



# CITY OF HOUSTON

Finance Department

## Interoffice

Correspondence

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

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

**Date:** April 25, 2008

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

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

### **General Fund Revenues**

Our projection for FY2008 General Fund revenue is \$2.1 million lower than last month on a net basis mainly due to the following:

- Our Sales Tax projection is unchanged from the prior month. Year-to-date collections through eight months are 6.92% ahead of last year, and this projection assumes collections for the remaining months of the year will be 4.08% ahead of FY2007.
- Municipal Courts Fines and Forfeits decreased by \$2.3 million due to lower than anticipated moving violations revenue and failure to appear fines.
- Miscellaneous/Other revenue projection increased by \$383,000 as a result of a higher rate of return per tonnage of asphalt millings collected.

### **General Fund Expenditures**

Our projection for General Fund expenditures has decreased by \$5.4 million over last month. Some significant department changes are listed:

- Fire Department decreased by \$5.4 million as a result of low absenteeism, delay of the telemetry contract and lower than anticipated termination pay for classified personnel.
- Municipal Courts Administration decreased by \$352,000 due to lower than anticipated hiring of personnel.
- Solid Waste Department decreased by \$497,000 as result of a reduction in debt service payment.
- Health and Human Services decreased by \$259,000 due to personnel related costs.
- Information Technology department increased by \$1.4 million due to additional SAP implementation costs and retirement costs.

April 25, 2008

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

We are projecting an ending unreserved undesignated fund balance of approximately \$248 million, which is approximately 15.8% 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 \$270 million.

### **Aviation**

- Operating Revenue remained unchanged from the prior month.
- Our projection for Operating Transfers decreased by \$358,000 as a result of debt service changes. Debt service interest and renewal and replacement decreased by \$5.3 million and \$4.7 million respectively due to the effect of the credit market variable rates projection being lower than anticipated. Capital Improvements has increased by \$9.9 million as a result of the refunding of the revenue bonds being postponed to FY2009.

### **Convention and Entertainment Facilities**

- Non-Operating Revenue and Operating Transfers increased \$4.7 million as a result of larger collection of hotel occupancy tax, and reimbursement from FEMA for Allison Disaster Recovery.
- Operating Expenditures decreased by \$467,000 due to less than anticipated service costs.

### **Parking Management Operating Fund**

- Operating Revenue and Expenditures remained unchanged from the prior month.

### **Combined Utility System**

- Water and Sewer sales decreased by \$1.8 million as a result of mild and wet weather.
- Our projection for Operating expenditures decreased by \$5.4 million primarily due to less than anticipated Water Facility Pump repairs and contracts. Non-Capital equipment is lower as a result of favorable price negotiation with radio vendor.
- Non-Operating Revenues increased by \$4.8 million due to an anticipated sale of property before the close of this fiscal year. Operating Transfers increased by \$2.6 million to debt service transfer relating to converting auction rate securities to other variable debt.

### **Stormwater**

- Operating Expenditures decreased by \$1.4 million due to lower staffing than anticipated in the amount of \$500,000, reduced vehicle services in the amount of \$300,000, and reduced construction site expenses in the amount of \$300,000 and capital equipment being \$300,000 less than expected.

### **Health Benefits**

- Operating Revenue increased by approximately \$955,000 due to more enrollees primarily in the "employee only" category.
- Operating Expenditures decreased due to a lower number of retirees by \$180,000.

### **Property and Casualty**

- Operating Expenditures increased by \$1.8 million due to increased claims, causing Operating Revenues to increase by the same amount due to an increased number billings to departments.

### **Workers' Compensation**

- Operating Expenditures decreased by \$2.3 million as a result of lower claims causing Operating Revenues to decrease by the same amount due to decreased billings to departments.

### **Asset Forfeitures Special Revenue Fund**

- Our projection for Operating Revenue increased by \$917,000 mainly due to additional confiscations.
- Operating Expenditures increased by \$1.1 million as a result of paying debt service for 100 vehicles purchased with unanticipated revenue.

### **Building Inspection Special Revenue Fund**

- Operating Revenue increased by \$2.2 million largely due to increased number of collected fees for Construction Permits and Occupancy Fees as well as other permits.
- Operating Expenditures decreased by \$3.8 million due to contract implementation delays relating to the move from the 3300 Main building in the amount of \$2.6 million, the implementation of the Integrated Land Management System in the amount of \$500,000, as well as lower spending for other services and capital outlay.

### **Child Safety Fund**

- Operating Revenue increased approximately \$900,000 as a result of Harris County Collections.

### **Houston Transtar Center**

- Operating Expenditures decreased \$475,000 as a result of delays in the enhancement of the Roadworks: Right-of-Way-Construction website.

### **Mobility Response Team Fund**

- Operating Expenditures decreased \$409,000 as a result of delaying the City Mobility study project into FY2009.

### **Police Special Services Fund**

- Operating Revenues increased \$1.4 million as a result of increases in the amount of \$870,000 from federal and other local law enforcement agencies and \$530,000 from redlight camera activity and interest income.
- Operating Expenditures increased \$1.3 million as a result of the purchase and installation of 20 additional redlight cameras, computers for the academy and advertising.

### **Sign Administration**

- Operating Expenditures decreased \$525,000 due to personnel vacancies.

April 25, 2008

### **Technology Fee Fund**

- Operating Expenditures increased by \$1.5 million for the anticipated legal fees associated with the Integrated Case Management System.

### **Katrina Aid & Recovery Fund**

The Governor's Department of Emergency Management (GDEM) audit of the Interim Housing Program consisting of evacuee rent, utilities, furniture and household goods totaling \$235 million started in March, 2008. The GDEM is initially reviewing the evacuee furniture expenses and related FEMA reimbursements totaling \$37 million and will then begin the audit of the household goods costs totaling \$1.7 million. The City continues to provide additional supporting detail and to work closely with FEMA for reimbursement of two pending Project Worksheets; \$214,000 for Miscellaneous Katrina expenses as well as \$20,000 for the Controllers department expenses.

Please let me know if you have any questions.

  
Michelle Mitchell, Director