



OFFICE OF THE CITY CONTROLLER  
CITY OF HOUSTON  
TEXAS

RONALD C. GREEN

**To:** Mayor Annise D. Parker  
City Council Members

**From:** Ronald C. Green  
City Controller

**Date:** January 7, 2011

**Subject: November 2010  
Financial Report**

Attached is the Monthly Financial and Operations Report for the period ending November 30, 2010.

**GENERAL FUND**

The Controller's Office is projecting an ending fund balance of \$93.4 million for FY2011. This is \$1 million higher than last month's projection. Our revenue projection remained the same in total, although we moved \$2.5 million from Miscellaneous/Other to Licenses and Permits, reflecting City Council's approval of various fee increases. This is also \$26.6 million lower than the projection of the Finance Department. The difference is due to the Finance Department's \$10.5 million higher revenue projection and a \$16 million higher projection for the Sale of Capital Assets. Based on our current projections, the fund balance will be \$32.5 million below the City's target of holding 7.5% of total expenditures, excluding debt service, in reserve. This amount includes the undesignation of the \$20 million in the Rainy Day fund, and drawdown of fund balance of \$54 million, both approved as part of the FY2011 Adopted Budget.

The major differences are in two categories: (1) Miscellaneous/Other revenues are \$8 million lower: (2) Sale of Capital Assets reflects a difference of \$16 million, as the Controller's Office has not recognized some large proposed land sales, which have yet to be finalized and approved by Council.

Expenditure projections are now at \$1.9 billion, which is \$4 million above the adopted budget total. This month's projection for various departments has decreased \$1 million for personnel savings in Finance, Legal, and Mayor's Office.

**ENTERPRISE FUNDS**

In the Aviation Operating Fund, we have reduced our projection for Operating Revenues \$3.2 million to reflect the final calculated Rates and Charges for FY2011. We have also decreased Operating Expenses \$264,000 for small adjustments in Personnel and Services projections. These changes caused the projection for Transfer for Capital Improvements to decrease \$2.9 million.

Within the Convention & Entertainment Facilities Operating Fund, we have increased our projection for Services \$745,000, while decreasing our projection for Operating Transfers \$662,000, mainly reflecting project costs to be completed this fiscal year.

Our projection for Combined Utility System Operating Expenses decreased \$634,000. This is a net of savings in Chemicals, and an increase in Contract costs.

**Mayor Annise D. Parker  
City Council Members  
November 2010 Monthly Financial and Operations Report**

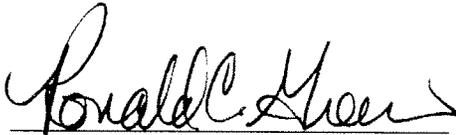
There are no changes in the Stormwater Fund this month.

**COMMERCIAL PAPER AND BONDS**

The City's practice has been to maintain no more than 20% of the total outstanding debt for each type of debt in a variable rate structure. Convention and Entertainment maintains a higher percentage of variable rate debt due to agreements with the hotel corporation. As of November 30, 2010, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	12.4%
Combined Utility System	8.0%
Aviation	17.0%
Convention and Entertainment	31.1%

Respectfully submitted,



Ronald C. Green  
City Controller