

OFFICE OF CITY CONTROLLER
CITY OF HOUSTON
INTER OFFICE CORRESPONDENCE

To Mayor Bill White
City Council Members

From Annise D. Parker
City Controller

Date September 30, 2004

Subject **August 2004 Financial Report**

Attached is the Monthly Financial and Operations Report for the period ending August 31, 2004.

GENERAL FUND

We are currently projecting a \$21 million shortfall for the general fund in FY05. This \$10 million improvement from our projection last month is due to our receiving confirmation regarding the administration's plans for the METRO funding. The City has asked METRO to provide reimbursement for an additional \$10 million in general fund projects and \$10 million less for capital projects. METRO has agreed to this change. This is the only change we are making to our general fund revenue projections this month. Other pertinent information on major general fund revenue sources includes:

- Property taxes – While HCAD's September projections for property tax values remain fairly strong, trends over the past four years indicate that our current projection is reasonable. We will continue to closely monitor HCAD's projections in the coming months.
- Sales tax revenues remain strong, with the first check for FY05 showing a 6.2% increase over last year.

On the expenditure side, we are showing no bottom line changes. However, we are reflecting an increase to "Accounting and Auditing Services" in General Government due to the settlement with Deloitte & Touche for the FY03 audit. At this time, we are projecting that this increase may possibly be absorbed with decreases in the "Miscellaneous Other Services and Charges."

ENTERPRISE FUNDS

There are no changes this month in our projections for Aviation. For C&E, we are projecting the same bottom line, but we are showing minor corrective movements between several expense categories.

The only significant change in the Combined Utility System Fund is presentational, in that we are now showing HAWC expenses of \$4.6 million separately under "Nonoperating Revenues (Expenses)" since HAWC is expected to be operational this year. This amount had previously been included as part of "Operating Expenses – Contracts & Other Payments."

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. At month-end, the ratio for each type of outstanding debt was:

**Mayor Bill White
City Council Members
July 2004 Monthly Financial and Operations Report**

General Obligation	22.5%
Combined Utility System	18.0%
Aviation	17.1%
Convention and Entertainment	27.1%

Respectfully submitted,



Annise D. Parker
Annise D. Parker
City Controller



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: October 1, 2004

Subject: August Monthly Financial and
Operations Report

Attached is the Monthly Financial and Operations Report for the period ending August 31, 2004.

General Fund Revenues

We have made no changes in our revenue projections since last month. The certified property tax roll has increased since last month, indicating that there is some potential for revenues to come in above our current estimate. Sales tax collections received in September (primarily for sales in July) were again very strong, with a 6.18% increase compared with September 2003. We received the updated sales tax forecast from Dr. Barton Smith and have distributed copies to City Council this week. This report confirms the earlier forecast of a 6% to 6.5% increase for FY2005, higher than our budget of a 5.25% increase.

General Fund Expenditures

The total estimated expenditures have not changed since last month, although there have been minor changes in some items in general government.

Pension Fund Payments

The pension fund summary on page 12 has been updated to reflect the revised actuarial estimates based on the recently approved meet and confer agreements with the Municipal Employees Pension System and the Police Officers Pension System.

If you have any questions, please let me know.


Judy Gray Johnson, Director

General Fund
Comparative Projections
Controller's Office and Finance and Administration
For the period ended August 31, 2004
(amounts expressed in thousands)

	Unaudited Preliminary FY2004	FY2005				Controller's Projection	F & A Projection	Variance between Controller and F&A
		Adopted Budget	Current Budget	% of Budget				
Revenues								
General Property Taxes	\$ 661,838	\$ 671,553	\$ 671,553	46%	\$ 668,416	\$ 672,804	4,388	
Industrial Assessments	15,153	14,406	14,406	1%	14,400	14,406	6	
Sales Tax	346,518	371,548	371,548	26%	367,600	371,548	3,948	
Electric Franchise	73,215	77,384	77,384	5%	76,000	77,384	1,384	
Telephone Franchise	51,836	51,000	51,000	4%	51,200	51,000	(200)	
Gas Franchise	16,309	16,568	16,568	1%	16,600	16,568	(32)	
Other Franchise	15,089	15,447	15,447	1%	15,400	15,447	47	
Licenses and Permits	15,271	15,355	15,355	1%	15,200	15,355	155	
Intergovernmental	19,524	30,664	30,664	2%	30,500	30,664	164	
Charges for Services	37,922	41,534	41,534	3%	40,500	41,534	1,034	
Direct Interfund Services	57,434	65,961	65,961	5%	65,961	65,961	0	
Indirect Interfund Services	14,647	10,419	10,419	1%	10,419	10,419	0	
Municipal Courts Fines and Forfeits	44,453	47,601	47,601	3%	46,500	47,601	1,101	
Other Fines and Forfeits	2,131	4,540	4,540	0%	2,300	4,540	2,240	
Interest	5,130	5,000	5,000	0%	5,200	5,000	(200)	
Miscellaneous/Other	12,104	11,939	11,939	1%	11,100	11,939	839	
Total Revenues	1,388,574	1,450,919	1,450,919	100%	1,437,296	1,452,170	14,874	
Expenditures								
Affirmative Action	1,627	1,632	1,632	0%	1,632	1,632	0	
Building Services	24,354	23,253	22,942	2%	22,942	22,942	0	
City Council	3,914	4,203	4,203	0%	4,203	4,203	0	
City Secretary	694	707	707	0%	707	707	0	
Controller	5,773	5,837	5,837	0%	5,837	5,837	0	
Finance and Administration	18,584	19,806	20,117	1%	20,117	20,117	0	
Fire	278,101	292,942	292,942	20%	292,942	292,942	0	
Health and Human Services	50,228	49,430	49,430	3%	49,430	49,430	0	
Human Resources	2,345	2,287	2,287	0%	2,287	2,287	0	
Information Technology	12,435	12,394	12,394	1%	12,394	12,394	0	
Legal	10,919	10,798	10,798	1%	10,798	10,798	0	
Library	32,273	32,891	32,891	2%	32,891	32,891	0	
Mayor's Office	1,746	1,768	1,768	0%	1,768	1,768	0	
Municipal Courts - Administration	16,131	16,217	16,217	1%	16,217	16,217	0	
Municipal Courts - Justice	3,917	3,992	3,992	0%	3,992	3,992	0	
Parks and Recreation	43,034	46,993	46,993	3%	46,993	46,993	0	
Planning and Development	13,907	13,456	13,456	1%	13,456	13,456	0	
Police	465,346	516,002	516,002	35%	521,402	521,402	0	
Public Works and Engineering	85,971	88,671	88,671	6%	88,671	88,671	0	
Solid Waste Management	60,836	61,130	61,130	4%	61,130	61,130	0	
Total Departmental Expenditures	1,132,135	1,204,409	1,204,409	83%	1,209,809	1,209,809	0	
Non-Departmental Expenditures and Other Uses								
General Government	85,093	62,497	62,497	4%	62,497	62,497	0	
Debt Service Transfer	165,000	188,000	188,000	13%	188,000	188,000	0	
Total Non-Dept. Exp. and Other Uses	250,093	250,497	250,497	17%	250,497	250,497	0	
Total Expenditures and Other Uses	1,382,228	1,454,907	1,454,907	100%	1,460,307	1,460,307	0	
Net Current Activity	6,346	(3,988)	(3,988)		(23,011)	(8,137)	14,874	
Amount Needed to Balance the Budget	-	-	-		21,011	-		
Transfers from other funds	6,800	3,500	3,500		2,000	3,500		
Disaster Recovery Fund Transfer	-	-	-		-	-		
Change in Reserve for Inventory	-	-	-		-	-		
Fund Balance, Beginning of Year	105,101	107,125	107,125		118,247	118,247		
Fund Balance, End of Year	\$ 118,247	\$ 106,637	\$ 106,637		\$ 118,247	\$ 113,610		
Designated for Sign Abatement	(2,074)	(2,074)	(2,074)		(2,074)	(2,074)		
Designated for Rainy Day Fund	(20,000)	(20,000)	(20,000)		(20,000)	(20,000)		
Undesignated Fund Balance, End of Year	\$ 96,173	\$ 84,563	\$ 84,563		\$ 96,173	\$ 91,536		

General Fund
Controller's Office
For the period ended August 31, 2004
(amounts expressed in thousands)

	Unaudited Preliminary FY2004	FY2005						
		Adopted Budget	Current Budget	Current Month	YTD	Controller's Projection	Variance from Current Budget	% Variance
Revenues								
General Property Taxes	\$ 661,838	\$ 671,553	\$ 671,553	\$ 9,052	\$ 9,937	\$ 668,416	\$ (3,137)	-0.5%
Industrial Assessments	15,153	14,406	14,406	1,200	2,422	14,400	(6)	0.0%
Sales Tax	346,518	371,548	371,548	28,462	54,438	367,600	(3,948)	-1.1%
Electric Franchise	73,215	77,384	77,384	7,951	15,899	76,000	(1,384)	-1.8%
Telephone Franchise	51,836	51,000	51,000	4,132	8,413	51,200	200	0.4%
Gas Franchise	16,309	16,568	16,568	940	1,881	16,600	32	0.2%
Other Franchise	15,089	15,447	15,447	668	2,020	15,400	(47)	-0.3%
Licenses and Permits	15,271	15,355	15,355	1,192	2,446	15,200	(155)	-1.0%
Intergovernmental	19,524	30,664	30,664	177	316	30,500	(164)	-0.5%
Charges for Services	37,922	41,534	41,534	2,485	5,064	40,500	(1,034)	-2.5%
Direct Interfund Services	57,434	65,961	65,961	6,672	6,806	65,961	0	0.0%
Indirect Interfund Services	14,647	10,419	10,419	1,444	2,241	10,419	0	0.0%
Municipal Courts Fines and Forfeits	44,453	47,601	47,601	5,583	8,083	46,500	(1,101)	-2.3%
Other Fines and Forfeits	2,131	4,540	4,540	169	318	2,300	(2,240)	-49.3%
Interest	5,130	5,000	5,000	336	770	5,200	200	4.0%
Miscellaneous/Other	12,104	11,939	11,939	574	1,087	11,100	(839)	-7.0%
Total Revenues	1,388,574	1,450,919	1,450,919	71,037	122,141	1,437,296	(13,623)	-0.9%
Expenditures								
Departmental								
Affirmative Action	1,627	1,632	1,632	164	280	1,632	0	0.0%
Building Services	24,354	23,253	22,942	1,943	3,164	22,942	0	0.0%
City Council	3,914	4,203	4,203	343	685	4,203	0	0.0%
City Secretary	694	707	707	52	193	707	0	0.0%
Controller	5,773	5,837	5,837	465	871	5,837	0	0.0%
Finance and Administration	18,584	19,806	20,117	1,563	3,025	20,117	0	0.0%
Fire	278,101	292,942	292,942	23,286	46,465	292,942	0	0.0%
Health and Human Services	50,228	49,430	49,430	4,456	7,816	49,430	0	0.0%
Human Resources	2,345	2,287	2,287	195	378	2,287	0	0.0%
Information Technology	12,435	12,394	12,394	901	1,584	12,394	0	0.0%
Legal	10,919	10,798	10,798	781	1,715	10,798	0	0.0%
Library	32,273	32,891	32,891	2,692	5,222	32,891	0	0.0%
Mayor's Office	1,746	1,768	1,768	86	301	1,768	0	0.0%
Municipal Courts - Administration	16,131	16,217	16,217	1,608	2,847	16,217	0	0.0%
Municipal Courts - Justice	3,917	3,992	3,992	321	663	3,992	0	0.0%
Parks and Recreation	43,034	46,993	46,993	3,988	7,318	46,993	0	0.0%
Planning and Development	13,907	13,456	13,456	1,035	2,041	13,456	0	0.0%
Police	465,346	516,002	516,002	43,062	88,097	521,402	(5,400)	-1.0%
Public Works and Engineering	85,971	88,671	88,671	7,061	11,470	88,671	0	0.0%
Solid Waste Management	60,836	61,130	61,130	5,749	10,890	61,130	0	0.0%
Total Departmental Expenditures	1,132,135	1,204,409	1,204,409	99,751	195,025	1,209,809	(5,400)	-0.4%
Non-Departmental Expenditures and Other Uses								
General Government	85,093	62,497	62,497	3,724	7,782	62,497	0	0.0%
Debt Service Transfer	165,000	188,000	188,000	0	0	188,000	0	0.0%
Total Non-Dept. Exp. And Other Uses	250,093	250,497	250,497	3,724	7,782	250,497	0	0.0%
Total Expenditures and Other Uses	1,382,228	1,454,907	1,454,907	103,475	202,807	1,460,307	(5,400)	-0.4%
Net Current Activity	6,346	(3,988)	(3,988)	(32,438)	(80,666)	(23,011)	19,023	
Amount Needed to Balance the Budget						21,011		
Transfers from other funds	6,800	3,500	3,500	0	-	2,000	85,410	
Disaster Recovery Fund Transfer	-	-	-	-	-	-		
Change in Reserve for Inventory	-	-	-	-	-	-		
Fund Balance, Beginning of Year	105,101	107,125	107,125	118,247	118,247	118,247	11,122	
Fund Balance, End of Year	118,247	106,637	106,637	85,809	37,581	118,247	115,555	
Designated for Sign Abatement	(2,074)	(2,074)	(2,074)	-	-	(2,074)	0	
Designated for Rainy Day Fund	(20,000)	(20,000)	(20,000)	-	-	(20,000)	0	
Undesignated Fund Balance, End of Year	\$ 96,173	\$ 84,563	\$ 84,563	\$ 85,809	\$ 37,581	\$ 96,173	\$ 11,610	

General Fund
Finance and Administration
For the period ended August 31, 2004
(amounts expressed in thousands)

	Unaudited Preliminary FY2004	FY2005						
		Adopted Budget	Current Budget	Current Month	YTD	F & A Projection	Variance from Current Budget	% Variance
Revenues								
General Property Taxes	\$ 661,838	\$ 671,553	671,553	\$ 9,052	\$ 9,937	\$ 672,804	1,251	0.2%
Industrial Assessments	15,153	14,406	14,406	1,200	2,422	14,406	0	0.0%
Sales Tax	346,518	371,548	371,548	28,462	54,438	371,548	0	0.0%
Electric Franchise	73,215	77,384	77,384	7,951	15,899	77,384	0	0.0%
Telephone Franchise	51,836	51,000	51,000	4,132	8,413	51,000	0	0.0%
Gas Franchise	16,309	16,568	16,568	940	1,881	16,568	0	0.0%
Other Franchise	15,089	15,447	15,447	668	2,020	15,447	0	0.0%
Licenses and Permits	15,271	15,355	15,355	1,192	2,446	15,355	0	0.0%
Intergovernmental	19,524	30,664	30,664	177	316	30,664	0	0.0%
Charges for Services	37,922	41,534	41,534	2,485	5,064	41,534	0	0.0%
Direct Interfund Services	57,434	65,961	65,961	6,672	6,806	65,961	0	0.0%
Indirect Interfund Services	14,647	10,419	10,419	1,444	2,241	10,419	0	0.0%
Municipal Courts Fines and Forfeits	44,453	47,601	47,601	5,583	8,083	47,601	0	0.0%
Other Fines and Forfeits	2,131	4,540	4,540	169	318	4,540	0	0.0%
Interest	5,130	5,000	5,000	336	770	5,000	0	0.0%
Miscellaneous/Other	12,104	11,939	11,939	574	1,087	11,939	0	0.0%
Total Revenues	1,388,574	1,450,919	1,450,919	71,037	122,141	1,452,170	1,251	0.1%
Expenditures								
Departmental								
Affirmative Action	1,627	1,632	1,632	164	280	1,632	0	0.0%
Building Services	24,354	23,253	22,942	1,943	3,164	22,942	0	0.0%
City Council	3,914	4,203	4,203	343	685	4,203	0	0.0%
City Secretary	694	707	707	52	193	707	0	0.0%
Controller	5,773	5,837	5,837	465	871	5,837	0	0.0%
Finance and Administration	18,584	19,806	20,117	1,563	3,025	20,117	0	0.0%
Fire	278,101	292,942	292,942	23,286	46,465	292,942	0	0.0%
Health and Human Services	50,228	49,430	49,430	4,456	7,816	49,430	0	0.0%
Human Resources	2,345	2,287	2,287	195	378	2,287	0	0.0%
Information Technology	12,435	12,394	12,394	901	1,584	12,394	0	0.0%
Legal	10,919	10,798	10,798	781	1,715	10,798	0	0.0%
Library	32,273	32,891	32,891	2,692	5,222	32,891	0	0.0%
Mayor's Office	1,746	1,768	1,768	86	301	1,768	0	0.0%
Municipal Courts - Administration	16,131	16,217	16,217	1,608	2,847	16,217	0	0.0%
Municipal Courts - Justice	3,917	3,992	3,992	321	663	3,992	0	0.0%
Parks and Recreation	43,034	46,993	46,993	3,988	7,318	46,993	0	0.0%
Planning and Development	13,907	13,456	13,456	1,035	2,041	13,456	0	0.0%
Police	465,346	516,002	516,002	43,062	88,097	521,402	(5,400)	-1.0%
Public Works and Engineering	85,971	88,671	88,671	7,061	11,470	88,671	0	0.0%
Solid Waste Management	60,836	61,130	61,130	5,749	10,890	61,130	0	0.0%
Total Departmental Expenditures	1,132,135	1,204,409	1,204,409	99,751	195,025	1,209,809	(5,400)	-0.4%
Non-Departmental Expenditures and Other Uses								
General Government	85,093	62,497	62,497	3,724	7,782	62,497	0	0.0%
Debt Service Transfer	165,000	188,000	188,000	0	0	188,000	0	0.0%
Total Non-Dept. Exp. and Other Uses	250,093	250,497	250,497	3,724	7,782	250,497	0	0.0%
Total Expenditures and Other Uses	1,382,228	1,454,907	1,454,907	103,475	202,807	1,460,307	(5,400)	-0.4%
Net Current Activity	6,346	(3,988)	(3,988)	(32,438)	(80,666)	(8,137)	4,149	
Transfers from other funds	6,800	3,500	3,500	-	-	3,500	-	
Disaster Recovery Fund Transfer	-	-	-	-	-	-	-	
Change in Reserve for Inventory	-	-	-	-	-	-	-	
Fund Balance, Beginning of Year	105,101	107,125	107,125	118,247	118,247	118,247	11,122	
Fund Balance, End of Year	118,247	106,637	106,637	85,809	37,581	113,610	15,271	
Designated for Sign Abatement	(2,074)	(2,074)	(2,074)	-	-	(2,074)	-	
Designated for Rainy Day Fund	(20,000)	(20,000)	(20,000)	-	-	(20,000)	-	
Undesignated Fund Balance, End of Year	\$ 96,173	\$ 84,563	\$ 84,563	\$ 85,809	\$ 37,581	\$ 91,536	\$ 6,973	

General Fund
General Government
For the period ended August 31, 2004
(amounts expressed in thousands)

	Unaudited Preliminary FY2004	FY2005						
		Adopted Budget	Current Budget	Current Month	YTD	YTD as % of Current Budget	Controller's Projection	F&A Projection
Non-Dept. Exp. and Other Uses								
General Government								
Pension-Civilian	0	(14,595)	(14,595)	0	0	0.0%	(14,595)	(14,595)
Insurance-Civilian (Active)	(101)	0	0	0	0	0.0%	0	0
Insurance-Civilian (Retirees)	11,965	13,667	13,667	1,118	2,192	16.0%	13,667	13,667
Pension-Police	0	(22,905)	(22,905)	0	0	0.0%	(22,905)	(22,905)
Insurance-Classified (Retirees)	14,705	16,042	16,042	1,295	2,574	16.0%	16,042	16,042
Long Term Disability	12	0	0	0	0	0.0%	0	0
Compensation Contingency	0	7,600	7,600	0	0	0.0%	7,600	7,600
Total Personnel Services	26,581	(191)	(191)	2,413	4,766	-2495.1%	(191)	(191)
Insurance Fees	1,191	1,470	1,470	0	6	0.4%	1,470	1,470
Accounting and Auditing Svcs	865	608	608	0	0	0.0%	817	817
Advertising Svcs	167	200	200	2	13	6.4%	200	200
Legal Services	2,139	2,262	2,262	(355)	56	2.5%	2,262	2,262
Management Consulting Svcs.	1,106	372	372	(141)	29	7.8%	372	372
Misc Support Svcs	236	280	280	0	0	0.0%	280	280
Real Estate Lease	9,069	9,228	9,228	0	0	0.0%	9,228	9,228
Parking Space Rental	1	0	0	30	30	0.0%	0	0
METRO Commuter Passes	541	645	645	49	279	43.3%	645	645
Electricity	0	500	500	0	0	0.0%	500	500
Other Interfund Services	0	0	0	0	0	0.0%	0	0
Limited Purpose Annexation Pmts.	7,225	13,128	13,128	0	0	0.0%	13,128	13,128
Print Shop Services	0	0	0	0	0	0.0%	0	0
Printing and Reproduction Svcs.	8	0	0	0	0	0.0%	0	0
Tax Appraisal Fees	5,082	5,489	5,489	0	0	0.0%	5,489	5,489
Tax Refunds	0	0	0	0	0	0.0%	0	0
Billing and Collection Svcs	750	750	750	332	332	44.3%	750	750
Elections	3,440	1,000	1,000	2	2	0.2%	1,000	1,000
Claims and Judgments	4,550	6,000	6,000	405	405	6.8%	6,000	6,000
Contingency/Reserve	0	0	0	0	0	0.0%	0	0
Zoo Contract	7,372	7,494	7,494	625	1,249	16.7%	7,494	7,494
Misc Other Services and Charges	1,967	2,473	2,473	0	0	0.0%	2,264	2,264
Membership and Professional Fees	649	780	780	0	0	0.0%	780	780
Mgmt Initiative Savings	0	0	0	0	0	0.0%	0	0
Total Other Services and Charges	46,358	52,679	52,679	948	2,402	4.6%	52,679	52,679
Other Financing Uses								
Debt Service-Interest	1,793	2,000	2,000	0	251	12.6%	2,000	2,000
Transfers to General Fund	0	0	0	0	0	0.0%	0	0
Transfers to Conv & Entertain	163	350	350	0	0	0.0%	350	350
Transfers to Special Revenues	10,198	7,659	7,659	363	363	4.7%	7,659	7,659
Total Other Financing Uses	12,154	10,009	10,009	363	614	6.1%	10,009	10,009
Total General Government	85,093	62,497	62,497	3,724	7,782	12.5%	62,497	62,497
Debt Service Transfers								
Transfers to PIB Debt Svc	147,850	184,000	184,000	0	0	0.0%	184,000	184,000
Transfers to CO Debt Svc	17,150	4,000	4,000	0	0	0.0%	4,000	4,000
Total Debt Service Transfers	165,000	188,000	188,000	0	0	0.0%	188,000	188,000
Total Non-Dept. Exp and Other Uses	\$ 250,093	\$ 250,497	\$ 250,497	\$ 3,724	\$ 7,782	3.1%	\$ 250,497	\$ 250,497

Aviation Operating Fund
For the period ended August 31, 2004
(amounts expressed in thousands)

	Unaudited Preliminary FY2004	FY2005				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Landing Area	\$ 57,894	\$ 97,754	\$ 97,754	9,111	\$ 97,754	\$ 97,754
Bldg and Ground Area	118,709	146,739	146,739	23,157	146,739	146,739
Parking and Concession	94,697	92,128	92,128	16,409	92,128	92,128
Other	2,627	1,289	1,289	334	1,289	1,289
Total Operating Revenues	<u>273,927</u>	<u>337,910</u>	<u>337,910</u>	<u>49,011</u>	<u>337,910</u>	<u>337,910</u>
Operating Expenses						
Personnel	57,548	69,217	69,217	10,983	69,217	69,217
Supplies	4,516	5,932	5,932	798	5,932	5,932
Services	98,480	112,555	112,555	11,924	112,555	112,555
Non-Capital Outlay	418	830	830	46	830	830
Total Operating Expenses	<u>160,962</u>	<u>188,534</u>	<u>188,534</u>	<u>23,751</u>	<u>188,534</u>	<u>188,534</u>
Operating Income (Loss)	<u>112,965</u>	<u>149,376</u>	<u>149,376</u>	<u>25,260</u>	<u>149,376</u>	<u>149,376</u>
Nonoperating Revenues (Expenses)						
Interest Income	8,406	8,700	8,700	1,353	8,700	8,700
Other	135	0	0	0	0	0
Total Nonoperating Rev (Exp)	<u>8,541</u>	<u>8,700</u>	<u>8,700</u>	<u>1,353</u>	<u>8,700</u>	<u>8,700</u>
Income (Loss) Before Operating Transfers	<u>121,506</u>	<u>158,076</u>	<u>158,076</u>	<u>26,613</u>	<u>158,076</u>	<u>158,076</u>
Operating Transfers						
Interfund Transfer - Oper Reserve	3,726	3,000	3,000	0	3,000	3,000
Debt Service Principal	18,865	25,165	25,165	4,194	25,165	25,165
Debt Service Interest	24,257	84,802	84,802	10,825	84,802	84,802
Renewal and Replacement	0	500	500	0	500	500
Capital Improvement	49,317	44,609	44,609	8,364	44,609	44,609
Total Operating Transfers	<u>96,165</u>	<u>158,076</u>	<u>158,076</u>	<u>23,383</u>	<u>158,076</u>	<u>158,076</u>
Net Income (Loss)						
Operating Fund Only	<u>\$ 25,341</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>3,230</u>	<u>\$ 0</u>	<u>\$ 0</u>

About the Fund:

The Aviation Operating Fund is an enterprise fund which accounts for operation of the City's airport system. The airport system is comprised of the George Bush Intercontinental Airport/Houston, William P. Hobby Airport, the Central Business District Heliport, and Ellington Field. Activities of the department include: operations, maintenance, planning and construction, public service and administration. The Department coordinates its activities with the Federal Aviation Administration (FAA), other federal and state agencies, the airlines, and tenants of the airport facilities.

Convention and Entertainment Facilities Operating Fund
For the period ended August 31, 2004
(amounts expressed in thousands)

	Unaudited Preliminary 2004	FY2005				
		Adopted Budget	Current Budget	YTD	Controllers Projection	F & A Projection
Operating Revenues						
Facility Rentals	\$ 5,177	\$ 5,094	\$ 5,094	\$ 1,117	\$ 5,094	\$ 5,094
Parking	9,091	10,499	10,499	649	10,499	10,499
Food and Beverage Concessions	1,840	2,346	2,346	90	2,346	2,346
Contract Cleaning	176	246	246	4	246	246
Total Operating Revenues	<u>16,284</u>	<u>18,185</u>	<u>18,185</u>	<u>1,860</u>	<u>18,185</u>	<u>18,185</u>
Operating Expenses						
Personnel	5,825	6,010	6,031	941	6,031	6,031
Supplies	468	533	495	55	495	495
Services	19,755	23,295	23,274	1,672	23,274	23,274
Total Operating Expenses	<u>26,048</u>	<u>29,838</u>	<u>29,800</u>	<u>2,668</u>	<u>29,800</u>	<u>29,800</u>
Operating Income (Loss)	<u>(9,764)</u>	<u>(11,653)</u>	<u>(11,615)</u>	<u>(808)</u>	<u>(11,615)</u>	<u>(11,615)</u>
Nonoperating Revenues (Expenses)						
Hotel Occupancy Tax						
Current	42,568	44,000	44,000	10,675	44,000	44,000
Delinquent	1,222	900	900	260	900	900
Advertising Services	(9,545)	(10,120)	(10,120)	0	(10,120)	(10,120)
Promotion Contracts	(7,885)	(8,360)	(8,360)	0	(8,360)	(8,360)
Contracts/Sponsorships	(3,184)	(2,192)	(2,192)	(158)	(2,192)	(2,192)
Net Hotel Occupancy Tax	<u>23,176</u>	<u>24,228</u>	<u>24,228</u>	<u>10,777</u>	<u>24,228</u>	<u>24,228</u>
Interest Income	917	1,050	1,050	148	1,050	1,050
Capital Outlay	(449)	(5,379)	(5,413)	(97)	(5,413)	(5,413)
Non-Capital Outlay	14	(59)	(63)	1	(63)	(63)
Other Interest	(104)	(550)	(550)	0	(550)	(550)
Other	(1,023)	60	60	556	556	556
Total Nonoperating Rev (Exp)	<u>22,531</u>	<u>19,350</u>	<u>19,312</u>	<u>11,385</u>	<u>19,808</u>	<u>19,808</u>
Income (Loss) Before Operating Transfers	<u>12,767</u>	<u>7,697</u>	<u>7,697</u>	<u>10,577</u>	<u>8,193</u>	<u>8,193</u>
Operating Transfers						
Transfers for Interest	6,064	7,100	7,100	1,308	7,100	7,100
Transfers for Principal	6,536	6,900	6,900	773	6,900	6,900
Interfund Transfers	1,531	0	0	0	0	0
Transfers to Special	(3,591)	(2,500)	(2,500)	0	(2,500)	(2,500)
Total Operating Transfers	<u>10,540</u>	<u>11,500</u>	<u>11,500</u>	<u>2,081</u>	<u>11,500</u>	<u>11,500</u>
Net Income (Loss)						
Operating Fund Only	<u>\$ 2,227</u>	<u>\$ (3,803)</u>	<u>\$ (3,803)</u>	<u>\$ 8,496</u>	<u>\$ (3,307)</u>	<u>\$ (3,307)</u>

About the Fund:

The Convention and Entertainment Facilities operating fund is an enterprise fund that accounts for the operation of the City's six major entertainment centers and City-owned parking garages. These centers include the following: Jesse H. Jones Hall; Bayou Place; Houston Center for The Arts; Gus S. Wortham Center; George R. Brown Convention Center and the Tranquility Park and Civic Center garages.

Combined Utility System Fund
For the period ended August 31, 2004
(amounts expressed in thousands)

	Unaudited Preliminary FY2004	FY2005				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 265,384	\$ 311,068	\$ 311,068	\$ 52,349	\$ 311,068	\$ 311,068
Sewer Sales	257,860	299,253	299,253	48,955	299,253	299,253
Penalties	4,150	3,741	3,741	825	3,741	3,741
Other	4,561	4,360	4,360	776	4,360	4,360
Total Operating Revenues	<u>531,955</u>	<u>618,422</u>	<u>618,422</u>	<u>102,905</u>	<u>618,422</u>	<u>618,422</u>
Operating Expenses						
Personnel	115,538	122,241	122,241	19,584	122,241	122,241
Supplies	25,392	26,007	26,007	3,678	26,007	26,007
Electricity and Gas	38,919	47,169	47,169	6,156	47,169	47,169
Contracts & Other Payments	73,581	92,013	92,013	5,651	92,013	92,013
Total Operating Expenses	<u>253,430</u>	<u>287,430</u>	<u>287,430</u>	<u>35,069</u>	<u>287,430</u>	<u>287,430</u>
Operating Income (Loss)	<u>278,525</u>	<u>330,992</u>	<u>330,992</u>	<u>67,836</u>	<u>330,992</u>	<u>330,992</u>
Nonoperating Revenues (Expenses)						
Interest Income	13,461	5,161	5,161	849	5,161	5,161
Sale of Property, Mains and Scrap	596	508	508	174	545	545
Other	70,832	7,863	7,863	258	7,863	7,863
Impact Fees	0	14,000	14,000	0	14,000	14,000
HAWC	(2,237)	(4,608)	(4,608)	(1,118)	(4,608)	(4,608)
CWA & TRA Contracts (P & I)	(31,454)	(32,317)	(32,317)	(7,946)	(32,317)	(32,317)
Total Nonoperating Rev (Exp)	<u>51,198</u>	<u>(9,393)</u>	<u>(9,393)</u>	<u>(7,783)</u>	<u>(9,356)</u>	<u>(9,356)</u>
Income (Loss) Before Operating Transfers	<u>329,723</u>	<u>321,599</u>	<u>321,599</u>	<u>60,053</u>	<u>321,636</u>	<u>321,636</u>
Operating Transfers						
Debt Service Principal	67,492	12,675	12,675	2,338	12,675	12,675
Debt Service Interest	154,238	179,902	179,902	16,371	179,902	179,902
Discretionary Debt	29,572	28,934	28,934	5,494	28,934	28,934
Other Contractual Obligations	0	474	474	0	474	474
Equipment Acquisition	8,145	17,862	17,862	0	17,862	17,862
CUS General Purpose Fund	0	49,752	49,752	35,850	49,789	49,789
Transfer to General Fund	0	2,000	2,000	0	2,000	2,000
Transfer to Combined Utility System	60,176	0	0	0	0	0
Transfer to Stormwater	10,100	30,000	30,000	0	30,000	30,000
Total Operating Transfers	<u>329,723</u>	<u>321,599</u>	<u>321,599</u>	<u>60,053</u>	<u>321,636</u>	<u>321,636</u>
Net Current Activity						
Operating Fund Only	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

About the Fund:

The Combined Utility System Fund is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.

Stormwater Fund
For the period ending August 31, 2004
(amounts expressed in thousands)

	Unaudited Preliminary FY2004	FY2005			
		Adopted Budget	YTD	Controller's Projection	F&A Projection
Revenues					
Miscellaneous	\$ 164	\$ 145	\$ 24	\$ 145	\$ 145
Total Revenues	<u>164</u>	<u>145</u>	<u>24</u>	<u>145</u>	<u>145</u>
Expenditures					
Personnel	14,954	17,492	2,704	17,492	17,492
Supplies	1,226	1,290	194	1,290	1,290
Other Services	10,009	11,142	681	11,142	11,142
Capital Outlay	862	131	34	131	131
Total Expenditures	<u>27,051</u>	<u>30,055</u>	<u>3,613</u>	<u>30,055</u>	<u>30,055</u>
Other Financing Sources (Uses)					
Interest Income	221	310	7	310	310
Operating Transfers In	10,100	30,000	0	30,000	30,000
Operating Transfers Out	0	(400)	0	(400)	(400)
Total Other Financing Sources (Uses)	<u>10,321</u>	<u>29,910</u>	<u>7</u>	<u>29,910</u>	<u>29,910</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)					
	(16,566)	0	(3,582)	0	0
Fund Balance, Beginning of Year	<u>18,778</u>	<u>2,212</u>	<u>2,212</u>	<u>2,212</u>	<u>2,212</u>
Fund Balance, End of Year	<u>\$ 2,212</u>	<u>\$ 2,212</u>	<u>\$ (1,370)</u>	<u>\$ 2,212</u>	<u>\$ 2,212</u>

The Stormwater Fund provides for the maintenance and repair of streets, rights-of-way and drainage infrastructure, such as storm sewers and roadside ditches. The City undertook a major restructuring of its water, sewer and drainage financing at the end of FY2004. This restructuring created a new Combined Utility System with the capacity to transfer funds from its surplus amounts to the Stormwater Fund to support stormwater drainage operations and maintenance.

Note: The Stormwater Fund is not technically an enterprise fund, but is grouped with the Combined Utility System for clarity.

City of Houston, Texas
Commercial Paper Issued and Available
For the period ended August 31, 2004
(amounts expressed in millions)

COMMERCIAL PAPER	Draws FY05	Draws in August	(Refunded) Increased Authorization	Amount Available to be Drawn	Amount Outstanding
	(millions)	(millions)	(millions)	(millions)	(millions)
General Obligation					
<i>(Series A & B)</i>					
<i>Public Improvement Bonds</i>	\$ 3.00	\$ 3.00	\$ 0.00	\$ 53.00	\$ 325.30
<i>(Series D)</i>	25.00	15.00		180.00	95.00
<i>(Series E)</i>					
<i>Equipment</i>	10.00	5.00		46.90	32.10
<i>Metro Street Projects</i>	0.00	0.00		58.49	4.51
<i>Cotswold Project</i>	0.00	0.00		4.01	3.49
<i>Downtown Streetscape</i>	0.00	0.00		0.10	5.40
<i>(Series F) Drainage</i>	<u>0.00</u>	<u>0.00</u>		<u>139.50</u>	<u>0.00</u>
Total General Obligation	38.00	23.00		482.00	465.80
Combined Utility System	10.00	10.00	(40.00)	890.00	10.00
<i>(Series A)</i>					
Airport System	5.00	0.00		275.00	25.00
<i>(Series A,B, & C)</i>					
Convention & Entertainment	<u>0.00</u>	<u>0.00</u>		<u>52.50</u>	<u>22.50</u>
<i>(Series A)</i>					
Totals	<u>\$ 53.00</u>	<u>\$ 33.00</u>	<u>\$ (40.00)</u>	<u>\$ 1,699.50</u>	<u>\$ 523.30</u>

City of Houston, Texas
Summarized Construction/Bond Fund Status Report
For the period ended August 31, 2004
(amounts expressed in thousands)

Purpose	Available for Appropriation
Equipment and Miscellaneous	
Total Dangerous Building Funds	\$ 43
Total Equipment Acquisition Funds	13,007
Certificates of Obligation Lamar Terrace 2000A	329
Total Equipment and Miscellaneous	13,379
Public Improvement	
Total Fire Department	4,273
Total Housing	1,823
Total General Improvement	2,916
Total Public Health and Welfare	2,406
Total Public Library	8,996
Total Parks and Recreation	1,566
Total Police Department	14,164
Total Solid Waste	1,046
Total Storm Sewer	129,431
Total Street & Bridge	68,645
Total Public Improvement	235,267
Airport	
Total Airport	435,547
Convention and Entertainment Facilities	
Total Convention and Entertainment	58,588
Combined Utility System	
Total Combined Utility System	422,448
Total All Purposes	\$ 1,165,229

City of Houston, Texas
Total Outstanding Debt
August 31, 2004 and August 31, 2003
(amounts expressed in thousands)

	August 31, 2004	August 31, 2003
Payable from Ad Valorem Taxes		
Tax Bonds (a)		
Public Improvement Bonds	\$ 1,556,435	\$ 1,502,635
GO Commercial Paper Notes (b)	465,800	435,800
Judgment Bonds	1,365	2,365
Certificates of Obligations (c)	33,519	39,529
Assumed Bonds	12,420	42,322
Subtotal	\$ 2,069,539	\$ 2,022,651
Payable from Sources Other Than Ad Valorem Taxes		
Combined Utility System Bonds		
Combined Utility System Revenue Bonds	\$ 3,029,170	\$ 0
Combined Utility System Commercial Paper Notes (d)	10,000	0
Water and Sewer System Revenue Bonds (e)	1,045,499	3,427,569
Water and Sewer System Commercial Paper Notes (f)	0	485,250
Airport System Bonds		
Airport System Revenue Bonds	2,172,515	2,191,380
Airport System Commercial Paper Notes (g)	25,000	0
Airport Special Facilities Revenue Bonds	675,795	680,250
Hotel Occupancy Tax and Civic Parking		
Facilities Revenue Bonds (h)	614,320	620,584
Hotel Occupancy Tax Commercial Paper (i)	22,500	22,500
Contract Revenue Obligations - CWA, HAWC, TRA	352,345	368,450
Subtotal	\$ 7,947,144	\$ 7,795,983
Total Debt Payable by the City	\$ 10,016,683	\$ 9,818,634

- (a) As of the date above, the amount of tax bonds authorized by voters in 1997 but unissued totals \$53 million of which \$53 million is authorized commercial paper that has not been drawn (Series A&B). In November 2001 the voters authorized \$776 million in tax bonds of which \$180 million is authorized commercial paper that has not been drawn (Series D).
- (b) The City has authorized a maximum issuance of General Obligation Commercial Paper Programs Series A: \$279 million; B: \$99.3 million; D: \$275 million; E: \$155 million; and F: \$139.5 million. As of the date above, the following amounts were outstanding: Series A: \$253.3 million, B: \$72.0 million, D: \$95 million, E: \$45.5 million, and F: \$0.
- (c) Excludes \$1.3 million accreted value of capital appreciation certificates, or 3.9% of face value.
- (d) The City authorized issuance of \$900 million Combined Utility System Commercial Paper Series A Notes as of June 10, 2004.
- (e) Excludes \$60.1 million accreted value of capital appreciation bonds, or 7.0% of face value.
- (f) The City discontinued Water and Sewer Commercial Paper programs in June 2004 upon creation of the Combined Utility System.
- (g) City Council made the following authorizations for issuances of Airport System Commercial Paper:
 October 21, 1993, \$100 million Senior Lien Series A and B. October 1, 1998, \$50 million Inferior Lien Series C.
 December 28, 1999, additional \$100 million Inferior Lien Series C. January 19, 2000, additional \$50 million Senior Lien Series A & B.
- (h) Excludes \$22.5 million accreted value of capital appreciation bonds, or 3.7% of face value.
- (i) The City has authorized \$75 million Subordinate Lien Hotel Occupancy Tax and Parking Revenue Commercial Paper, Series A.

CITY OF HOUSTON

**PENSION FUND PAYMENTS AND
UNFUNDED LIABILITY SUMMARY**

31-Aug-04

PAYMENTS

	FY04 Actual (\$1,000)	FY 05			Year to Date (\$1,000)
		City Payment Rate	Employee Payment Rate	Annual Payment (\$1,000)	
Firefighters Plan	28,325	18.0%	9.0%	32,176	5,359
Police Plan					
General Fd. & Other Fds.	36,645	Note 1	9.0%	13,780	8,820
Pension Bonds		Note 1		22,865	
	<u>36,645</u>			<u>36,645</u>	<u>8,820</u>
Municipal Plan					
General Fund	31,915	Note 2	5.0%	10,550	5,205
Other Funds	26,148	Note 2	5.0%	22,450	4,232
Pension Bonds				33,000	
Total Municipal Plan (Note 2)	<u>58,063</u>			<u>66,000</u>	<u>9,437</u>
Total All Three Plans	<u>123,033</u>			<u>134,821</u>	<u>23,616</u>

UNFUNDED ACCRUED LIABILITY AND FUNDED STATUS

	Date of Most Recent Valuation or Estimate	Unfunded Accrued Liability (\$ millions)	Assets as % of Liabilities
Firefighters Plan	7/1/2002	47.0	97%
Police Plan (Note 3)	7/1/2004	534.8	82%
Municipal Plan (Note 4)	7/1/2004	852.0	62%

Note 1: City contribution based on Meet and Confer Agreement with Houston Police Officers Pension System

Note 2: City contribution based on Meet and Confer Agreement with Houston Municipal Employees Pension System

Note 3: Towers Perrin estimate dated September 15, 2004

Note 4: Estimate based on information generated by Gabriel, Roeder, Smith & Company, prepared Sept. 2004

**DEPARTMENTAL PERFORMANCE MEASURES
FOR THE MONTH ENDING AUGUST 31, 2004 (16.67% OF FISCAL YEAR)**

Department Performance Measure	FY2004			FY2005		
	Actual	YTD	% Actual	Objective	YTD	% Objective
AFFIRMATIVE ACTION						
Applications Processed	1,950	403	20.7%	2,100	314	15.0%
Days to Process New Applicants	40	23	57.5%	21	48	N/A
Field Audits	1,711	416	24.3%	2,300	244	10.6%
Payrolls Audited	26,449	3,690	14.0%	14,300	2,239	15.7%
SBE/MWDBE Owners Trained	7,107	636	8.9%	4,100	991	24.2%
City Employees Trained	3,659	187	5.1%	1,500	516	34.4%
MOPD Citizens Assistance Request	3,771	591	15.7%	3,000	795	26.5%
OSBC Getting Started Packets Distributed	8,350	1,572	18.8%	8,500	1,187	14.0%
MWBE Monitoring Correspondence	NA	NA	NA	20,000	8,736	43.7%
AVIATION						
Passenger Enplanements	21,768,074	3,993,203	18.3%	21,567,000	6,859,000	31.8%
Cargo Tonnage	771,715,260	122,435,124	15.9%	778,913,000	126,011,000	16.2%
Cost per Enplanement	\$7.35	\$6.92	NA	\$7.24	\$14.32	N/A
Complaints per 100,000 Enplanements	0.85	0.39	NA	0.80	Data not available	N/A
BUILDING SERVICES						
Design & Construction						
Days to issue Notice to Proceed (NTP)	20.0	18.8	93.8%	18	41.0	227.8%
Property Mgmt. (Work Orders Compl.)	17,745	2,571	14.5%	17,700	2,613	14.8%
Security Management						
Number of Reported Incidents Investigated upon Receipt	295	39	13.2%	350	52	14.9%
CONVENTION & ENTERTAINMENT FACILITIES						
Days Booked-GRB Convention Center	1,835	201	11.0%	2,430	748	30.8%
Days Booked-Wortham Theatre Center	518	100	19.3%	485	48	9.9%
Days Booked-Jones Hall	338	60	17.8%	290	19	6.6%
Occupancy Days-GRB Convention Center	1,640	291	17.7%	1,965	341	17.4%
Occupancy Days-Wortham Theatre Center	467	34	7.3%	444	30	6.8%
Occupancy Days-Jones Hall	254	-	0.0%	247	14	5.7%
Occupancy Days-Theatre District Parks Hall	168	25	14.9%	166	20	12.0%
Customer Satisfaction (Periodic)-GRB Convention Center	94.3%	100.0%	NA	94.0%	96.8%	N/A
Customer Satisfaction (Periodic)-Wortham Theatre Center	95.9%	90.0%	NA	94.0%	93.8%	N/A
Customer Satisfaction (Periodic)-Jones Hall	97.9%	100.0%	NA	95.0%	100.0%	N/A
Customer Satisfaction (Periodic)-Houston Center	93.4%	0.0%	NA	97.0%	97.7%	N/A
Customer Satisfaction (Periodic)- Fannin Garage	0.0%	0.0%	NA	80.0%	N/A	N/A
Customer Satisfaction (Periodic)-Theater District Parking	74.7%	0.0%	NA	80.0%	N/A	N/A

**DEPARTMENTAL PERFORMANCE MEASURES
FOR THE MONTH ENDING AUGUST 31, 2004 (16.67% OF FISCAL YEAR)**

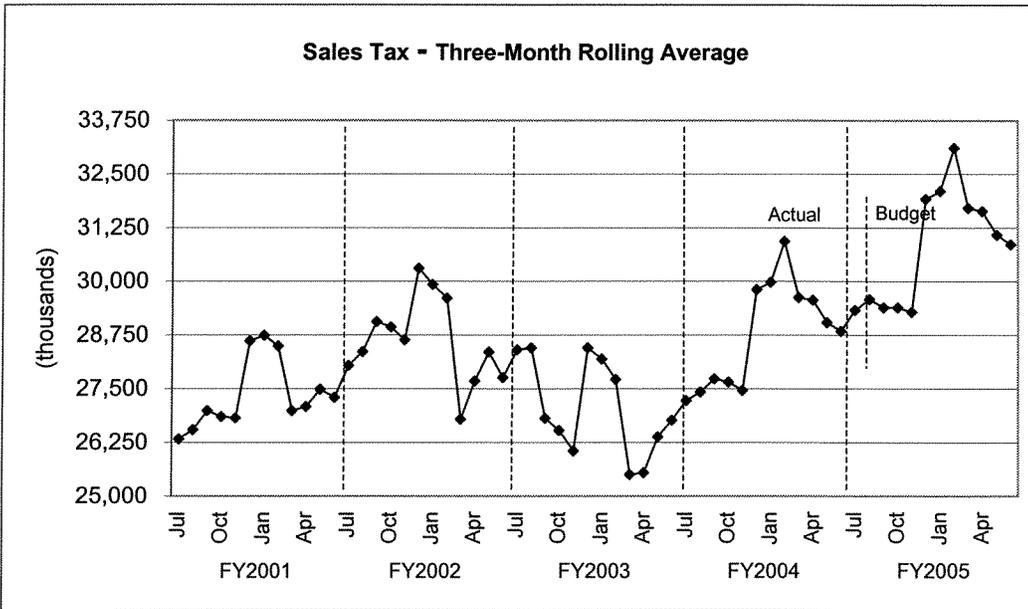
Department Performance Measure	FY2004			FY2005		
	Actual	YTD	% Actual	Objective	YTD	% Objective
FINANCE & ADMINISTRATION						
Avg Days to Award Procurement Contracts	158	132	NA	160	164	NA
3-1-1 Avg Time Customer in Queue (seconds)	66.83	77.00	NA	95.00	157.00	NA
Liens Collections	\$2,579,385	\$532,719	20.7%	\$2,419,501	\$988,165	40.8%
Ambulance Revenue per Transport	\$177.90	\$184.35	103.6%	\$198.57	\$138.89	69.9%
Cable Company Complaints	734	90	12.3%	682	142	20.8%
Deferred Compensation Participation	63.72%	60.96%	NA	66.00%	64.60%	NA
Audits Completed	17	4	23.5%	23	4	17.4%
FIRE DEPARTMENT *						
Fire Response Time (Minutes)	8.2	8.2	N/A	7.6	Data not available	N/A
First Response Time-EMS (Minutes)	8.6	8.6	N/A	8.5	Data not available	N/A
Ambulance Response Time (Minutes)	11.3	11.3	N/A	11.0	Data not available	N/A
HEALTH & HUMAN SERVICES						
Environmental Inspections	74,281	12,975	17.5%	72,740	12,271	16.9%
First Trimester Prenatal Enrollment	40.6%	36.9%	N/A	41.0%	37.0%	N/A
WIC Client Satisfaction	95.0%	92.9%	N/A	95.0%	95.0%	N/A
Immunization Compliance (2 Yr. Olds)	88.0%	81.0%	N/A	90.0%	88.0%	N/A
TB Therapy Completed	92.1%	91.4%	N/A	91.4%	92.1%	N/A
HOUSING						
Housing Units Assisted	5,000	1,187	23.7%	5,000	769	15.4%
Council Actions on HUD Projects	75	10	13.3%	75	19	25.3%
Annual Spending (Millions)	\$55	\$8	14.5%	\$55	\$7	12.7%
HUMAN RESOURCES						
Total Jobs Filled-(As Vacancies Occur)	4,206	506	12.0%	4,000	882	22.1%
Days to Fill Jobs	60	60	100.0%	60	60	100.0%
Training Courses Conducted	151	16	10.6%	150	15	10.0%
Lost Time Injuries (As They Occur)	218	40	18.3%	447	55	12.3%
LEGAL						
Deed Restriction Complaints Received	734	101	13.8%	701	90	12.8%
Deed Restriction Lawsuits Filed	26	4	15.4%	32	0	0.0%
Deed Restriction Warning Letters Sent	245	32	13.1%	236	73	30.9%
LIBRARY						
Total Circulation	5,929,474	1,096,114	18.5%	5,380,000	1,029,099	19.1%
Juvenile Circulation	2,975,755	563,310	18.9%	2,784,085	519,083	18.6%
Customer Satisfaction (Three/Year)	83%	81%	97.6%	85%	83%	97.6%
Reference Questions Answered	2,881,992	477,277	16.6%	2,428,267	328,993	13.5%
In-house Computer Users	1,224,800	243,280	19.9%	1,278,676	207,533	16.2%
Public Computer Training Classes Held	638	120	18.8%	550	118	21.5%
Public Computer Training Attendance	5,678	1,250	22.0%	5,675	974	17.2%
MUNICIPAL COURTS						
Total Case Filings	1,240,552	210,010	16.9%	1,593,719	200,996	12.6%
Total Dispositions	1,096,377	175,383	16.0%	1,087,230	181,205	16.7%
Cost per Disposition	\$14.67	\$15.41	N/A	\$16.36	\$15.71	N/A
Incomplete Docket Reduction (Cases/Day)	15.52	11.29	N/A	13	15.45	N/A

* = FY04 YTD is as of 8/31/03.

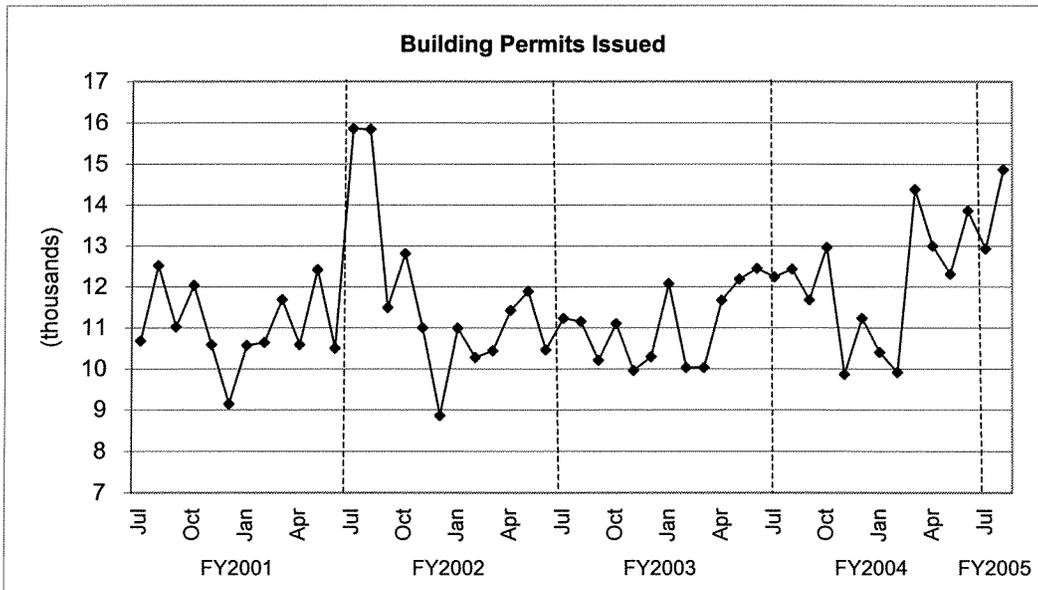
**DEPARTMENTAL PERFORMANCE MEASURES
FOR THE MONTH ENDING AUGUST 31, 2004 (16.67% OF FISCAL YEAR)**

Department Performance Measure	FY2004			FY2005		
	Actual	YTD	% Actual	Objective	YTD	% Objective
PARKS & RECREATION						
Registrants in Youth Sports Programs	19,512	3,997	20.5%	20,100	5,071	25.2%
Registrants in Adult Fitness & Craft Programs	NA	NA	NA	5,200	655	12.6%
Number of Teams in Adult Sports Programs	1,052	NA	NA	1,400	221	15.8%
Vehicle Downtime-Days out of Service (avg)	20	20	NA	20	14	NA
Golf Rounds Played at Privatized Courses	98,155	21,688	22.1%	93,500	16,385	17.5%
Golf Rounds Played at COH - Operated Courses	159,744	24,039	15.0%	164,400	30,603	18.6%
Work Orders Completed-Parks and Community Ctr Facilities	21,931	3,472	15.8%	21,900	3,222	14.7%
Grounds Maintenance Cycle-Days:						
Esplanades	NA	NA	NA	14	15	NA
Parks & Plaazs	NA	NA	NA	10	14	NA
Bikes & Hikes Trails	NA	NA	NA	14	16	NA
PLANNING & DEVELOPMENT						
Subdivision Plats Reviewed	2,448	650	26.6%	2,448	295	12.1%
TIRZ Management Portfolio	0	0	0.0%	22	0	0.0%
DB's Corrected (by Owner/City)	300	104	34.7%	500	44	8.8%
Rail Corridor Master Plan	0	0	0.0%	2	0	0.0%
Number of Permits Sold	130,000	24,675	19.0%	130,000	27,798	21.4%
No. of Inspections Per Day Per Inspector	18	21	116.7%	58	81	139.7%
Violation Investigations	14,000	1,298	9.3%	14,000	1,110	7.9%
HOUSTON POLICE						
Response Time (Code 1)-Minutes	4.7	4.3	91.5%	4.9	4.6	93.9%
Violent Crime Clearance Rate	30.6%	29.0%	94.8%	38.8%	26.7%	68.8%
Crime Lab Cases Completed	96.6%	82.4%	85.3%	90.0%	82.0%	91.1%
Fleet Availability	96.6%	95.8%	99.2%	90.0%	96.0%	106.7%
Complaints - total cases	878	220	25.1%	861	94	10.9%
Tot. Cases Reviewed by Citizens Rev. Com.	564	87	15.4%	248	47	19.0%
Records Processed	728,329	826,727	113.5%	663,276	718,424	108.3%
PUBLIC WORKS AND ENGINEERING						
Maintenance and Right-of-Way						
In-House Overlay (Lane Miles)	284	49	17.3%	280	48	17.1%
Potholes/Skin Patches (Tonnage)	18,879	4,180	22.1%	18,000	3,044	16.9%
Roadside Ditch Regraded/Cleaned (Miles)	321	63	19.6%	250	63	25.1%
Storm Sewers Cleaned (Miles)	382	30	7.9%	350	60	17.0%
Storm Sewer Inlets/Manholes Cleaned/Inspected	143,074	19,413	13.6%	130,900	21,012	16.1%
ECRE						
PIB Appropriations as % of CIP	109.1%	7.2%	6.6%	100.0%	4.2%	4.2%
W/S Appropriations as % of CIP	88.6%	2.1%	2.4%	100.0%	3.2%	3.2%
Awarded Overlay Under Contract (Lane Miles)	221	30	0.0%	200	0	0.0%
Sidewalk Program (Miles Awarded - Design & Construction)	41	0	0.0%	50	0	0.0%
Street Light Installations Authorized	1,820	583	32.0%	1,700	191	11.2%
Water and Sewer						
No. of Water Repairs Completed	10,326	2,121	20.5%	12,000	1,908	15.9%
No. of Sewer Repairs Completed	3,348	564	16.8%	4,000	419	10.5%
SOLID WASTE MANAGEMENT						
Cost per Unit Served-Excludes Recycling and Special Collections Programs	\$13.50	\$13.48	99.9%	\$13.49	\$13.49	100.0%
Units with Recycling	152,080	152,080	100.0%	162,000	152,080	93.9%
Tires Disposed	133,500	51,526	38.6%	150,000	8,437	5.6%

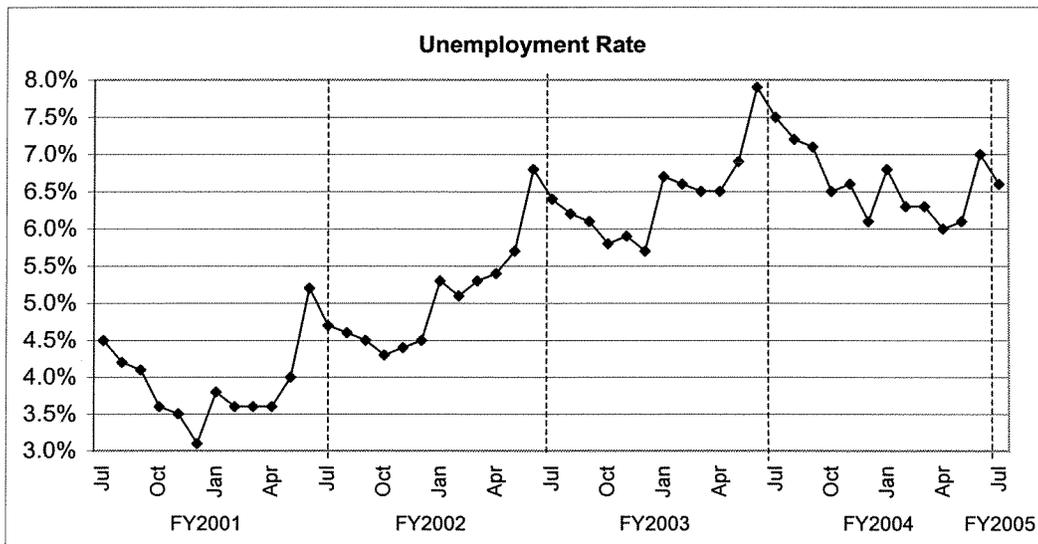
TREND INDICATORS - LOCAL ECONOMY



Source: Office of State Comptroller

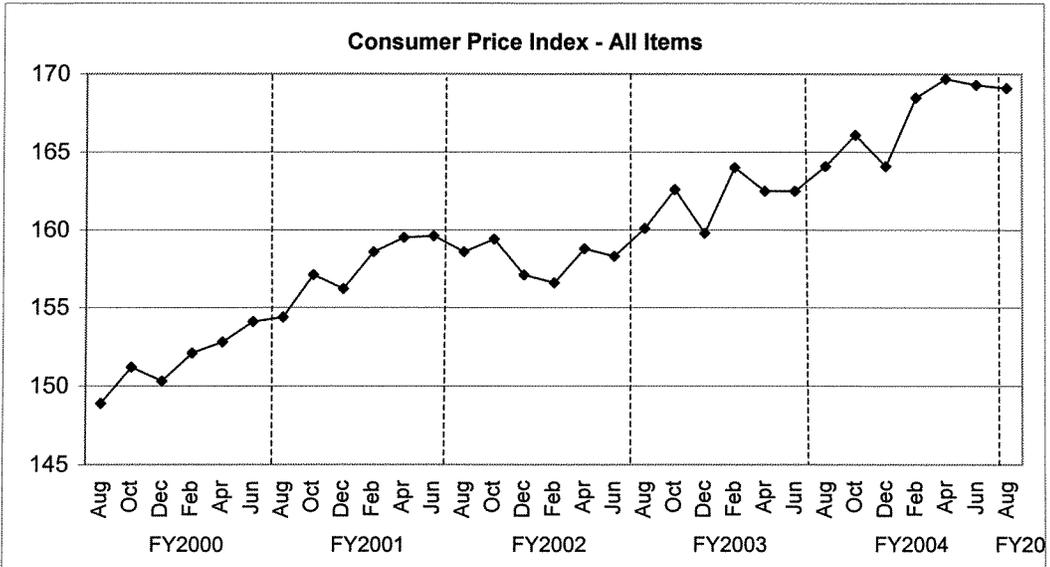


Source: City of Houston Planning and Development Department

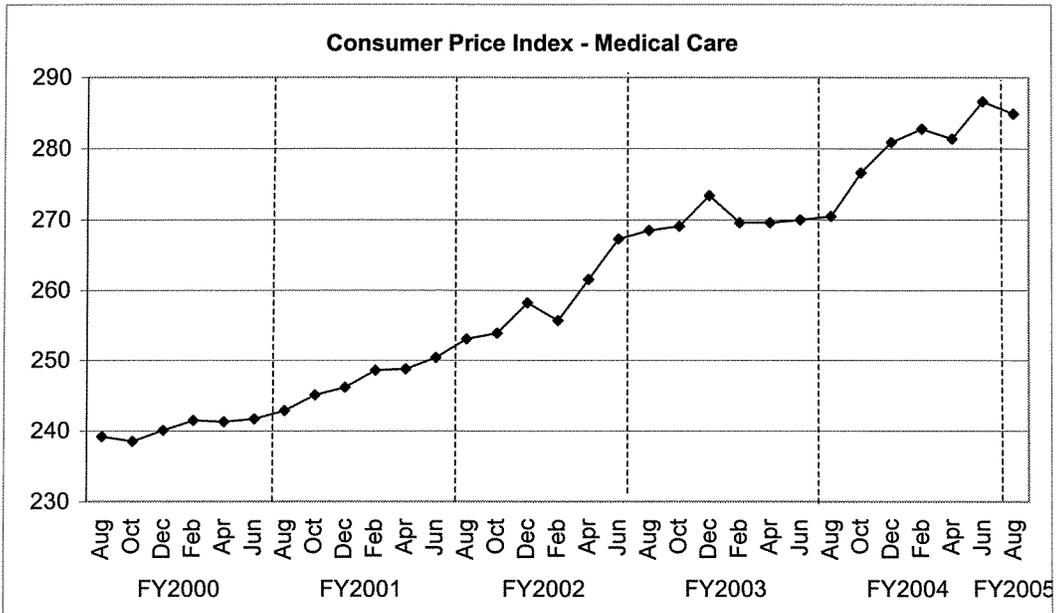


Source: Databook Houston; University of Houston Center for Public Policy; not seasonally adjusted

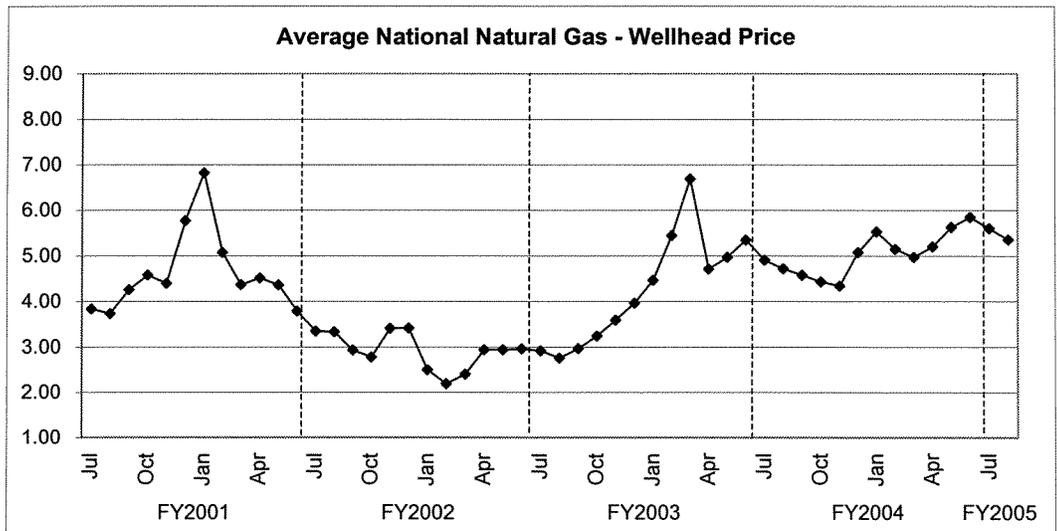
TREND INDICATORS - LOCAL ECONOMY



Source: Bureau of Labor Statistics - Houston, Galveston, Brazoria TX

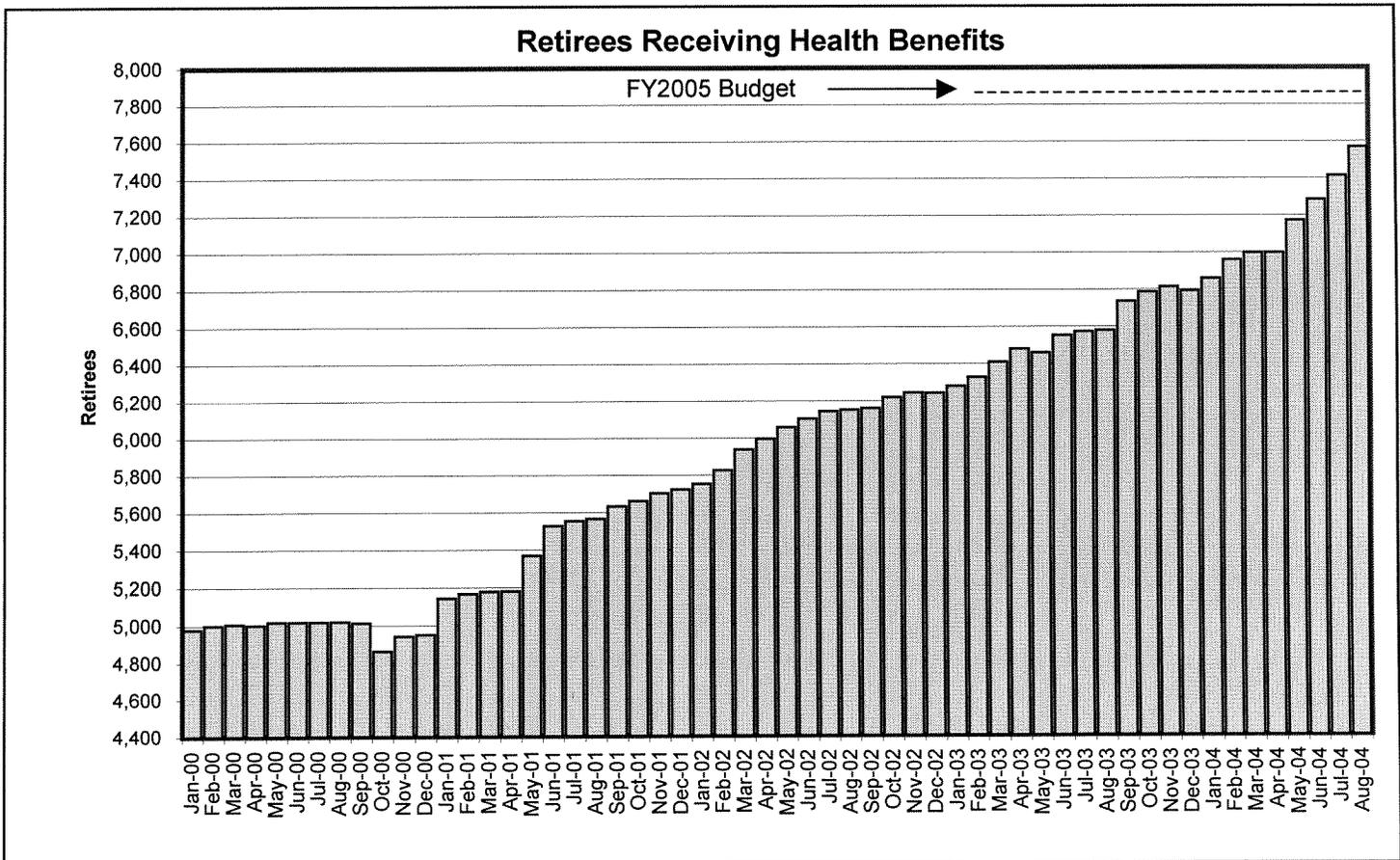
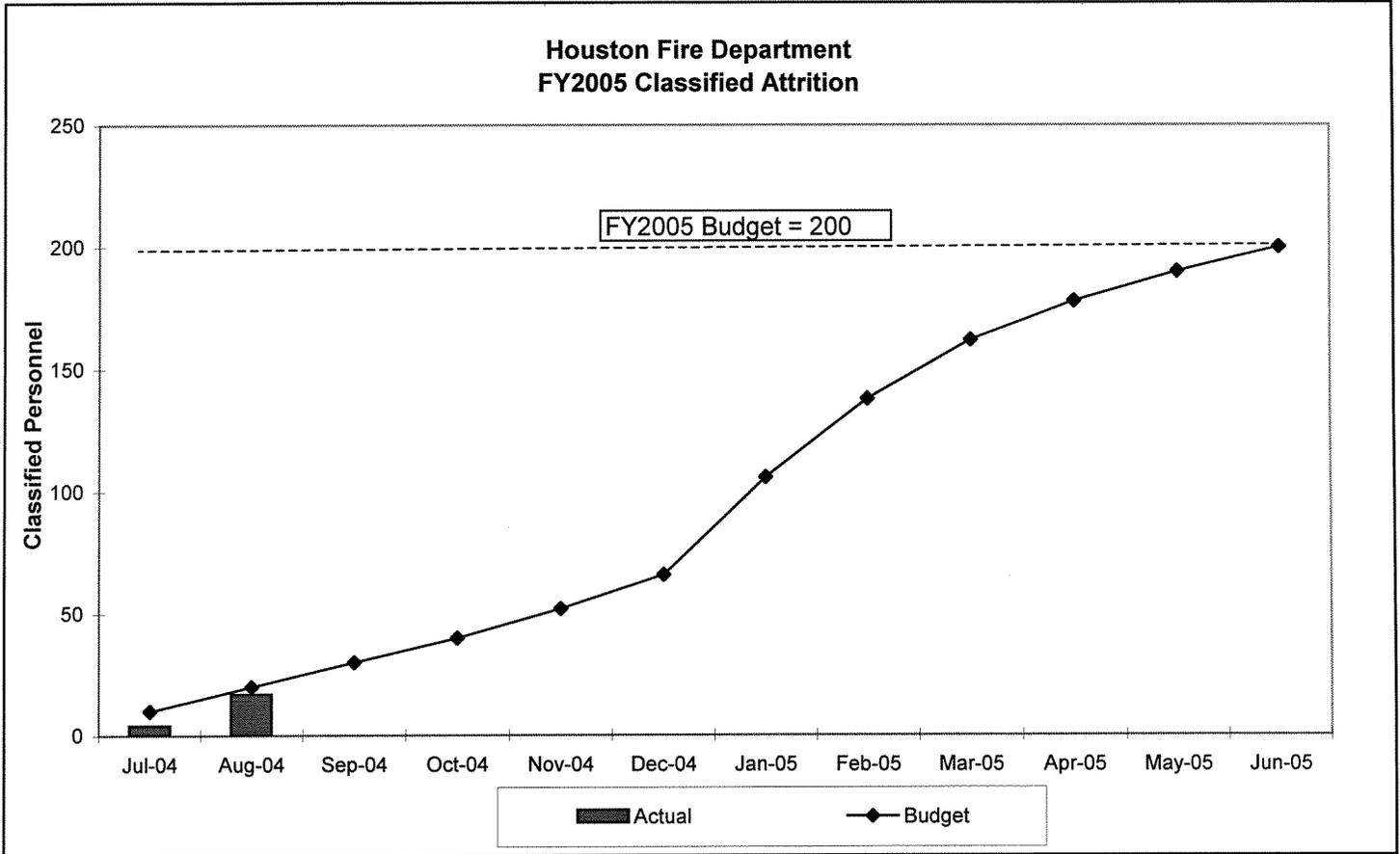


Source: Bureau of Labor Statistics - Houston, Galveston, Brazoria TX

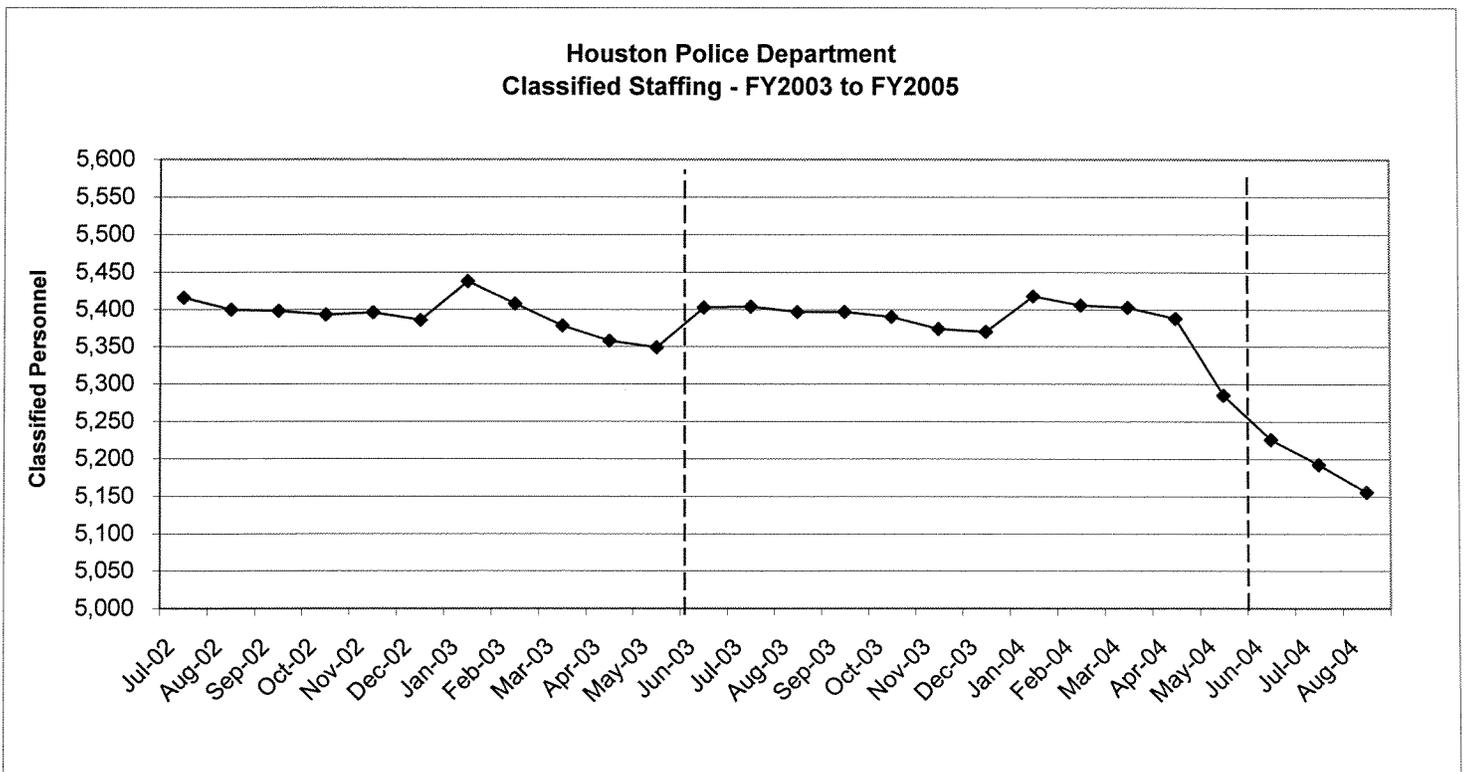
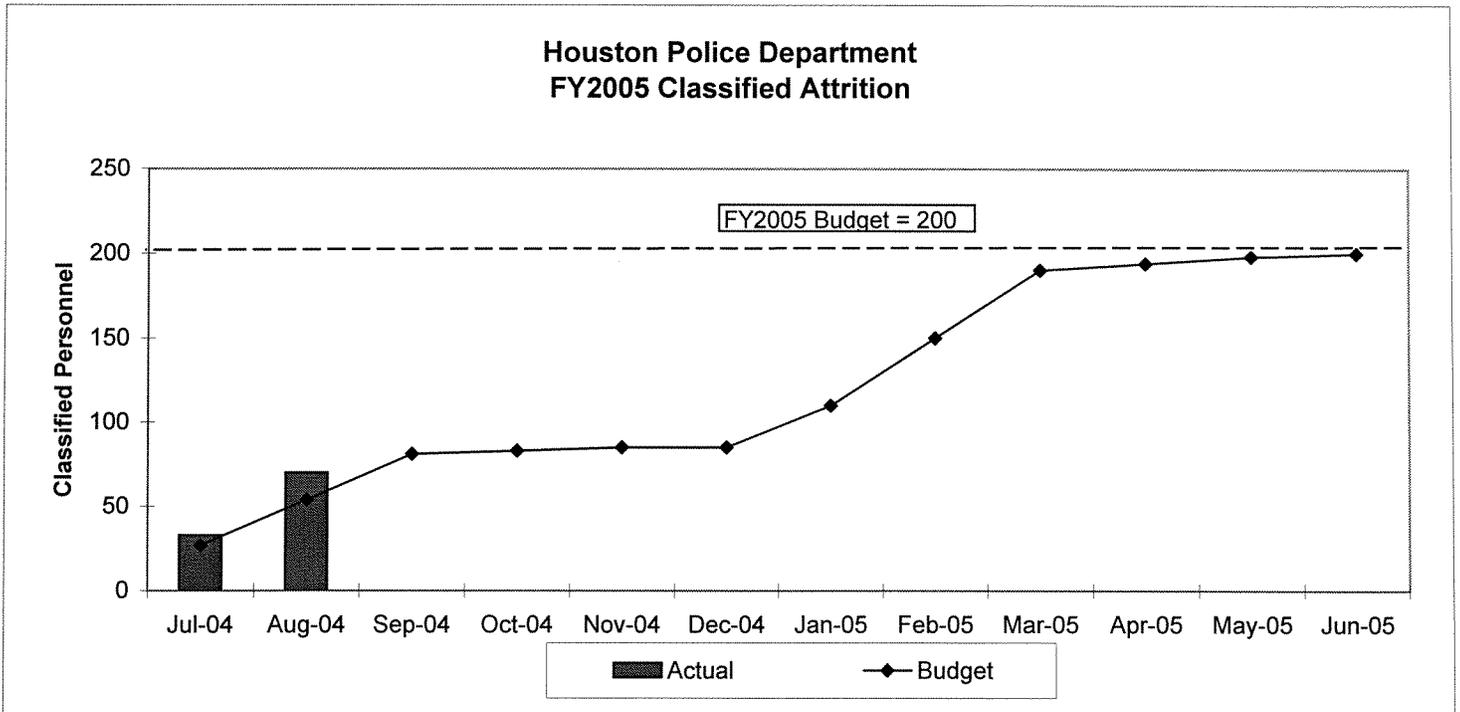


Source: Energy Information Administration/Natural Gas Monthly

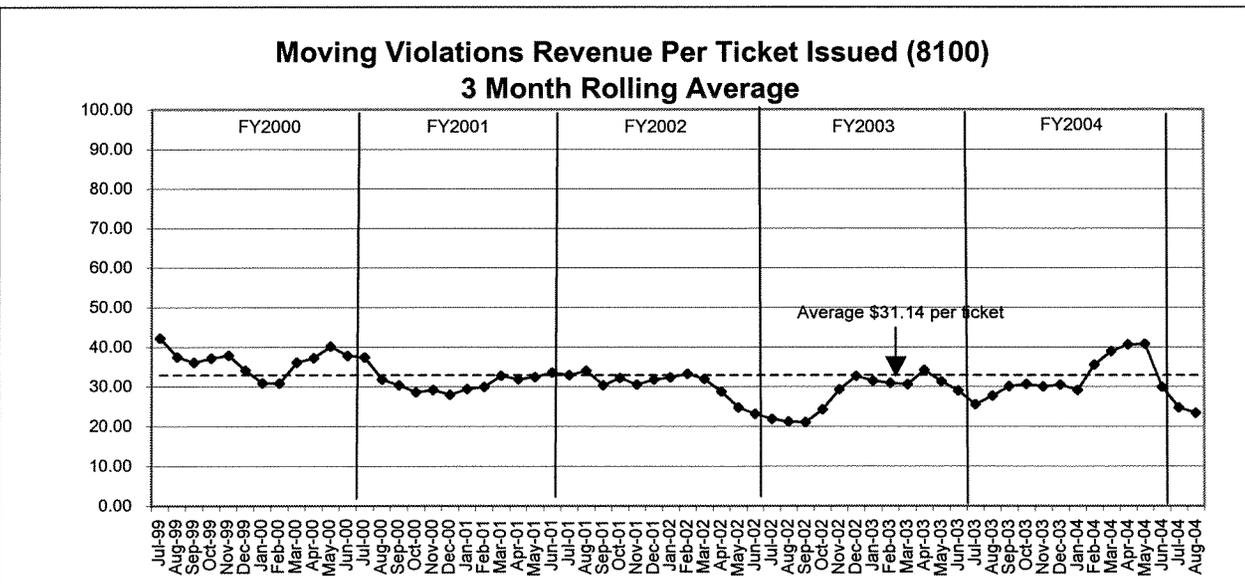
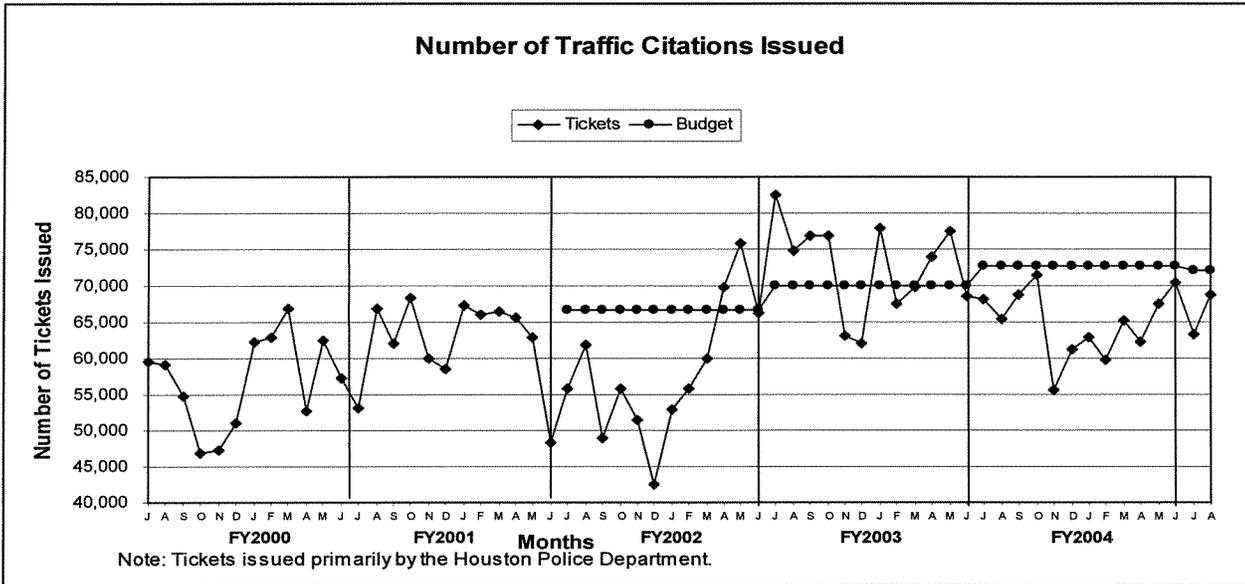
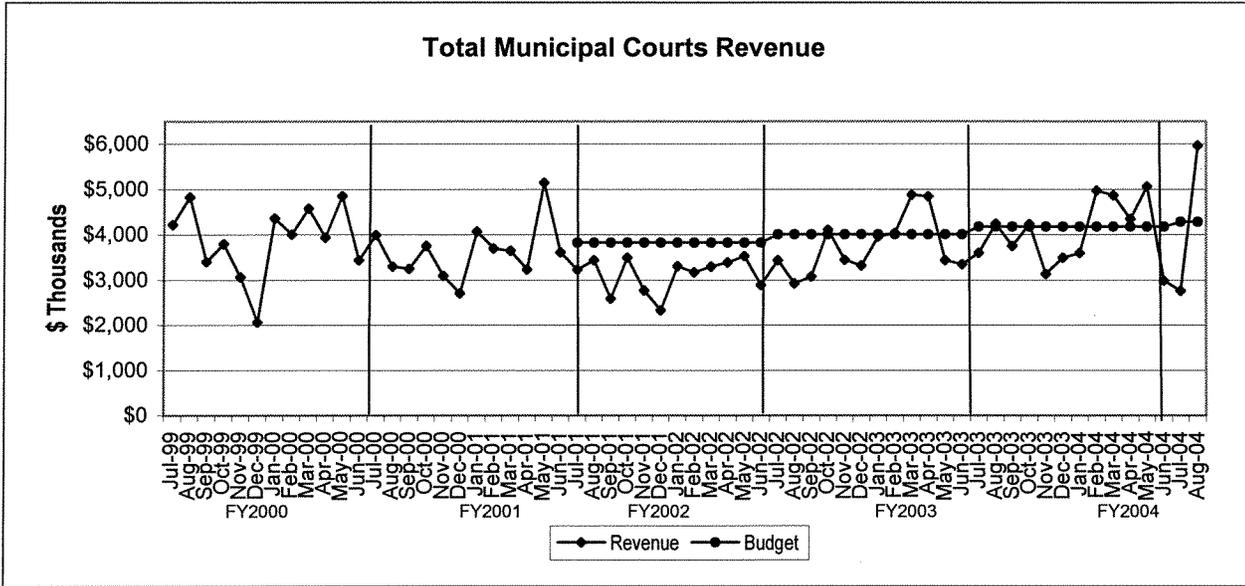
TREND INDICATORS - RETIREMENTS



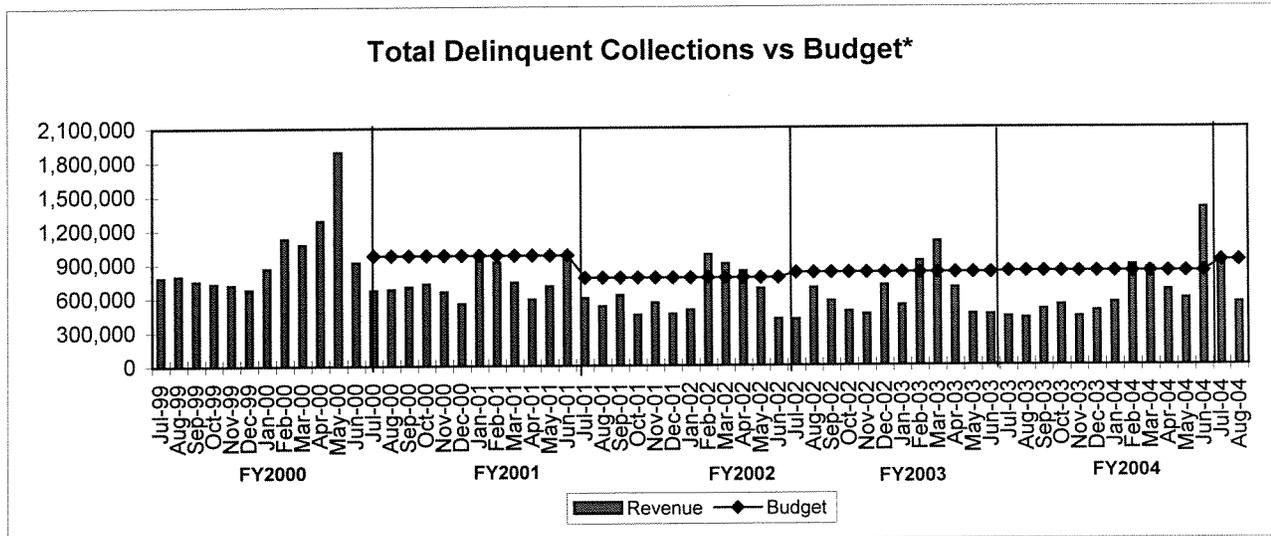
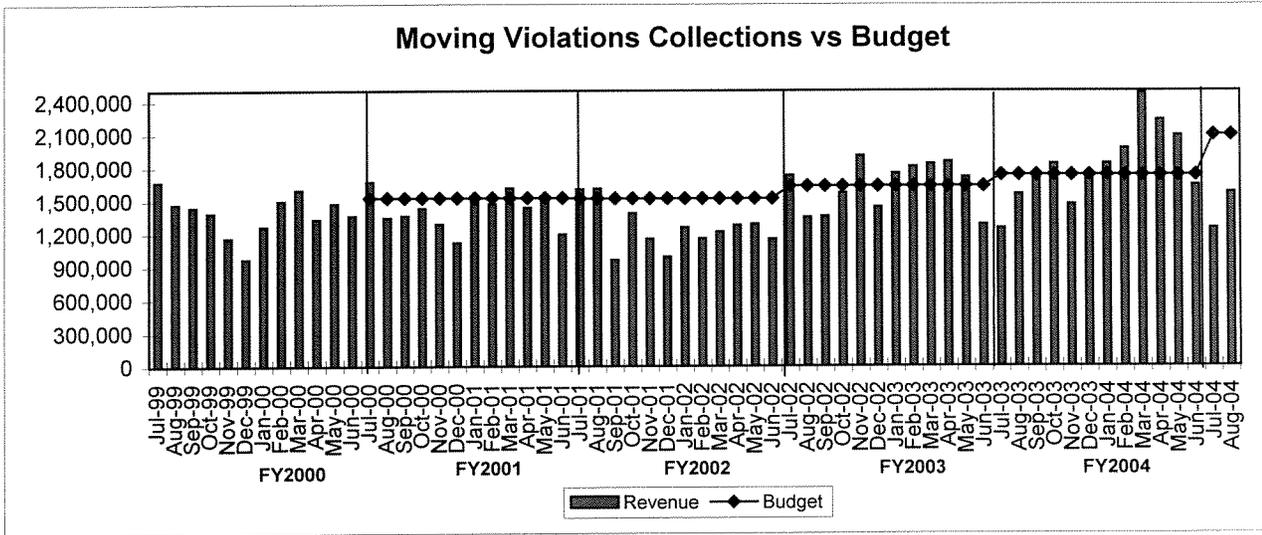
TREND INDICATORS - HIRING AND RETIREMENTS



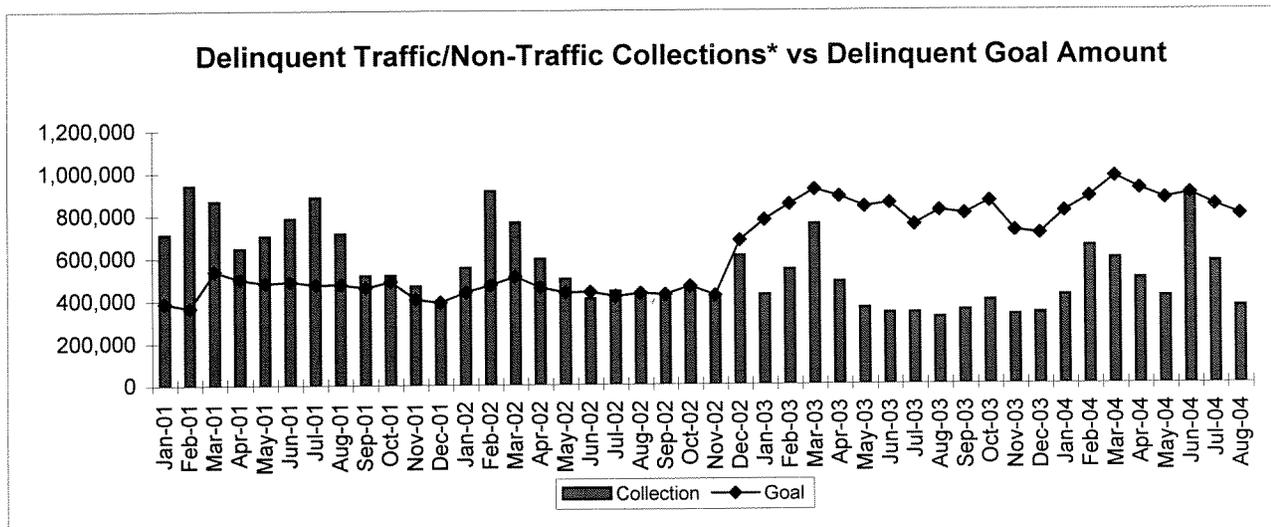
TREND INDICATORS - MUNICIPAL COURTS



TREND INDICATORS - MUNICIPAL COURTS

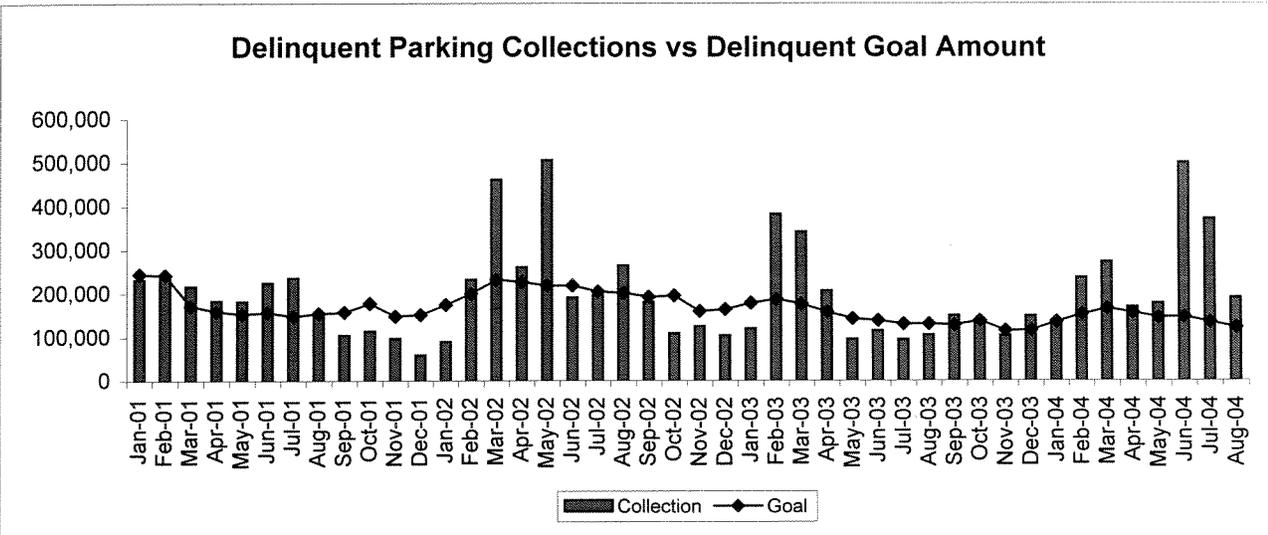
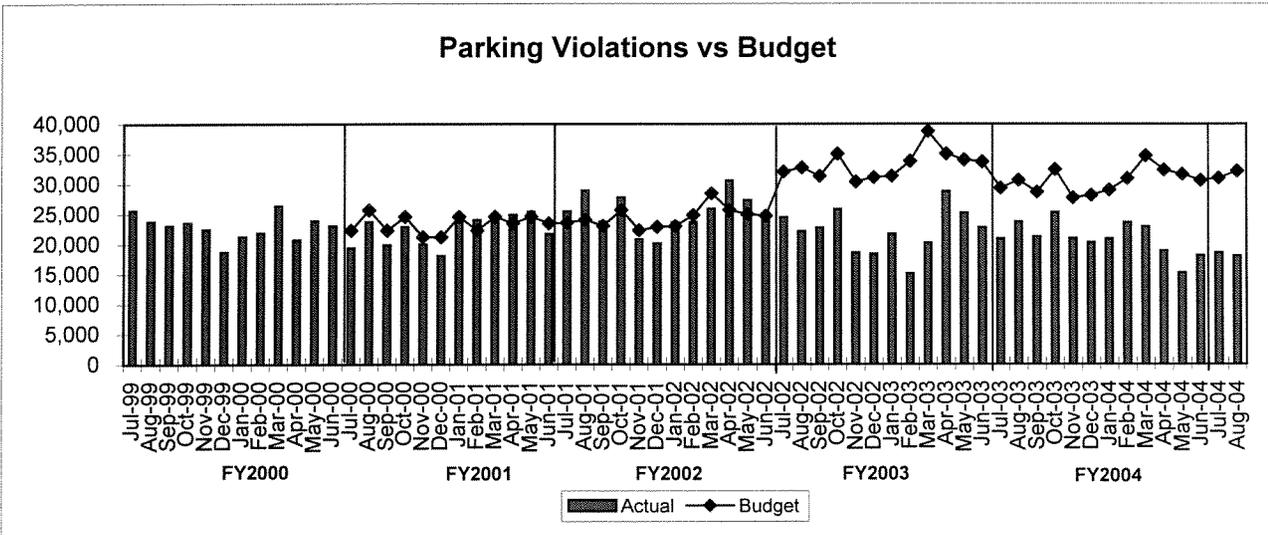
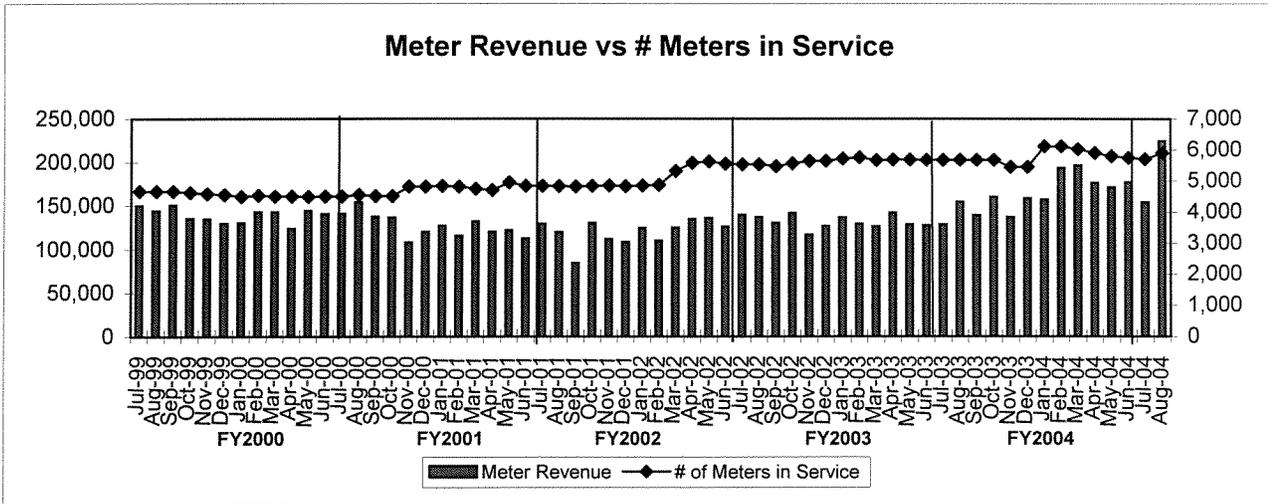


*Net of fees and expenses paid to Linebarger



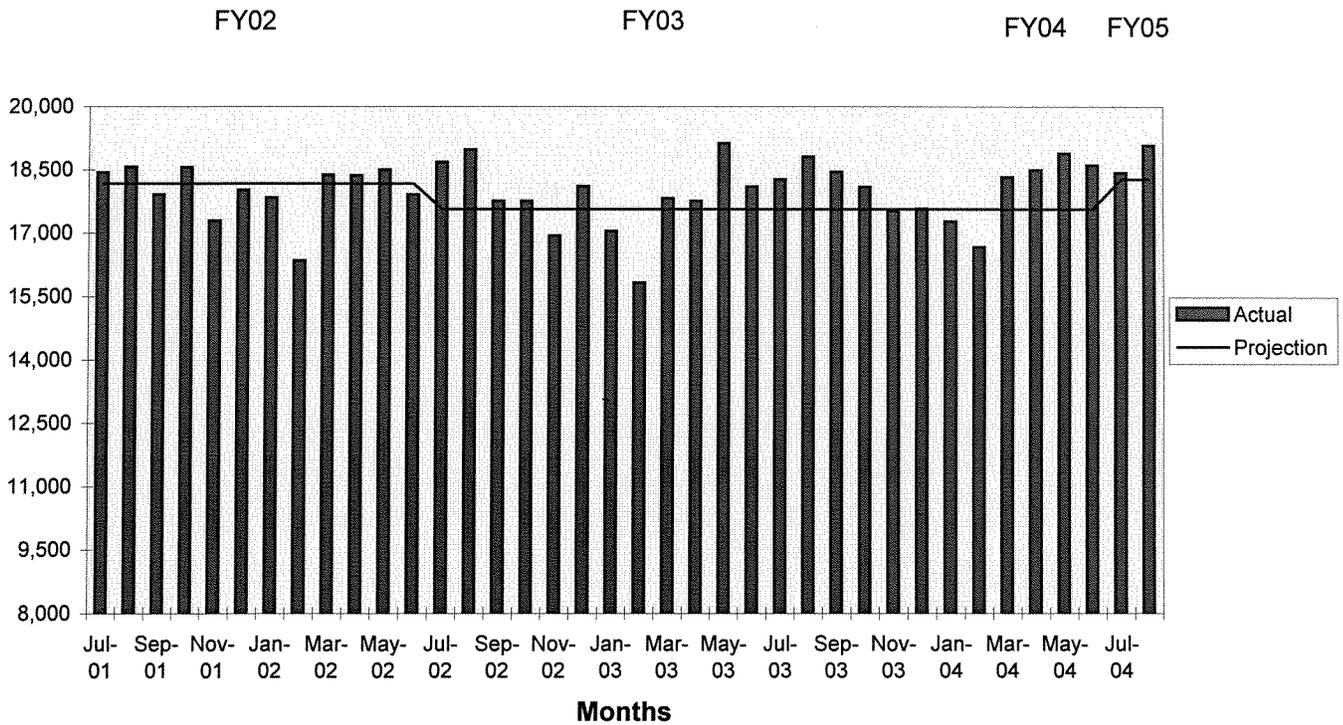
*Excludes Delinquent Parking Collections

TREND INDICATORS - MUNICIPAL COURTS

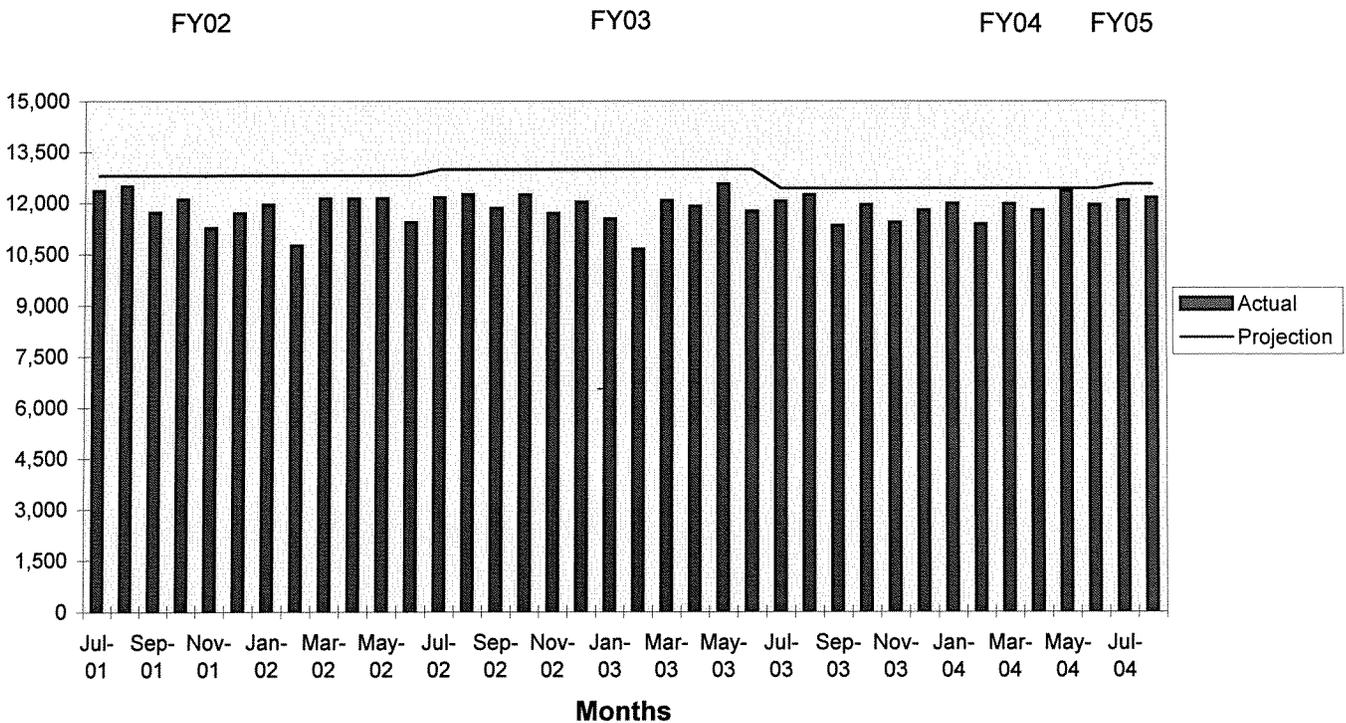


TREND INDICATORS - AMBULANCE SERVICES

EMS Incidents

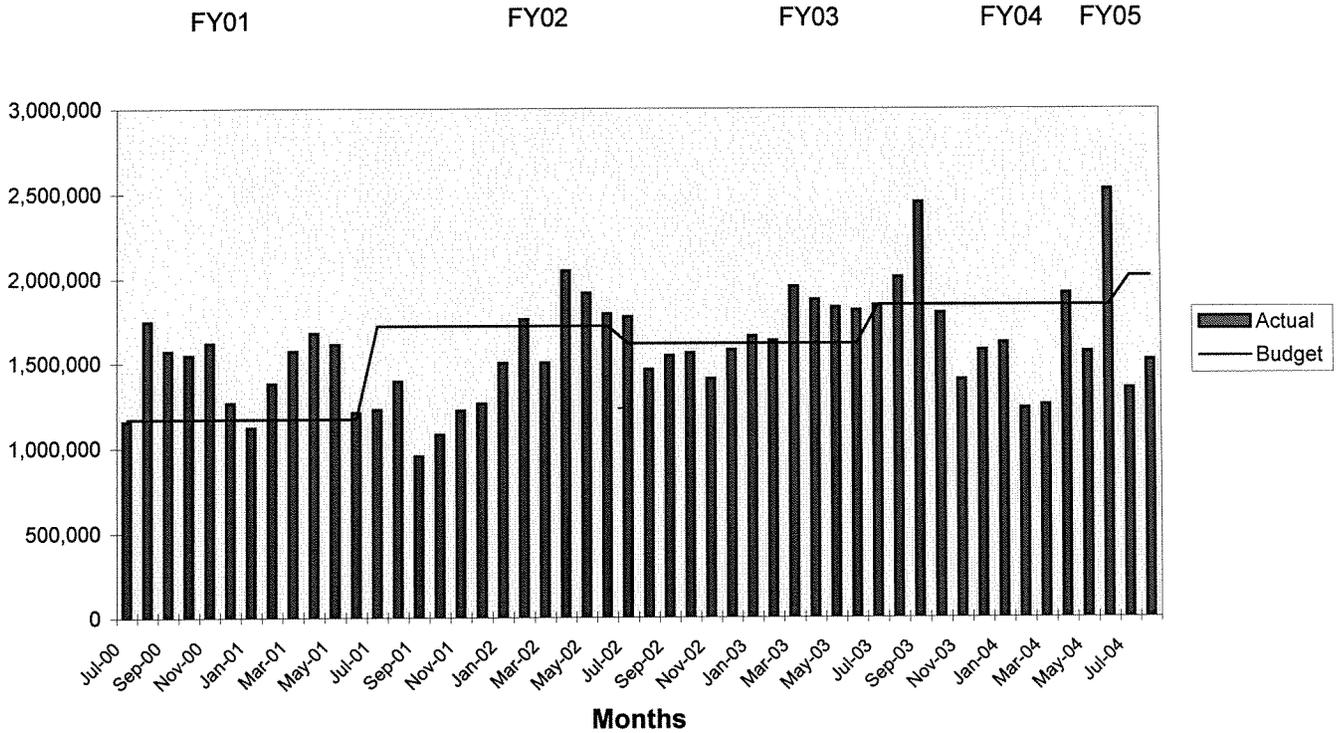


EMS Transports

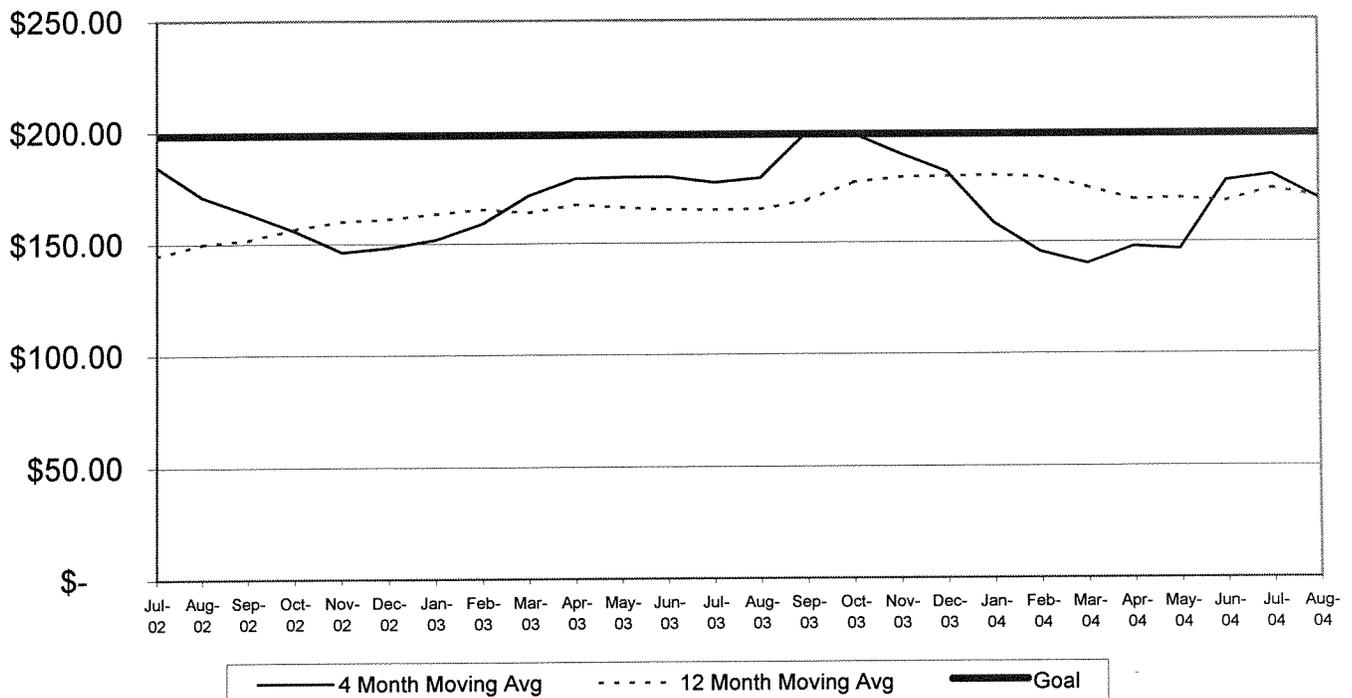


TREND INDICATORS - AMBULANCE SERVICES

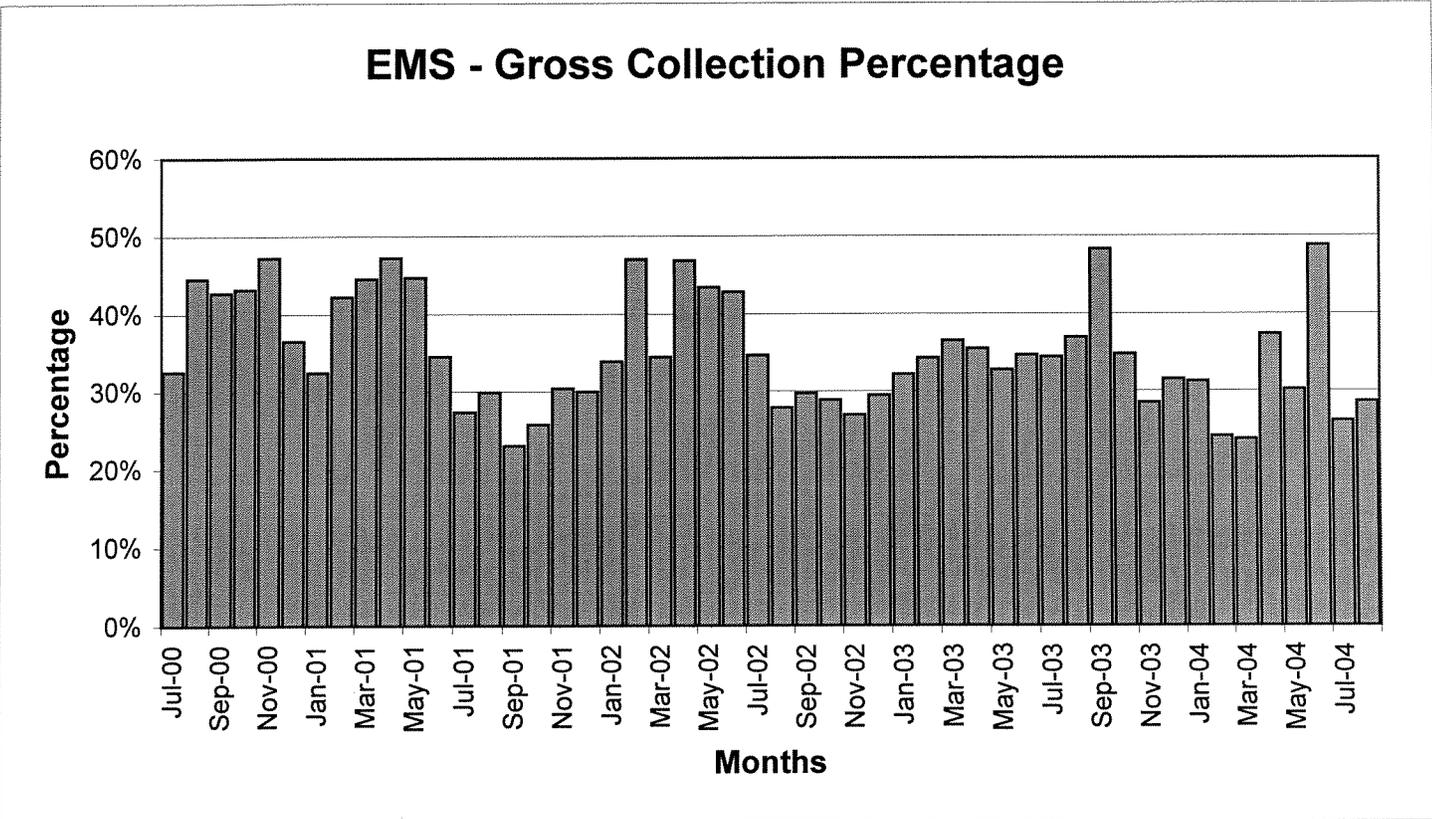
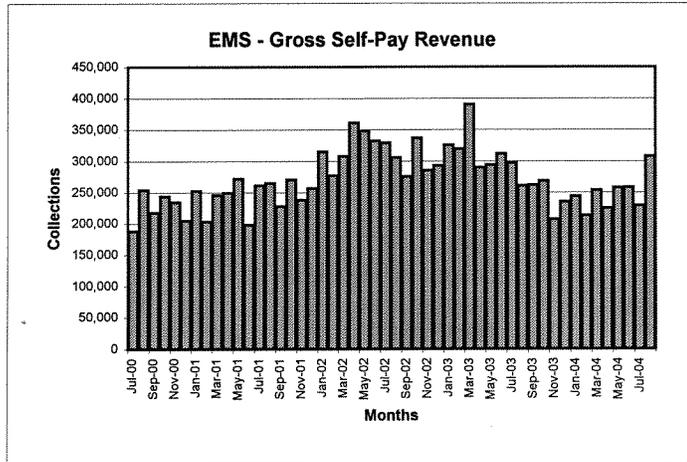
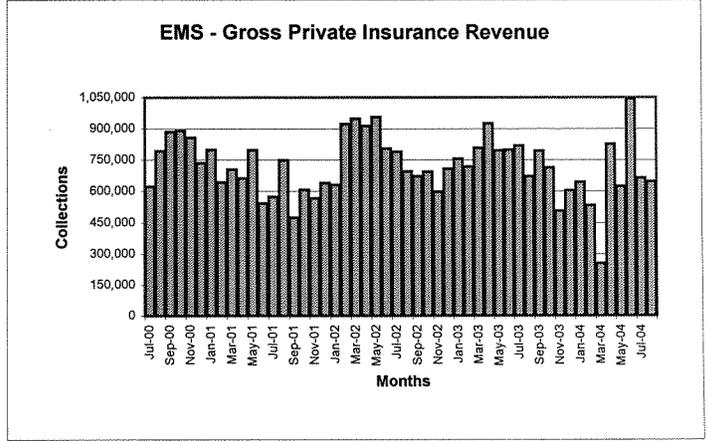
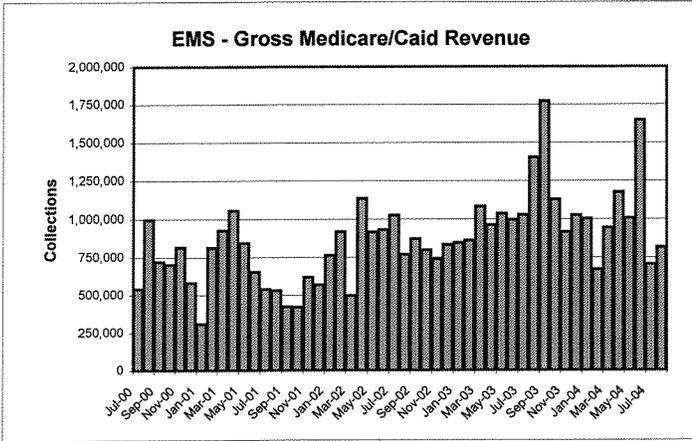
EMS Revenue (Net Collections)



4 Month and 12 Month Moving Average EMS Revenue Per Transport

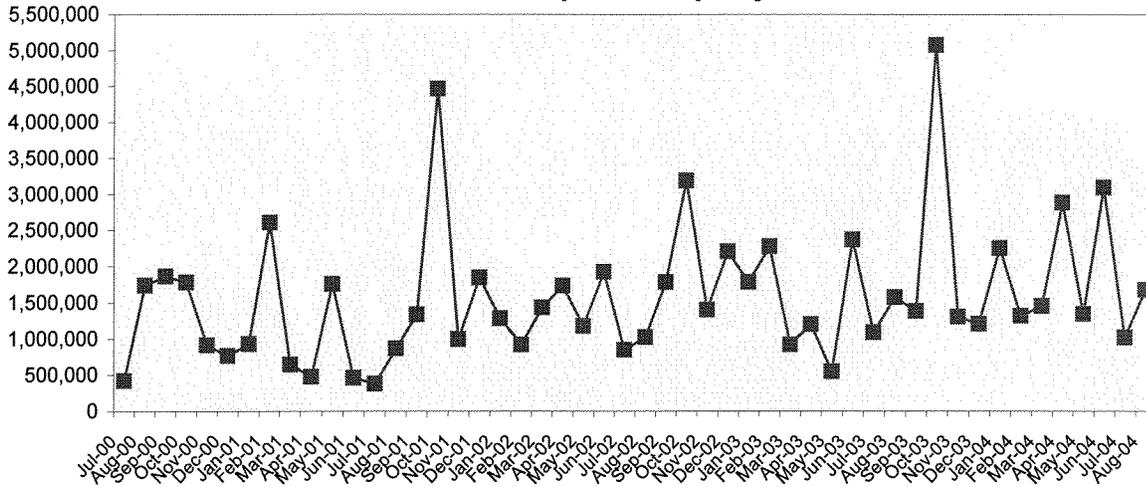


TREND INDICATORS - AMBULANCE SERVICES



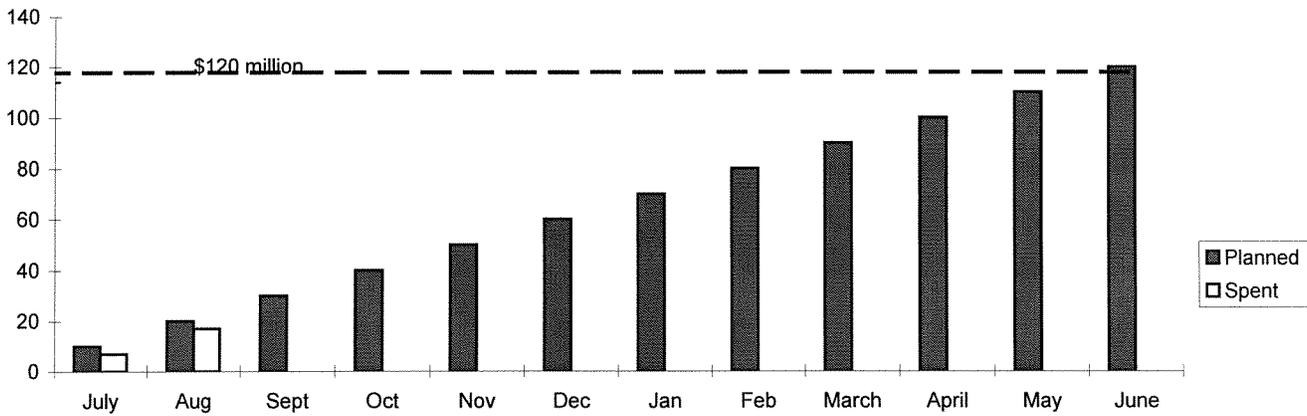
TREND INDICATORS - MISCELLANEOUS

Delinquent Property Tax

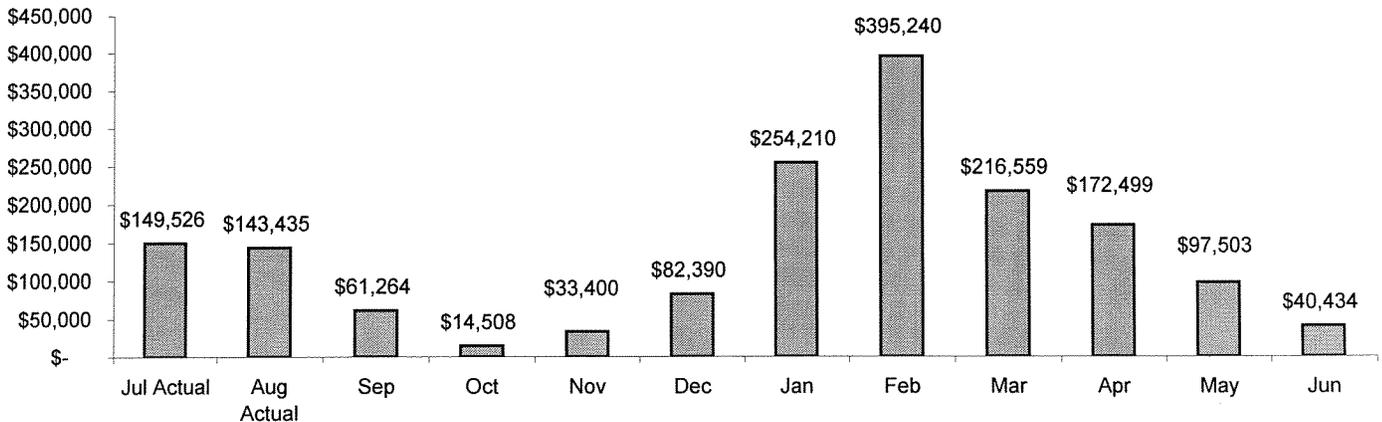


FY05 Budget is \$34,400,922

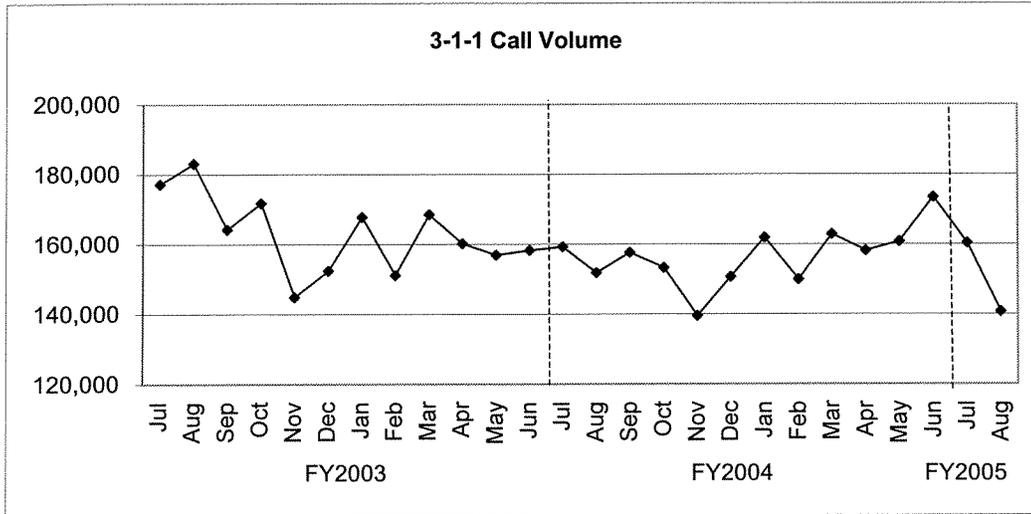
FY2005 Public Improvement Bonds Commercial Paper Planned vs Spent (\$Millions)



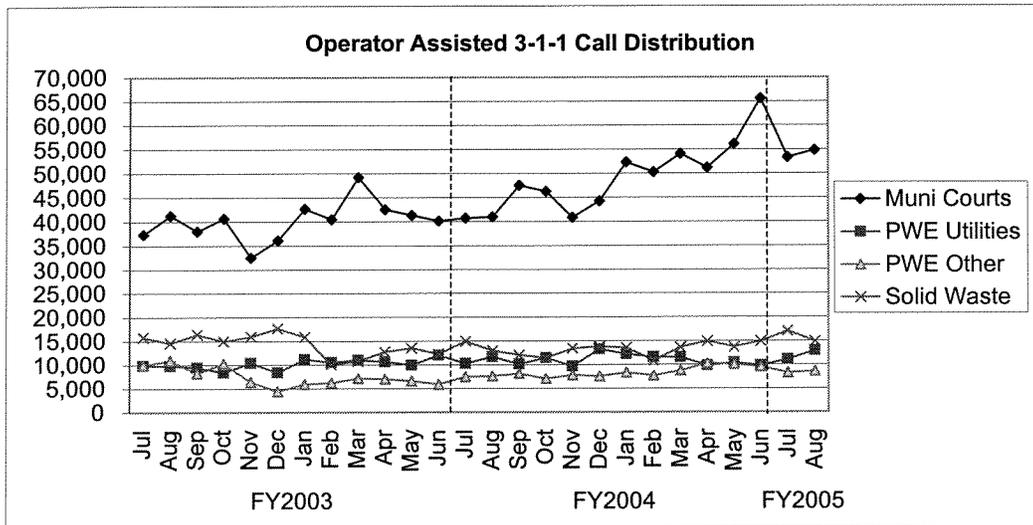
FY2005 Projected City of Houston General Fund Ending Cash Balances (In \$000)



TREND INDICATORS - MISCELLANEOUS



3-1-1 became fully operational in August 2001



4 largest users of operator assisted 3-1-1 calls.