



# CITY OF HOUSTON

Finance Department

**Annise D. Parker**

Mayor

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## **To: Mayor Annise D. Parker and Members of City Council**

Attached is the Monthly Financial and Operations Report for the period ending February 28, 2010.

### **General Fund**

Our projection for General Fund Revenue is \$1.2 million higher than last month principally due to the following:

- Industrial Assessments decreased by \$2.4 million based on the HCAD tax valuation being lower than anticipated.
- Other Franchise Fees for Cable TV increased by \$1.9 million due to second quarter receipts being higher than anticipated.
- Charges for Services increased by \$319,000 mainly due to Fire Fighting Service Fees being higher than anticipated.
- Direct Interfund Services increased by \$595,000 due to Interfund Police Airport charges being higher than anticipated.
- Indirect Interfund Services increased by \$1.1 million due to additional grants awarded to the Health Department which will be used to recover overhead costs.
- Intergovernmental decreased by \$600,000 as a result of an audit finding that disallows some Houston Accessory Crime Task Force Grant costs in the General Fund.
- Municipal Court Fines and Forfeits increased by \$509,000 mainly due to higher fee collection than anticipated.
- Other Fines and Forfeits decreased by \$143,000 mainly due to false alarm penalties being lower than anticipated.

Our projection for General Fund Expenditures is \$1.4 million lower than last month. This decrease is a result of the following:

- Fire department decreased by \$1 million as a result of savings within the department.
- Reductions in various departments for electricity of \$167,000 and insurance fees of \$329,000.

Our projection for Transfer from Other Funds decreased by \$2.8 million due to excess funds in Building Inspection Fund being less than anticipated.

Our projection for the ending fund balance is \$163.0 million, which is approximately 9.73% of estimated expenditures less debt service.

### **Enterprise, Special Revenue and Other Funds**

We are projecting all Enterprise Funds, Special Revenue Funds, and all other funds at budget with the exception of the following:

#### **Convention and Entertainment**

- Operating revenues decreased by \$229,000 due to a decrease in facility rentals as well as food and beverage concessions at events. This is offset by a decrease in operating expenditures of \$333,000 mainly due to savings in supplies and services.
- Non-operating revenues decreased by \$1.6 million due to Hotel Occupancy Tax (HOT) revenues being lower than anticipated. As a result, non-operating expenditures decreased by \$668,000 in advertising and promotional contracts which were adjusted to reflect the decrease in HOT tax revenues.
- Operating transfers decreased by \$1.9 million due to project cost being less than anticipated as well as a lower interest rate for the interest transfer.

#### **Combined Utility System**

- Operating revenues decreased by \$4.1 million primarily due to a continued decrease in water consumption as well as continued delay in North Harris County Regional Water Authorities taking the water reserve as noted in prior Monthly Financial Reports.
- Operating expenses decreased by \$352,000 mainly due to lower insurance premiums.

- Operating transfers decreased by \$7.6 million for drainage debt payment which will now be covered by the Drainage Supplemental Reserve Fund. As a result of this decrease, operating transfers in the Storm Water Fund will also be reduced by \$7.6 million.

#### Property and Casualty

- Operating revenues decreased by \$2.5 million due to lower insurance premiums. To reflect savings from the lower insurance premiums, operating expenditures also decreased by \$2.5 million.

#### Workers' Compensation

- Operating revenues decreased by \$668,000 due to less claims incurred. As a result, operating expenditures also decreased by \$668,000.

#### Auto Dealers

- Operating revenues decreased by \$679,000, mainly due to lower sales of impounded vehicles.

#### Building Inspection Fund

- Operating expenditure decreased by \$551,000 due to savings from personnel attrition as well as contract implementation delays associated with Integrated Land Management System (ILMS).
- Operating transfers decreased by \$2.8 million due to excess funds being less than anticipated.

#### Mobility Response Team

- Operating revenues decreased by \$591,000 mainly due to the delay in City Mobility Plan project that was mentioned last month. This is offset by the operating expenditures reduction of \$713,000.

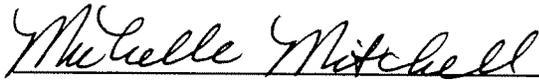
#### Police Special Services

- Operating revenues increased by \$318,000 mainly due to receipts from Burglar Alarm Permits higher than anticipated.

Hurricane Ike Aid & Recovery Fund

As of February 28, 2010, the City expects total FEMA obligations to be approximately \$179.7 million with a federal share of \$177.6 million. FEMA has obligated \$169.1 million with a Federal share of \$167.0 million. The total cash received from the State as of February 28th is \$157.7 million. The City has also submitted claims for debris removal and traffic signal and sign repair in the amount of \$10.4 million to the Federal Highway Administration (FHWA).

If you have any questions, please feel free to contact me.

A handwritten signature in cursive script that reads "Michelle Mitchell". The signature is written in black ink and is positioned above a solid horizontal line that extends across the width of the signature.

Michelle Mitchell, Director