	14,887	1%	14,463	14,463	0
Municipal Courts Fines and Forfeits	48,827	47,806	47,806	3%	43,595	43,392	(203)
Other Fines and Forfeits	2,424	2,768	2,768	0%	3,759	3,201	(558)
Interest	6,414	6,500	6,500	0%	9,965	10,600	635
Miscellaneous/Other	16,253	12,764	12,764	1%	22,293	21,859	(434)
Total Revenues	1,450,076	1,499,614	1,499,614	100%	1,538,445	1,542,047	3,602
Expenditures							
Affirmative Action	1,714	1,637	1,637	0%	1,659	1,659	0
Building Services	24,632	27,731	35,734	2%	37,322	37,322	0
City Council	4,266	4,498	4,533	0%	4,533	4,533	0
City Secretary	626	727	727	0%	664	664	0
Controller	5,959	6,054	6,054	0%	5,884	5,884	0
Convention & Entertainment	0	0	1,838	0%	1,920	1,920	0
Finance and Administration	19,431	20,820	20,732	1%	19,795	19,795	0
Fire	291,352	323,502	323,502	21%	325,453	325,453	0
Health and Human Services	50,311	50,780	46,357	3%	45,336	45,336	0
Human Resources	2,217	2,371	2,371	0%	2,288	2,288	0
Information Technology	12,278	12,653	12,643	1%	11,797	11,797	0
Legal	10,675	11,435	11,428	1%	11,026	11,026	0
Library	33,222	29,641	29,454	2%	29,454	29,454	0
Mayor's Office	1,849	1,928	2,163	0%	2,163	2,163	0
Municipal Courts - Administration	16,350	16,780	16,558	1%	16,674	16,674	0
Municipal Courts - Justice	4,213	4,284	4,284	0%	4,241	4,241	0
Parks and Recreation	47,592	47,613	47,934	3%	47,934	47,934	0
Planning and Development	7,155	7,417	7,417	0%	6,996	6,996	0
Police	497,867	542,379	543,662	35%	541,169	541,169	0
Public Works and Engineering	88,865	70,966	79,844	5%	78,376	78,376	0
Solid Waste Management	66,989	69,031	66,321	4%	68,658	68,658	0
Total Departmental Expenditures	1,187,563	1,252,247	1,265,193	81%	1,263,342	1,263,342	0
Non-Departmental Expenditures and Other Uses							
General Government	91,654	123,367	110,421	7%	109,539	109,539	0
Debt Service Transfer	188,000	195,000	195,000	12%	195,000	195,000	0
Total Non-Dept. Exp. and Other Uses	279,654	318,367	305,421	19%	304,539	304,539	0
Total Expenditures and Other Uses	1,467,217	1,570,614	1,570,614	100%	1,567,881	1,567,881	0
Net Current Activity	(17,141)	(71,000)	(71,000)		(29,436)	(25,834)	3,602
Amount Needed to Balance the Budget					0		
Transfers from other funds	1,028	-	-		-	-	
Pension Bond Proceeds	48,599	71,000	71,000		59,000	59,000	
Disaster Recovery Fund Transfer	-	-	-		-	-	
Change in Misc Other Reserves	(660)	-	-		-	-	
Unreserved Fund Balance, Beginning of Year	110,286	142,112	142,112		142,112	142,112	
Unreserved Fund Balance, End of Year	\$ 142,112	\$ 142,112	\$ 142,112		\$ 171,676	\$ 175,278	
Designated for Sign Abatement	(2,070)	(2,070)	(2,070)		(2,070)	(2,070)	
Designated for Rainy Day Fund	(20,000)	(20,000)	(20,000)		(20,000)	(20,000)	
Undesignated Fund Balance, End of Year	\$ 120,042	\$ 120,042	\$ 120,042		\$ 149,606	\$ 153,208	

General Fund
Controller's Office
For the period ended May 31, 2006
(amounts expressed in thousands)

	FY2005 Actual	FY2006				Controller's Projection	Variance from Current Budget	% Variance
		Adopted Budget	Current Budget	Current Month	YTD			
Revenues								
General Property Taxes	\$ 671,294	\$ 690,246	\$ 690,246	\$ 12,264	\$ 699,493	\$ 704,000	\$ 13,754	2.0%
Industrial Assessments	14,635	13,830	13,830	1,153	12,726	14,250	420	3.0%
Sales Tax	370,583	395,845	395,845	76,682	416,079	415,000	19,155	4.8%
Electric Franchise	77,760	88,100	88,100	8,324	89,384	88,300	200	0.2%
Telephone Franchise	49,714	48,960	48,960	12,028	53,051	49,000	40	0.1%
Gas Franchise	18,520	18,767	18,767	20	18,944	21,200	2,433	13.0%
Other Franchise	16,269	15,801	15,801	3,946	17,618	16,507	706	4.5%
Licenses and Permits	17,692	19,073	19,073	1,818	16,336	17,697	(1,376)	-7.2%
Intergovernmental	27,571	36,432	36,432	4,071	34,956	36,214	(218)	-0.6%
Charges for Services	39,856	43,490	43,490	4,400	33,424	40,671	(2,819)	-6.5%
Direct Interfund Services	61,233	44,345	44,345	4,862	36,359	41,531	(2,814)	-6.3%
Indirect Interfund Services	11,031	14,887	14,887	1,451	9,218	14,463	(424)	-2.8%
Municipal Courts Fines and Forfeits	48,827	47,806	47,806	3,166	37,329	43,595	(4,211)	-8.8%
Other Fines and Forfeits	2,424	2,768	2,768	191	2,739	3,759	991	35.8%
Interest	6,414	6,500	6,500	1,275	9,656	9,965	3,465	53.3%
Miscellaneous/Other	16,253	12,764	12,764	2,396	19,047	22,293	9,529	74.7%
Total Revenues	1,450,076	1,499,614	1,499,614	138,047	1,506,359	1,538,445	38,831	2.6%
Expenditures								
Affirmative Action	1,714	1,637	1,637	132	1,473	1,659	(22)	-1.3%
Building Services	24,632	27,731	35,734	2,749	33,588	37,322	(1,588)	-4.4%
City Council	4,266	4,498	4,533	338	3,998	4,533	0	0.0%
City Secretary	626	727	727	44	565	664	63	8.7%
Controller	5,959	6,054	6,054	619	5,187	5,884	170	2.8%
Convention & Entertainment	0	0	1,838	223	1,570	1,920	(82)	-4.5%
Finance and Administration	19,431	20,820	20,732	1,777	17,662	19,795	937	4.5%
Fire	291,352	323,502	323,502	27,744	297,139	325,453	(1,951)	-0.6%
Health and Human Services	50,311	50,780	46,357	3,954	39,087	45,336	1,021	2.2%
Human Resources	2,217	2,371	2,371	212	2,050	2,288	83	3.5%
Information Technology	12,278	12,653	12,643	918	10,287	11,797	846	6.7%
Legal	10,675	11,435	11,428	968	9,989	11,026	402	3.5%
Library	33,222	29,641	29,454	2,226	26,115	29,454	0	0.0%
Mayor's Office	1,849	1,928	2,163	85	1,755	2,163	0	0.0%
Municipal Courts - Administration	16,350	16,780	16,558	1,425	15,223	16,674	(116)	-0.7%
Municipal Courts - Justice	4,213	4,284	4,284	369	3,859	4,241	43	1.0%
Parks and Recreation	47,592	47,613	47,934	3,977	43,733	47,934	0	0.0%
Planning and Development	7,155	7,417	7,417	612	6,178	6,996	421	5.7%
Police	497,867	542,379	543,662	47,178	494,509	541,169	2,493	0.5%
Public Works and Engineering	88,865	70,966	79,844	6,932	69,091	78,376	1,468	1.8%
Solid Waste Management	66,989	69,031	66,321	5,854	61,980	68,658	(2,337)	-3.5%
Total Departmental Expenditures	1,187,563	1,252,247	1,265,193	108,336	1,145,038	1,263,342	1,851	0.1%
Non-Departmental Expenditures and Other Uses								
General Government	91,654	123,367	110,421	5,305	88,908	109,539	882	0.8%
Debt Service Transfer	188,000	195,000	195,000	0	195,000	195,000	0	0.0%
Total Non-Dept. Exp. And Other Uses	279,654	318,367	305,421	5,305	283,908	304,539	882	0.3%
Total Expenditures and Other Uses	1,467,217	1,570,614	1,570,614	113,641	1,428,946	1,567,881	2,733	0.2%
Net Current Activity	(17,141)	(71,000)	(71,000)	24,406	77,413	(29,436)	41,564	
Amount Needed to Balance the Budget						0		
Transfers from other funds	1,028	-	-	0	-	-	0	
Pension Bond Proceeds	48,599	71,000	71,000	0	59,000	59,000	12,000	
Disaster Recovery Fund Transfer	-	-	-	0	-	-	-	
Change in Misc. Other Reserves	(660)	-	-	0	-	-	-	
Unreserved Fund Balance, Beg. of Year	110,286	142,112	142,112	142,112	142,112	142,112	0	
Unreserved Fund Balance, End of Year	142,112	142,112	142,112	166,518	278,525	171,676	53,564	
Designated for Sign Abatement	(2,070)	(2,070)	(2,070)	-	-	(2,070)	0	
Designated for Rainy Day Fund	(20,000)	(20,000)	(20,000)	-	-	(20,000)	0	
Undesignated Fund Balance, End of Year	\$ 120,042	\$ 120,042	\$ 120,042	\$ 166,518	\$ 278,525	\$ 149,606	\$ 29,564	

General Fund
Finance and Administration
For the period ended May 31, 2006
(amounts expressed in thousands)

	FY2006							
	FY2005 Actual	Adopted Budget	Current Budget	Current Month	YTD	F & A Projection	Variance from Current Budget	% Variance
Revenues								
General Property Taxes	\$ 671,294	\$ 690,246	690,246	\$ 12,264	\$ 699,493	\$ 704,070	13,824	2.0%
Industrial Assessments	14,635	13,830	13,830	1,153	12,726	14,250	420	3.0%
Sales Tax	370,583	395,845	395,845	76,682	416,079	416,079	20,234	5.1%
Electric Franchise	77,760	88,100	88,100	8,324	89,384	88,100	0	0.0%
Telephone Franchise	49,714	48,960	48,960	12,028	53,051	49,300	340	0.7%
Gas Franchise	18,520	18,767	18,767	20	18,944	21,975	3,208	17.1%
Other Franchise	16,269	15,801	15,801	3,946	17,618	16,200	399	2.5%
Licenses and Permits	17,692	19,073	19,073	1,818	16,336	17,969	(1,104)	-5.8%
Intergovernmental	27,571	36,432	36,432	4,071	34,956	36,915	483	1.3%
Charges for Services	39,856	43,490	43,490	4,400	33,424	42,143	(1,347)	-3.1%
Direct Interfund Services	61,233	44,345	44,345	4,862	36,359	41,531	(2,814)	-6.3%
Indirect Interfund Services	11,031	14,887	14,887	1,451	9,218	14,463	(424)	-2.8%
Municipal Courts Fines and Forfeits	48,827	47,806	47,806	3,166	37,329	43,392	(4,414)	-9.2%
Other Fines and Forfeits	2,424	2,768	2,768	191	2,739	3,201	433	15.6%
Interest	6,414	6,500	6,500	1,275	9,656	10,600	4,100	63.1%
Miscellaneous/Other	16,253	12,764	12,764	2,396	19,047	21,859	9,095	71.3%
Total Revenues	1,450,076	1,499,614	1,499,614	138,047	1,506,359	1,542,047	42,433	2.8%
Expenditures								
Affirmative Action	1,714	1,637	1,637	132	1,473	1,659	(22)	-1.3%
Building Services	24,632	27,731	35,734	2,749	33,588	37,322	(1,588)	-4.4%
City Council	4,266	4,498	4,533	338	3,998	4,533	0	0.0%
City Secretary	626	727	727	44	565	664	63	8.7%
Controller	5,959	6,054	6,054	619	5,187	5,884	170	2.8%
Convention & Entertainment	0	0	1,838	223	1,570	1,920	(82)	-4.5%
Finance and Administration	19,431	20,820	20,732	1,777	17,662	19,795	937	4.5%
Fire	291,352	323,502	323,502	27,744	297,139	325,453	(1,951)	-0.6%
Health and Human Services	50,311	50,780	46,357	3,954	39,087	45,336	1,021	2.2%
Human Resources	2,217	2,371	2,371	212	2,050	2,288	83	3.5%
Information Technology	12,278	12,653	12,643	918	10,287	11,797	846	6.7%
Legal	10,675	11,435	11,428	968	9,989	11,026	402	3.5%
Library	33,222	29,641	29,454	2,226	26,115	29,454	0	0.0%
Mayor's Office	1,849	1,928	2,163	85	1,755	2,163	0	0.0%
Municipal Courts - Administration	16,350	16,780	16,558	1,425	15,223	16,674	(116)	-0.7%
Municipal Courts - Justice	4,213	4,284	4,284	369	3,859	4,241	43	1.0%
Parks and Recreation	47,592	47,613	47,934	3,977	43,733	47,934	0	0.0%
Planning and Development	7,155	7,417	7,417	612	6,178	6,996	421	5.7%
Police	497,867	542,379	543,662	47,178	494,509	541,169	2,493	0.5%
Public Works and Engineering	88,865	70,966	79,844	6,932	69,091	78,376	1,468	1.8%
Solid Waste Management	66,989	69,031	66,321	5,854	61,980	68,658	(2,337)	-3.5%
Total Departmental Expenditures	1,187,563	1,252,247	1,265,193	108,336	1,145,038	1,263,342	1,851	0.1%
Non-Departmental Expenditures and Other Uses								
General Government	91,654	123,367	110,421	5,305	88,908	109,539	882	0.8%
Debt Service Transfer	188,000	195,000	195,000	0	195,000	195,000	0	0.0%
Total Non-Dept. Exp. and Other Uses	279,654	318,367	305,421	5,305	283,908	304,539	882	0.3%
Total Expenditures and Other Uses	1,467,217	1,570,614	1,570,614	113,641	1,428,946	1,567,881	2,733	0.2%
Net Current Activity	(17,141)	(71,000)	(71,000)	24,406	77,413	(25,834)	45,166	
Transfers from other funds	1,028	-	-	-	-	-	0	
Pension Bond Proceed	48,599	71,000	71,000	-	59,000	59,000	(12,000)	
Disaster Recovery Fund Transfer	-	-	-	-	-	-	-	
Change in Misc. Other Reserves	(660)	-	-	-	-	-	-	
Unreserved Fund Balance, Beg. of Year	110,286	142,112	142,112	142,112	142,112	142,112	0	
Unreserved Fund Balance, End of Year	142,112	142,112	142,112	166,518	278,525	175,278	33,166	
Designated for Sign Abatement	(2,070)	(2,070)	(2,070)	-	-	(2,070)	-	
Designated for Rainy Day Fund	(20,000)	(20,000)	(20,000)	-	-	(20,000)	-	
Undesignated Fund Balance, End of Year	\$ 120,042	\$ 120,042	\$ 120,042	\$ 166,518	\$ 278,525	\$ 153,208	\$ 33,166	

General Fund
General Government
For the period ended May 31, 2006
(amounts expressed in thousands)

	FY2006							
	FY2005 Actual	Adopted Budget	Current Budget	Current Month	YTD	YTD as % of Current Budget	Controller's Projection	F&A Projection
Non-Dept. Exp. and Other Uses								
General Government								
Pension-Civilian	0	0	0	0	0	0.0%	0	0
Insurance-Civilian (Active)	(12)	0	0	0	0	0.0%	0	0
Insurance-Civilian (Retirees)	13,486	22,963	18,689	1,600	16,761	89.7%	18,170	18,170
Pension-Police	0	0	0	0	0	0.0%	0	0
Insurance-Classified (Retirees)	15,565	26,377	24,186	2,193	22,299	92.2%	24,127	24,127
Long Term Disability	(42)	0	0	0	0	0.0%	0	0
Compensation Contingency	0	0	0	0	0	0.0%	0	0
Total Personnel Services	28,997	49,340	42,875	3,793	39,060	91.1%	42,297	42,297
Insurance Fees	1,153	1,283	1,283	7	1,457	113.6%	1,596	1,596
Accounting and Auditing Svcs	890	865	865	0	663	76.6%	1,082	1,082
Advertising Svcs	278	225	225	29	118	52.4%	138	138
Legal Services	2,282	1,356	1,356	162	1,327	97.9%	1,657	1,657
Management Consulting Svcs.	334	232	232	11	285	122.8%	315	315
Misc Support Svcs	280	250	250	0	(9)	-3.6%	75	75
Real Estate Lease	9,000	8,069	8,069	(1,020)	5,504	68.2%	5,919	5,919
Parking Space Rental	1	0	0	(13)	0	0.0%	0	0
METRO Commuter Passes	516	600	600	4	558	93.0%	570	570
Electricity	0	5,816	0	0	0	0.0%	0	0
Other Interfund Services	0	0	0	0	0	0.0%	0	0
Limited Purpose Annexation Pmts.	12,654	15,686	15,686	1,266	11,375	72.5%	17,686	17,686
Print Shop Services	4	0	0	0	0	0.0%	0	0
Printing and Reproduction Svcs.	2	0	0	0	1	0.0%	1	1
Tax Appraisal Fees	5,003	5,140	5,140	0	5,045	98.2%	5,045	5,045
Tax Refunds	0	0	0	0	0	0.0%	0	0
Billing and Collection Svcs	750	750	750	0	750	100.0%	750	750
Elections	1,334	2,400	2,400	0	2,277	94.9%	2,294	2,294
Claims and Judgments	5,813	5,000	5,000	262	3,865	77.3%	5,000	5,000
Contingency/Reserve	0	0	550	0	0	0.0%	0	0
Zoo Contract	7,494	7,687	7,687	640	7,046	91.7%	7,687	7,687
Misc Other Services and Charges	1,946	2,136	2,009	164	1,667	83.0%	2,230	2,230
Membership and Professional Fees	656	734	734	0	492	67.0%	645	645
Mgmt Initiative Savings	0	0	0	0	0	0.0%	0	0
Total Other Services and Charges	50,390	58,229	52,836	1,512	42,421	80.3%	52,690	52,690
Other Financing Uses								
Debt Service-Interest	3,194	6,100	5,012	0	210	4.2%	4,992	4,992
Transfers to TRANS Debt Service	620	0	0	0	0	0.0%	0	0
Transfers to Conv & Entertain	442	1,428	1,428	0	1,014	71.0%	1,289	1,289
Transfers to Special Revenues	7,659	8,270	8,270	0	6,203	75.0%	8,270	8,270
Transfers to Capital Projects	352	0	0	0	0	0.0%	0	0
Total Other Financing Uses	12,267	15,798	14,710	0	7,427	50.5%	14,551	14,551
Total General Government	91,654	123,367	110,421	5,305	88,908	80.5%	109,539	109,539
Debt Service Transfers								
Transfers to PIB Debt Svc	184,000	190,000	190,000	0	188,680	99.3%	188,680	188,680
Transfers to CO Debt Svc	4,000	5,000	5,000	0	6,320	126.4%	6,320	6,320
Total Debt Service Transfers	188,000	195,000	195,000	0	195,000	100.0%	195,000	195,000
Total Non-Dept. Exp and Other Uses	\$ 279,654	\$ 318,367	\$ 305,421	\$ 5,305	\$ 283,908	93.0%	\$ 304,539	\$ 304,539

Katrina Aid & Recovery Fund
For the period ended May 31, 2006
(amounts expressed in dollars)

RECOVERIES & REIMBURSEMENT	From Inception To 05/31/06
FEMA Grants	
Housing	\$ 219,263,153
Non-Housing	8,291,218
FEMA Grant Administration Fees:	
Housing	1,112,566
Non-Housing	61,205
Subtotal FEMA Reimbursements	228,728,142
Interest Income on Pooled Investments	\$ 944,029
Contributions from Others	1,030,050
Total Receipts	\$ 230,702,221
<u>EXPENDITURES - HOUSING</u>	
Direct Assistance - Housing	
Rent	\$ 148,850,361
Utilities	20,499,086
Furniture	36,752,544
Household Goods	1,227,470
Subtotal Direct Assistance	\$ 207,329,461
Program Delivery & Management	\$ 31,524,540
Other Materials & Services	1,081,271
Total Housing Expenses	\$ 239,935,272
<u>EXPENDITURES - NON HOUSING</u>	
City Dept Personnel Costs	
City Personnel - Labor & Benefits S/T)	\$ 164,679
City Personnel - Labor & Benefits O/T)	12,352,475
Subtotal City Personnel	\$ 12,517,154
Other City Dept Costs:	
Materials & Supplies	894,126
Force Equipment	76,321
Rentals - Equipment & Other	416,766
Contract Services	7,577,416
Professional Services (incl PW Admin)	1,223,678
Subtotal Other:	\$ 10,188,307
Total Non Housing Expenses	22,705,461
Grand Total Housing & Non Housing	\$ 262,640,733
Excess (deficiency) of FEMA reimbursements over expenses	\$ (31,938,512)
<u>Other Receipts and Sources of Funding</u>	
Advances from Fund 405	\$ 10,000,000
Subtotal Other Sources of Funding	\$ 10,000,000
Excess (deficiency) of FEMA reimbursements and other funding sources over expenses	\$ (21,938,512)

Aviation Operating Fund
For the period ended May 31, 2006
(amounts expressed in thousands)

	FY2005 Actual	FY2006				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Landing Area	\$ 102,072	\$ 105,185	\$ 105,185	96,193	\$ 106,843	\$ 106,843
Bldg and Ground Area	151,417	183,241	183,241	161,536	176,784	176,784
Parking and Concession	97,286	105,349	105,349	99,886	109,518	109,518
Other	2,866	1,274	1,274	3,557	3,828	3,828
Total Operating Revenues	<u>353,641</u>	<u>395,049</u>	<u>395,049</u>	<u>361,172</u>	<u>396,973</u>	<u>396,973</u>
Operating Expenses						
Personnel	113,892	79,377	79,377	71,577	78,998	78,998
Supplies	5,710	6,449	7,049	6,191	6,646	6,646
Services	103,654	118,632	126,431	107,234	122,939	122,939
Non-Capital Outlay	716	1,010	1,010	678	923	923
Total Operating Expenses	<u>223,972</u>	<u>205,468</u>	<u>213,867</u>	<u>185,680</u>	<u>209,506</u>	<u>209,506</u>
Operating Income (Loss)	<u>129,669</u>	<u>189,581</u>	<u>181,182</u>	<u>175,492</u>	<u>187,467</u>	<u>187,467</u>
Nonoperating Revenues (Expenses)						
Interest Income	10,435	9,500	9,500	15,801	17,628	17,628
Other	4,175	0	0	1,448	1,448	1,448
Other Financing Sources - Pension Bonds	0	0	0	0	0	0
Total Nonoperating Rev (Exp)	<u>14,610</u>	<u>9,500</u>	<u>9,500</u>	<u>17,249</u>	<u>19,076</u>	<u>19,076</u>
Income (Loss) Before Operating Transfers	<u>144,279</u>	<u>199,081</u>	<u>190,682</u>	<u>192,741</u>	<u>206,543</u>	<u>206,543</u>
Operating Transfers						
Interfund Transfer - Oper Reserve	2,842	3,000	3,000	0	4,772	4,772
Debt Service Principal	28,182	31,727	31,727	27,444	33,362	33,362
Debt Service Interest	58,743	93,122	93,122	64,593	65,827	65,827
Renewal and Replacement	0	500	500	0	438	438
Capital Improvement	54,561	70,732	70,432	68,737	102,144	102,144
Total Operating Transfers	<u>144,328</u>	<u>199,081</u>	<u>198,781</u>	<u>160,774</u>	<u>206,543</u>	<u>206,543</u>
Net Income (Loss)						
Operating Fund Only	\$ <u>(49)</u>	\$ <u>0</u>	\$ <u>(8,099)</u>	<u>31,967</u>	\$ <u>0</u>	\$ <u>0</u>

About the Fund:

The Aviation Operating Fund is an enterprise fund which accounts for operation of the City's airport system. The airport system is comprised of the George Bush Intercontinental Airport/Houston, William P. Hobby Airport, and Ellington Field. Activities of the department include: operations, maintenance, planning and construction, public service and administration. The Department coordinates its activities with the Federal Aviation Administration (FAA), other federal and state agencies, the airlines, and tenants of the airport facilities.

Convention and Entertainment Facilities Operating Fund
For the period ended May 31, 2006
(amounts expressed in thousands)

	FY2005 Actual	Adopted Budget	Current Budget	FY2006		
				YTD	Controllers Projection	F & A Projection
Operating Revenues						
Facility Rentals	\$ 6,673	\$ 5,951	\$ 5,951	\$ 5,468	\$ 5,870	\$ 5,870
Parking	8,882	9,252	9,252	7,171	9,352	9,352
Food and Beverage Concessions	3,373	2,788	2,788	3,635	3,661	3,661
Contract Cleaning	248	192	192	196	206	206
Total Operating Revenues	<u>19,176</u>	<u>18,183</u>	<u>18,183</u>	<u>16,470</u>	<u>19,089</u>	<u>19,089</u>
Operating Expenses						
Personnel	10,672	7,068	7,483	6,736	7,464	7,464
Supplies	562	682	719	583	635	635
Services	21,284	25,304	25,430	20,052	22,767	22,767
Total Operating Expenses	<u>32,518</u>	<u>33,054</u>	<u>33,632</u>	<u>27,371</u>	<u>30,866</u>	<u>30,866</u>
Operating Income (Loss)	<u>(13,342)</u>	<u>(14,871)</u>	<u>(15,449)</u>	<u>(10,901)</u>	<u>(11,777)</u>	<u>(11,777)</u>
Nonoperating Revenues (Expenses)						
Hotel Occupancy Tax						
Current	40,850	45,000	45,000	51,140	51,140	51,140
Delinquent	1,416	900	900	1,521	1,521	1,521
Advertising Services	(9,892)	(10,350)	(10,350)	(8,478)	(10,350)	(10,350)
Promotion Contracts	(8,172)	(8,550)	(8,550)	(7,004)	(8,550)	(8,550)
Contracts/Sponsorships	(1,745)	(2,577)	(2,547)	(1,790)	(1,912)	(1,912)
Net Hotel Occupancy Tax	<u>22,457</u>	<u>24,423</u>	<u>24,453</u>	<u>35,389</u>	<u>31,849</u>	<u>31,849</u>
Interest Income	1,028	1,000	1,000	1,370	1,493	1,493
Capital Outlay	(1)	(2,969)	(3,790)	(956)	(1,615)	(1,615)
Non-Capital Outlay	(57)	(128)	(140)	(74)	(140)	(140)
Other Interest	(276)	(900)	(900)	(841)	(900)	(900)
Other	4,518	2,162	2,162	4,093	4,093	4,093
Other Financing Sources - Pension Bonds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Nonoperating Rev (Exp)	<u>27,669</u>	<u>23,588</u>	<u>22,785</u>	<u>38,981</u>	<u>34,780</u>	<u>34,780</u>
Income (Loss) Before Operating Transfers	<u>14,327</u>	<u>8,717</u>	<u>7,336</u>	<u>28,080</u>	<u>23,003</u>	<u>23,003</u>
Operating Transfers						
Transfers for Interest	6,538	8,633	8,433	6,037	8,433	8,433
Transfers for Principal	6,548	7,230	7,230	6,015	7,230	7,230
Interfund Transfers Out	1,644	0	0	11	746	746
Miller Outdoor Theater Transfer	(442)	(1,119)	(1,119)	(839)	(1,000)	(1,000)
Transfers to(from) Special	(2,500)	(1,700)	(1,700)	0	(1,700)	(1,700)
Total Operating Transfers	<u>11,788</u>	<u>13,044</u>	<u>12,844</u>	<u>11,224</u>	<u>13,709</u>	<u>13,709</u>
Net Income (Loss)						
Operating Fund Only	<u>\$ 2,539</u>	<u>\$ (4,327)</u>	<u>\$ (5,508)</u>	<u>\$ 16,856</u>	<u>\$ 9,294</u>	<u>\$ 9,294</u>

About the Fund:

The Convention and Entertainment Facilities operating fund is an enterprise fund that accounts for the operation of the City's six major entertainment centers and City-owned parking garages. These centers include the following: Jesse H. Jones Hall; Bayou Place; Houston Center for The Arts; Gus S. Wortham Center; George R. Brown Convention Center and the Tranquility Park and Civic Center garages.

Combined Utility System Fund
For the period ended May 31, 2006
(amounts expressed in thousands)

	FY2005 Actual	FY2006				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 301,227	\$ 313,361	\$ 313,361	\$ 302,994	\$ 332,847	\$ 332,847
Sewer Sales	288,459	302,653	302,653	280,537	308,000	308,000
Penalties	4,605	4,005	4,005	4,675	5,152	5,152
Other	4,583	4,078	4,078	4,129	4,453	4,453
Total Operating Revenues	<u>598,874</u>	<u>624,097</u>	<u>624,097</u>	<u>592,335</u>	<u>650,452</u>	<u>650,452</u>
Operating Expenses						
Personnel	176,786	130,480	120,232	106,812	116,895	116,895
Supplies	29,313	29,107	30,438	26,405	29,305	29,305
Electricity and Gas	49,825	52,421	61,440	60,682	67,625	67,625
Contracts & Other Payments	75,865	100,583	99,984	79,485	94,554	94,554
Non-Capital Equipment	1,011	1,468	1,552	1,261	1,487	1,487
Total Operating Expenses	<u>332,800</u>	<u>314,059</u>	<u>313,646</u>	<u>274,645</u>	<u>309,866</u>	<u>309,866</u>
Operating Income (Loss)	<u>266,074</u>	<u>310,038</u>	<u>310,451</u>	<u>317,690</u>	<u>340,586</u>	<u>340,586</u>
Nonoperating Revenues (Expenses)						
Interest Income	7,872	5,300	5,300	8,543	14,965	14,965
Sale of Property, Mains and Scrap	1,035	808	808	5,198	5,874	5,874
Other	0	7,614	7,614	38,454	9,218	9,218
Other Financing Sources - Pension Bonds	0	0	0	0	0	0
Gain on escrow restructure	0	0	0	0	0	0
Gross Revenue Contrib. from Water Auth.	0	0	0	0	0	0
Impact Fees	15,497	14,000	14,000	0	15,558	15,558
CIP Salary Recovery	0	3,140	3,140	0	0	0
HAWC	(1,677)	(9,075)	(8,627)	(5,486)	(6,355)	(6,355)
CWA & TRA Contracts (P & I)	(31,546)	(32,219)	(32,219)	(32,218)	(32,219)	(32,219)
Total Nonoperating Rev (Exp)	<u>(8,819)</u>	<u>(10,432)</u>	<u>(9,984)</u>	<u>14,491</u>	<u>7,041</u>	<u>7,041</u>
Income (Loss) Before Operating Transfers	<u>257,255</u>	<u>299,606</u>	<u>300,467</u>	<u>332,181</u>	<u>347,627</u>	<u>347,627</u>
Operating Transfers						
Debt Service Transfer	188,270	232,730	232,730	197,745	232,730	232,730
Transfer to PIB - Water & Sewer	27,822	26,282	26,282	26,257	26,257	26,257
Discretionary Debt	0	1,605	7,016	4,483	4,985	4,985
Equipment Acquisition	0	13,357	14,215	6,530	8,969	8,969
Transfer to Stormwater	30,000	31,300	31,300	24,300	31,300	31,300
Total Operating Transfers	<u>246,092</u>	<u>305,274</u>	<u>311,543</u>	<u>259,315</u>	<u>304,241</u>	<u>304,241</u>
Net Current Activity						
Operating Fund Only	\$ <u>11,163</u>	\$ <u>(5,668)</u>	\$ <u>(11,076)</u>	\$ <u>72,866</u>	\$ <u>43,386</u>	\$ <u>43,386</u>

About the Fund:

The Combined Utility System Fund is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.

Stormwater Fund
For the period ending May 31, 2006
(amounts expressed in thousands)

	FY2006					
	FY2005 Actual	Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Revenues						
Other Interfund Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Miscellaneous	\$ 45	\$ 50	\$ 50	\$ 158	\$ 171	\$ 171
Total Revenues	<u>45</u>	<u>50</u>	<u>50</u>	<u>158</u>	<u>171</u>	<u>171</u>
Expenditures						
Personnel	16,134	18,010	16,953	14,756	16,176	16,176
Supplies	1,556	1,347	1,884	1,624	1,884	1,884
Other Services	10,438	13,429	12,867	9,562	11,669	11,669
Capital Outlay	123	2,445	2,982	1,790	1,790	1,790
Total Expenditures	<u>28,251</u>	<u>35,231</u>	<u>34,686</u>	<u>27,732</u>	<u>31,519</u>	<u>31,519</u>
Other Financing Sources (Uses)						
Interest Income	106	100	100	63	73	73
Operating Transfers In	30,000	31,300	31,300	24,300	31,300	31,300
Operating Transfers Out	0	0	(545)	(545)	(545)	(545)
Total Other Financing Sources (Uses)	<u>30,106</u>	<u>31,400</u>	<u>30,855</u>	<u>23,818</u>	<u>30,828</u>	<u>30,828</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)						
	1,900	(3,781)	(3,781)	(3,756)	(520)	(520)
Pension Bond Proceeds						
	436	1,000	1,000	1,000	1,000	1,000
Fund Balance, Beginning of Year	<u>1,692</u>	<u>4,028</u>	<u>4,028</u>	<u>4,028</u>	<u>4,028</u>	<u>4,028</u>
Fund Balance, End of Year	<u>\$ 4,028</u>	<u>\$ 1,247</u>	<u>\$ 1,247</u>	<u>\$ 1,272</u>	<u>\$ 4,508</u>	<u>\$ 4,508</u>

The Stormwater Fund provides for the maintenance and repair of streets, rights-of-way and drainage infrastructure, such as storm sewers and roadside ditches. The City undertook a major restructuring of its water, sewer and drainage financing at the end of FY2004. This restructuring created a new Combined Utility System with the capacity to transfer funds from its surplus amounts to the Stormwater Fund to support stormwater drainage operations and maintenance.

Note: The Stormwater Fund is not technically an enterprise fund, but is grouped with the Combined Utility System for clarity.

City of Houston, Texas
Commercial Paper Issued and Available
May 31, 2006
(amounts expressed in millions)

COMMERCIAL PAPER	Draws FY06	Draws Month	Refunded FY06	Amount Available to be Drawn	Amount Outstanding
General Obligation					
<i>(Series A & B)</i>					
<i>Public Improvement Bonds</i>	\$ 24.20	\$ 5.00	\$ (101.80)	\$ 12.80	\$ 130.20
<i>(Series D)</i>	95.00	25.00	0.00	235.00	265.00
<i>(Series E)</i>					
<i>Equipment</i>	38.97	0.00	0.00	60.73	70.26
<i>Metro Street Projects</i>	29.90	0.00	(27.10)	61.59	28.41
<i>Cotswold Project</i>	1.10	0.00	0.00	0.91	3.10
<i>West Eleventh Street Park</i>	0.03	0.00	0.00	4.07	0.03
<i>(Series F) Drainage</i>	<u>58.00</u>	<u>0.00</u>	<u>(13.50)</u>	<u>86.00</u>	<u>53.50</u>
Total General Obligation	247.20	30.00	(142.40)	461.10	550.50
Combined Utility System	225.00	0.00	(203.20)	698.20	201.80
<i>(Series A)</i>					
Airport System	5.50	3.00	0.00	246.00	54.00
<i>(Series A, B, & C)</i>					
Convention & Entertainment	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>52.50</u>	<u>22.50</u>
<i>(Series A)</i>					
Totals	<u>\$ 477.70</u>	<u>\$ 33.00</u>	<u>\$ (345.60)</u>	<u>\$ 1,457.80</u>	<u>\$ 828.80</u>

City of Houston, Texas
Summarized Construction/Bond Fund Status Report
For the period ended May 31, 2006
(amounts expressed in thousands)

Purpose	Available for Appropriation
Dangerous Buildings	
Total Dangerous Buildings Funds	\$ 3,902
Equipment Acquisition	
Total Equipment Acquisition Funds	12,775
Public Improvement	
Total Fire Department	7,502
Total Housing	7,815
Total General Improvement	14,994
Total Public Health and Welfare	331
Total Public Library	6,863
Total Parks and Recreation	9,415
Total Police Department	8,924
Total Solid Waste	4,086
Total Storm Sewer	23,166
Total Street & Bridge	90,594
Total Public Improvement	173,690
Airport	
Total Airport	480,822
Convention and Entertainment Facilities	
Total Convention and Entertainment	34,091
Combined Utility System	
Total Combined Utility System	273,229
Total All Purposes	\$ 978,509

City of Houston, Texas
Total Outstanding Debt
May 31, 2006 and May 31, 2005
(amounts expressed in thousands)

	May 31, 2006	May 31, 2005
Payable from Ad Valorem Taxes		
Public Improvement Bonds (a)	\$ 1,658,020	\$ 1,618,000
GO Commercial Paper Notes (b)	550,500	414,700
Pension Obligations	437,608	357,165
Certificates of Obligations (c)	81,401	30,068
Assumed Bonds	10,835	11,650
Subtotal	2,738,364	2,431,583
Payable from Sources Other Than Ad Valorem Taxes		
Combined Utility System		
Combined Utility System Revenue Bonds	3,415,940	3,029,170
Combined Utility System Commercial Paper Notes (d)	201,800	145,000
Water and Sewer System Revenue Bonds (e)	799,832	1,031,468
Airport System		
Airport System Revenue Bonds	2,148,055	2,172,515
Airport System Sr. Lien Commercial Paper Notes (f)	54,000	43,000
Airport System Inferior Lien Contracts (g)	56,810	60,065
Airport Special Facilities Revenue Bonds (h)	592,845	613,575
Hotel Occupancy Tax and Civic Parking		
Facilities Revenue Bonds (i)	594,050	607,730
Hotel Occupancy Tax Commercial Paper (j)	22,500	22,500
Contract Revenue Obligations - CWA, HAWC, TRA	354,400	375,270
Subtotal	8,240,232	8,100,293
Total Debt Payable by the City	\$ 10,978,596	\$ 10,531,876

- (a) Tax bonds authorized by voters in 1997 but unissued total \$12.8 million of which \$12.8 million is authorized commercial paper that has not been drawn (Series A&B). In November 2001 the voters authorized \$776 million in tax bonds of which \$235 million is authorized commercial paper that has not been drawn (Series D).
- (b) The City has authorized maximum issuance of General Obligation Commercial Paper Programs Series A: \$117.2 million, B: \$25.8 million, D: \$500.0 million, E: \$225.0 million, and F: \$139.5 million. As of the date above, these amounts were outstanding: Series A: \$115.7 million, B: \$14.5 million, D: \$265.0 million, E: \$101.8 million, and F: \$53.5 million.
- (c) Excludes \$1.7 million accreted value of capital appreciation certificates, or 2.2% of face value as of this date.
- (d) The City has authorized issuance of \$900 million Combined Utility System Commercial Paper Notes.
- (e) Excludes \$158.2 million accreted value of capital appreciation bonds, or 15.4% of face value as of this date.
- (f) City Council has authorized \$150 million Airport Senior Lien Commercial Paper Notes Series A and B and \$150 million Inferior Lien Commercial Paper Notes Series C.
- (g) Under a sublease agreement, the City has agreed to make sublease payments that include the debt service payments on the Series 1997A Special Facilities Bonds that financed the Automated People Mover ("APM") at George Bush Airport. These sublease payments constitute Inferior Lien Obligations under the Airport bond ordinances.
- (h) All Special Facility Revenue Bonds are secured solely from Special Facility Lease Revenues. Does not include \$56,810,000 for Series 1997A Special Facilities Bonds. See footnote (g).
- (i) Excludes \$36.2 million accreted value of capital appreciation bonds, or 6.1% of face value as of this date.
- (j) The City has authorized \$75 million Subordinate Lien Hotel Occupancy Tax and Parking Revenue Commercial Paper.

CITY OF HOUSTON

**PENSION FUND PAYMENTS AND
UNFUNDED LIABILITY SUMMARY**

5/31/2006

PAYMENTS

	FY05 Actual (\$1,000)	FY 06			Year to Date (\$1,000)
		City Payment Rate	Employee Payment Rate	Annual Payment (\$1,000)	
Firefighters Plan					
General Fd. & Other Fds.	32,455	23.8%	9.0%	47,963	44,204
Pension Bonds	0			0	0
Total Firefighters Plan	<u>32,455</u>			<u>47,963</u>	<u>44,204</u>
Police Plan					
General Fd. & Other Fds.	13,780	Note 1	9.0%	23,000	23,000
Pension Bonds	<u>22,865</u>			<u>30,000</u>	<u>30,000</u>
Total Police Plan	<u>36,645</u>			<u>53,000</u>	<u>53,000</u>
Municipal Plan					
General Fund	9,865	Note 2	5.0%	4,934	4,550
Other Funds	23,135	Note 2	5.0%	31,066	28,651
Pension Bonds	<u>33,000</u>			<u>33,000</u>	<u>33,000</u>
Total Municipal Plan (Note 2)	<u>66,000</u>			<u>69,000</u>	<u>66,201</u>
Total All Three Plans	<u><u>135,100</u></u>			<u><u>169,963</u></u>	<u><u>163,405</u></u>

UNFUNDED ACCRUED LIABILITY AND FUNDED STATUS

	<u>Date of Most Recent Valuation or Estimate</u>	<u>Unfunded Accrued Liability (\$ millions)</u>	<u>Assets as % of Liabilities</u>
Firefighters Plan	7/1/2005	341.9	86%
Police Plan	7/1/2004	873.2	74%
Municipal Plan	7/1/2005	947.6	65%

Note 1: City contribution based on Meet and Confer Agreement with Houston Police Officers Pension System

Note 2: City contribution based on Meet and Confer Agreement with Houston Municipal Employees Pension System

**DEPARTMENTAL PERFORMANCE MEASURES
FOR THE MONTH ENDING MAY 31, 2006 (91.67% OF FISCAL YEAR)**

Department Performance Measure	FY2005			FY2006		
	Actual	YTD	% Actual	Objective	YTD	% Objective
AFFIRMATIVE ACTION						
Applications Processed	1,847	1,642	88.9%	1,700	1,391	81.8%
Days to Process New Applicants	63	67	106.3%	90	25	364.0%
Field Audits	1,931	1,680	87.0%	1,520	1,053	69.3%
Payrolls Audited	15,093	13,947	92.4%	11,300	6,089	53.9%
SBE/MWDBE Owners Trained	7,600	7,022	92.4%	4,100	5,912	144.2%
City Employees Trained	3,503	3,146	89.8%	1,600	3,708	231.8%
MOPD Citizens Assistance Request	4,306	3,945	91.6%	3,000	4,438	147.9%
OSBC Getting Started Packets Distributed	6,957	6,367	91.5%	7,500	6,854	91.4%
MWBE Monitoring Correspondence	115,640	99,050	85.7%	125,000	202,612	162.1%
AVIATION						
Passenger Enplanements	46,315,000	42,185,000	91.1%	48,269,000	40,986,000	N/A
Cargo Tonnage	774,579,000	712,096,000	91.9%	799,736,000	700,144,000	N/A
Cost per Enplanement	\$7.61	\$7.51	NA	< \$8.00	\$8.21	N/A
Passenger Processing Time Index	N/A New Performance Measure for FY2006			2.5 - 3.0	2.3	N/A
Environmental Index (discharges, noise, etc.)	N/A New Performance Measure for FY2006			2.5 - 3.0	2.9	N/A
Third Party Incidents (accident/injury to 3rd party)	N/A New Performance Measure for FY2006			< 315	131	41.6%
# Customer Info. Portals (communication/productivity)	N/A New Performance Measure for FY2006			10	7.0	70.0%
BUILDING SERVICES						
Design & Construction						
Days to Issue Notice to Proceeds (NTP)	39.6	39.6	100.0%	30	30.0	100.0%
Property Mgmt. (Work Orders Compl.)	22,273	20,640	92.7%	32,000	24,843	77.6%
Security Management						
Number of Reported Incidents						
Investigated upon Receipts	424	360	84.9%	350	709	202.6%
CONVENTION & ENTERTAINMENT FACILITIES						
Days Booked-GRB Convention Center	2,955	2,797	94.7%	2,900	2,158	74.4%
Days Booked-Wortham Theatre Center	528	523	99.1%	535	474	88.6%
Days Booked-Jones Hall	368	311	84.5%	295	314	106.4%
Occupancy Days-GRB Convention Center	2,093	1,964	93.8%	2,079	1,804	86.8%
Occupancy Days-Wortham Theatre Center	638	599	93.9%	593	495	83.5%
Occupancy Days-Jones Hall	258	250	96.9%	265	234	88.3%
Occupancy Days-Theatre District Parks Hall	183	168	91.8%	166	135	81.3%
Customer Satisfaction (Periodic)-GRB Convention Center	92.6%	93.0%	NA	92.0%	88.6%	N/A
Customer Satisfaction (Periodic)-Wortham Theatre Center	95.6%	93.8%	NA	94.0%	90.6%	N/A
Customer Satisfaction (Periodic)-Jones Hall	95.7%	100.0%	NA	95.0%	98.0%	N/A
Customer Satisfaction (Periodic)-Houston Center	96.5%	97.7%	NA	100.0%	N/A	N/A
Customer Satisfaction (Periodic)- Fannin Garage	NA	NA	NA	82.0%	46.0%	N/A
Customer Satisfaction (Periodic)-Theater District Parking	NA	NA	NA	77.0%	N/A	N/A
FINANCE & ADMINISTRATION						
Avg Days to Award Procurement Contracts	138	141	NA	130	110	N/A
3-1-1 Avg Time Customer in Queue (seconds)	67.64	70.23	NA	30.00	82.17	N/A
Liens Collections	\$4,085,166	\$3,746,188	91.7%	\$2,568,000	\$3,763,084	146.5%
Ambulance Revenue per Transport	\$174.84	\$172.83	98.9%	\$198.57	\$192.58	97.0%
Cable Company Complaints	850	790	92.9%	737	1,785	242.2%
Deferred Compensation Participation	71.30%	71.24%	NA	75.00%	71.12%	N/A
Audits Completed	25	24	96.0%	25	11	44.0%

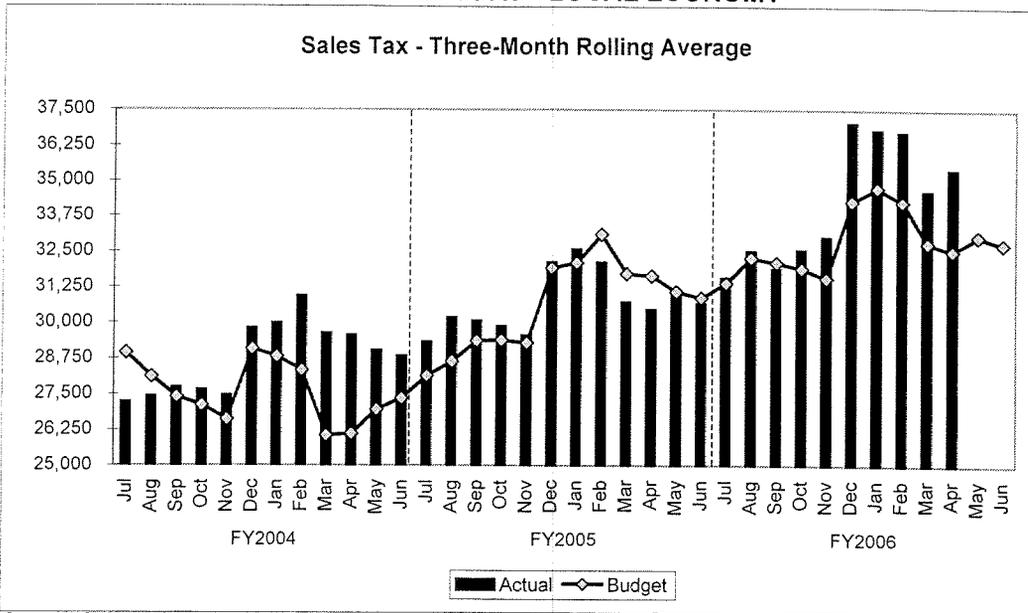
**DEPARTMENTAL PERFORMANCE MEASURES
FOR THE MONTH ENDING MAY 31, 2006 (91.67% OF FISCAL YEAR)**

Department Performance Measure	FY2005			FY2006		
	Actual	YTD	% Actual	Objective	YTD	% Objective
FIRE DEPARTMENT						
First Response Time (Minutes)	8.1	8.1	N/A	7.5	8.0	N/A
First Response Time-EMS (Minutes)	8.5	8.5	N/A	9.5	8.5	N/A
Ambulance Response Time (Minutes)	10.4	10.4	N/A	10.0	10.4	N/A
HEALTH & HUMAN SERVICES						
Environmental Inspections	69,702	65,163	93.5%	72,740	44,188	60.7%
First Trimester Prenatal Enrollment	45.4%	44.6%	N/A	42.0%	29.1%	N/A
WIC Client Satisfaction	95.0%	94.5%	N/A	95.0%	95.0%	N/A
Immunization Compliance (2 Yr. Olds)	88.0%	87.0%	N/A	87.0%	65.5%	N/A
TB Therapy Completed	92.1%	90.7%	N/A	90.5%	95.1%	N/A
HOUSING						
Housing Units Assisted	4,396	4,353	99.0%	5,000	993	19.9%
Council Actions on HUD Projects	142	122	85.9%	75	17	22.7%
Annual Spending (Millions)	\$53	\$51	96.2%	\$55	\$56	101.8%
HUMAN RESOURCES						
Total Jobs Filled - (As Vacancies Occur)	5,464	4,869	89.1%	4,500	4,415	98.1%
Days to Fill Jobs	60	60	100.0%	60	60	100.0%
Training Courses Conducted	132	114	86.4%	135	123	91.1%
Lost Time Injuries (As They Occur)	282	262	92.9%	280	194	69.3%
LEGAL						
Deed Restriction Complaints Received	1,154	1,041	90.2%	944	766	81.1%
Deed Restriction Lawsuits Filed	39	32	82.1%	33	37	112.1%
Deed Restriction Warning Letters Sent	721	633	87.8%	483	389	80.5%
LIBRARY						
Total Circulation	5,875,231	5,257,150	89.5%	5,685,707	5,268,099	92.7%
Juvenile Circulation	2,954,979	2,608,239	88.3%	3,036,291	2,371,292	78.1%
Customer Satisfaction(Three/Year)	88%	88%	100.0%	88%	88%	100.0%
Reference Questions Answered	3,890,267	3,890,267	100.0%	3,068,258	3,373,469	109.9%
In-House Computer Users	1,461,133	1,461,133	100.0%	1,330,282	1,160,088	87.2%
Public Computer Training Classes Held	822	730	88.8%	740	839	113.4%
Public Computer Training Attendance	7,021	6,101	86.9%	6,544	7,026	107.4%
MUNICIPAL COURTS						
Total Case Filings	1,326,341	1,199,433	90.4%	1,230,402	Data Not Available	N/A
Total Disposition	1,035,435	955,627	92.3%	954,760	Data Not Available	N/A
Cost per Disposition	\$15.58	\$15.15	N/A	\$17.34	Data Not Available	N/A
Incomplete Docket Reduction (Cases/Day)	33.05	24.86	N/A	14	Data Not Available	N/A
PARKS & RECREATION						
Registrants in Youth Sports Programs	20,891	15,143	72.5%	20,100	10,685	53.2%
Registrants in Adult Fitness & Craft Programs	4,358	4,016	92.2%	5,200	3,745	72.0%
Number of Teams in Adult Sports Programs	1,087	929	85.5%	1,400	552	39.4%
Vehicle Downtime-Days out of Service (avg)	16	16	NA	20	16	N/A
Golf Rounds Played at Privatized Courses	87,559	78,462	89.6%	93,500	69,210	74.0%
Golf Rounds Played at COH - Operated Courses	173,366	155,353	89.6%	175,386	155,353	88.6%
Work Orders Completed-Parks and Comm. Ctr Facilities	20,481	18,398	89.8%	21,900	18,398	84.0%
Grounds Maintenance Cycle-Days:						
Esplanades	13	14	NA	10	14	N/A
Parks & Plazas	12	13	NA	10	13	N/A
Bikes & Hikes Trails	12	13	NA	10	12	N/A

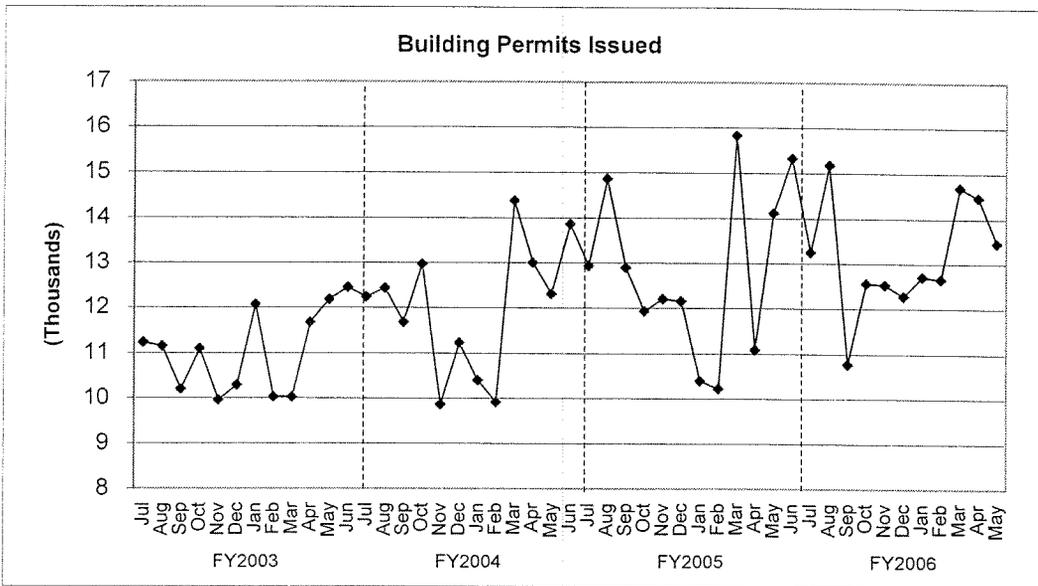
**DEPARTMENTAL PERFORMANCE MEASURES
FOR THE MONTH ENDING MAY 31, 2006 (91.67% OF FISCAL YEAR)**

Department Performance Measure	FY2005			FY2006		
	Actual	YTD	% Actual	Objective	YTD	% Objective
PLANNING & DEVELOPMENT						
Development Plats	1,189	N/A	0.0%	1,100	1,165	105.9%
Plats Recorded	1,499	N/A	0.0%	1,500	1,324	88.3%
Subdivision Plats Reviewed	4,467	3,829	85.7%	2,450	4,328	176.7%
Develop Houston Hope Plans	N/A	N/A	0.0%	6	0	0.0%
Houston Hope Committee Meetings	N/A	N/A	0.0%	12	0	0.0%
HOUSTON POLICE						
Response Time (Code 1)-Minutes	4.7	4.7	100.0%	4.9	4.9	100.0%
Violent Crime Clearance Rate	25.4%	24.5%	96.5%	38.8%	24.3%	62.6%
Crime Lab Cases Completed	87.7%	90.4%	103.1%	90.0%	70.0%	77.8%
Fleet Availability	96.7%	97.2%	100.5%	90.0%	95.0%	105.6%
Complaints - Total Cases	415	403	97.1%	878	109	12.4%
Tot. Cases Reviewed by Citizens Rev. Com.	173	169	97.7%	564	125	22.2%
Records Processed	534,765	565,023	105.7%	663,276	370,250	55.8%
PUBLIC WORKS AND ENGINEERING						
Maintenance and Right-of-Way						
Asphalt For Potholes/Skin Patches (Tons)	18,272	16,000	87.6%	16,000	14,483	90.5%
Roadside Ditch Regrading/Cleaned (Miles)	307	305	99.3%	305	293	96.1%
Storm Sewers Cleaned (Miles)	384	350	91.1%	350	361	103.1%
Storm Sewer Inlets/Manholes Cleaned/Inspected	135,053	130,900	96.9%	130,900	132,441	101.2%
In-House Overlay (Lane Miles)	285	280	98.2%	280	262	93.6%
ECRE						
Storm/Street Annual Appropriation as of % of CIP	80.3%	38.8%	48.3%	100.0%	60.3%	60.3%
Waste/Wastewater Annual Appropriation as of % of CIP	110.8%	81.7%	73.7%	100.0%	72.8%	72.8%
Safe Sidewalk Program - PAR -% completed in 180 days	N/A	N/A	0.0%	90.0%	N/A	0.0%
Safe Sidewalk Program - Schools/Thourghfares -% completed in 18 months	N/A	N/A	0.0%	90.0%	N/A	0.0%
Overlay of thourghfares (Lane miles, by contract)	N/A	N/A	0.0%	200	N/A	0.0%
Traffic and Transportation						
Traffic Signal Maintenance Completed within 72 hours	97.6%	N/A	0.0%	95.0%	N/A	0.0%
Roadway & Sidewalk Obstruction Permits processed within 7 days	99.5%	N/A	0.0%	100.0%	N/A	0.0%
Water and Sewer - Utility Maintenance						
Rehabilitate/renew 950,000 linear feet (3%) of collection system annually	1,039,000	942,618	90.7%	950,000	914,092	96.2%
Rehabilitate or renew 1000 fire hydrants (2%) annually	1,075	998	92.8%	1,000	1,363	136.3%
Rehabilitate or replace 8 storage tanks (5%) annually	8	6	75.0%	8	6	75.0%
Water repairs completed within 12 days for calls received from 311	95.0%	96.0%	101.1%	90.0%	96.0%	106.7%
Wastewater repairs completed within 15 days for calls received from 311	80.0%	79.0%	98.8%	90.0%	95.0%	105.6%
Utility Customer Service						
Percent of meters read and located monthly	95.0%	95.0%	100.0%	97.0%	94.3%	97.2%
Collection Rate	101.3%	100.2%	98.9%	99.0%	98.7%	99.7%
Planning & Development						
Complete Plan Review on new single family residence in 7 days	70.4%	N/A	0.0%	90.0%	99.0%	110.0%
Average number of Re-submittals in Plan Review	1.92	N/A	0.0%	2	3	138.5%
Customer service rating (Scale of 1-5)	3.45	N/A	0.0%	4	3	83.3%
SOLID WASTE MANAGEMENT						
Cost per Unit Served-Excludes Recycling and Special Collections Programs	\$13.77	\$12.81	93.0%	\$15.05	\$13.87	92.2%
Units with Recycling	162,000	152,080	93.9%	162,000	162,000	100.0%
Tires Disposed	238,614	187,961	78.8%	220,000	119,639	54.4%

TREND INDICATORS - LOCAL ECONOMY



Source: Office of State Comptroller



Source: City of Houston Planning and Development Department

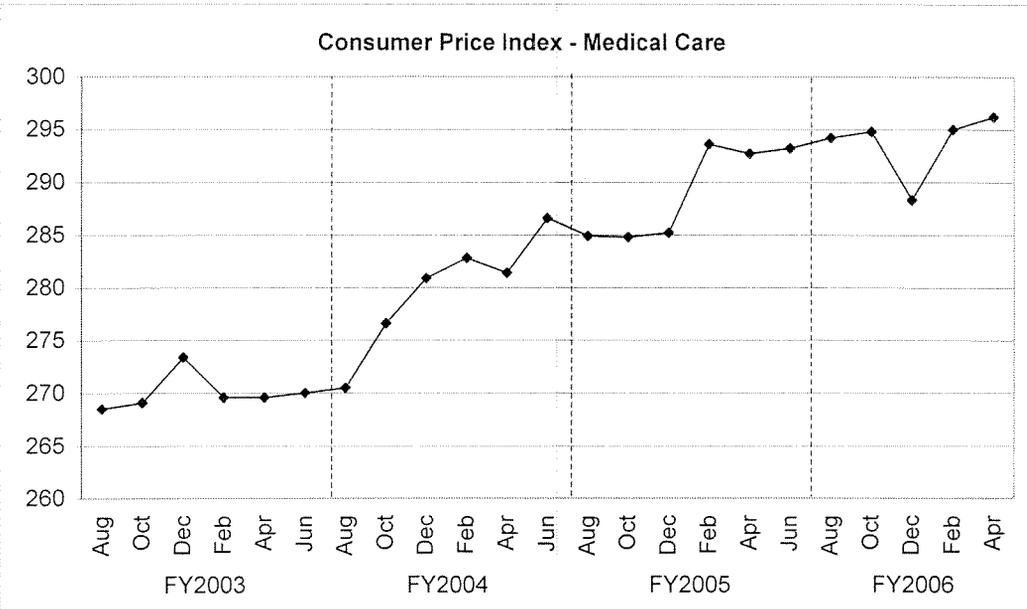


Source: Databook Houston; University of Houston Center for Public Policy; not seasonally adjusted

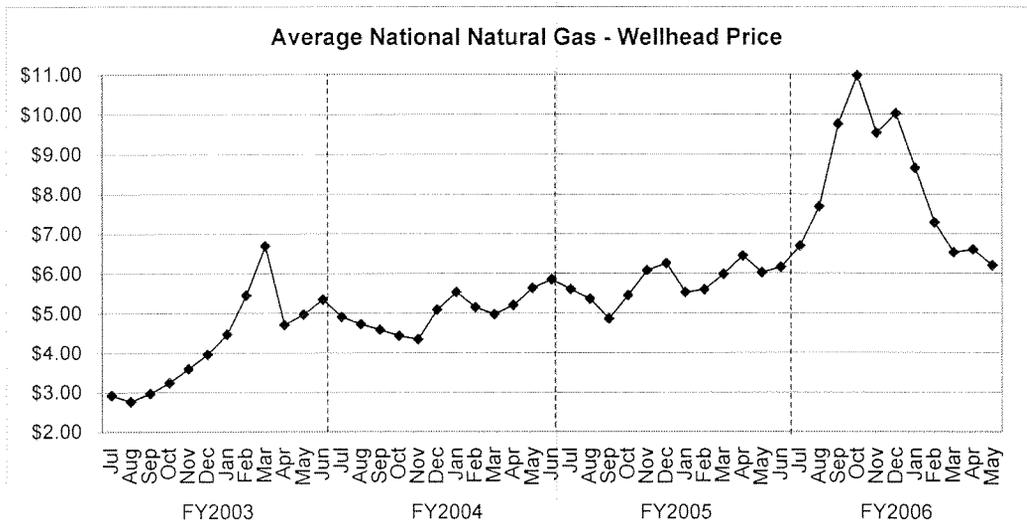
TREND INDICATORS - LOCAL ECONOMY



Source: Bureau of Labor Statistics - Houston, Galveston, Brazoria TX

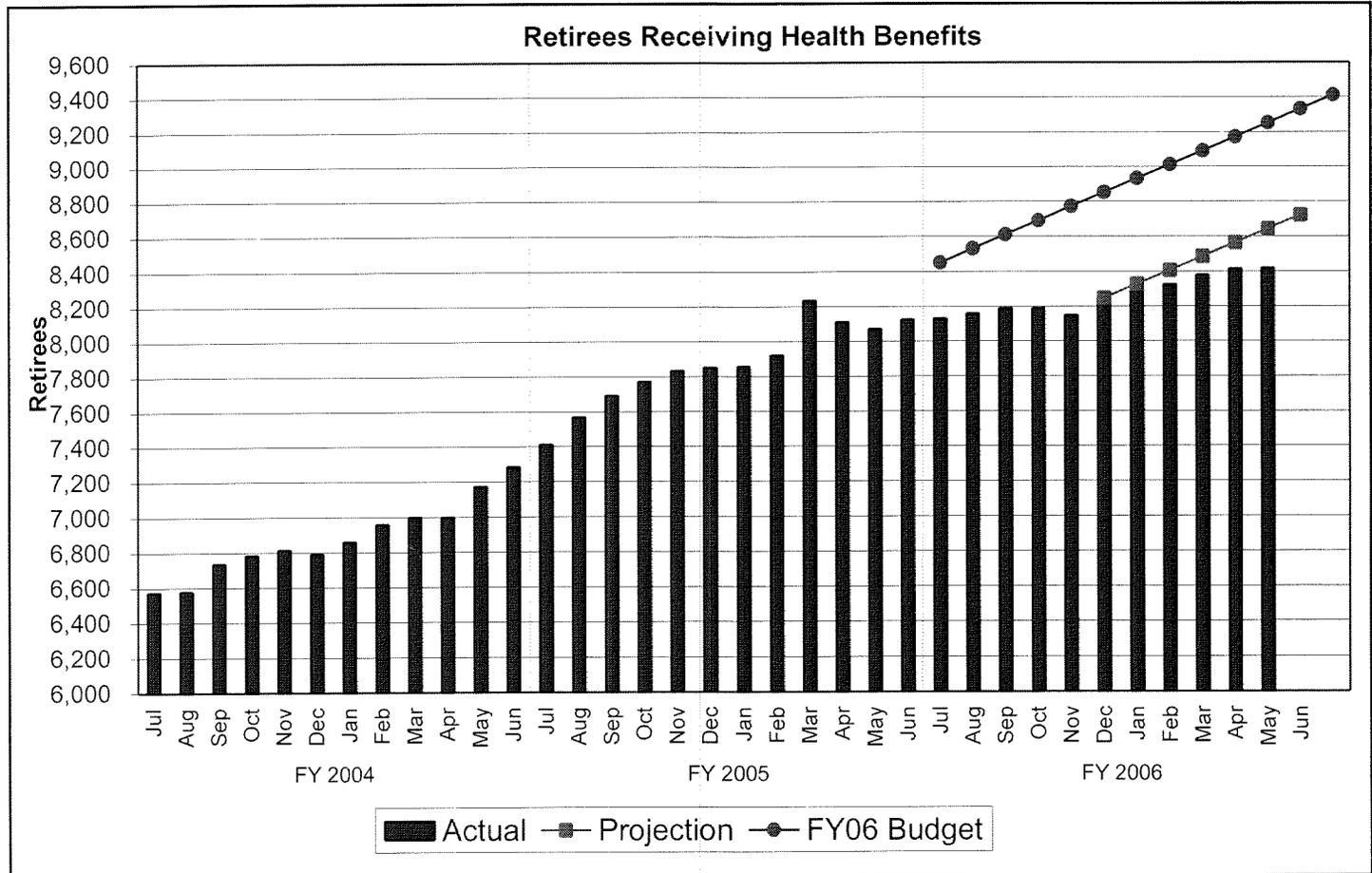
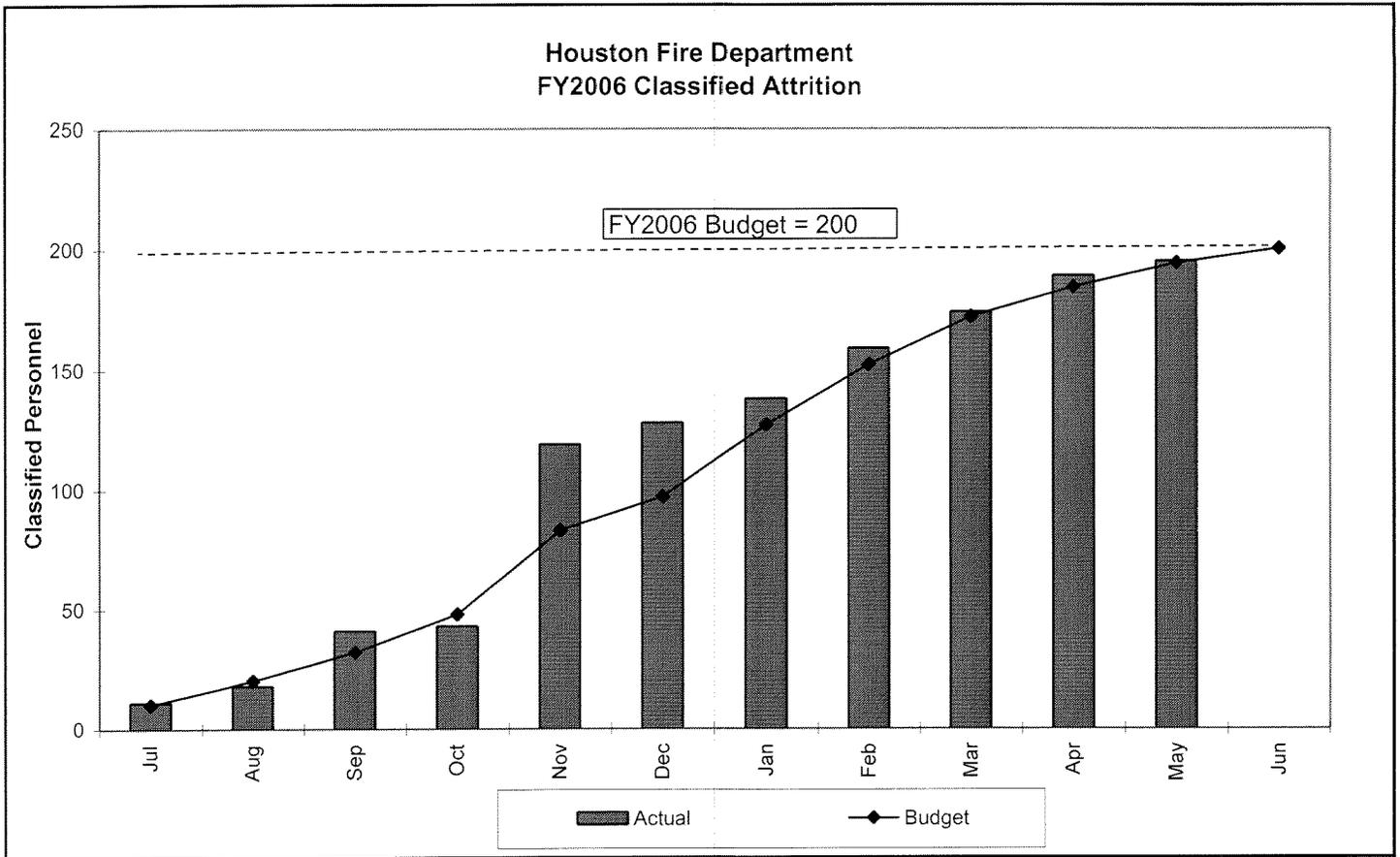


Source: Bureau of Labor Statistics - Houston, Galveston, Brazoria TX



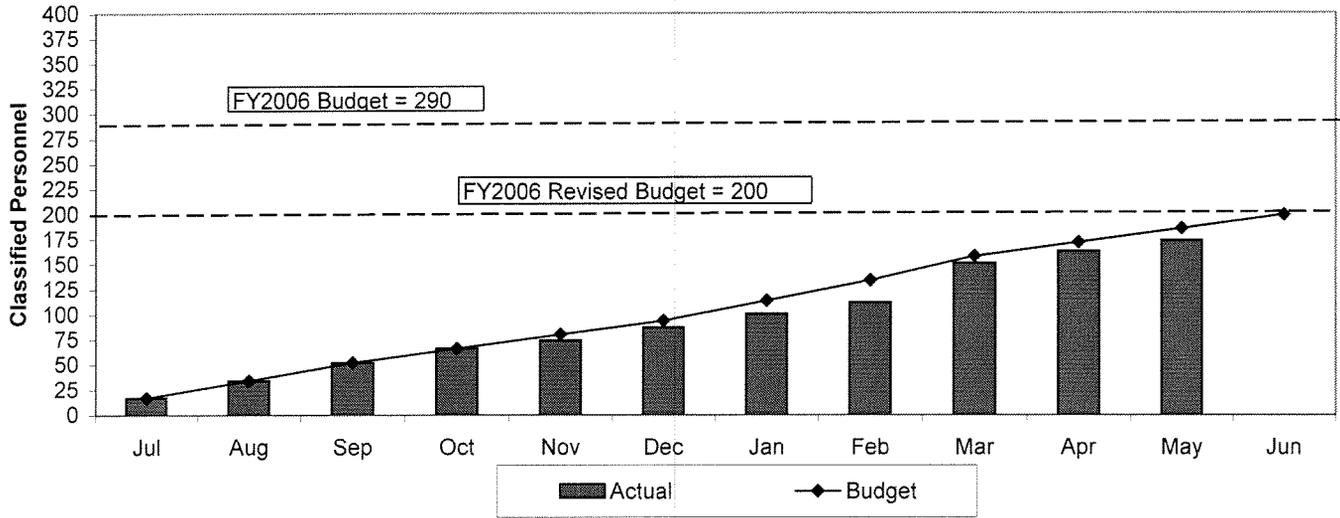
Source: Energy Information Administration/Natural Gas Monthly

TREND INDICATORS - RETIREMENTS

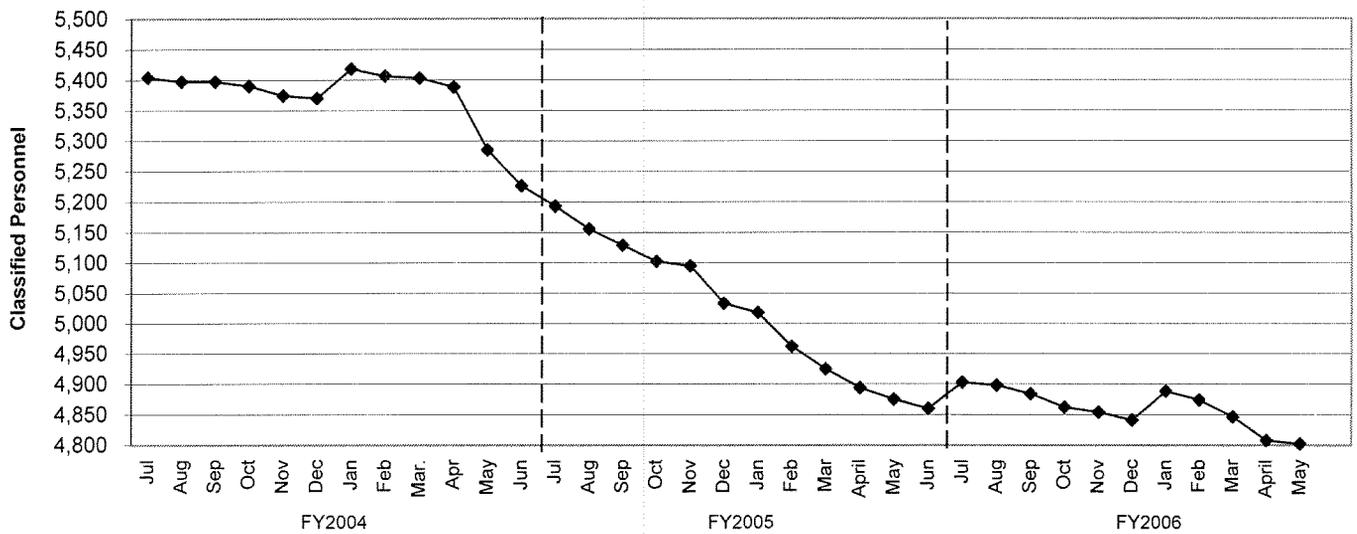


TREND INDICATORS - HIRING AND RETIREMENTS

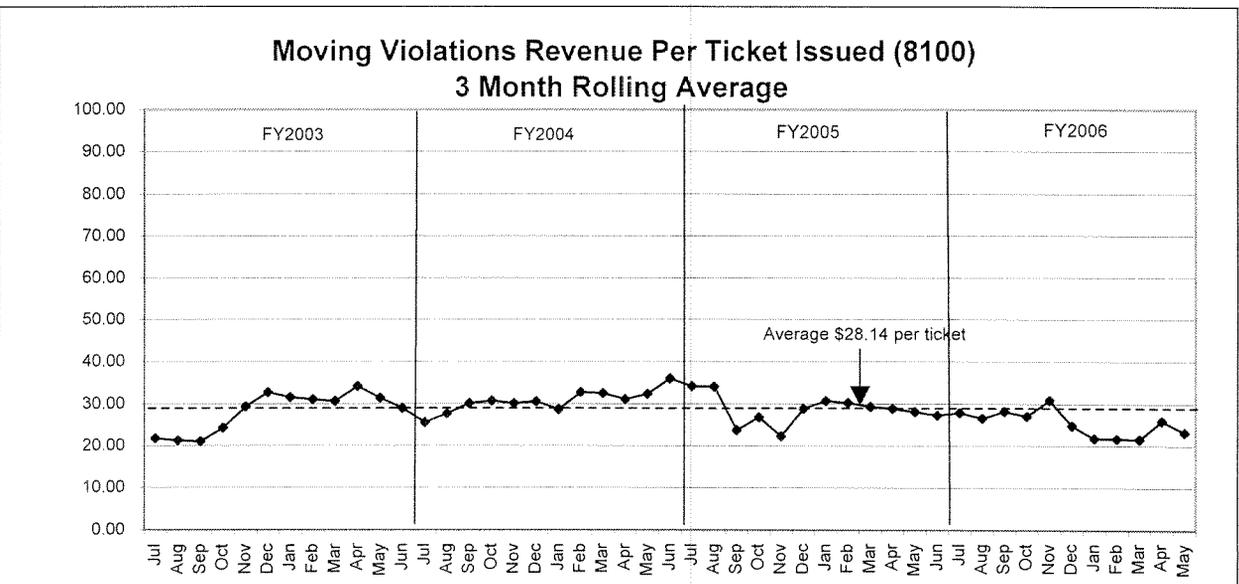
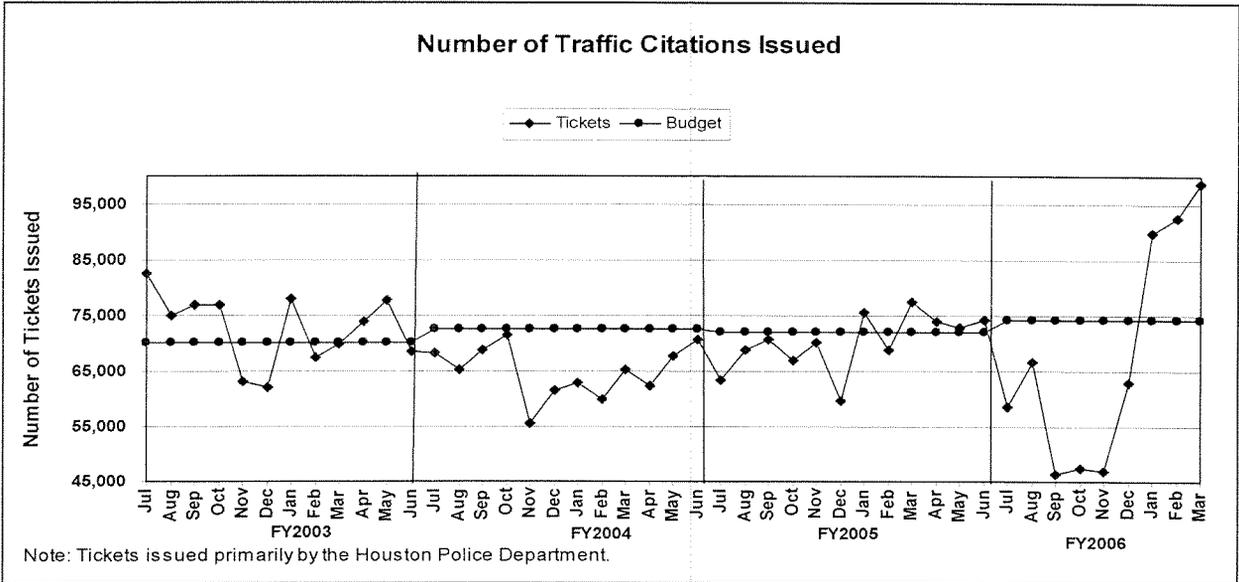
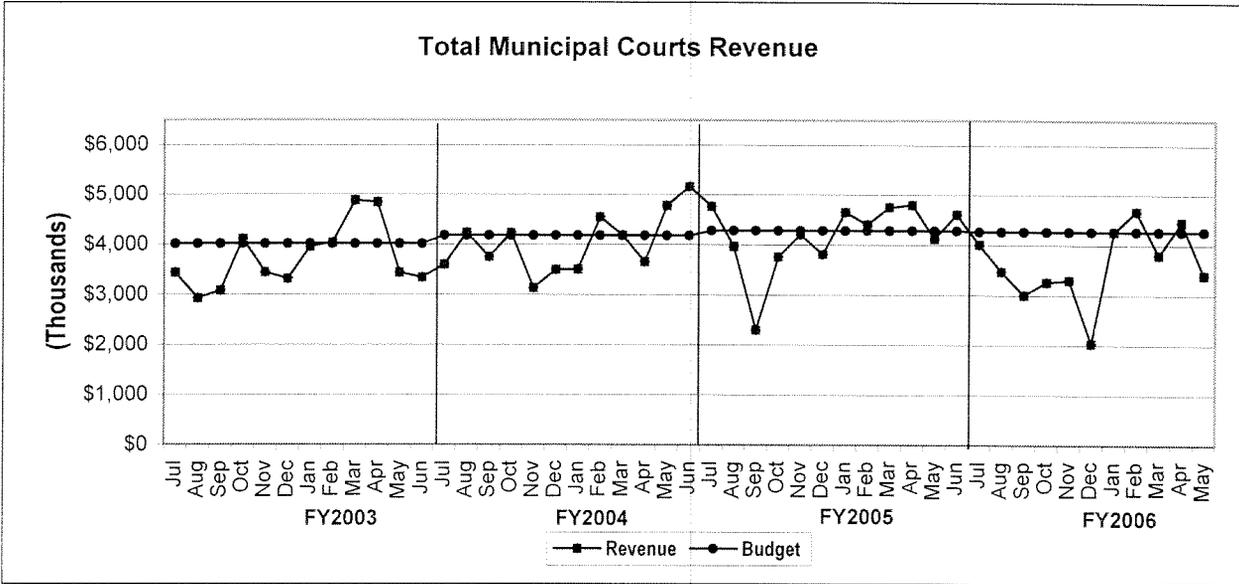
Houston Police Department FY2006 Classified Attrition



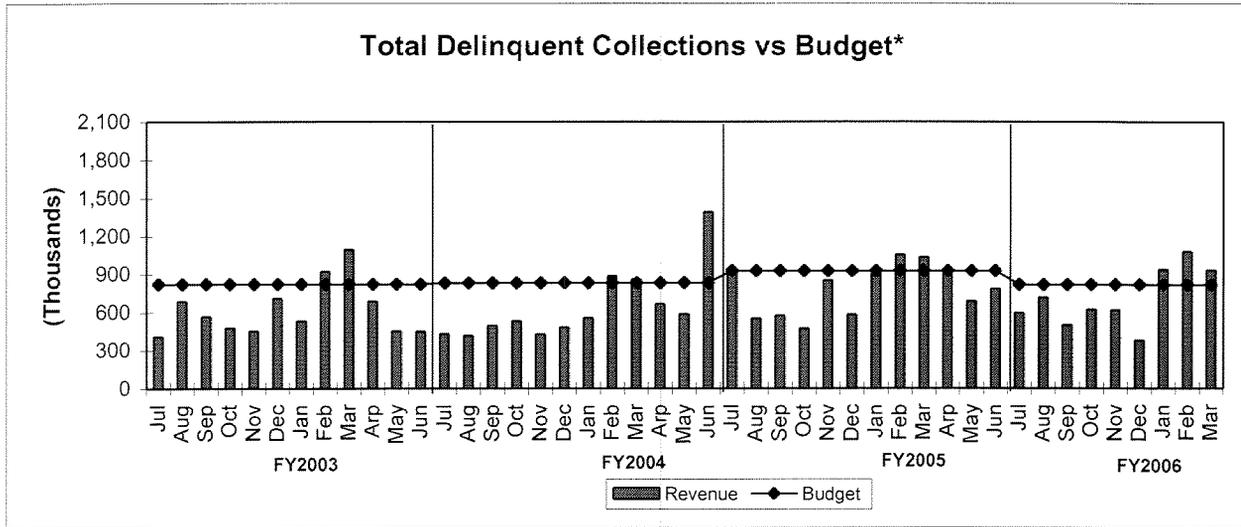
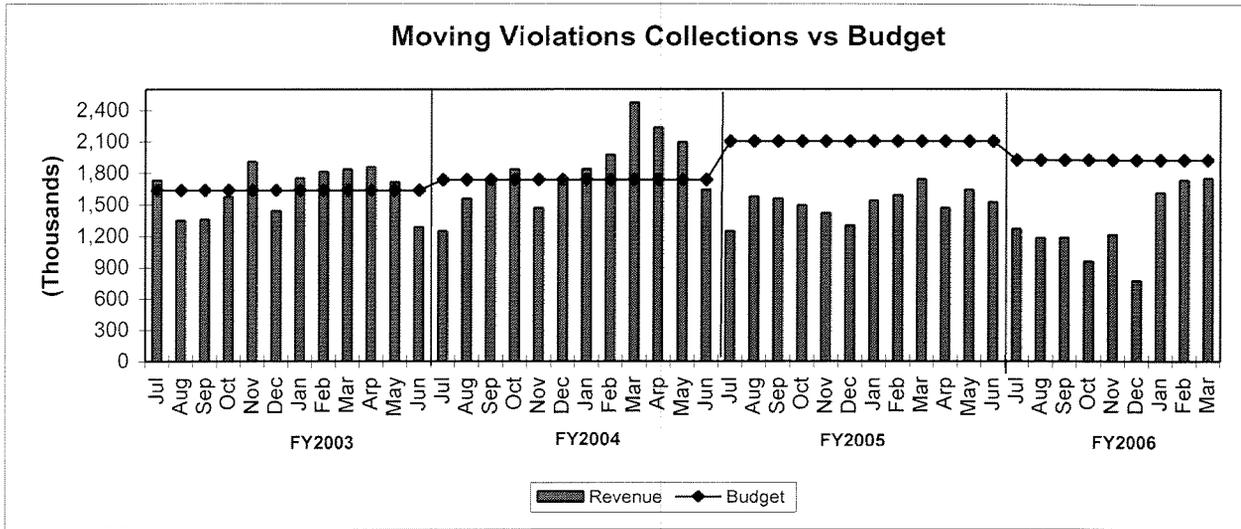
Houston Police Department Classified Staffing - FY2004 to FY2006



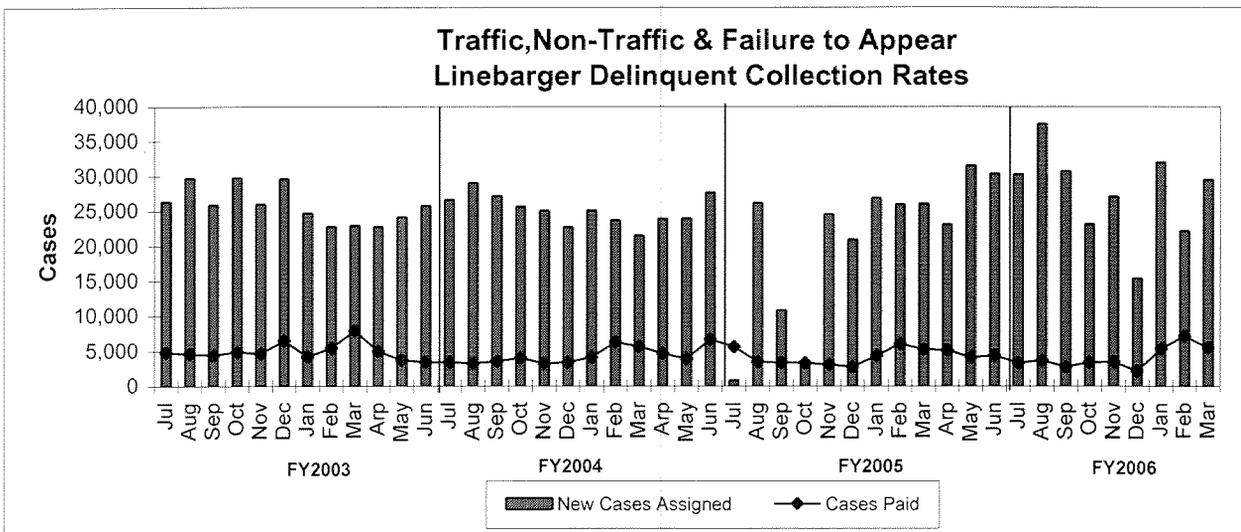
TREND INDICATORS - MUNICIPAL COURTS



TREND INDICATORS - MUNICIPAL COURTS



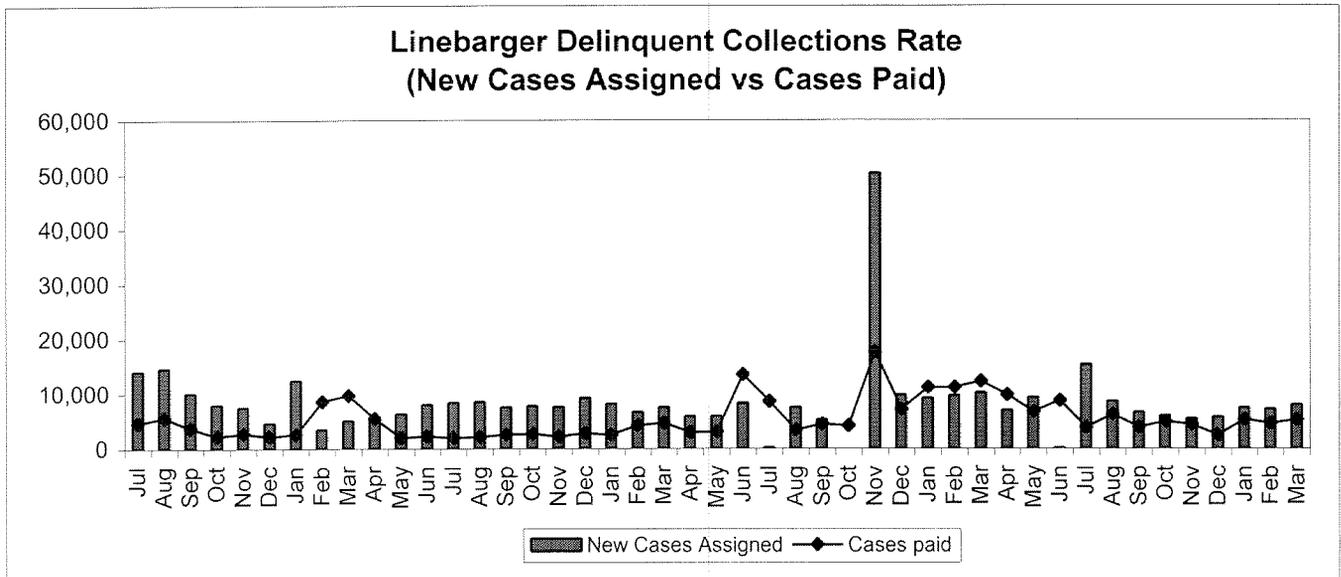
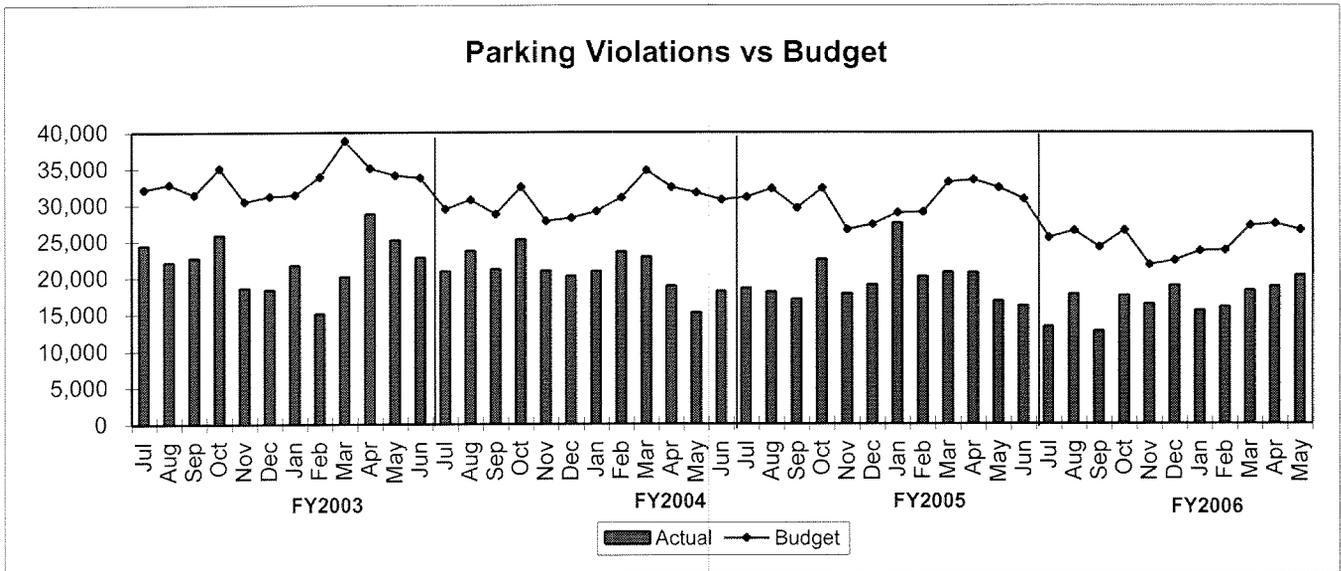
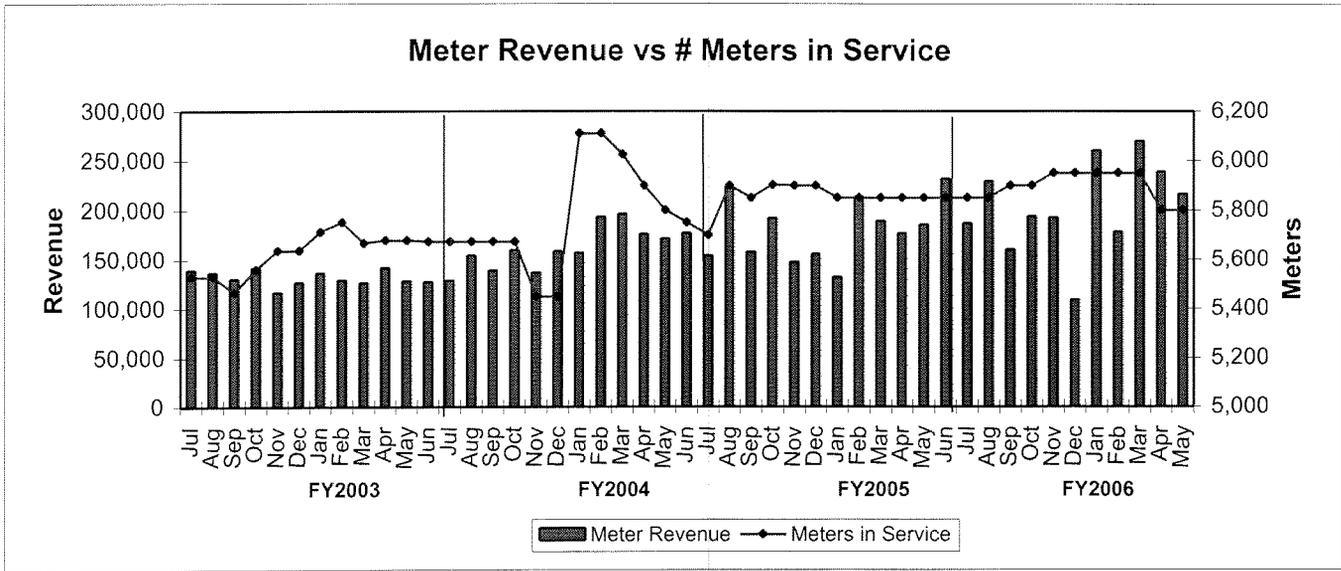
*Net of fees and expenses paid to Linebarger



*Excludes Delinquent Parking Collections

April & May Data is not available.

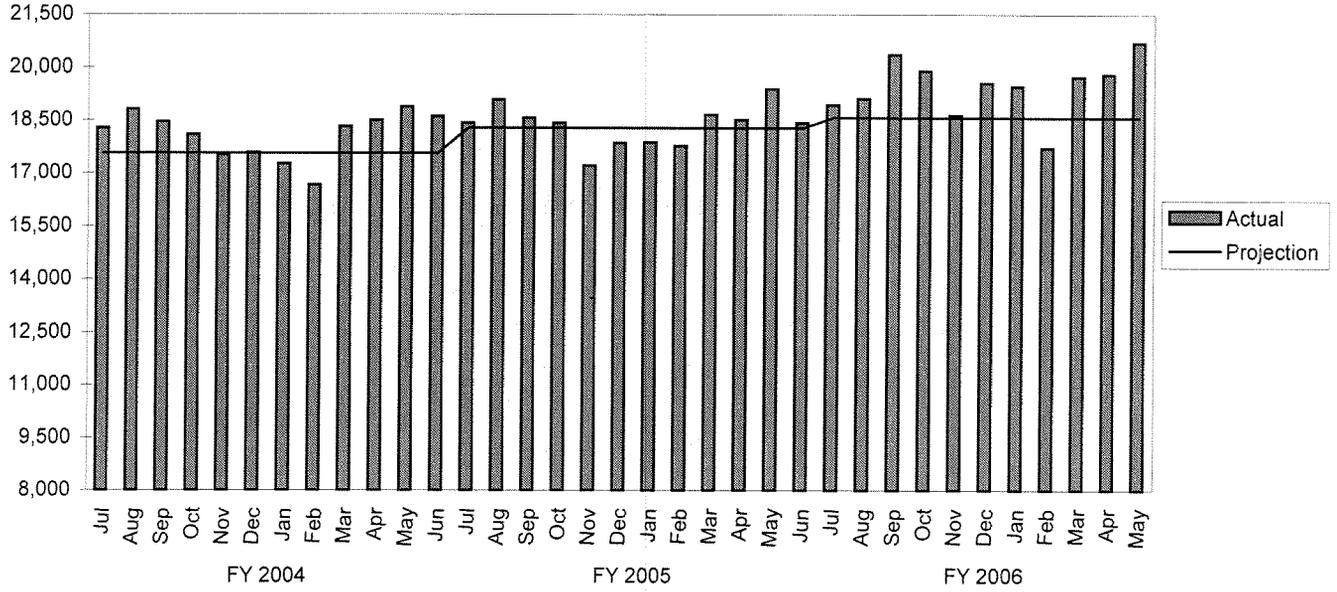
TREND INDICATORS - MUNICIPAL COURTS



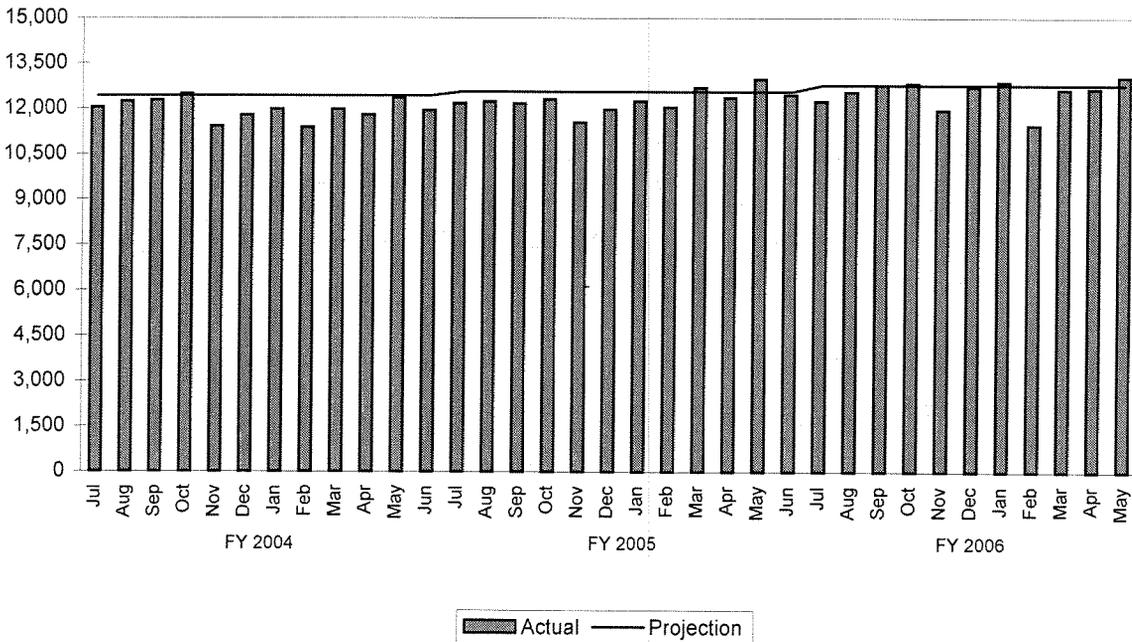
April & May Data is not available for Linebarger Delinquent Collections Rate.

TREND INDICATORS - AMBULANCE SERVICES

EMS Incidents

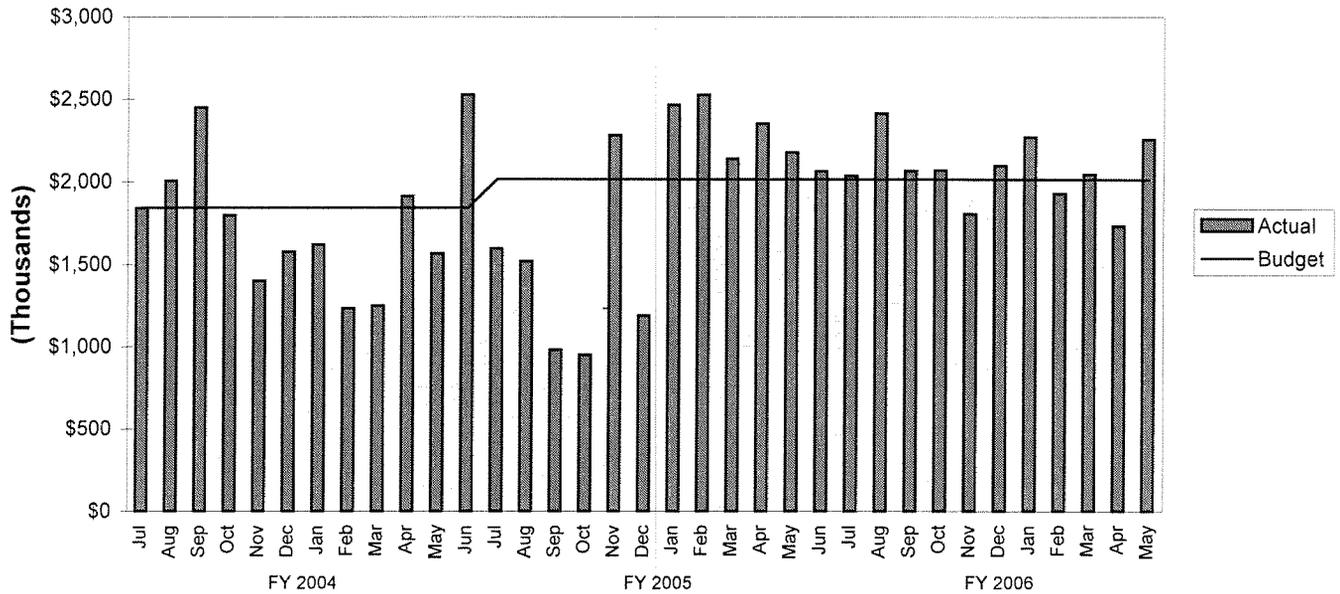


EMS Transports

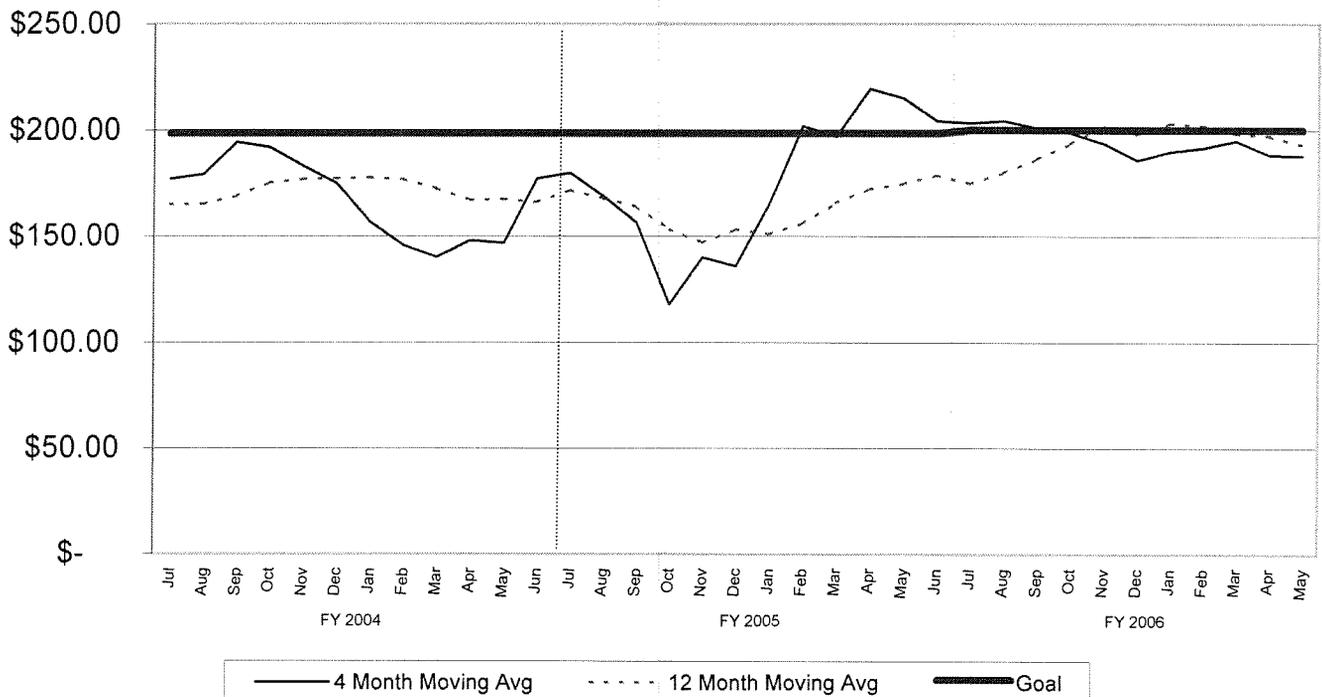


TREND INDICATORS - AMBULANCE SERVICES

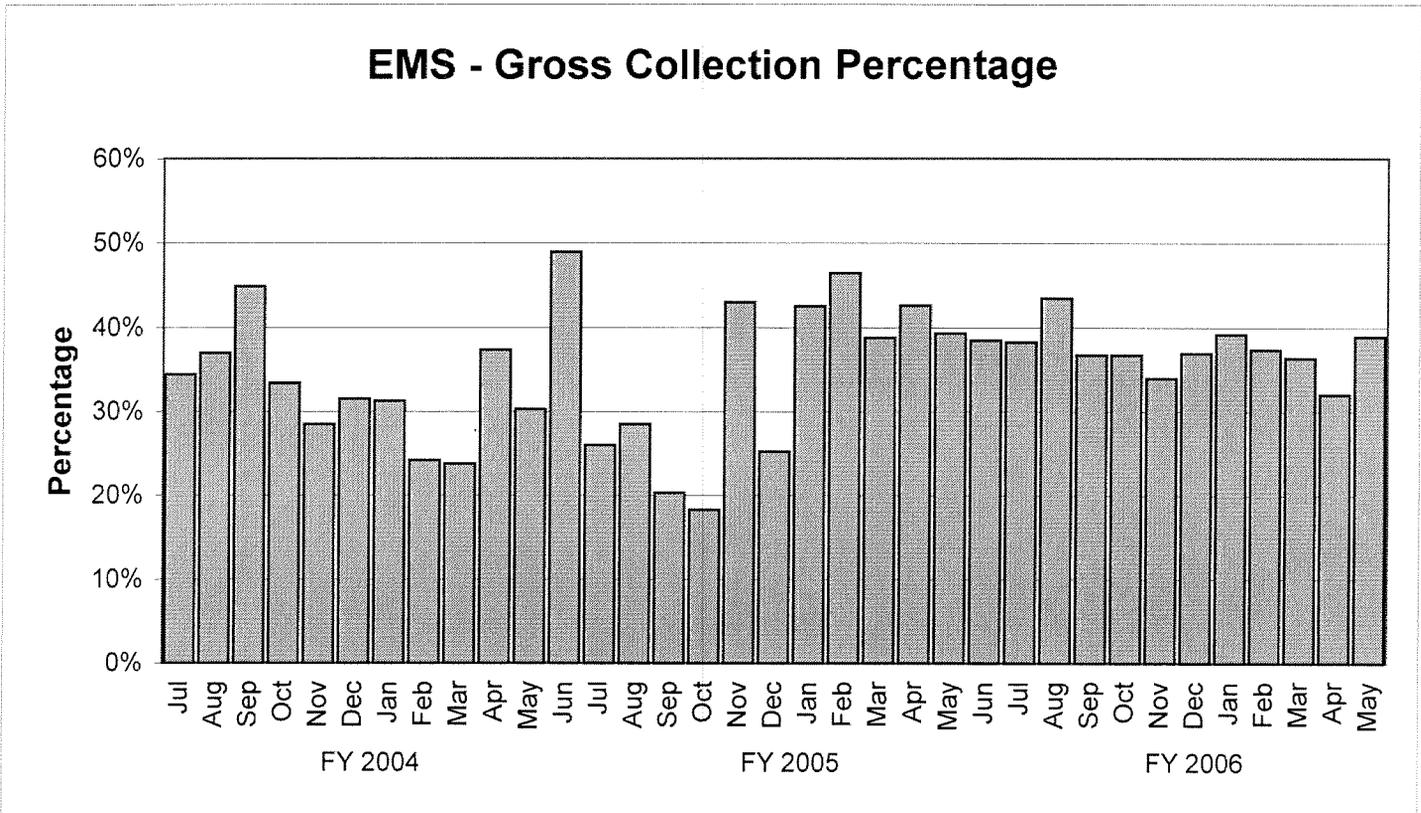
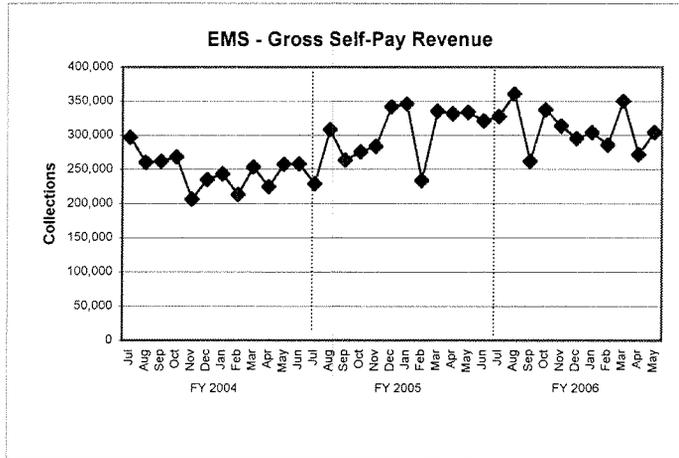
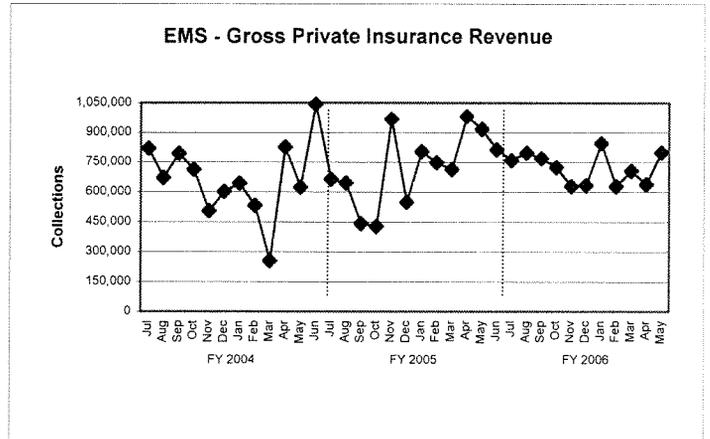
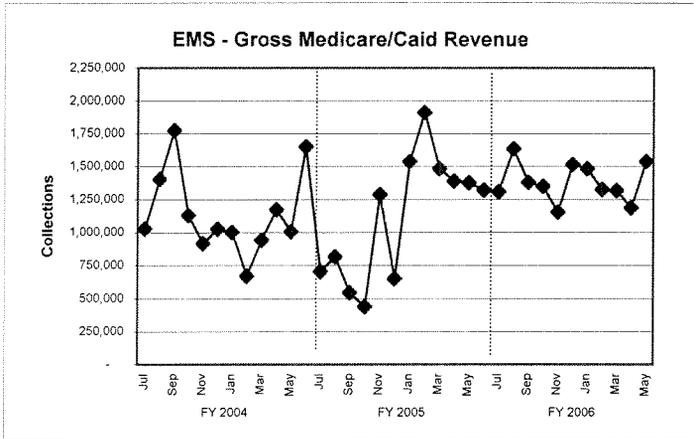
EMS Revenue (Net Collections)



4 Month and 12 Month Moving Average EMS Revenue Per Transport

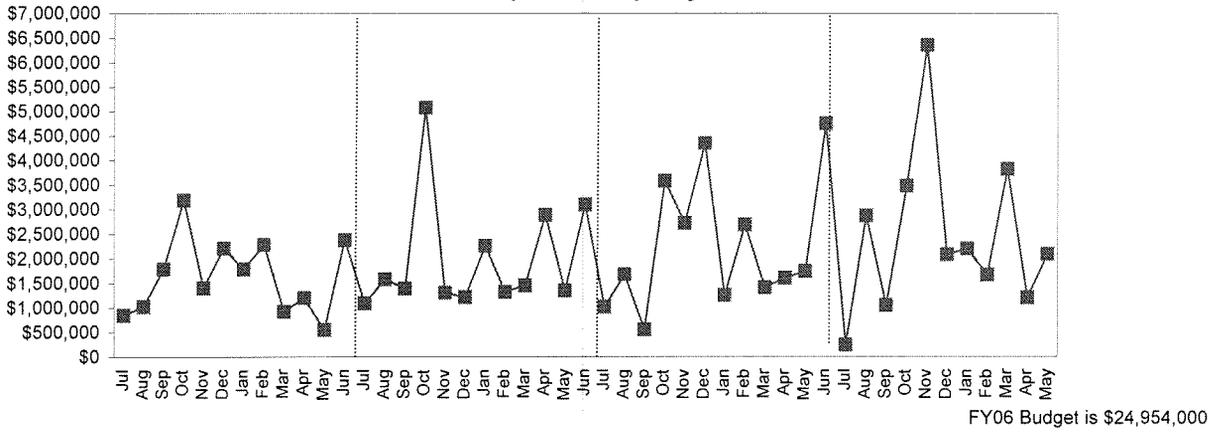


TREND INDICATORS - AMBULANCE SERVICES

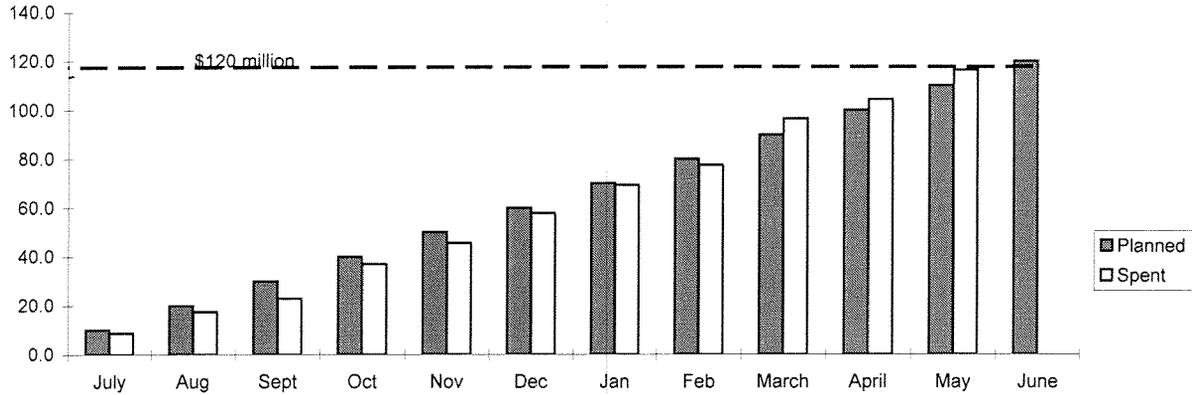


TREND INDICATORS - MISCELLANEOUS

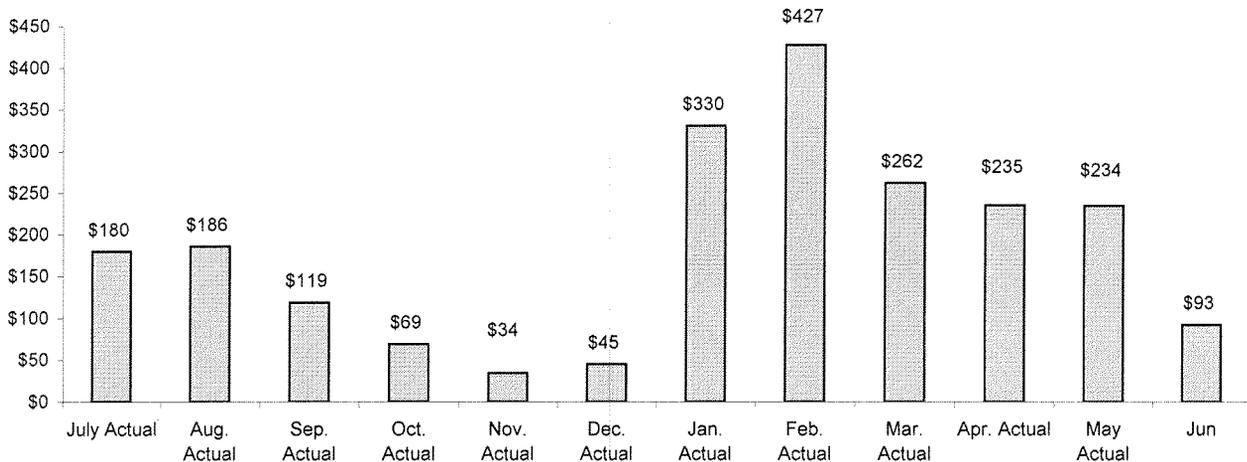
Delinquent Property Tax



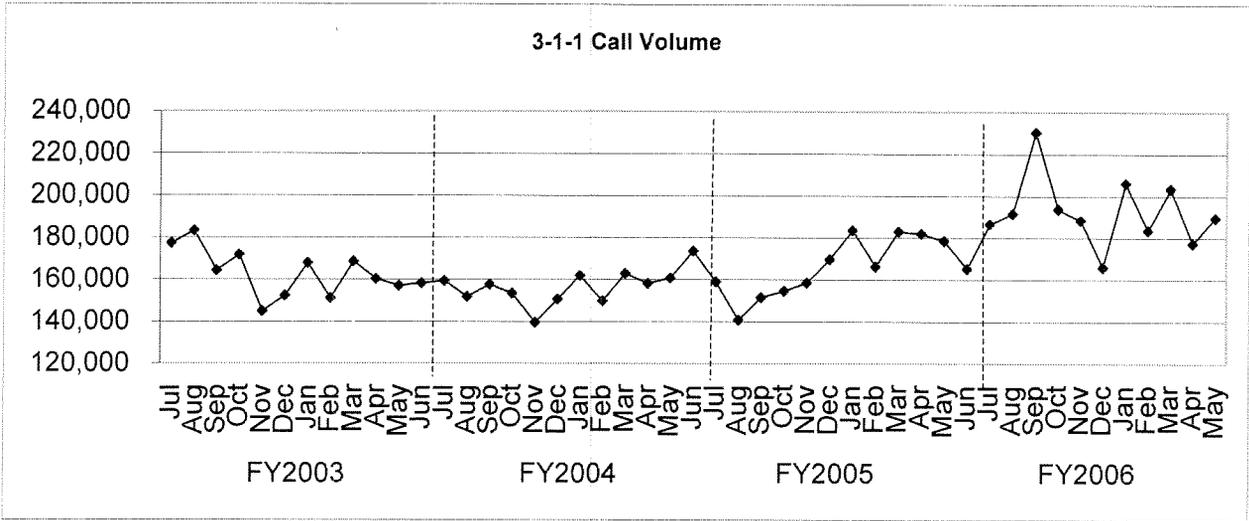
FY2006 Public Improvement Bonds Commercial Paper Planned vs Spent (\$Millions)



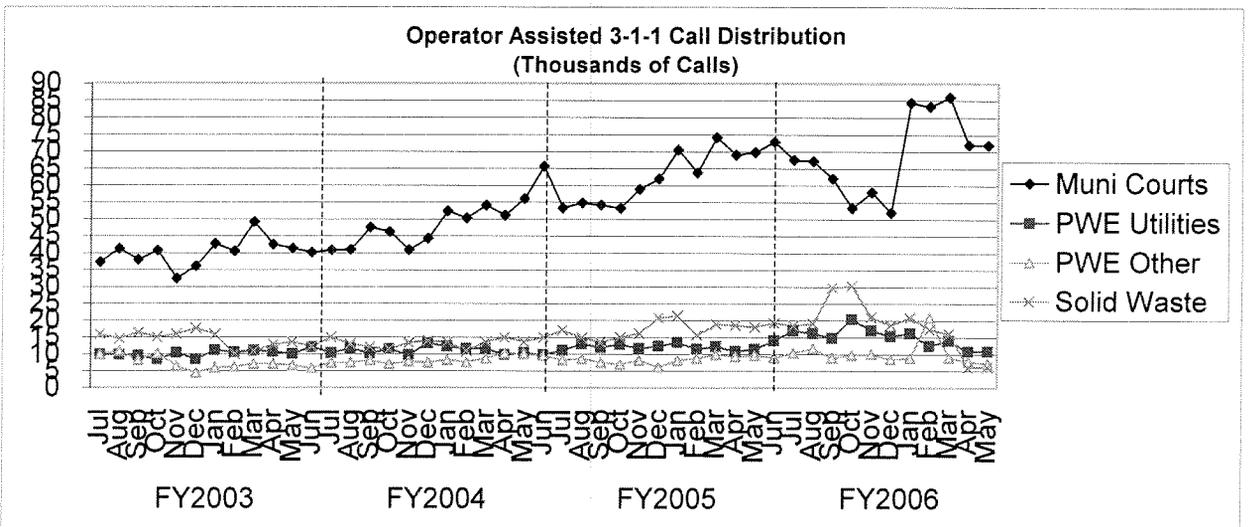
FY2006 Projected City of Houston General Fund Ending Cash Balances (In Millions \$)



TREND INDICATORS - MISCELLANEOUS



3-1-1 became fully operational in August 2001



4 largest users of operator assisted 3-1-1 calls.