



# CITY OF HOUSTON

Finance Department

**Annise D. Parker**

Mayor

Michelle Mitchell  
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October 29, 2010

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

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

## **General Fund**

Our projection for General Fund Revenue is \$7.6 million lower than last month due to the following:

- Our projection for Industrial Assessment decreased by \$640,000 primarily due to the refunds given to Houston Refining, LLP as a result of prior year taxable value adjustment by HCAD.
- Our projection for Miscellaneous decreased by \$7 million due to lower than anticipated revenue increases from the cost recovery initiative.

Our projection for General Fund Expenditures is \$9.6 million higher than last month due to the following:

- \$8 million increase in General Government due to less than anticipated management initiative savings.
- \$1.6 million increase in PWE due to higher than anticipated electricity costs.

Our projection for the ending fund balance is \$117.7 million, which will be approximately 8% of estimated expenditures less debt service if the budget gap is addressed.

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

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

### Convention and Entertainment

- Operating expenditures increased by \$1.5 million due to an accounting adjustment for George R. Brown construction project which is funded and offset by a decrease in operating transfers.

### Combined Utility System

- Operating revenues decreased by \$16.4 million mainly due to lower than projected water consumption.
- Operating expenditures decreased by \$3.2 million mainly due to vacancy and health benefits retirees' savings.
- Operating transfers decreased by \$37.6 million due to savings from the delay in the issuance of 2010 series bonds as well as reduction in capital expenditures in the Storm Water Fund. As a result, the operating transfers in and operating expenditures for the Storm Water Fund also decreased by \$800,000.

### DARLEP

- Operating expenditures increased by \$388,000 mainly due to a projected higher payment to the State of Texas due to the expenditure savings.

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

Sincerely,



Michelle Mitchell  
Director