



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: November 29, 2007

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

Attached is the Monthly Financial and Operations Report for the period ending October 31, 2007.

General Fund Revenues

Our projection for FY2008 General Fund revenue is \$8 million higher than last month mainly due to the following:

- Property Taxes increased by \$8.3 million due to an increase in estimated net taxable values.
- Sales tax receipts for September were \$574,000 (1.33%) more than budgeted and 4.71% more than last year's September receipts. As a result, we have increased our estimate for the year by \$574,000, and are projecting receipts for the remaining months of the fiscal year at budget.
- Intergovernmental decreased by \$900,000 due to transfer of funds of TIRZ Municipal Service Fees to Police Special Fund to properly record overtime expense.

General Fund Expenditures

Our projection for FY2008 General Fund expenditures is \$1.6 million lower than last month mainly due to the following:

- Our projection for Fire Department expenditures decreased by \$1.6 million in personnel cost through a reduction of overtime expense due to lower absenteeism.
- Our projection for Health and Human Services expenditures increased by \$500,000 due to personnel cost covering additional staffing associated with two amendments approved by Council (BARC and HIV/AIDS Outreach and Prevention Services).
- Our projection for Park and Recreation expenditures decreased by \$300,000 due to a decrease of \$600,000 due to electricity trending lower than anticipated, and offset by an increase of \$300,000 to fund the Tree Service Contract.
- Our projection for Planning Department expenditures decreased by \$200,000 primarily due to personnel hiring being lower than anticipated.

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General Fund Ending Fund Balance

We are projecting an ending unreserved undesignated fund balance of approximately \$255 million, which is approximately 17% 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 \$277 million.

Aviation

- Our projection for Landing Area revenues decreased by \$11 million due to actual rates and charges being less than estimated.
- Our projection for Building and Ground Area revenues increased by \$8.7 million due to actual rates and charges being higher than estimated.
- Our projection for Parking and Concessions revenues increased by \$8.5 million due to an increase in the parking garage rates in the amount of \$2.00 and anticipated new shops opening in November at IAH and Hobby.
- Our projection for Operating Expenditures decreased by \$1.5 million mainly due to personnel hiring being lower than anticipated.
- Our projection for Interest Income increased by \$3 million due to higher interest rates.

Convention and Entertainment Facilities

- Our projection for Non-operating revenue for Hotel Occupancy Tax has increased by \$2.7 million due to higher than anticipated room rates.

Combined Utility System

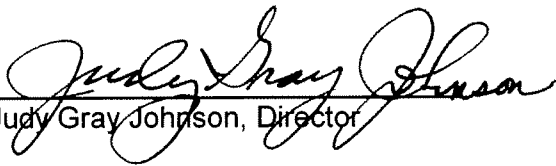
- Our projection for Water and Sewer Sales revenues decreased by \$5.8 million as the weather continues to dramatically effect revenues. October's rainfall was 6.85 inches compared to historical average of 4.5 inches. Non-operating revenues are projected to increase by \$ 5.8 million, leaving the overall revenue projection unchanged. This \$5.8 million is made up of two components, impact fees and interest.
- Our projection for debt service has decreased by \$8.3 million due to an agreement reached with the Texas Water Development Board ("TWDB") to allow the City to use cumulative interest earned in the trust funds for debt service relating to TWDB bonds held by the City.
- Our projection for Operating Expenditures decreased by \$3.2 million mainly due to personnel hiring being lower than anticipated.

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Katrina Aid & Recovery Fund

Project Worksheet ("PW") in the amount of \$2.35 million was received and deposited. An additional PW was submitted to FEMA requesting \$214, 000 for miscellaneous expense incurred. The Governor's Office of Emergency Management ("GDEM") completed the audit for the Fire Department's EMS PW totaling \$3.3 million. The approved audit report de-obligated only \$2,000.

Please let me know if you have any questions.



Judy Gray Johnson, Director