



CITY OF HOUSTON

Finance Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Michelle Mitchell, Director
Finance

Date: June 1, 2009

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

Attached is the Monthly Financial and Operations Report for the period ending April 30, 2009.

General Fund

Our projection for the General Fund revenue is approximately \$5 million higher than last month principally due to the following:

- Our sales tax projection remained unchanged from last month.
- Our projection for Property Tax increased by \$4.27 million due to the tax levy that came later this year, resulting in a projected annual collection rate of 96.3% compared to last month's projection of 95.8%.
- Our projection for Other Tax Revenues increased by \$465,000 due to higher than anticipated third quarter receipts from the mixed beverage tax.
- To reflect a reclassification of revenue, Licenses and Permits decreased by \$580,000 and Other Fines and Forfeits increased by \$580,000 thousand.

Our projection for General Fund expenditures is approximately \$1 million higher than last month. This is principally due to a \$1 million increase in General Government as a result of transferring funds for seeding the recycling program in the Recycling Revenue Fund. These funds will be transferred back to the General Fund in FY2010 as reflected in the budget. Our projection for Fire is \$500,000 less than last month due to projected savings in Fuel.

Transfers from Other Funds increased \$10.1 million due to transfers approved in Council Ordinance 2009-423.

We are projecting the ending fund balance to be approximately \$226 million, which is 13.5% of estimated expenditures less debt service.

Enterprise Funds

Aviation

- No significant change.

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Convention and Entertainment

- Operating revenue increased by \$235,000 mainly due to increases in food and beverage concessions.
- Operating expenses increased by \$573,000 primarily due to recalculating the parking services contract expenditures and personnel related expenditures based on year to date actual information.

Combined Utility System

- Operating revenue decreased by \$7.9 million as a result of wet weather causing a \$4.3 million reduction of revenue, a \$2.3 million decrease due to meter reading adjustments, and a one time water adjustment with Valero Energy in the amount of \$1.4 million due to an overestimate of usage.
- Operating expenses increased by approximately \$392,000 primarily due to personnel increases in overtime in the amount of \$425,000 and services increases of \$175,000, offset by a \$250,000 decrease in supplies for a price reduction in chemicals.
- Operating transfers decreased by \$893,000 due to the refunding of Pension Bond Series 2004.

Special Revenue and Other Funds

Building Inspection

- Operating revenue decreased by \$1.4 million due to lower permit activity related to the current economic conditions.
- Operating expenses decreased by \$5.9 million as a result of the purchase of the 1002 Washington Avenue building to be funded through Fund 1850 and to be reimbursed by the revenue of the Building Fund.
- Operating transfer in the amount of \$760,000 is to reflect debt service payment.

Digital Automated Red Light

- Operating revenue increased by \$1.14 million due to the current trend of collections to date being higher than budgeted.
- Operating expenses increased by \$2 million primarily due to a projected increase in revenue share to the State.

Police Special Services

- Operating revenues increased by \$2.6 million as a result of rates being increased for burglar alarms and false alarm penalties and anticipated increased payments from TIRZ.
- Operating expenses increased by \$1.5 million due to anticipated increased overtime related to the TIRZ program and an increase in fuel projected costs over last month.

Hurricane Ike Aid & Recovery Fund

As of April 30, 2009, the City has submitted documentation to FEMA for the processing of project worksheets totaling \$165.8 million, consisting of emergency work in the amount of \$154.9 million and permanent work for \$10.9 million. To date, FEMA has obligated \$117.2 million. The City has also received insurance advances totaling \$5.0 million.

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If you have any questions, please feel free to contact me.

A handwritten signature in cursive script that reads "Michelle Mitchell". The signature is written in black ink and is positioned above a thin horizontal line.

Michelle Mitchell, Director