



CITY OF HOUSTON

Finance Department

Annise D. Parker

Mayor

Finance Department
P.O. Box 1562
Houston, Texas 77251-1562

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

To: Mayor Annise D. Parker
City Council Members

Date: July 1, 2011

Subject: 11+1 Financial and
Operations Report

Attached is the 11+1 Financial and Operations Report for the period ending May 30, 2011. Fiscal Year 2011 projections are based on eleven months of actual results (July - May) and one month of projections (June).

General Fund

The projected budget gap in the General Fund is currently \$23.7 million. This is \$4.9 million lower than we projected in the 10+2 Report due to the following:

Revenues and Other Sources decreased \$642,000 from last month's projection. The projection for Miscellaneous/Other Revenues increased by \$1.5 million primarily due to energy rate case reimbursements. Interest increased \$800,000 as a result of a higher cash balance. Charges for services increased \$456,000, reflecting higher collections in ambulance fees and certified copy fees. Telephone Franchise fees increased \$332,000 due to higher commercial and point to point access line counts. Transfers from Building Inspection Fund decreased \$2.5 million due to land sales not closed in FY2011. Direct Interfund Services decreased approximately \$1.1 million, primarily the result of delaying the street overlay project until FY2012. Municipal Courts Fines and Forfeits decreased by \$280,000 due to moving violations trending lower than anticipated.

Expenditures decreased \$5.5 million from last month's projection mainly due to savings in General Government of \$3.2 million as a result of lower than anticipated spending in contracts, judgments and claims, and other costs. Public Works decreased by \$1.8 million as a result of delaying the street overlay project and filling vacant positions. Finance and Library decreased by \$800,000 due to savings in personnel.

Enterprise, Special Revenue and Other Funds

We are projecting no change in Enterprise Funds, Special Revenue Funds and all other funds from the 10+2 Report, with the exception of the following:

Aviation

Operating Revenues increased \$1.5 million in concessions as a result of higher than anticipated enplaned passengers. Operating Expenses increased \$3.4 million as a result of higher year-end operating costs. Projection for debt service increased \$5.8 million due to less alternative financing available than anticipated.

Convention & Entertainment

Operating Revenues increased \$1.5 million mainly due to higher concessions. Non Operating Revenues increased \$1.8 million mainly due to higher Hotel Occupancy Tax receipts than anticipated.

Combined Utility System

Operating Revenues increased \$19 million due to higher pumpage as a result of dry weather conditions. Operating Expenditures decreased \$13.1 million primarily due to savings in personnel and contracts. Operating Transfers increased \$2 million primarily due to reallocation of meters to capital equipment.

Property & Casualty Fund

Operating Revenues and Expenditures decreased \$4.2 million primarily due to payouts for settlements and judgments being less than anticipated.

Auto Dealers Fund

Operating Revenues increased \$622,000 due to the impact of fee increases.

Building Inspection Fund

Operating Revenues and Transfers decreased \$2.5 million due to land sales not recognized this fiscal year. Operating Expenditures decreased \$263,000 mainly due to delay in filling vacant positions.

Houston Transtar

Operating Expenditures decreased \$258,000 due to delay of several expansion projects related to the Houston TranStar building.

Mobility Response Team Fund

Operating Revenues and Expenditures decreased by \$325,000 as a result of the delay in the City's Mobility Phase II study.

Parking Management Fund

Operating Revenues increased \$769,000 primarily the result of increased parking violations. Operating Expenditures decreased \$566,000 mainly due to savings from Capital and Non-Capital purchases.

Parks Special Revenue Fund

Operating Expenditures decreased \$747,000 primarily due to vacancy savings.

Police Special Services Fund

Operating Expenditures decreased by \$471,000 primarily due to savings in Vehicle and Motor Services as a result of changes in the Safe Clear program.

Recycling Expansion Program Fund

Operating Expenditures decreased \$662,000 due to cost savings as a result of outsourcing the recycling campaign.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly Dowe". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kelly Dowe
Director