



# 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:** September 29, 2006

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

Attached is the Monthly Financial and Operations Report for the period ending August 31, 2006.

### **General Fund Revenues**

The only change in our revenue projection for the general fund is for sales taxes. The sales tax receipts for July were \$3.7 million (12%) more than budgeted, and 14.3% more than last year's July receipts. As a result, we have increased our estimate for the year by \$3.7 million, and are projecting receipts for the remaining months of the fiscal year at budget.

### **General Fund Expenditures**

Our projection for FY2007 General Fund expenditures has been decreased by \$819 thousand due to lower than budgeted interest expense for the FY2007 TRANS.

We budgeted \$7.4 million in the general fund as a contingency for unanticipated expenditures. Transfers from the contingency account are the following:

- To the election account, \$1 million.
- To the Houston Emergency Center, City Council, and Mayor's Office for property insurance costs, \$135,305. These costs had been budgeted in general government in prior years. When we changed the policy to include insurance costs in the departmental budgets these amounts were inadvertently overlooked.
- To the Finance & Administration for reverse auction costs, \$200,000. In prior years the reverse auction fees were charged to the departments based on the estimated amount of purchases that would be made. This required up to 20 separate accounting transactions for each reverse auction. In order to simplify this process, the reverse auction fees are now being charged directly to the Strategic Purchasing Division budget, in the Finance & Administration Department.

The balance in the contingency account is about \$6 million. When we prepared the FY07 budget, the two biggest concerns for potential cost increases were electricity and fuel costs. We now expect our electricity costs to be within budget. Fuel costs are still a concern. For the

first quarter gasoline and diesel prices have averaged more than the amounts budgeted, but the current prices are lower than the amounts budgeted, so that it is possible that we will not need to use the contingency budget for fuel costs.

The volume of calls to 3-1-1 has remained at the high level we experienced in FY06, much higher than FY05, and the average call wait time is more than three times our goal of 30 seconds. As a result, we will be adding positions for call takers and will transfer additional funds to the 3-1-1 budget from the contingency account, in the amount of \$125,000.

### **General Fund Ending Fund Balance**

We are projecting an ending unreserved undesignated fund balance of approximately \$171million, which is approximately 11.7% 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 \$193 million.

### **Katrina Aid & Recovery Fund**

The City's Katrina Housing assistance program is winding down with eligible evacuees moving from the City's public assistance program to FEMA individual assistance or assistance through FEMA-CLC. CLC is the contractor FEMA is utilizing to pay rents for eligible evacuees. FEMA has required that all eligible evacuees re-certify to continue housing assistance after October. To assist in this effort, the City is sponsoring re-certification/housing workshops as well as showing a re-certification video on the Municipal Channel. Additionally, KHOU has posted the video on their web site for the convenience of the public. FEMA has also funded utilities for eligible evacuees through December 2006.

FEMA has obligated an additional \$2.6 million for post-Rita debris removal and the cash reimbursement should be received in the next few weeks.

Please let me know if you have any questions.



---

Judy Gray Johnson, Director