



# CITY OF HOUSTON

Finance Department

**Annise D. Parker**

Mayor

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

Attached is the Monthly Financial and Operations Report for the period ending March 31, 2010.

### **General Fund**

Our projection for General Fund Revenue is \$ 6.4 million lower than last month principally due to the following:

- Our projection for Sales Tax decreased by \$6 million. The sales tax receipt for February collection was \$2.75 million (7.83%) lower than the same period last year. The decline in retail sales for this period was 9% and wholesale trade 13.4%.
- Our projection for Other Taxes decreased by \$300,000 due to third quarter receipts for mixed beverage tax being less than anticipated.
- Our projection for Direct Interfund Services decreased by \$618,000 as a result of lower building maintenance service charges and interfund fire protection cost to the airport.
- Our projection for Interest increased by \$750,000 due to a higher cash pool than anticipated.
- Our projection for Miscellaneous Revenues decreased by \$435,000 mainly due to lower receipts from tax abatement recaptures.

Our projection for General Fund Expenditures is \$2.58 million lower than last month. This decrease is a result of increased funding approved by City Council for General Appropriation and savings from departments for year-end.

- General Appropriation Funding:
  - \$2.6 million for Fire Department for higher termination pay.
  - \$240,000 for Municipal Court Administration to cover security guard expenses.

- \$31,000 for Administration & Regulatory Affairs for additional BARC fuel costs.
- \$200,000 for Public Works & Engineering to cover costs associated with Wireless Interoperability for Microwave Access (WiMax) project and Sign Manufacturing which is offset by increase in revenues.
- 0.7% savings from various departments in the amount of \$4.75 million.
- General Government savings of \$874,000 as a result of lower requirement of contingencies by departments.

Sale of Capital Assets increased by \$1.2 million due to a sale of Old Kendall Library.

Our projection for the ending fund balance is \$159.9 million, which is approximately 9.56% 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:

#### Aviation

- Operating revenues increased by \$2.2 million due to higher concessions and parking revenues. The operating expenses decreased by \$4.8 million mainly due to savings in personnel and project deferrals.
- Operating transfers increased by \$6.5 million mainly due to higher capital improvement reserves.

#### Convention and Entertainment

- Operating revenues decreased by \$1.4 million due lower concessions and parking revenues.
- Non operating revenues increased by \$3.6 million due to annual contribution from Houston Convention Center Hotel Corporation being higher than anticipated which is based on the audit report.

#### Parking Management

- Operating expenses decreased by \$526,000 due to savings from personnel and construction services.

### Combined Utility System

- Operating revenues decreased by \$7.6 million largely due to continued lower water consumption growth in commercial, contract and water authorities customer classes. This is mostly offset by decrease in operating expenses of \$8.7 million due to lower cost in electricity and contract savings.
- Operating transfers decreased by \$15.1 million as a result of lower variable rate in the system debt service transfers and less debt service transfer to Storm Water fund. Consequently, operating transfer in Storm Water Fund decreased by \$2.2 million.

### Health Benefits Fund

- Operating revenues increased by \$1.4 million primarily due to higher enrollment in Medicare Advantage Program. As a result of the higher enrollment, operating expenditures increased by \$440,000.

### Workers' Compensation

- Operating revenues continued to decrease by \$1.0 million due to less claims incurred, which decreases the operating expenditures by the same amount.

### Auto Dealers

- Operating revenues increased by \$386,000 due to higher sales of impounded vehicles.

### Building Inspection Fund

- Operating revenues increased by \$503,000 due to higher occupancy permits than anticipated.
- Operating expenditure decreased by \$466,000 due to implementation delays associated with Integrated Land Management System (ILMS).

### Cable TV

- Operating revenues increased by \$489,000 due to higher receipts for Cable TV Franchise Fees.

### DARLEP

- Operating revenues increased by \$1.3 million due to higher collection of delinquent accounts. Operating expenditures decreased by \$1.2 million due to a delay of the purchase vehicles.

### Historic Preservation Fund

- Operating expenditures decreased by \$423,000 due to delay in fund disbursements for projects within historic districts and designated landmarks.

### Parks Special Fund

- Operating expenditures decreased by \$581,000 due to delay in construction for additional parking at Memorial Golf Course.

### Police Special Services

- Operating revenues increased by \$726,000 mainly due to interfund transfer for Records Management System project.
- Operating expenditures decreased by \$1.2 million mainly due to fuel savings as a result of low usage of the helicopter expansion.

### Hurricane Ike Aid & Recovery Fund

As of March 31, 2010, the City expects total FEMA obligations to be approximately \$180.6 million with a federal share of \$178.4 million. FEMA has obligated \$177.2 million with a Federal Share of \$175.1 million. The total cash received from the state as of March 31st is \$169.2 million. The City has also submitted claims for debris removal and traffic signal and sign repair in the amount of \$10.4 million to the Federal Highway Administration (FHWA).

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

Sincerely,



Michelle Mitchell  
Director