



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: August 1, 2007

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

Attached is the Monthly Financial and Operations Report for the period June 30, 2007.

General Fund Revenues

Our projection for FY07 General Fund revenue is \$0.9 million higher than last month.

- Sales tax receipts for May were \$0.7 million (2.05%) more than budgeted and 4.09% more than last year's May receipts. As a result, we have increased our estimate for the year by another \$0.7 million. Total revenues for FY2007 are estimated to be \$30.3 million higher than budgeted.
- The projection for Property Tax increased by \$2.4 million due to rate of collection being higher than anticipated.
- The projection for Telephone Franchise Fees increased by \$0.7 million due to anticipated fourth quarter receipts being higher.
- The projection for Municipal Courts Fines & Forfeits increased by \$1.5 million due to the impact of the Amnesty Program.
- The projection for Intergovernmental Revenue decreased by \$3 million primarily due to TIRZ pending contracts in the amount of \$1.6 million and \$1.3 million estimated for METRO resulting in a lower overall projection.
- The projection for Charges for Services decreased by \$0.6 million primarily due to lower than anticipated Weed Cutting Fees and Police Services.

General Fund Expenditures

Our projection for FY07 General Fund expenditures is \$5.2 million lower than last month.

- The projection for Finance and Administration increased by \$0.3 million primarily due to reimbursement of salaries from Housing Community Development.
- The projection for Fire Department decreased by \$1.5 million primarily due to reduction of OT classified personnel and lower attrition than anticipated.

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- The projection for Public Works and Engineering decreased by \$3.5 million due to estimated savings in personnel and construction materials.
- The projection for Solid Waste increased \$0.4 million primarily due to the new tracking system added to the fleet.

General Fund Ending Fund Balance

We are projecting an ending unreserved undesignated fund balance of approximately \$222 million, which is approximately 15% 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 \$244 million.

Enterprise Funds

Aviation

- Our projection for Operating Revenue has decreased by \$9.8 million primarily due to an adjustment to rates and charges for FY2006.
- Our projection for Operating Expenses has decreased by \$3 million primarily due to electricity and personnel cost.
- Our projection for Debt Service has decreased by \$1 million due to funding available for debt from the Passenger Facility Charge (PFC).

Convention and Entertainment Facilities

- Our projection for Operating Revenue has increased by \$0.3 million primarily due to revenue from the Hilton Garage.
- Our projection for Operating Expenses has decreased by \$1 million primarily due to expenditure reversals in Services for FY2006.
- Our projection for Operating Transfers has increased by \$1.7 million primarily due to non-reimbursement of FEMA funds.

Combined Utility System

- Our projection for Operating Revenues has decreased by \$9.9 million as a result of higher than expected rainfall.
- Our projection for Operating Expenditures decreased by \$2.1 million primarily due to electricity and personnel cost.
- Our projection for Debt Service Transfer increased by \$6.6 million primarily due to the increase in variable rates.

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Stormwater Fund

- Our projection for Operating Expenditures decreased by \$0.4 million primarily due to personnel cost and infrastructure maintenance.

Risk Management Funds

Workers Compensation Fund

- Our projection for Operating Expenditures decreased by \$1.7 million primarily due to claims being less than actuarial estimates.

Special Revenue Funds

Asset Forfeiture Fund

- Our projection for Operating Revenue increased by \$1 million primarily due to confiscations being higher than anticipated.
- Our projection for Operating Expenditures decreased by \$2 million primarily due to classified OT being lower than anticipated and other services.

Building Inspection Fund

- Our projection for Operating Revenue increased by \$1.6 million primarily due to increase in permits and licenses.

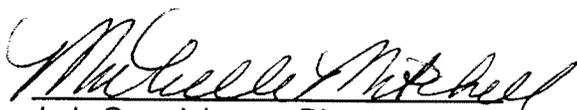
Police Special Services Fund

- Our projection for Operating Revenue increased by \$1 million primarily due to Fines and Forfeitures and Red light Enforcement.

Katrina Aid & Recovery Fund

The City received \$1,025,542.75 for Fire department PW 597-2 to reimburse for Katrina EMS equipment costs. The first-level appeal letter for PW 744-0 to cover Miscellaneous Administrative Expenses in the amount of \$804,833.79 for costs related to the Interim Housing Program is being developed. The GDEM audits of Katrina PW's are continuing each week and are going well.

Please let me know if you have any questions.



Judy Gray Johnson, Director