



# CITY OF HOUSTON

Finance and Administration  
Department

## Interoffice

Correspondence

**To:** Mayor Bill White  
Members of City Council

**From:** Judy Gray Johnson, Director  
Finance and Administration

**Date:** January 25, 2008

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

Attached is the Monthly Financial and Operations Report for the period ending December 31, 2007.

### **General Fund Revenues**

Our projection for FY2008 General Fund revenue is \$2.6 million higher than last month mainly due to the following:

- Sales tax receipts for November were \$2.4 million (6.55%) more than budgeted and 10.09% more than last year's November receipts. As a result, we have increased our estimate for the year by \$2.4 million, and are projecting receipts for the remaining months of the fiscal year at budget.
- Our projection for Other Franchise Fees increased by \$770,000 due to audit recovery receipt from Cable TV Franchise Fees.
- Our projection for Miscellaneous/Other increased by \$525,000 due to prior year receipt from decorative lighting revenues.
- Our projection for Charges for Services decreased by \$1.1 million to reflect a reclassification of Auto Dealers Fund's transfer.

### **General Fund Expenditures**

Our projection for Fire Department decreased by \$556,000 as a result of low absenteeism over the first half of this year. Currently, the Fire Department is projecting a decrease of \$3 million, however, this projected savings is offset by an increase in fuel consumption of \$836,000.

### **General Fund Ending Fund Balance**

We are projecting an ending unreserved undesignated fund balance of approximately \$243 million, which is approximately 15.7% of estimated expenditures less debt service. This does not include the rainy day fund or sign abatement fund. The total unreserved fund balance is projected to be \$265 million.

### **Aviation**

- Our projection for Operating revenues is unchanged from the previous month.
- Our projection for Operating expenditures decreased by \$3 million primarily due to a savings in multiple service contracts, supplies and personnel hiring being lower than anticipated.
- Our projection for Non-operating revenues increased by \$2 million due to higher interest rate.

### **Convention and Entertainment Facilities**

- Our projection for Operating expenditures decreased by \$750,000 mainly due to a decrease in janitorial services and electricity costs being lower than anticipated.
- Our projection for Operating Transfers increased by \$1 million to reflect Principal payment of the Pension Obligation Bond.

### **Combined Utility System**

- Our projection for Water and Sewer sales decreased by \$2.7 million as a result of lower than anticipated water pumpage and various large one-time sewer credit corrections. We project an increase of \$1.9 million in penalties, resulting in an overall decrease of \$554,000 in revenues.
- Our projection for Operating expenditures decreased by \$4.1 million primarily due to personnel hiring being lower than anticipated, resulting in a reduction of approximately 198 FTE's.
- Our projection for Non-operating revenues increased by \$450,000 due to higher interest rate.

### **Health Benefits**

- Our projection for Operating revenues decreased by \$3.8 million due to a decrease in the projected number of participants.
- Our projection for Operating expenditures decreased by \$2.3 million due to lower than projected HMO contract rate and a decreased number in participants.

### **Property & Casualty**

- Our projection for Property and Casualty decreased by \$4.7 million due to a reduction of claims and judgments.

### **Workers' Compensation Fund**

- Our projection for Worker's Compensation decreased by \$1.7 million due to a decrease in the number of claims received.

### **Building Inspection Special Revenue Fund**

- Our projection for Operating expenditures decreased by \$1.7 million due to contract implementation delays related to the 3300 Main Street project.

January 25, 2008

**Police Special Services Fund**

- Our projection for Operating revenues increased by \$1.3 million due to receipt of TIRZ – Municipal Service Fees.
- Our projection for Operating expenditures decreased by \$2.1 million due to delay in purchase of a helicopter. The purchase is scheduled for FY2009.

**Technology Fee Fund**

As a result of not accepting the Integrated Case Management System in FY2008, we are projecting a decrease in debt service by \$775,000.

**Katrina Aid & Recovery Fund**

Federal Emergency Management Agency (FEMA) has advised the City that Project Worksheet (PW) 749-0 for Professional Services in the amount of \$1.8 million was denied. An appeal for this PW has been submitted to the FEMA regional director.

Please let me know if you have any questions.

  
Judy Gray Johnson, Director