



# CITY OF HOUSTON

Finance and Administration  
Department

## Interoffice

Correspondence

**To:** Mayor Bill White  
Members of City Council

**From:** Michelle Mitchell, Director  
Finance Department

**Date:** February 29, 2008

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

Attached is the Monthly Financial and Operations Report for the period ending January 31, 2008.

### **General Fund Revenues**

Our projection for FY2008 General Fund revenue is \$1 million higher than last month mainly due to the following:

- Sales tax receipts for December were \$1.7 million (3.19%) more than budgeted and 6.62% more than last year's December receipts. As a result, we have increased our estimate for the year by \$1.7 million, and are projecting receipts for the remaining months of the fiscal year at budget.
- Our projection for Other Fines and Forfeits increased by \$1.7 million to reflect an accounting correction of Interest on Liens.
- Our projection for Interest increased by \$1.8 million due to higher than anticipated cash balance.
- Our projection for Municipal Courts Fines and Forfeits decreased by \$2 million due to lower than anticipated moving violations collection.
- Our projection for Charges for Services decreased by \$2 million due to Police Services and Pay Phone Concessions revenues being less than anticipated.

### **General Fund Expenditures**

Our projection for General Fund expenditures is unchanged from last month. Several department projections have changed to reflect the following specific reporting:

- Our projection for General Services increased by \$537,000 mainly due to an increase in Security Services at the Denver Harbor Multi-Service Center and City Hall.
- Our projection for Parks and Recreation increased by \$265,000 due to the relocation of their offices while the headquarters is being renovated.
- Our projection for Public Works & Engineering decreased by \$674,000 due to personnel savings from vacancies.

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- Our projection for Transfers to Other Funds decreased by \$6 million to reflect the reporting last month. These funds were transferred to General Government to budget expenses and will be transferred to the Internal Service for the Public Safety Equipment as approved by Council.

### **General Fund Ending Fund Balance**

We are projecting an ending unreserved undesignated fund balance of approximately \$244 million, which is approximately 15.5% 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 \$266 million.

### **Aviation**

- Our projection for Operating revenues decreased by \$574,000 due to lower than anticipated passenger parking.
- Our projection for Operating expenditures decreased by \$1.3 million primarily due to a savings in natural gas in the amount of \$1.6 million offset by an increase in electricity cost of \$330,000.
- Our projection for Debt Service principal and interest increased by \$17.8 million mainly due to the possibility of the FAA Letter of Intent not being received by June 30, 2008. These changes decreased the Operating transfers to Capital Improvements by \$17.2 million.

### **Convention and Entertainment Facilities**

- Our projection for Operating expenses decreased by \$406,000 due to a savings in services attributable to a decrease in construction costs of \$854,000 offset by an increase in electrical of \$303,000.
- Our projection for Non-Operating revenues increased by \$1.4 million mainly due to several capital projects being delayed until FY2009.
- Our projection for Transfer for Interest increased by \$438,000 due to higher than expected interest on variable rate debt.

### **Combined Utility System**

- Our projection for Water and Sewer sales decreased by \$3.3 million as a result of increased rainfall.
- Our projection for Operating expenditures increased by \$4.7 million mainly due to the reclassification to services reflecting capital projects including Network Implementation Project and Installation of Water Meters in the amounts of \$2.9 million and \$1.7 million, respectively. These changes decreased the Operating transfers for Equipment Acquisition by \$4.8 million; other increases included chemical costs in the amount of \$498,000.
- Our projection for Non-operating revenues increased by \$1.4 million due to receipt of proceeds from the sale of the former Willow Street Pump Station.

### **Storm Water**

- Our projection for Operating expenditures increased by \$461,000 due to increases in refuse disposal, fuel costs and drainage construction projects.

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**Internal Service**

To properly reflect cost of equipment by departments, \$20 million was distributed to the various departments' respective operating budgets to record capital charges for debt payments made for fleet/equipment.

**Katrina Aid & Recovery Fund**

The Governor's Department of Emergency Management (GDEM) audit of Project Worksheets (PW) was completed with the determination that the Federal Emergency Management Agency (FEMA) funding totaling \$49 million was proper and fully supported. A new PW for \$33,400 was submitted to recover expenses previously de-obligated as a result of the GDEM audit of the PW's for Building Services. A first-level appeal to the FEMA Regional Director was submitted on January 14 for previously denied funding in the amount of \$1.8 million for Professional Services.

Please let me know if you have any questions.

A handwritten signature in cursive script that reads "Michelle Mitchell".

Michelle Mitchell, Director