



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 28, 2007

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

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

General Fund Revenues

Our projection for FY2008 General Fund revenue is \$27 million higher than last month mainly due to the following:

- Property tax revenues are estimated to be \$821 million, an increase of \$25 million over the budgeted amount. Harris County Appraisal District's current estimated taxable values are \$4.2 billion higher than the values estimated when the budget was adopted.
Property values for commercial property are up 17%, with residential (single and multi-family) property values up 10%. The values in the tax increment zones are proportionately higher by 18%.
- Sales tax receipts for July were \$3.2 million (8.96%) more than budgeted and 12.58% more than last year's July receipts. As a result, we have increased our estimate for the year by \$3.2 million, and are projecting receipts for the remaining months of the fiscal year at budget.
- Our projection for Other Franchise Fees increased by \$1.5 million due to an increase in cable fees to customers by 6%.
- Our projection for Indirect Interfund Services decreased by \$3 million mainly due to an adjustment for equipment depreciation and cost allocation for 3-1-1- Services for Public Works and Engineering.

General Fund Expenditures

Our projection for FY2008 General Fund expenditures is \$1 million higher than last month due to the following:

- The projection for Municipal Courts Administration increased by \$1 million due to a preliminary report delivered by MITRE on their assessment of the Case Management System. Based on this report and MITRE's recommendations and their impact on services and workload, additional staff will be required. It is estimated that approximately 25 positions are needed which brings the total Full Time Equivalent to 265.

September 28, 2007

General Fund Ending Fund Balance

We are projecting an ending unreserved undesignated fund balance of approximately \$236 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 \$258 million.

Combined Utility System

- Our projection for Water and Sewer Sales decreased by \$12 million due to higher than average rainfall. The City recorded 17.99 inches of rain over July and August, compared to historical average of 7.01 inches for the two months.

Katrina Aid & Recovery Fund

Two Project Worksheets de-obligating funds from the evacuee Interim Housing Program were processed by FEMA in August, de-obligating \$6,722,607 for utilities and de-obligating \$5,933,124 for rent payments. Program Management of \$2.35 million was obligated in September. The ongoing audits of Katrina PW's by the Governor's Division of Emergency Management are going well and remain positive.

Please let me know if you have any questions.



Judy Gray Johnson, Director