



CITY OF HOUSTON

Finance Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Michelle Mitchell, Director
Finance

Date: June 29, 2009

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

Attached is the Monthly Financial and Operations Report for the period ending May 31, 2009.

General Fund

Our projection for the General Fund revenue is approximately \$1.6 million lower than last month principally due to the following:

- Sales Tax decreased \$4.0 million due to a \$2.9 million drop in receipts from the previous month and a 4.95% drop from the same period last year.
- Property Tax remains unchanged.
- Other Franchise Fees increased approximately \$1.1 million primarily due to third quarter cable TV receipts being higher than anticipated.
- Transfers from Other Funds increased due to the transfer of approximately \$2.0 million from Fund 4034 approved by Council in ordinance 2009-0459.
- Sale of Capital Assets decreased by \$1.2 million as a result of land sale revenues being lower than anticipated.

Our projection for General Fund expenditures is approximately \$495 thousand lower than last month as a result of a net savings in Public Works and Engineering of \$359 thousand.

We are projecting the ending fund balance to be approximately \$224 million, which is 13.4% of estimated expenditures less debt service.

Enterprise Funds

Aviation

- Operating revenues decreased \$578 thousand as a result of declines in passenger levels offset by a slight increase in fuel and hangar rental fees.
- Operating expenses decreased \$1.7 million primarily as a result of lower personnel costs.

Convention and Entertainment

- Operating expenses increased by \$295 thousand primarily due to increased operating supplies and services.

- Non-operating net revenue increased \$837 thousand primarily due to increased hotel occupancy tax receipts and preferred return revenue.

Parking Management

- Operating revenue increased \$871 thousand due primarily to an increase in parking violations collections and credit card revenue not previously collected.

Combined Utility System

- Operating revenues decreased \$7.2 million due to a decrease in water pumpage.
- Operating expenses increased \$2.4 million primarily due to Houston Area Water Corp Water Purification Plant increasing pumpage and unforeseen pump repairs offset by a decrease in natural gas expense.
- Non-operating revenue decreased \$2.1 million as a result of lower interest rates.
- Operating transfers decreased \$1.7 million due to debt service savings related to using less commercial paper and therefore paying less in interest for the current fiscal year.

Storm Water

- Operating expenses increased \$881 thousand due primarily to an increase in motor vehicle equipment services transfer from the General Fund.
- Operating Transfers increased \$671 thousand as a result of an increase in the payment for newly issued series 2008A bonds.

Risk Management

Property and Casualty

- Operating expenses decreased \$6.5 million primarily due to less judgments and settlements.

Special Revenue and Other Funds

Digital Automated Red Light (DARLEP)

- Operating expenses increased by \$590 thousand primarily as a result of a transfer of \$440 thousand to Mobility Response Team and increased personnel costs.

Police Special Services

- Operating revenues increased more than projected in the previous month by \$497 thousand primarily as a result of burglar alarm and false alarm fee increases.
- Operating expenses increased by \$402 thousand primarily due to training and travel associated with the Air Support Division, computer costs related to a mapping system in the helicopter division, and unbudgeted costs in services related to the Jail Division CCTV System.

Hurricane Ike Aid & Recovery Fund

As of May 31, 2009, the City has submitted documentation to FEMA for the processing of Project Worksheets (PWs) totaling \$195.9 million, consisting of Emergency Work in the amount of \$167.3 Million and Permanent Work for \$28.6 million. To date, FEMA has obligated \$121.6 million. The City has also received insurance advances totaling \$5.0 million which is unchanged from the previous month.

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 horizontal line.

Michelle Mitchell, Director