

FINANCE

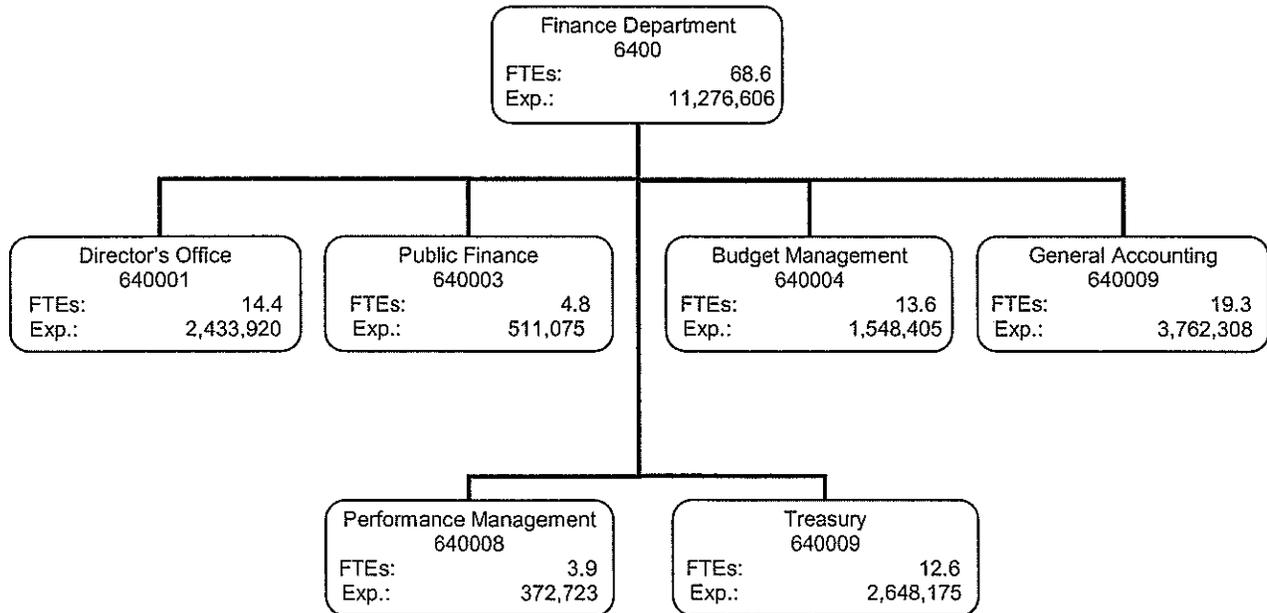
Department Description and Mission

The Finance Department's mission is to serve the citizens of the City of Houston and provide support to City departments through sound management of the City's finances.

The Finance Department's mission objectives are to:

- o Demonstrate integrity, accountability, consistency, professionalism and a strong work ethic.
- o Emphasize strategic financial planning and performance reporting.
- o Maximize the effective and efficient use of public funds.
- o Execute directives and policies of the Administration and City Council.
- o Build a cohesive team of highly qualified talented professionals based on trust, respect, and mutual support.
- o Provide excellent customer service.

Department Organization

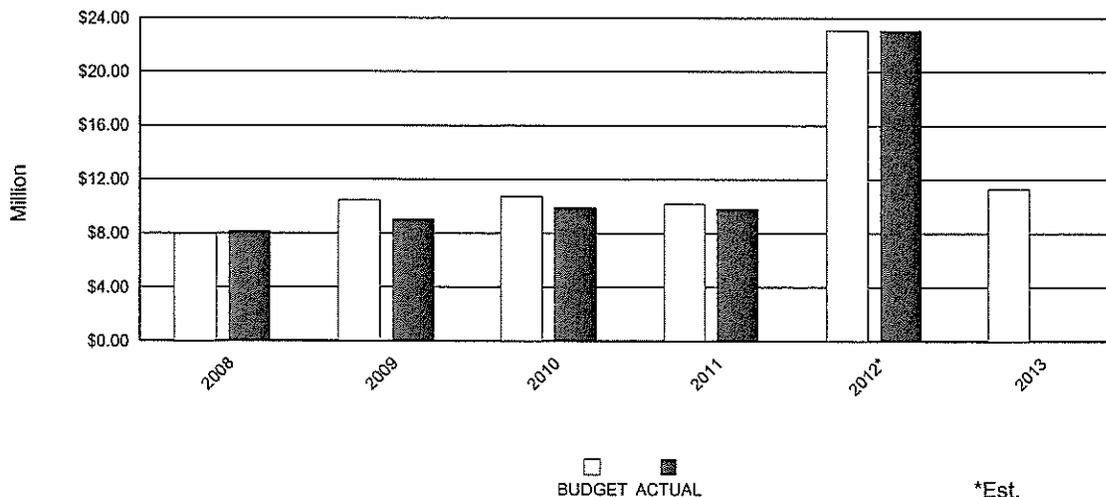


Business Area Budget Summary

Fund Name : General Fund
 Business Area Name : Finance Department
 Fund No./Bus. Area No. : 1000 / 6400

		FY2011 Actual	FY2012 Current Budget	FY2012 Estimate	FY2013 Budget
Expenditures	Personnel Services	6,718,285	6,278,404	6,278,404	6,893,770
	Supplies	44,601	67,409	67,409	69,664
	Other Services and Charges	3,037,574	16,741,885	16,741,885	4,313,172
	Non-Capital Equipment	1,701	0	0	0
	Total M & O Expenditures	9,802,161	23,087,698	23,087,698	11,276,606
	Debt Service & Other Uses	0	0	0	0
	Total Expenditures	9,802,161	23,087,698	23,087,698	11,276,606
Revenues		1,386,097,916	1,389,510,900	1,439,042,910	1,493,523,543
Staffing	Full-Time Equivalents - Civilian	70.7	64.6	64.6	68.6
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0
	Total	70.7	64.6	64.6	68.6
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	<ul style="list-style-type: none"> o Implementation of an SAP module to track the capital budget, linking data from the plan to actual appropriations and spending. o Continue implementing citywide collections practices for vendor management and performance measurement. o Citywide financial oversight of trusts, foundations, and donated funds. o FY2013 Budget includes funding for expenditure increases in health benefits (\$128,797) and pension contribution (\$207,651). o Funding for the arts in the amount of (\$12.4M), offset by Hotel Occupancy Tax (HOT) revenue from Houston First, was previously reported in FY2012. In FY2013 this is reported in General Government. 				

**Finance Department
 Current Budget vs Actual Expenditures**



FISCAL YEAR 2013 BUDGET

Division Mission and Performance Measures			
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400			
Name: Directors Office -- 640001			
Mission: Ensure the financial integrity of the City by promoting responsible resource allocation, providing oversight of resource usage, and improving financial accounting and management processes.			
Goal: Assess and improve citywide financial internal controls. Design and implement citywide accounts payable process, improving accounts payable accuracy, taking advantage of payment terms and payment methods. Continue improving accounts receivable collections process, systems, and results. Begin transition to performance based budget.			
Performance Measures	FY2011 Actual	FY2012 Estimate	FY2013 Budget
Finance processes new and improved	N/A	6	8
Finance outputs new and Improved	N/A	4	6
Name: Economic Development/TIRZ -- 640002			
Mission: Implement and manage citywide policy and procedure for economic development programs including Tax Increment Reinvestment Zones (TIRZ) and tax abatements in addition to other innovative incentive programs. Market Houston as the place to grow or relocate a targeted business. This division was transferred to the Mayor's Office in FY2012.			
Goal: Improve policy and procedure for economic development programs and incentives. Ensure transparency on all budgets and financial analyses as they pertain to the various TIRZ. Grow economic activity within the City and support economic activity in the region.			
Performance Measures	FY2011 Actual	FY2012 Estimate	FY2013 Budget
TIRZ administration	8	N/A	N/A
Tax abatements creation	1	N/A	N/A
Tax abatements recapture	\$220,000	N/A	N/A
Economic growth incentives	\$81 mil	N/A	N/A
Industrial districts	\$19.2 mil	N/A	N/A
Name: Public Finance -- 640003			
Mission: Design, issue and manage debt financing needs of General Obligation, Combined Utility System, Houston Airport System, and Convention and Entertainment. Manage the bond funded capital budgets of the Capital Improvement Plan (CIP), the Equipment Acquisition Plan, and the Technology Investment Plan, and compile CIP.			
Goal: Proficiently and resourcefully manage capital transactions. Process and approve budget inquiries and Request for Council Actions that require capital funding in a timely and responsive manner.			
Performance Measures	FY2011 Actual	FY2012 Estimate	FY2013 Budget
Debt transactions	7	9	4
General Fund transfer to Debt Service	13.3%	13.5%	15.6%

FISCAL YEAR 2013 BUDGET

Division Mission and Performance Measures			
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400			
Name: Budget Management -- 640004			
Mission: Monitor the financial activities of City departments. Coordinate, develop, implement and monitor the citywide budget. Administer budget, tax and financial reporting.			
Goal: Monitor the City's fiscal activities through financial analysis, review and report preparation.			
Performance Measures	FY2011 Actual	FY2012 Estimate	FY2013 Budget
Financial reports prepared	15	15	15
City departments monitored	25	25	25
Funds managed	39	40	42
Name: General Accounting -- 640005			
Mission: Citywide monitoring and oversight of accounting, fixed assets and internal control. Establish and update accounting and internal control policies. Coordinate annual audit. Prepare indirect cost allocation plan and cost of service fee studies. Manage accounting and Federal Emergency Management Agency (FEMA) compliance for recovery of costs from disasters.			
Goal: To assist all departments to properly account for financial transactions and safeguard assets. Develop indirect cost allocation plan for recovering the cost of services from federal grant administrative costs for General Fund.			
Performance Measures	FY2011 Actual	FY2012 Estimate	FY2013 Budget
City assets/external audit	\$29.2B/1	\$30.8B/1	\$32.4B/1
Internal control and audits	31 audits	17 audits	35 audits
Indirect cost plan	1	1	1
FEMA cost recovery	1	1	1
Name: Performance Management Division -- 640008			
Mission: Improve financial and operational performance of departments citywide. Implement performance management processes and systems to ensure continued process excellence.			
Goal: Partner with department and operational staff to implement standard policies, procedures, and systems citywide with accompanying performance management system in order to improve financial and operational performance.			
Performance Measures	FY2011 Actual	FY2012 Estimate	FY2013 Budget
Dashboard Key Performance Indicators tracked	N/A	5	25
Procedure improvement initiatives	N/A	18	20
Information Technology Systems implemented	N/A	2	3
Revenues generated	N/A	\$1.5M	\$6.2M

FISCAL YEAR 2013 BUDGET

Division Mission and Performance Measures

Fund Name : General Fund
Business Area Name : Finance Department
Fund No./Bus Area No. : 1000 / 6400

Name: Treasury -- 640009

Mission: Implement the treasury functions for finance including revenue generation and maintenance, fiduciary accountability of funds, strengthen account receivable/collections activities to maximize revenue retention, and provide City departments oversight of vendor accounts receivable activities related to performance ensuring compliance and optimal finance functionality.

Goal: Properly manage General Fund revenue including: property, sales and use taxes and other taxes; as well as maintaining General Fund cash flow. Oversee and manage new fees, maintain existing fees, manage special revenue funds, deferred compensation, pension systems, and trust management. Evaluate and report collection contracts to standards, successfully recognize the City's property taxes in compliance with the State Tax Code and applicable ordinance and statute.

Performance Measures	FY2011 Actual	FY2012 Estimate	FY2013 Budget
Revenue retention rate	N/A	N/A	30%
Vendor risk management	N/A	N/A	8
Property tax and cash flow model	\$1.363B/1	\$1.421B/1	\$1.487B/1
Fee assessments	N/A	N/A	99%
Accounts receivable collection initiatives	N/A	N/A	\$1M

FISCAL YEAR 2013 BUDGET

Division Summary						
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400						
Division Description	FY2011 Actual		FY2012 Estimate		FY2013 Budget	
	FTEs	Cost \$	FTEs	Cost \$	FTEs	Cost \$
Directors Office 640001 Provides fiscal leadership developing financial and strategic policies and priorities to promote stability and financial health for the City of Houston. In alignment with the departmental mission to serve the citizens of Houston and City Council, the Director's Office is committed to providing superior financial services through prudent and efficient management of the City's financial affairs.	9.5	1,205,593	14.4	2,645,291	14.4	2,433,920
Economic Development/TIRZ 640002 The division develops, implements and manages citywide policies and procedures for economic development programs such as Tax Increment Reinvestment Zones (TIRZ) and tax abatements in addition to other innovative incentive programs. This division was transferred to the Mayor's Office in FY2012.	8.5	823,796	0.0	0	0.0	0
Public Finance 640003 The division serves the citizens of Houston by providing cost-efficient debt management services to the City and City's enterprise funds for short, medium and long-term debt, and coordinating and overseeing the City's Capital Improvement Plan (CIP).	13.2	961,681	5.8	524,702	4.8	511,075
Budget Management 640004 The primary responsibility of the Budget Management division is the development and management of the City budget and the Five Year Plan. The division works with all other City department's financial management teams to produce the Fiscal Year Budget and Monthly Financial and Operations Report. The Five Year Plan projects the financial position of the General Fund over a five year horizon.	16.2	1,639,336	13.6	1,495,458	13.6	1,548,405
General Accounting 640005 Citywide monitoring and oversight of accounting, fixed assets, internal control, establish and update accounting and internal control policies. Coordinate annual audit. Prepare indirect cost allocation plan. Manage accounting and FEMA compliance for recovery of costs from disasters.	23.3	5,171,755	16.3	15,689,397	19.3	3,762,308
Performance Management Division 640008 Leads financial and operational performance improvement projects to increase revenues, optimize expenditures, and improve operational effectiveness.	0.0	0	3.9	356,085	3.9	372,723

FISCAL YEAR 2013 BUDGET

Division Summary						
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400						
Division Description	FY2011 Actual		FY2012 Estimate		FY2013 Budget	
	FTEs	Cost \$	FTEs	Cost \$	FTEs	Cost \$
Treasury 640009 The division provides effective management of the General Fund revenue streams to promote stability and optimization of funds. Additional functions include managerial and fiscal oversight of special revenue funds. Lead the oversight of accounts receivable and collections, including internal processes and external vendor, in managing delinquent accounts to increase cash flow.	0.0	0	10.6	2,376,765	12.6	2,648,175
Total	<u>70.7</u>	<u>9,802,161</u>	<u>64.6</u>	<u>23,087,698</u>	<u>68.6</u>	<u>11,276,606</u>

FISCAL YEAR 2013 BUDGET

Business Area Roster Summary

Fund Name : General Fund
Business Area Name : Finance Department
Fund No./Bus Area No. : 1000 / 6400

Job Description	Pay Grade	FY2012 Current Budget FTE	FY2013 Budget FTE	Change
ACCOUNT CLERK	10	0.0	1.0	1.0
ADMINISTRATION MANAGER (EXE LEV)	26	1.0	0.0	(1.0)
ADMINISTRATIVE ASSISTANT	17	2.0	4.0	2.0
ADMINISTRATIVE ASSOCIATE	13	2.0	2.0	
ADMINISTRATIVE COORDINATOR	24	2.0	1.0	(1.0)
ADMINISTRATIVE COORDINATOR (EXE LEV)	24	1.0	0.0	(1.0)
ADMINISTRATIVE SPECIALIST	20	4.0	4.0	
ASSISTANT DIRECTOR (EXE LEV)	32	1.0	3.0	2.0
CUSTOMER SERVICE MANAGER	29	0.0	1.0	1.0
DEPUTY ASSISTANT DIRECTOR (EXE LEV)	30	3.0	5.0	2.0
DEPUTY DIRECTOR (EXE LEV)	34	3.0	0.0	(3.0)
DIVISION MANAGER	29	11.0	10.0	(1.0)
EXECUTIVE OFFICE ASSISTANT	15	2.0	1.0	(1.0)
FINANCE DIRECTOR	37	1.0	1.0	
FINANCIAL ANALYST I	15	1.0	1.0	
FINANCIAL ANALYST II	18	0.0	1.0	1.0
FINANCIAL ANALYST III	21	4.0	1.0	(3.0)
FINANCIAL ANALYST IV	25	18.0	17.0	(1.0)
MANAGEMENT ANALYST II	18	1.0	2.0	1.0
MANAGEMENT ANALYST III	21	2.0	1.0	(1.0)
MANAGEMENT ANALYST IV	25	2.0	4.0	2.0
SENIOR AUDITOR	21	3.0	3.0	
SENIOR STAFF ANALYST	28	5.0	6.0	1.0
SENIOR STAFF ANALYST (EXE LEV)	28	2.0	0.0	(2.0)
STAFF ANALYST	26	2.0	1.0	(1.0)
SYSTEMS CONSULTANT	26	1.0	1.0	
Total FTEs		74.0	71.0	(3.0)
Less adjustment for Civilian Vacancy Factor		9.4	2.4	(7.0)
Full-Time Equivalents		64.6	68.6	4.0

FISCAL YEAR 2013 BUDGET

Business Area Revenue Summary

Fund Name : General Fund
 Business Area Name : Finance Department
 Fund No./Bus Area No. : 1000 / 6400

Commit Item	Description	FY2012 Current Budget	FY2012 Estimate	FY2013 Budget
6400030001	Public Finance			
424110	Other Interfund Services	50,000	15,000	15,000
6400050001	General Accounting			
426090	Demolition Fees	600,000	500,000	716,964
426120	Weed Cutting Fees	640,000	350,000	488,448
426480	Securing/Boarding - Nuisance Abatement	52,000	55,987	72,374
426485	Visual Blight - Nuisance Abatement	1,900	499	396
428030	Release of Liens	78,000	88,798	96,157
428080	Returned Check Charges	1,000	0	1,000
428100	Interest on Liens-COH	131,000	128,000	200,701
428105	Interest on Liens-Contract	600,000	483,877	511,739
434150	Streets & Bridges Assessments	75,000	105,849	110,764
490120	Transfer from Component Unit	11,773,000	12,357,900	0
Total	General Accounting	13,951,900	14,070,910	2,198,543
6400050002	Auditing			
424150	Interfund Auditing Services-601	229,000	0	0
6400090003	FIN - Tax & Revenue			
411020	Current Property Tax	759,547,505	782,868,048	813,212,136
411030	Current Year Delinquent Property Tax	60,342,495	59,347,952	61,767,865
411040	Delinquent Property Tax - Prior Years	520,812	409,003	440,926
411130	Prior Year Delinquent Property Tax-2000	1,142	0	0
411140	Prior Year Delinquent Property Tax-2001	62,248	60,185	0
411150	Prior Year Delinquent Property Tax-2002	82,338	87,979	64,882
411160	Prior Year Delinquent Property Tax-2003	114,163	123,223	94,845
411170	Prior Year Delinquent Property Tax-2004	139,976	177,529	132,841
411171	Prior Year Delinquent Property Tax-2005	246,680	251,895	191,386
411172	Prior Year Delinquent Property Tax-2006	531,499	658,379	271,556
411173	Prior Year Delinquent Property Tax-2007	1,910,306	1,472,783	709,766
411174	Prior Year Delinquent Property Tax-2008	1,781,053	1,767,572	1,587,735
411175	Prior Year Delinquent Property Tax-2009	2,641,226	2,802,488	1,905,533
411176	Prior Year Delinquent Property Tax-2010	4,162,559	5,007,964	2,821,225
411177	Prior Year Delinquent Property Tax-2011	0	0	4,836,304
411180	Current Delinquent - P & I	4,298,707	4,411,274	4,695,390
411190	Penalty&Interest-Delinq. Property Tax	6,805,291	7,388,726	7,864,610
411210	Property Tax Rebates	(710,000)	(568,000)	(400,000)
412010	Sales Tax	518,912,000	545,000,000	577,373,000
413010	Mixed Beverage Tax	10,621,000	9,500,000	9,500,000
414010	Bingo Tax	185,000	185,000	185,000
428060	Other Interest Income	21,000	5,000	5,000
432010	Interest on Pooled Investments	3,000,000	4,000,000	4,000,000
452020	Recoveries & Refunds	63,000	0	50,000
Total	FIN - Tax & Revenue	1,375,280,000	1,424,957,000	1,491,310,000
Total	Finance Department	1,389,510,900	1,439,042,910	1,493,523,543

FISCAL YEAR 2013 BUDGET

Business Area Expenditure Summary

Fund Name : General Fund
 Business Area Name : Finance Department
 Fund No./Bus. Area No. : 1000 / 6400

Commit Item	Description	FY2011 Actual	FY2012 Current Budget	FY2012 Estimate	FY2013 Budget
500010	Salary Base Pay - Civilian	4,953,322	4,468,681	4,468,681	4,900,123
500030	Salary Part Time - Civilian	0	16,480	16,480	0
501050	Employee Awards	0	0	0	2,700
501070	Pension - Civilian	792,016	850,524	850,524	1,048,627
501120	Termination Pay - Civilian	143,625	15,451	15,451	15,451
501160	Vehicle Allowance - Civilian	6,429	0	0	0
502010	FICA - Civilian	365,353	357,434	357,434	368,768
503010	Health Ins-Act Civilian	439,098	488,440	488,440	482,173
503015	Basic Life Insurance - Active Civilian	3,061	2,539	2,539	2,928
503060	Long Term Disability-Civilian	(26)	5,366	5,366	5,833
503090	Workers Compensation-Civilian-Admin	13,274	12,805	12,805	16,393
503100	Workers Compensation-Civilian-Claim	0	335	335	335
504030	Unemployment Claims - Administration	2,133	60,349	60,349	50,439
Total	Personnel Services	6,718,285	6,278,404	6,278,404	6,893,770
511040	Audiovisual Supplies	0	235	235	235
511045	Computer Supplies	8,545	12,239	12,239	12,539
511050	Paper & Printing Supplies	5,950	8,642	8,642	7,842
511055	Publications & Printed Materials	181	4,291	4,291	4,291
511060	Postage	2,646	11,300	11,300	12,680
511070	Miscellaneous Office Supplies	16,992	15,386	15,386	16,471
511110	Fuel	866	6,100	6,100	6,300
511115	Vehicle Repair & Maintenance Supplies	0	3,516	3,516	3,606
511125	Food Supplies	(13)	0	0	0
511145	Small Tools & Minor Equipment	0	200	200	200
511150	Miscellaneous Parts & Supplies	9,434	5,500	5,500	5,500
Total	Supplies	44,601	67,409	67,409	69,664
520100	Temporary Personnel Services	12,761	20,000	20,000	20,000
520105	Accounting & Auditing Services	1,674,215	1,844,500	1,844,500	1,804,500
520109	Medical Dental & Laboratory Services	31	500	500	500
520110	Management Consulting Services	135,455	578,251	578,251	531,818
520112	Banking Services	0	1,200	1,200	1,300
520114	Miscellaneous Support Services	542	3,860	3,860	3,260
520119	Computer Equipment/Software Maintenance	568	15,000	15,000	15,000
520121	IT Application Svcs	20,590	66,248	66,248	55,685
520123	Vehicle & Motor Equipment Services	2,678	0	0	0
520136	Billing & Collection Services	1,051,697	1,135,000	1,135,000	1,170,000
520510	Mail/Delivery Services	282	2,550	2,550	2,350
520515	Print Shop Services	31,715	45,172	45,172	43,272
520520	Printing & Reproduction Services	(1,126)	376	376	376
520605	Advertising Services	3,702	22,190	22,190	21,300
520705	Insurance Fees	1,094	3,651	3,651	3,501
520760	Contributions	0	12,216,900	12,216,900	0
520765	Membership & Professional Fees	2,664	3,841	3,841	4,431
520805	Education & Training	3,885	14,226	14,226	12,742
520905	Travel - Training Related	2,158	10,350	10,350	10,350
520910	Travel - Non-Training Related	4,732	9,935	9,935	7,650
521405	Building Maintenance Services	0	694	694	694
521605	Data Services	472	18,053	18,053	792
521610	Voice Services	47,726	100,307	100,307	46,304
521620	Voice Equipment	0	984	984	964
521625	Voice Labor	45	461	461	709
521630	GIS Revolving Fund Services	2,572	75,094	75,094	2,879

FISCAL YEAR 2013 BUDGET

Business Area Expenditure Summary

Fund Name : General Fund
 Business Area Name : Finance Department
 Fund No./Bus. Area No. : 1000 / 6400

Commit Item	Description	FY2011 Actual	FY2012 Current Budget	FY2012 Estimate	FY2013 Budget
521715	Office Equipment Rental	9,400	17,180	17,180	17,180
521730	Parking Space Rental	27,107	27,600	27,600	33,842
522430	Miscellaneous Other Services & Charges	2,609	2,800	2,800	2,800
522721	Interfund HR Client Services	0	116,065	116,065	116,065
522722	KRONOS Service Chargeback	0	2,556	2,556	2,809
522795	Other Interfund Services	0	386,341	386,341	380,099
Total	Other Services and Charges	3,037,574	16,741,885	16,741,885	4,313,172
551010	Non-Capital Office Furniture & Equipment	1,701	0	0	0
Total	Non-Capital Equipment	1,701	0	0	0
Grand Total Expenditures		9,802,161	23,087,698	23,087,698	11,276,606