



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: April 26, 2007

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

Attached is the Monthly Financial and Operations Report for the period ending March 31, 2007.

General Fund Revenues

Our projection for FY2007 General Fund revenue is \$7.6 million higher than last month.

- Sales tax receipts for February were \$3.6 million (11.2%) more than budgeted and 13.4% more than last year's February receipts. As a result, we have increased our estimate for the year by another \$3.6 million, and are projecting receipts for the remaining months of the fiscal year at budget.
- Our projection for Gas Franchise Fees increased by \$1.5 million due to actual third quarter results.
- Our projection for Industrial Assessment increased by \$1.4 million due to an increase in the HCAD valuation.
- Our projection for Intergovernmental Revenue increased by \$665 thousand primarily due to an increase in current estimates for CDBG reimbursement for Street Overlay Programs.
- Our projection for Other Fines and Forfeits increased by \$576 thousand due to an increase in estimates for False Alarm Penalties and other interest income.

General Fund Expenditures

Our projection for FY07 General Fund expenditures is \$6.2 million higher than last month.

- The projection for General Government's Operating Expenditures increased by \$5 million primarily due to information technology expenditures of \$3.6 million that will be billed to departments relating to installation of cabling and lines for the NIP system which was higher than expected and, \$3.5 million for the purposes of making a cash advance to the Dangerous Building Demolition Fund/Dangerous Building Consolidated Fund for the cost of demolition of dangerous buildings.
- The projection for Public Works and Engineering decreased by \$776 thousand due to estimated savings in personnel and some services.

General Fund Ending Fund Balance

We are projecting an ending unreserved undesignated fund balance of approximately \$194 million, which is approximately 13.1% 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 \$216 million.

Aviation

- The projection for Parking and Concession Increased by \$1.8 million due to current market trends, a 5% increase from FY06.
- The projection for Building and Ground Area increased by \$598 thousand to reflect new leases.
- The projection for Landing Area decreased by \$400 thousand primarily due to a reduction in service by cargo carriers.
- The projection for Operating Expenditures decreased by \$890 thousand primarily due to a savings in personnel.
- The projection for Renewal and Replacement decreased by \$7 million primarily due to projects being delayed until FY2008.
- The projection for Operating Reserve decreased by \$2.8 million primarily due to less than anticipated funding requirements.

Convention and Entertainment Facilities

- The projection for Food and Beverage increased by \$815 thousand primarily due to higher than expected demand.

Combined Utility System

- The projection for Water Sales Revenue decreased by \$1.2 million, as year-to-date revenues are lower than expected, possibly attributable to the increase in rainfall.
- The projection for Sewer Sales Revenue increased by \$710 thousand as a result of a substantial reduction in evaporation credits.
- The projection for Other Revenue increased by \$862 thousand primarily due to Harris County paying the City an additional capacity fee.
- The projection for Interest Income increased by \$400 thousand primarily due to higher interest rates from cash investments.
- The projection for Operating Expenditures decreased by \$2.1 million primarily due to electricity and natural gas trending lower than expected and other services.
- The projection for Debt Service Transfer decreased by \$7.6 million due in part to the delay in refunding of the Commercial Paper, paying lower variable rates.

Stormwater Fund

- The projection for Operating Expenditures decreased by \$240 thousand primarily due to personnel.

April 26, 2007

Asset Forfeiture Fund

- The projection for Revenue increased by \$920 thousand primarily due to dispositions received from the courts.

Sign Administration

- The projection for Revenue decreased by \$778 thousand primarily due to decrease in sign and permit fees.
- The projection for Operating Expenditures decreased by \$542 thousand primarily due to savings in personnel.

Workers' Compensation Fund

- The projection for Revenue increased by \$583 thousand primarily due to increased claims filed.
- The projection for Operating Expenses increased by \$482 thousand primarily due to increased claims filed.

Katrina Aid & Recovery Fund

Two new Hurricane Katrina Project Worksheets were submitted to FEMA requesting \$1.0 Million for additional Fire Department EMS equipment expenses and \$0.8 Million for miscellaneous Interim Housing administrative expenses.

Please let me know if you have any questions.


Judy Gray Johnson, Director