



CITY OF HOUSTON
Finance Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Michelle Mitchell, Director
Finance

Date: September 25, 2008

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

Attached is the Monthly Financial and Operations Report for the period ending August 31, 2008.

General Fund

General fund revenue remained unchanged from last month with the exception of Municipal Courts Administration. We project a decrease in Municipal Courts Administration of \$1 million mainly due to collections being lower than anticipated and a negative impact due to the closure of the facilities caused by Hurricane Ike.

We are projecting no change in general fund expenditures from last month.

We are estimating the ending unreserved undesignated fund balance to be approximately \$204 million, which is approximately 12% of estimated expenditures less debt service. This does not include the rainy day fund or sign abatement fund. The total unreserved fund balance is estimated to be approximately \$226 million.

Other Sources and Uses

On September 17, 2008 City Council approved the transfer of \$20 million from the Rainy Day Fund to the Hurricane Ike Aid and Recovery Fund. These funds will be reimbursed to the Rainy Day Fund following reimbursement from FEMA for recovery.

Enterprise Funds

We are currently projecting Aviation and Stormwater at budget.

Convention & Entertainment revenue increased by \$3 million as a result of recovery cost being reimbursed from the Disaster Recovery Fund for Tropical Storm Allison. We are currently projecting operating expenditures to increase by \$494,000 mainly due to a new elevator service contract.

Combined Utility System operating expenditures increased approximately \$14 million as a result of increased costs in chemicals totaling \$12 million, electricity and natural gas totaling \$2.5 million and fuel in the amount of \$1.5 million. These increases are offset by a \$2.2 million reduction in other maintenance & operating costs. The department is anticipating a 67% increase in the price of chemicals based on market trend analysis received from industry experts.

Special Revenue and Other Funds

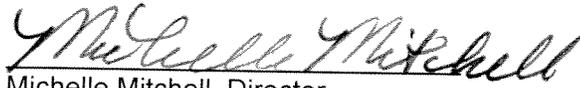
There are no significant changes from the prior month in these funds.

September 25, 2008

Katrina Aid & Recovery Fund

The audit of the Rent and Utilities segments of the Interim Housing Program by the Governors Division of Emergency Management (GDEM) is in its final stages and should be completed by the end of the month. Preliminary information from the GDEM auditors indicates that the audit of all four segments (Rent, Utilities, Furniture and Household Goods) has gone well.

Please let me know if you have any questions.


Michelle Mitchell, Director