



CITY OF HOUSTON

Finance Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Michelle Mitchell, Director
Finance Department

Date: May 22, 2008

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

Attached is the Monthly Financial and Operations Report for the period ending April 30, 2008.

General Fund

Our projection for FY2008 General Fund revenue is \$6.6 million higher than last month on a net basis.

- The increase of \$3 million in Property Tax is based on a projected annual collection rate of 97.16% compared with the original budget projection of 96.5%. This is 0.4% more than last year's final collection rate. Through April, the collection is actually 0.8% ahead of last year.
- Sales Tax projection increased by \$2.3 million based on a 5.4% increase in base collection for the last three months of this fiscal year.
- Licenses and Permits increased by \$760,000 due to higher projection for Special Fire Permits and Burglar Alarm Permits.
- Our Interest projection increased by \$1 million as a result of maintaining higher cash balances.

Other Resources include an increase of \$1 million for the Sale of Assets due to revenue from street abandonment.

Our overall projection for FY2008 General Fund expenditures increased by \$5.1 million from last month's report. Most of this change is the result of the \$4 million General Appropriation approved by City Council for General Government to cover the cost of fuel; \$556,000 for Finance due to the transfer of budget and related cost for the TIRZ division; and an increase in fuel cost for Police in the amount of \$416,000.

We are projecting an ending unreserved undesignated fund balance of \$252 million, which is 16.1% 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 \$274 million.

May 22, 2008

Enterprise Funds

- Aviation
 - Net revenue increased by \$405,000 from the prior month due to \$290,000 in Salary Recovery plus \$115,000 in Landing Area revenue. This resulted in a corresponding increase of \$405,000 to Capital Improvement.
- Convention and Entertainment Facilities
 - Operating Revenue remained unchanged from the prior month.
 - Operating Expenditures increased by \$551,000 due to higher than anticipated Flood Mitigation Project costs.
- Parking Management Operating Fund
 - Operating Revenue increased by \$575,000 as a result of increased events.
 - Operating Expenditures remained unchanged from the prior month.
- Combined Utility System
 - Water and Sewer sales projection decreased by \$2.9 million as a result of continued mild and wet weather.
 - Operating expenditures decreased by \$1.9 million as the net effect of a decrease in personnel costs of \$2.1 million, a \$1.3 million decrease for chemicals due to lowered pumpage, which is offset by an increase of \$853,000 for infrastructure repairs, and \$700,000 increase for vehicle motor service repairs.
- Fleet /Equipment Internal Service Fund
 - Net revenue increased by \$1 million as result of sale of property in the amount of \$778,000 and interest in the amount of \$222,000.

Katrina Aid & Recovery Fund

The Governor's Department of Emergency Management (GDEM) audit of the Interim Housing Program continues. The audit of the Furniture segment, totaling \$37 million is almost completed. The GDEM is scheduled to begin the review of the Household Goods segment, totaling \$1.7 million, shortly. The city continues to work with FEMA on three pending Project Worksheets (PW's) totaling \$268,000. The city received notice on April 28, 2008 that the first-level appeal to the FEMA Regional Director of PW 749-0, F&A Professional Services, in the amount of \$1.8 million was denied. The second-level appeal of this PW to FEMA National Director is being prepared. On April 30, 2008, the City Council through General Appropriation authorized the transfer of \$1 million to the Community Health and Assessment Fund and \$1.9 million to the Limited Use Roadway and Mobility Capital Fund from the Katrina Fund.

Please let me know if you have any questions.



Michelle Mitchell, Director