



# CITY OF HOUSTON

Finance Department

**Annise D. Parker**

Mayor

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July 30, 2010

## **To: Mayor Annise D. Parker and Members of City Council**

Attached is the Monthly Financial and Operations Report for the period ending June 30, 2010.

### **General Fund**

Our projection for General Fund Revenue is \$3.1 million higher than last month principally due to the following:

- Our projection for Sales Tax increased by \$1.5 million. The sales tax receipt for May collections was \$348,000 (0.94%) higher than the same period last year and 6.93% higher than anticipated. For this period, retail sales increased by 0.17%, while wholesale trade decreased by 30.77% over last year.
- Our projection for Industrial Assessments decreased by \$664,000 due to lower than anticipated collections.
- Our projection for Licenses and Permits increased by \$806,000 due to actual receipts being higher than anticipated across various permits.
- Our projection for Charges for Services increased by \$1.4 million mainly due to higher Ambulance Fee recoveries from Medicare.
- Our projection for Direct Interfund Services decreased by \$1.8 million due to lower than anticipated overhead recovery from Capital Improvement Projects and lower vehicle maintenance costs.
- Our projection for Municipal Courts Fines and Forfeits increased by \$747,000 mainly due to higher moving violation collections.
- Our projection for Miscellaneous/Other revenues increased by \$523,000 across various items due to actual receipts being higher than anticipated.

Our projection for General Fund Expenditures is \$984,000 higher than last month primarily due to the following:

- \$827,000 increase in General Services due primarily to higher salary base pay, parts and supplies, sewer, electricity, and natural gas costs.
- \$1.78 million increase in HFD due to overtime and excess spending in supplies.
- \$307,000 increase in Parks Department due to higher sewer rates and usage.
- \$1.1 million increase in General Government for sales tax payments to municipal utility districts in limited purpose annexations which is offset by an increase in sales tax.

These expenditure increases were offset by the following:

- \$603,000 decrease in Finance primarily due to delaying accounting and management consulting services to FY2011 as well savings for auditing services.
- \$347,000 decrease in Legal as a result of vacant positions.
- \$1.2 million decrease in Solid Waste due to lower personnel and refuse disposal costs.
- \$856,000 additional decrease as a result of departmental savings in personnel year-end costs.

Our projection for the ending fund balance is \$160.2 million, which is approximately 9.6% of estimated expenditures less debt service.

### **Enterprise, Special Revenue and Other Funds**

We are projecting all Enterprise, Special Revenue, and Risk Management funds at budget with the exception of the following:

#### Aviation

- Operating revenues increased by \$3.7 million mainly due to parking and concession revenue and space rental fees.
- Operating expenditures increased by \$3.9 million mainly due to higher cost in the Interfund Fire and building maintenance services.

#### Convention and Entertainment

- Non operating revenues increased by \$7.5 million to record the booking of Lakewood Sales, which is offset by increase in the operating transfers to General Fund. Interfund transfers increased by \$1 million due to projects being delayed and moved to Fund 8611.

### Combined Utility System

- Operating revenues decreased by \$5.2 million primarily due to lower than projected growth in the consumption of water in the commercial, contract, and water authorities customer classes.
- Operating expenditures decreased by \$6.5 million mainly due to attrition and contract savings.
- Operating transfers decreased by \$22 million mainly due to savings from lower variable rate in the system debt service transfers, savings from the utilization of previously reserved cash balance and delay in cost of issuance to FY2011. As a result, Operating Transfers In for Storm Water decreased by \$384,000.

### Parking Management Fund

- Operating revenues increased by \$484,000 mainly due to metered parking revenue higher than anticipated.

### Health Benefits Fund

- Operating revenues decreased by \$530,000 to reflect the year-end receipts.

### Long Term Disability Fund

- Operating expenditures decreased by \$2.1 million due to the year-end adjustments reflecting a favorable actuarial claims reserve.

### Property and Casualty

- Operating revenues decreased by \$2.3 million mainly due to less claims than anticipated. As a result, operating expenditures decreased by \$2.3 million.

### Workers' Compensation

- Operating revenues decreased by \$533,000 due to less claims incurred. As a result, operating expenditures decreased by \$541,000.

### Asset Forfeiture Fund

- Operating revenues increased by \$740,000 due to court awards.
- Operating expenditures increased by \$740,000 due to outstanding expenses for year-end adjustments.

### Building Inspection Fund

- Operating revenues increased by \$1.1 million due to higher construction and plumbing permits than anticipated.

### DARLEP

- Operating expenditures increased by \$1.3 million due to higher personnel costs.

### Police Special Services Fund

- Operating revenues increased by \$325,000 due to higher burglar alarm permit fees than anticipated.
- Operating expenditures decreased by \$384,000 mainly due to personnel savings and delay in vehicle purchase to FY2011.

### Parks Special Fund

- Operating expenditures decreased by \$1.2 million due to golf projects being delayed until FY2011.

### Hurricane Ike Aid & Recovery Fund

As of June 30, 2010, the City expects total FEMA obligations to be approximately \$180.5 million with a federal share of \$178.3 million. FEMA has obligated \$178.6 million with a Federal Share of \$176.5 million. The total cash received from the state as of June 30<sup>th</sup> is \$176.9 million. The repayment of \$10 million from the Hurricane Ike Fund to the Rainy Day Fund has been completed.

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

Sincerely,



Michelle Mitchell  
Director