



# CITY OF HOUSTON

Finance Department

## Interoffice

Correspondence

To: Mayor Bill White  
Members of City Council

From: Michelle Mitchell, Director  
Finance

Date: March 27, 2009

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

Attached is the Monthly Financial and Operations Report for the period ending February 28, 2009.

### **General Fund**

Our projection for the General Fund revenue is approximately \$9.7 million lower than last month principally due to the following:

- Our projection for Property Taxes decreased by approximately \$9 million primarily as a result of Lyondell's bankruptcy which accounts for \$6.7 million and a lower projection for tax collections.
- Our projection for Industrial Assessments increased by \$1.3 million based on the current actual HCAD property taxable values, which are 5.8% higher than previously estimated and 7.94% higher than last year.
- Sales tax receipts for January were 4.49% higher than the same period last year with continued benefits in collection for Hurricane Ike rebuilding efforts. The current projection remains unchanged from last month and we will continue to monitor this revenue in the following months.
- Our projection for Charges for Services decreased by \$1.3 million due to lower than expected ambulance and platting fees
- Our projection for Other Fines and Forfeitures decreased by \$506,000 due to a drop in rates on the interest-bearing checking account of Harris County Tax Office for the property tax collections.

Our projection for General Fund expenditures is approximately \$3.7 million lower than last month principally due to the following:

- Health and Human Services decreased \$319,000 as a result of Temporary Services being less than projected.
- Public Works decreased \$2.6 million as a result of electricity and fuel costs being lower than anticipated.
- Solid Waste decreased \$673,000 mainly due to Overtime, Temporary Services, and Refuse Disposal being lower than anticipated.

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We are projecting the ending unreserved undesignated fund balance of approximately \$192 million, which is 11.4% of estimated expenditures less debt service. The total unreserved fund balance is estimated to be approximately \$174 million.

As a result of a change in format, the Sign Abatement and Rainy Day Funds are shown as separate funds on page 37 and 38 of this report.

## **Enterprise Funds**

### **Aviation**

- Non-operating expenditures decreased by \$1 million due to lower interest income projections.
- Operating transfers decreased by \$1.1 million. This is a result of a \$35 million decrease in Debt Service offset by a \$34 million increase in Aviation's year-end transfer to its Capital Improvement Fund. This decrease is primarily due to proceeds from the Passenger Facility Charge and North Ramp Federal Grant being received early.

### **Convention and Entertainment**

- Operating revenues decreased by \$484,000 mainly to reflect an adjustment to parking for Discovery Green.
- Operating expenditures decreased by \$4 million as a result of projects being moved to CIP for repairs to George R. Brown and the Wortham Center.
- HOT Taxes increased by \$4 million over last month reflecting a projection from Barton Smith and PKF offset by \$1.7 million to Advertising Services and Promotion Contracts.

### **Parking Management**

- Operating revenues decreased by \$160,000, which is a net effect of a decrease in Parking Violations offset by an increase in Metered Parking and Contract Parking Fees.
- Operating expenditures decreased by \$895,000 primarily due to delays in implementation of the new parking citation management system and parking lot surface upgrades.

### **Combined Utility System**

- Operating expenditures reflect a decrease of \$2.1 million primarily due to decreases in Chemical and Gas Special Fluids and project implementation delays.
- Operating Transfers increased by \$2.1 million as a net result of a \$4 million Variable Rate Demand Bonds increase payment to Debt Service offset by Pension Note Deferral and delays in equipment delivery.

## **Risk Management Funds**

### **Workers Compensation Fund**

- Operating revenue and expenditures projections have decreased by \$1.2 million as a result of lower claims experience.

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## **Special Revenue and Other Funds**

### **Child Safety**

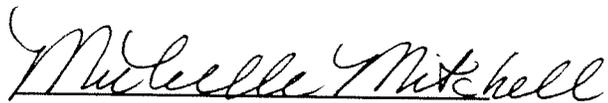
- Decreased by \$620,000 due to lower than anticipated funding from Ft. Bend County.

### **Hurricane Ike Aid & Recovery Fund**

As of February 28, 2009, the City has submitted documentation to FEMA for the processing of Project Worksheets (PW's) totaling \$125.4 Million, consisting of Emergency Work in the amount of \$120 million and Permanent Work for \$5.4 million. As of February 28, 2009, the City of Houston has provided documentation to FEMA to develop 262 PW's and a total of \$87.47 million have been obligated by FEMA.

Property loss consultants from MLA Claims, LLC have been retained by the City to assist with insurance recovery. James Lee Witt (JLW) staff, FEMA representatives and City departmental personnel are making site inspections of city-wide buildings and other facilities damaged by Hurricane Ike. Upon completion by the inspectors, FEMA will move forward with the development and finalization of PW's for permanent work.

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

A handwritten signature in cursive script that reads "Michelle Mitchell".

Michelle Mitchell, Director