



CITY OF HOUSTON

Finance Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Michelle Mitchell, Director
Finance

Date: October 30, 2009

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

Attached is the Monthly Financial and Operations Report for the period ending September 30, 2009.

General Fund

Our projection for General Fund Revenue is \$1.9 million higher than last month principally due to the following:

- Telephone Franchise increased by \$832,000 primarily due to audit recoveries.
- Other Franchise Fees increased by \$116,000 due to audit recoveries and prior year collection for Solid Waste Franchise Fees.
- Charges for Services increased by \$1 million due to the anticipated ambulance fees increase.

Our projection for General Fund expenditures is approximately \$74,000 higher than last month as a result of health benefits savings offset by an overall increase in the projection for electricity and a one time revision of attrition savings. A net transfer between ARA and Health and Human Services is also reflected for the BARC transfer in the amount of \$4.8 million. Our projection for General Government remains unchanged.

Our projection for Other Resources is approximately \$16.2 million higher than last month principally due to the following:

- Increase of \$1.5 million for Transfer from Building Inspection Fund.
- Increase of \$14.7 million for Sale of Capital Assets projected to be sold by the end of FY2010.

We are projecting the ending fund balance to be \$178.3 million, which is approximately 10.6% 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 except the following:

Aviation

- Operating revenues decreased by \$1.7 million due to lower revenue in rentals and parking concession as a result of less parking activity. This decrease is offset by an increase in landing area revenue.
- Operating expenses decreased by \$3.6 million in Supplies and Services primarily as a result of the effort to reduce operating costs in various areas such as building maintenance services.
- Operating transfers to the debt service fund decreased by \$915,000 due a the drop in income before operating transfers.

Convention and Entertainment

- Net operating revenue increased by \$226,000 due to a reduction in costs.
- Operating expenses decreased by \$841,000 due primarily to the reduction of three vacant positions as well as savings in janitorial and security services.
- Non-operating revenues decreased by \$1.7 million based on recent trends in Hotel Occupancy Taxes.
- Non-operating expenses decreased by \$1.4 million due to lower projected payments to Greater Houston Visitor's Bureau and Art Alliance based on lower Hotel Occupancy Taxes.

Building Inspection

- Revenue decreased \$1.1 million due to declining permit activity.
- Operating expenses decreased \$1.9 million due to \$829,000 for 11 vacant positions that will remain unfilled, \$280,000 savings from publication materials, \$500,000 for architectural services that will be paid from debt service, and \$274,000 in miscellaneous support services that will be performed in-house.
- Operating transfers increased \$1.5 million due to a transfer to the General Fund from excess fund balance.

October 30, 2009

Hurricane Ike Aid & Recovery Fund

As of September 30, 2009, the City has submitted documentation to FEMA for the processing of Project Worksheets (PWs) totaling \$192.5 million, consisting of Emergency Work in the amount of \$171.8 million and Permanent Work for \$20.7 million. To date, FEMA has obligated \$160.4 million. We have been advised that a global settlement has been reached with the City's insurance carriers for \$31.4 million. The settlement amount will be reduced by the deductible amount of \$20 million and by the insurance advance of \$7.0 million already received by the City. The expected additional payment is \$4.4 million. This will be reflected in next month's MFOR.

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

A handwritten signature in cursive script that reads "Michelle Mitchell". The signature is written in black ink and is positioned above a thin horizontal line.

Michelle Mitchell, Director