



CITY OF HOUSTON

Finance Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Michelle Mitchell, Director
Finance

Date: December 31, 2009

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

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

General Fund

Our projection for General Fund Revenue remains unchanged from the prior month.

Our projection for General Fund Expenditures is \$71,000 lower than last month due to a \$2 million reduction of the Police Department for forensic testing. This reduction is mainly offset by an increase in General Government of \$1.7 million as a result of procurement savings being lower than anticipated and additional funding of \$100,000 for a disparity study pertaining to Minority and Women Business Enterprise.

Our projection for Sale of Capital Assets decreased by \$5.2 million due to proceeds of the surplus land now being projected in the Enterprise Funds.

We are projecting an additional \$3.8 million drawdown in fund balance. Our projection for the ending fund balance is \$170.3 million, which is approximately 10.2% of estimated expenditures less debt service.

Enterprise, Special Revenue and Other Funds

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

Combined Utility System

- Operating revenues decreased \$652,000 due to heavy rainfall.
- Non-operating revenues decreased \$2.2 million due to lower than expected impact fee transfers.

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Health Benefits

- Operating revenues decreased \$4.6 million primarily due to lower retiree enrollment in the HMO and PPO plans along with a projected shift to the Medicare Advantage Program which is offset by an associated decrease in operating expenses.

Building Inspection

- Operating revenues decreased \$2 million due to declining permit activity for new construction as a result of current economic conditions.
- Operating expenses decreased \$1.6 million primarily due to 1002 Washington building renovation being financed by debt service.

DARLEP

- Operating expenses increased \$656,000 mainly due to personnel costs related to a traffic safety initiative

Hurricane Ike Aid & Recovery Fund

As of November 30, 2009, the City has submitted documentation to FEMA for the processing of Project Worksheets (PWs) totaling \$192.5 million, consisting of Emergency Work in the amount of \$171.8 million and Permanent Work for \$20.7 million. To date, FEMA has obligated \$169.7 million. The City received a total insurance settlement in the amount of \$31.4 million for Ike damages offset by a city-wide deductible of \$20 million resulting in a net cash inflow of \$11.4 million.

A quarterly project completion report from the City is required by the State and FEMA as of December 31, 2009. Instructions have been distributed to each City department on the information needed by Finance for completion of this report.

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



Michelle Mitchell, Director