



CITY OF HOUSTON

Finance Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Michelle Mitchell, Director
Finance

Date: December 31, 2008

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

Attached is the Monthly Financial and Operations Report for the period ending November 30, 2008.

General Fund

Our projection for the General Fund revenue is \$7.8 million lower than last month principally due to the following:

- Sales Tax receipts for November are up by 17% over last November primarily due to Hurricane Ike rebuilding activities; however, due to current economic conditions we are decreasing our projection by \$4.5 million.
- HCAD has reduced their estimate of growth for Industrial Assessment property values therefore, we have decreased our projection by \$800,000.
- Our projection for Other Franchise increased by \$438,000 due to higher than anticipated first quarter receipt for Cable TV and Solid Waste franchise fees.
- Our projection for Charges for Services decreased by \$526,000 due to lower than anticipated Demolition and Weed Cutting fees.
- Our projection for Municipal Courts Fines & Forfeitures decreased by \$1 million due to lower than anticipated moving violations revenue.
- Our projection for Miscellaneous/Other decreased by \$1.3 million primarily due to transfer of Sale of Scrap Metal and Sale of Capital Assets to the Recycling Fund as well as lower than anticipated fuel refund.

Our projection for General Fund expenditures is \$13.6 million lower than last month principally due to the following:

- Lower fuel prices, adjustments to electricity, health benefits program savings and some savings personnel have resulted in a \$14.5 million decrease.
- Municipal Court Administration increased by \$770,000 to reflect personnel costs in the amount of \$300,000, and system maintenance costs of \$470,000 resulting from the compromise and settlement agreement with Maximus, Inc.

We are projecting the ending unreserved undesignated fund balance of approximately \$218 million, which is 12.9% of estimated expenditures less debt service. This does not include the sign abatement fund. The total unreserved fund balance is estimated to be approximately \$220 million.

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Enterprise Funds

Aviation

- Operating revenues increased by \$675,000 due to the rates and charges schedule.
- Operating expenditures decreased by \$1.9 million as a result of lower fuel cost in the amount of \$300,000 and lower electricity and natural gas costs in the amount of \$1.6 million.

Convention and Entertainment

- Operating expenditures decreased by \$434,000 due to lower projection for electricity and natural gas costs.
- Non-operating revenue increased by \$2.2 million due to an increase in the hotel occupancy tax projection with correlating increases in expenditures for advertising services and promotion contracts in the amount of \$1.1 million.

Combined Utility System

- Operating revenues decreased by \$4.3 million as a result of lower than anticipated Water and Sewer sales.
- Operating expenditures decreased by \$3.2 million as a result of lower electricity and natural gas costs in the amount of \$2.1 million and delayed hiring savings in the amount of \$1 million.

Storm Water

- Operating expenditures decreased by \$600,000 mainly from personnel savings.

Special Revenue and Other Funds

Building Inspection Fund

- Operating revenue decreased by \$1.5 million due to a decline in Charges for Services including permit preparation, occupancy fees and plan reviews for building and construction.
- Operating expenditures decreased by \$3.8 million due mainly to contract implementation delay with the Integrated Land Management System.

Child Safety Fund

- Operating expenditure decreased by \$332,000 to offset lower beginning fund balance following the preliminary audit work.

Technology Fee Fund

- Operating expenditure increased by \$2.1 million mainly to support of the existing computer equipment and software platform in the amount of \$1.6 million. Additional personnel costs of \$500,000 are projected while new program is being designed.

Hurricane Ike Aid & Recovery Fund

The City has submitted 67 Project Worksheets to FEMA for review totaling \$122.6 million. FEMA has obligated \$76.4 million of this funding. The City has received \$62.3 million in funding from the State of Texas.

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Significant Project Worksheets submitted by the City for this reporting period are:

- PWE Traffic Signal - \$6.3 million
- C & E Sheltering - \$1 million
- Debris Force Account - \$10.3 million

The City and FEMA have begun the review of invoices from the debris operation. This review will encompass both contracted work and the City-ran debris operation. The City continues to develop PW's for General Service Department and Public Works and Engineering for repairs to damaged facilities.

Please let me know if you have any questions.

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

Michelle Mitchell, Director