



CITY OF HOUSTON

Finance Department

Annise D. Parker

Mayor

Michelle Mitchell
Director
P.O. Box 1562
Houston, Texas 77251-1562

T. 713-221-0935
F. 713-837-9654
www.houstontx.gov

June 30, 2010

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

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

General Fund

Our projection for General Fund Revenue is \$1 million higher than last month principally due to the following:

- Our projection for Sales Tax increased by \$2.5 million. The sales tax receipt for April collection was \$0.82 million (2.21%) lower than the same period last year and 5% higher than anticipated. For this period, retail sales decreased by 5.56%, while wholesale trade increased by 31.19% over last year.
- Our projection for Other Franchise Fees for Cable TV increased by \$403,000 due to 3rd Quarter receipts being higher than anticipated.
- Our projection for Licenses and Permits increased by \$359,000 mainly due to higher receipts in Special Fire Permits, Dumpster Permits and Liquor Licenses.
- Our projection for Indirect Cost decreased by \$339,000 due to less payment received from Greater Harris County 911.
- Our projection for Intergovernmental increased by \$225,000 due to higher billing for Medicare Part D reimbursement than anticipated.
- Our projection for Charges for Services decreased by \$1.03 million due to lower collection in ambulance fees.
- Our projection for Miscellaneous decreased by \$1.2 million due to reimbursement for Reliant rate case expenses now anticipated in FY2011.

Our projection for General Fund Expenditures is \$2.3 million higher than last month primarily due to the following:

- \$2.3 million increase in Fire Department due to termination pay and classified overtime.
- \$200,000 increase in Parks Department due to Health Life Insurance cost.
- \$153,000 decrease in City Council and Public Works & Engineering.

Our projection for Sale of Capital Assets decreased by \$8.7 million while Transfers from Other Funds increased by \$7.5 million due to the following:

- \$1.2 million decrease due to delay of the sale of the Old Kendall Library.
- \$7.5 million decrease in land sales and \$7.5 million increase in Transfers from Other Funds to properly record the sale of Lakewood Church property.

Our projection for the ending fund balance is \$157.6 million, which is approximately 9.4% of estimated expenditures less debt service.

Enterprise, Special Revenue and Other Funds

We are projecting all Enterprise, Special Revenue, and Risk Management funds at budget with the exception of the following:

Convention and Entertainment

- Other interest decreased by \$417,000 due to lower rates on commercial paper.

Combined Utility System

- Operating revenues decreased by \$5.2 million primarily due to lower than projected growth in the consumption of water in the commercial, contract, and water authorities' customer classes.
- Operating expenditures decreased by \$3.1 million mainly due to attrition and contract savings.
- Operating transfers decreased by \$3.1 million due to lower variable rate in the system debt service transfers including less transfers to Storm Water Fund. As a result, Operating Transfers in Storm Water decreased by \$1.4 million.

Parking Management Fund

- Operating expenditures decreased by \$531,000 as a result of savings from several services due to projects being deferred until FY2011.
- Non operating expenditures decreased by \$324,000 due to capital equipment costs being less than anticipated.

Asset Forfeiture Fund

- Operating revenues decreased by \$1.5 million due to lower case settlements than anticipated. As a result of the lower case settlements, the operating expenditures also decreased by \$ 1.5 million.

Auto Dealers Fund

- Operating expenditures decreased by \$382,000 mainly due to personnel adjustments.

Building Inspection Fund

- Operating revenues increased by \$404,000 due to higher permit activities than anticipated.

DARLEP

- Operating expenditures increased by \$1.6 million due to earlier than projected delivery of 47 vehicles. These vehicles were anticipated to be delivered in July of FY2011.

Houston Emergency Center

- Operating revenues decreased by \$339,000 due to a decrease in payments from Greater Harris County. As a result, operating expenditures also decreased by \$339,000.

Police Special Services Fund

- Operating revenues increased by \$760,000 due to a TSA reimbursement which was not anticipated.

Recycling Fund

- Operating expenditures decreased by \$828,000 due to the delay in advertising programs until FY2011.

Hurricane Ike Aid & Recovery Fund

As of May 31, 2010, the City expects total FEMA obligations to be approximately \$180.5 million with a federal share of \$178.3 million. FEMA has obligated \$178.6 million with a Federal Share of \$176.5 million. The total cash received from the state as of May 31st is \$175.5 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). The repayment of \$10.0 million from the Hurricane Ike Fund to the Rainy Day Fund will be completed in June, 2010.

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

Sincerely,

A handwritten signature in black ink that reads "Michelle Mitchell". The signature is written in a cursive, flowing style.

Michelle Mitchell
Director