



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 3, 2008

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

Attached is the Monthly Financial and Operations Report for the period ending November 30, 2007.

General Fund Revenues

Our projection for FY2008 General Fund revenue is \$5 million higher than last month mainly due to the following:

- Sales tax receipts for October were \$2.47 million (7.02%) more than budgeted and 10.58% more than last year's October receipts. As a result, we have increased our estimate for the year by \$2.47 million, and are projecting receipts for the remaining months of the fiscal year at budget.
- Our projection for Telephone Franchise Fees increased by \$1.1 million due to substantial growth in the use of Voice over Internet Protocol (VoIP) lines.
- Our projection for Miscellaneous/Other increased by \$1.8 million due to property tax abatement recapture.
- To reflect a reclassification of fees, License and Permits increased by \$925,000 and Other Franchise Fees decreased by \$925,000.

General Fund Expenditures

The current budget column for general fund expenditures reflects the changes for the budget transfers approved by City Council in December. A total of \$25 million was transferred from the ending fund balance. These transfers were \$500 thousand to the Fire Department to begin implementation of the Ask-A-Nurse program, \$5 million to the Police Department for increase overtime, \$13.5 million to the Debt Service fund and \$6 million to the Equipment Internal Service fund for public safety equipment purchases. We also transferred funds from the Contingency/Reserve account in General Government to the Finance and Administration Department and the Municipal Courts Administration Department for the increased auditing costs for the Deloitte and Touche contract and the increased courts staffing, and reduced our projection for Contingency/Reserve spending.

The net effect on our projection for spending and transfers out compared to last month is \$23 million.

January 3, 2008

General Fund Ending Fund Balance

We are projecting an ending unreserved undesignated fund balance of approximately \$239 million, which is approximately 15% 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 \$261 million.

Aviation

- Our projection for Personnel expenditures decreased by \$6 million to reclassify Pension Costs.
- Our projection for Services expenditures decreased by \$6.5 million primarily to reclassify electricity projection not forecasted in the electricity model generated by GSD.

Convention and Entertainment Facilities

- Our projection for Operating revenue for Food and Beverage Concessions has decreased by \$500,000 due to the rescheduling of the Microsoft event to FY2009.
- Our projection for Operating expenditures increased by \$269,000 due to an increase in construction/material costs.
- Our projection for Hotel Occupancy Tax revenues has increased by approximately \$2.7 million as the actual receipts to date confirm a healthy hotel economy.

Combined Utility System

- Our projection for Water and Sewer Sales revenues increased by \$2.2 million as the weather in November was drier resulting in higher water and sewer sales. Non-operating revenues increased by \$757,000 due to higher interest rate.

Katrina Aid & Recovery Fund

The audit of the Katrina Housing Program Delivery and Management expenditures of approximately \$48 million began this month by the Governor's Office of Emergency Management ("GDEM"). The GDEM audit of the Housing Program Direct Assistance expenditures of approximately \$234 million has been scheduled for early 2008.

Please let me know if you have any questions.


Judy Gray Johnson, Director