



# CITY OF HOUSTON

Finance Department

## Interoffice

Correspondence

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

**From:** Michelle Mitchell, Director  
Finance Department

**Date:** July 25, 2008

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

Attached is the Monthly Financial and Operations Report for the period ending June 30, 2008.

### **General Fund**

Our projection for FY2008 General Fund revenue is \$213,000 higher than last month as a result of an increase of \$530,000 in Municipal Courts Fines and Forfeits due to higher than anticipated moving violation revenues and an increase of \$373,000 in Miscellaneous/Other for light poles donation from METRO and Stand-by Permit revenues. This increase is offset by a decrease of \$444,000 in Charges for Services mainly due to fewer Platting Fees and Police Services than expected and a decrease of \$300,000 in Direct Interfund Services in personnel and construction costs.

Our projection for FY2008 General Fund expenditures is \$8.9 million lower than last month. Significant department changes are:

- Fire Department increased by \$500,000 to process termination pay.
- Municipal Courts increased by \$735,000 to cover ICMS related costs.
- Public Works and Engineering decreased by \$5.2 million due to lower electrical cost.
- General Government decreased by \$3.8 million to reflect transfers of \$1.5 million to Police for fuel and \$300,000 for ERP production support. In addition, we have decreased our projection for contingency by \$2 million. This is a result of departments having the ability to absorb the FY2008 fuel expense in their budgets.
- Solid Waste Management decreased by \$887,000 and Parks and Recreation decreased by \$500,000 as a result of lower personnel costs.

We are projecting an ending unreserved undesignated fund balance of \$260 million, which is 16.7% 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 \$282 million.

## **Enterprise Funds**

- Aviation
  - Operating Revenue increased by \$416,000 to reflect March rates and charges adjustment.
  - Operating Expenditures decreased by \$2.1 million in Services and Charges as a result of projected lower than anticipated consumption in Electricity in the amount of \$894,000. In addition, reductions for Management Consulting by \$342,000, Advertising Services by \$322,000 and Equipment by \$218,000 reflect lower than anticipated costs.
- Convention and Entertainment Facilities
  - Net Revenues increased \$870,000 mainly due to higher than anticipated revenues for Facility Rental by \$446,000, Parking by \$186,000 and Concession by \$152,000.
  - Non-operating Revenues increased by \$4.1 million primarily due to the \$3 million reclassification of Operating Transfers for the FEMA reimbursement, an additional \$800,000 from FEMA for the Flood Mitigation Program and higher than anticipated receipt from the Hilton Hotel Corporation in the amount of \$600,000. Operating Transfers decreased by \$2.7 million resulting from a change in the debt financing structure.
- Parking Management Operating Fund
  - There is no significant change from the prior month for this fund.
- Combined Utility System
  - Operating Revenue from Water and Sewer sales decreased by \$2.3 million primarily due to an evaporation credit adjustment on sewer revenues.
  - Operating Expenditures increased by \$10.1 million as a result of an increase in contracts and other services in the amount of \$7.4 million, electrical and emergency repair costs of \$2.2 million, and \$1 million for chemicals and fuel cost. Non-Operating Revenue decreased by \$4.6 million as a result of Property Sales not completed in this fiscal year.
  - Operating Transfers decreased by \$15.8 million to reflect debt service transfers of \$11.8 million mainly due to the use of interest from trust funds to pay debt service and a \$2.9 million savings in Capital Equipment due to the delay in equipment purchase.
- Stormwater Fund
  - Operating Expenditures decreased by \$731,000 as result of Capital Equipment not purchased in the amount of \$555,000 and lower costs in Personnel and Other Services in the amount of \$268,000.
  - Operating Transfers reflects a decrease in Transfer-In in the amount of \$1.2 million due to debt service being less than budgeted offset by Transfer-Out in the same amount.

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- Fleet /Equipment Internal Service Fund
  - Operating Expenditures decreased by \$4.3 million due to delayed capital purchases.
  - Non-operating Transfer-In increased by \$1.3 million for debt service payment for the 100 patrol units purchased.

### **Risk Management Funds**

- Health Benefits Fund
  - Operating Revenue decreased by approximately \$192,000 due to a lower number of medical claims resulting in a lower rate.
  - Operating Expenditures decreased by \$629,000 due to a lower number of medical claims.
- Long Term Disability Fund
  - Operating Expenditures decreased by \$870,000 due to a lower than anticipated process of medical claims.
- Property & Casualty Fund
  - Operating Expenditures decreased by \$5.9 million due to a lower number of claims and judgments being processed resulting in a decrease of Operating Revenues by the same amount.
- Workers' Compensation Fund
  - Operating Expenditures decreased by \$757,000 due to a lower number of claims being processed resulting in a decrease of Operating Revenues by the same amount.

### **Special Revenue Funds**

- Asset Forfeitures Fund
  - Operating Revenue decreased by \$229,000 due to confiscations being lower than anticipated.
  - Operating Expenditures decreased by \$1.8 million mainly due to personnel and temporary service costs being lower than expected.
- Auto Dealers Fund
  - Operating Revenue increased by \$456,000 primarily due to collections being higher for the Safe Clear program than budgeted.
- Building Inspection Fund
  - Operating Expenditures decreased by \$1.9 million due to lower personnel costs amounting to \$419,000 and contract implementation delays for the Integrated Land Management System in the amount of \$1.1 million.
- Building Security Fund
  - Operating Expenditures decreased by \$331,000 mainly due to the delay in purchasing Equipment.

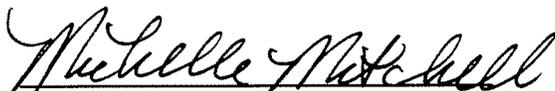
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- Child Safety Fund
  - Operating Revenue decreased approximately \$589,000 as a result of an adjustment for the City's portion of the Harris County Collections.
- Mobility Response Team Fund
  - Operating Expenditures decreased \$743,000 mainly due to the delay of the City Mobility Study and reduced personnel costs.
- Park Special Revenue Fund
  - Operating Revenues increased \$826,000 as a result of greater utilization of facilities and favorable weather.
- Police Special Service Fund
  - Operating Revenues increased \$4.3 million to reflect \$3.7 million gross collection for the Redlight Camera activity, District Attorney's Office contribution in the amount of \$252,000 and an increase of \$360,000 for Permits, Municipal Service Fees – TIRZ, boot fees and interest income.
  - Operating Expenditures increased by \$1.9 million as a result of projecting the \$3.7 million State's portion of the Redlight Camera revenue and Personnel increase of \$567,000. These increases are offset by a \$908,000 reduction of various budgeted services including vehicle & motor equipment, billing and collection, advertising, and legal. Additionally, \$1.4 million was not expensed due to a delay in purchasing communication equipment, vehicles, supplies and scheduling building improvements.
- Technology Fee Fund
  - Operating Expenditures decreased by \$2.3 million mainly due to the non-acceptance of the Integrated Case Management System and delay in purchasing Equipment.

### **Katrina Aid & Recovery Fund**

Three Project Worksheets (PW) totaling \$86,000 were approved to be paid by FEMA and three other PW's totaling \$46,000 are currently pending approval. The second-level appeal to the FEMA National Director of PW 749-0, F&A Professional Services, in the amount of \$1.8 million was submitted. The Governor's Division of Emergency Management (GDEM) audit of the Household Goods segment of the Interim Housing Program is ongoing and now includes review of Rent and Utilities.

Please let me know if you have any questions.

  
Michelle Mitchell, Director