

FINANCE

Department Description and Mission

The Finance Department's mission is to safeguard the fiscal integrity of the City, its component units, and other dependent entities, and enable other City stakeholders to do the same. We will achieve the mission in the next three years by meeting strategic objectives and achieving goals.

The Finance Department's strategic objectives are to:

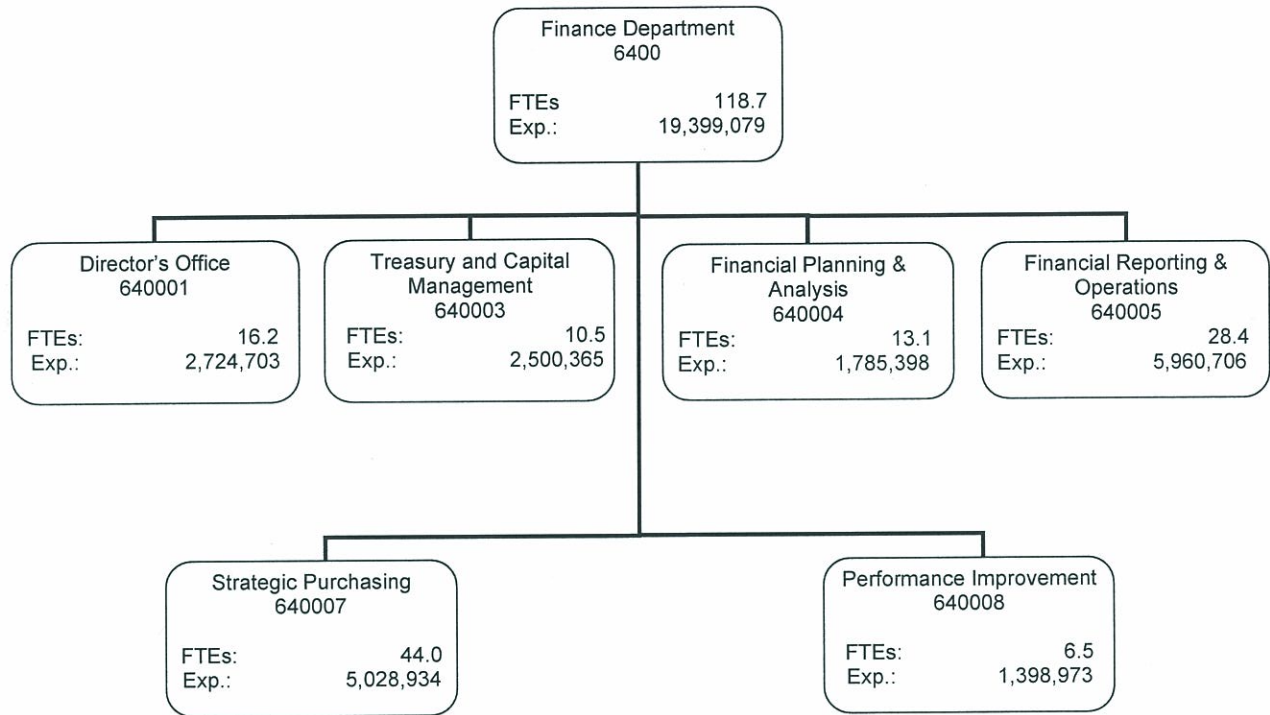
- Promote fiscal responsibility
- Serve the Administration, City Council, Departments, and Citizens
- Improve process execution internally and citywide
- Engage staff and provide them the resources they need to get the job done

Three year goals include:

- Promote fiscal responsibility
 - Certify all component units as meeting City of Houston financial management and reporting standards
 - Create and manage plans for maintaining and optimizing usage of the City's capital assets: facilities, fleet, equipment, and information technology
 - Maintain cost of service models for all fee-based and core City services; create optimization scenarios for major cost drivers
 - Accounts receivable collections program generates \$20 million incremental revenue citywide (baseline FY2011)
 - Zero findings in grants single audit (requires shared goals with departments)
- Serve the Administration, City Council, Departments, and Citizens
 - All financial data is stored and accessible in a financial data mart
 - The City's open data initiative has been recognized nationally for its ability to help us address resource and service problems
 - Transition Citywide performance measurement and reporting to SAP Strategy Management and successfully deploy in every department by July 2015
 - Our strategy, planning, budgeting, reporting, and support processes produce meaningful and useful results according to 95% of council members, staff, and members of the Mayor's administration
 - Receive Texas Comptroller's Gold Certificate Leadership Circle Award for Financial Transparency
- Improve process execution internally and citywide
 - All financial management processes have documented controls, up-to-date written procedures, instruction manuals, and associated training
 - All staff involved in financial processes have received baseline training and are receiving regular refresher training
 - All financial management processes are in a mode of continuous improvement and are managed with metrics and goals
 - Continue to implement "data-driven" performance management by successfully engaging all departments in at least one Performance Improvement Engagement (PIE)
 - Process Improvement/Lean Six Sigma program has been rolled out to all City departments; all City departments are in a mode of continuous improvement on one or more of their processes
 - The Procure-to-Payment process has been fully reengineered and has produced cost savings over \$50 million by July 2015

- Engage staff and provide them the resources they need to get the job done
 - Conduct citywide finance staff job evaluations and salary studies
 - Design citywide finance position career paths
 - Develop and implement cross-training program for finance staff citywide
 - Provide staff the resources and/or time such that 75% of our employees have certification specific to their area of expertise or a post-graduate degree
 - Have baseline scores for citywide finance staff employee engagement; and to have these scores show significant improvement

Department Organization





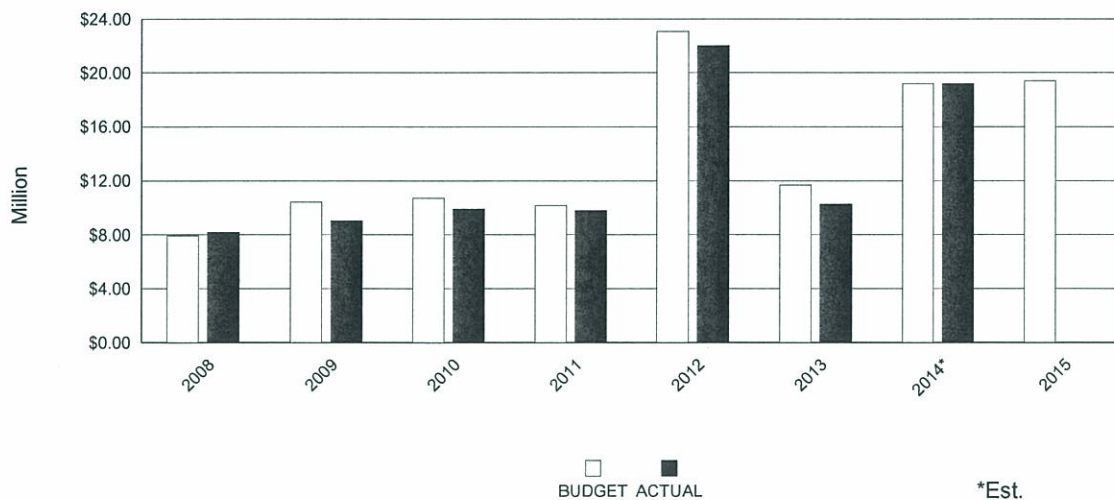
FISCAL YEAR 2015 BUDGET

Business Area Budget Summary

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

		FY2013 Actual	FY2014 Current Budget	FY2014 Estimate	FY2015 Budget
Expenditures	Personnel Services	5,970,890	12,192,966	12,103,360	13,186,989
	Supplies	171,883	114,418	136,353	93,756
	Other Services and Charges	4,124,006	6,882,526	6,950,197	6,118,334
	Non-Capital Equipment	0	0	0	0
	Total M & O Expenditures	<u>10,266,779</u>	<u>19,189,910</u>	<u>19,189,910</u>	<u>19,399,079</u>
	Debt Service & Other Uses	0	0	0	0
	Total Expenditures	<u>10,266,779</u>	<u>19,189,910</u>	<u>19,189,910</u>	<u>19,399,079</u>
Revenues		1,525,654,150	1,588,257,350	1,631,437,099	1,752,830,448
Staffing	Full-Time Equivalents - Civilian	60.4	117.4	115.0	118.7
	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	<u>60.4</u>	<u>117.4</u>	<u>115.0</u>	<u>118.7</u>
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	o The FY2015 Budget provides funding for health benefits, pension contribution and municipal employees 3% pay increases.				
	o In FY2015, the Digital Automated Red Light Enforcement Program (DARLEP) budget of \$465,000 will be included in the Finance General Fund. It had previously been recorded in Special Revenue Fund 2212.				

**Finance Department
Current Budget vs Actual Expenditures**



Business Area Performance Measures					
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400					
Performance Measure	Priority	FY2013 Actual	FY2014 Budget	FY2014 Estimate	FY2015 Budget
% of Finance Employees Trained in Lean Six Sigma	F	N/A	95%	80%	95%
% of RCAs Completed within 7 Days	F	36%	95%	58%	95%
% of TPIA Requests Completed within 10 Days	F	N/A	N/A	N/A	100%
Average Days from Requisition to Purchase Order	F	N/A	10	6.8	7
Average Days to Award Procurement Contracts	F	N/A	150	95	128
Average Training Hours per FTE	F	N/A	17.87	15.61	22
CIP Plan vs Appropriation	F	N/A	N/A	64%	98%
Citywide General Fund Expenditures Budget vs Actual Utilization	F	99%	98%	98%	98%
Citywide General Fund Revenues Budget vs Actual Utilization	F	104%	100%	102%	100%
Collection Rates - Vendor Managed Revenues	F	31%	35%	29%	35%
Cost Allocation Plan vs Actual Indirect Cost Recovery to the General Fund	F	95%	95%	98%	95%
Financial and Management Reporting Satisfaction Rate	F	N/A	95%	100%	95%
Local Government Corporations Expenditures Budget vs Actual Utilization	F	N/A	N/A	N/A	98%
Number of Citywide Employees Trained in Lean Six Sigma	F	N/A	600	750	1,000
Projected Procurement Cost Savings Identified	F	N/A	N/A	\$25.6M	\$10M
Expenditures Budget vs Actual Utilization	F	88%	98%	100%	98%
Revenues Budget vs Actual Utilization	F	102%	100%	103%	100%
<p>Mayor's Five Priorities: Jobs and Sustainable Development (J) Public Safety (P) Infrastructure (I)</p> <p style="padding-left: 100px;">Fiscal Responsibility (F) Quality of Life (Q)</p>					

FISCAL YEAR 2015 BUDGET

Division Summary						
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400						
Division Description	FY2013 Actual		FY2014 Estimate		FY2015 Budget	
	FTEs	Cost \$	FTEs	Cost \$	FTEs	Cost \$
Director's Office 640001 Promotes financial and strategic policies and the financial health of 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.	15.9	2,240,219	16.0	2,409,997	16.2	2,724,703
Treasury and Capital Management 640003 The division serves the citizens of Houston by providing cost-efficient debt management services to the City and its enterprise funds for short, medium and long-term debt. As well, the division coordinates and oversees the City's Capital Improvement Plan, manages General Fund revenue streams, and forecasts and models tax revenues.	5.6	1,896,994	8.7	2,214,833	10.5	2,500,365
Financial Planning & Analysis 640004 The primary responsibility of this division is to develop and manage the City's Operating Budget and the Five Year Plan. It provides effective financial planning to promote fiscal responsibility and financial health of the City of Houston.	12.0	1,490,855	11.8	1,547,705	13.1	1,785,398
Financial Reporting & Operations 640005 The division is responsible for citywide oversight and monitoring of accounting, fixed assets, grants and cost accounting, accounts receivable and collections of general fund revenue streams, internal controls, and Enterprise Risk Management (ERM) process including updating financial and accounting policies and procedures. Coordinates the Comprehensive Annual Financial Report (CAFR) and Single Audit Report (SAR) for the administration.	22.3	4,038,026	30.5	7,122,226	28.4	5,960,706
Strategic Purchasing 640007 Manages citywide procurement of goods and services applying best practices that are consistent with applicable City policies and procedures and the State of Texas Bid Laws.	0.0	0	44.0	4,716,751	44.0	5,028,934

FISCAL YEAR 2015 BUDGET

Division Summary						
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400						
Division Description	FY2013 Actual		FY2014 Estimate		FY2015 Budget	
	FTEs	Cost \$	FTEs	Cost \$	FTEs	Cost \$
Performance Improvement 640008 Leads financial and operational performance improvement projects to increase revenues, optimize expenditures, and improve operational effectiveness.	4.6	600,685	4.0	1,178,398	6.5	1,398,973
Total	<u>60.4</u>	<u>10,266,779</u>	<u>115.0</u>	<u>19,189,910</u>	<u>118.7</u>	<u>19,399,079</u>

FISCAL YEAR 2015 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	FY2014 Current Budget FTE	FY2015 Budget FTE	Change
ACCOUNT CLERK	10	0.0	1.0	1.0
ADMINISTRATION MANAGER	26	1.0	1.0	
ADMINISTRATIVE AIDE	10	0.0	1.0	1.0
ADMINISTRATIVE ASSISTANT	17	5.0	5.0	
ADMINISTRATIVE ASSOCIATE	13	2.0	2.0	
ADMINISTRATIVE COORDINATOR	24	2.0	4.0	2.0
ADMINISTRATIVE SPECIALIST	20	7.0	7.0	
ADMINISTRATIVE SUPERVISOR	22	1.0	1.0	
ASSISTANT DIRECTOR (EXE LEV)	32	3.0	1.0	(2.0)
AUDITOR MANAGER	28	2.0	2.0	
AUDITOR SUPERVISOR	25	1.0	1.0	
CONTRACT ADMINISTRATOR	22	1.0	1.0	
CUSTOMER SERVICE MANAGER	29	1.0	0.0	(1.0)
DEPUTY ASSISTANT DIRECTOR (EXE LEV)	30	6.0	9.0	3.0
DEPUTY DIRECTOR (EXE LEV)	34	2.0	1.0	(1.0)
DEPUTY DIRECTOR-FINANCE/ADMIN.	36	2.0	3.0	1.0
DIVISION MANAGER	29	10.0	11.0	1.0
FINANCE DIRECTOR	37	1.0	1.0	
FINANCIAL ANALYST I	15	1.0	0.0	(1.0)
FINANCIAL ANALYST II	18	0.0	1.0	1.0
FINANCIAL ANALYST III	21	4.0	4.0	
FINANCIAL ANALYST IV	25	14.0	15.0	1.0
MANAGEMENT ANALYST I	15	0.0	1.0	1.0
MANAGEMENT ANALYST II	18	1.0	2.0	1.0
MANAGEMENT ANALYST IV	25	4.0	3.0	(1.0)
MANAGEMENT INTERN	11	1.4	1.0	(0.4)
PROCUREMENT SPECIALIST	24	7.0	8.0	1.0
PURCHASING MANAGER	27	3.0	2.0	(1.0)
SENIOR AUDITOR	21	2.0	2.0	
SENIOR BUYER	22	4.0	3.0	(1.0)
SENIOR PROCUREMENT SPECIALIST	27	11.0	11.0	
SENIOR STAFF ANALYST	28	10.0	10.8	0.8
STAFF ANALYST	26	6.0	6.0	
SYSTEMS CONSULTANT	26	2.0	1.0	(1.0)
Total FTEs		117.4	122.8	5.4
Less adjustment for Civilian Vacancy Factor		0.0	4.1	4.1
Full-Time Equivalent		117.4	118.7	1.3

FISCAL YEAR 2015 BUDGET

Business Area Revenue Summary

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

Commit Item	Description	FY2014 Current Budget	FY2014 Estimate	FY2015 Budget
6400030001	Capital Management			
424110	Other Interfund Services	16,800	11,200	10,000
6400050001	Accounting			
428030	Release of Liens	3,000	23,000	0
428080	Returned Check Charges	1,000	100	0
428100	Interest on Liens-COH	110,929	56,000	0
434150	Streets & Bridges Assessments	54,804	105,000	0
Total Accounting		169,733	184,100	0
6400070001	Strategic Purchasing			
452030	Miscellaneous Revenue	5,001	278,962	276,500
6400090002	Accounts Receivable & Collections			
428030	Release of Liens	0	0	24,000
428080	Returned Check Charges	0	0	100
428100	Interest on Liens-COH	0	0	60,000
434150	Streets & Bridges Assessments	0	0	59,300
Total Accounts Receivable & Collections		0	0	143,400
6400090003	Treasury			
411020	Current Property Tax	859,521,878	892,507,812	978,268,258
411030	Current Year Delinquent Property Tax	55,117,122	58,343,462	63,861,740
411040	Delinquent Property Tax - Prior Years	640,832	890,888	738,164
411150	Prior Year Delinquent Property Tax-2002	0	268,717	0
411160	Prior Year Delinquent Property Tax-2003	112,546	0	0
411170	Prior Year Delinquent Property Tax-2004	133,633	198,691	0
411171	Prior Year Delinquent Property Tax-2005	191,803	243,176	164,630
411172	Prior Year Delinquent Property Tax-2006	195,654	342,915	201,489
411173	Prior Year Delinquent Property Tax-2007	408,610	386,021	284,130
411174	Prior Year Delinquent Property Tax-2008	796,001	755,307	319,846
411175	Prior Year Delinquent Property Tax-2009	1,454,101	1,466,793	625,825
411176	Prior Year Delinquent Property Tax-2010	2,232,503	2,545,922	1,215,343
411177	Prior Year Delinquent Property Tax-2011	2,466,762	3,749,397	2,109,478
411178	Prior Year Delinquent Property Tax-2012	8,075,555	6,128,889	3,056,929
411179	Prior Year Delinquent Property Tax-2013	0	0	4,992,166
411180	Current Delinquent - P & I	4,530,346	5,755,563	5,312,828
411190	Penalty&Interest-Delinq. Property Tax	8,469,654	7,244,437	6,687,172
411210	Property Tax Rebates	(479,000)	(500,000)	(500,000)
411220	Unclaimed Refunds of Property Tax	1,540,000	1,540,000	0
412010	Sales Tax	629,601,816	633,000,000	666,968,000
413010	Mixed Beverage Tax	9,800,000	13,443,847	13,977,900
414010	Bingo Tax	195,000	190,000	190,000
428060	Other Interest Income	11,000	11,000	11,000
432010	Interest on Pooled Investments	3,000,000	2,400,000	2,400,000
452020	Recoveries & Refunds	50,000	50,000	50,000
452030	Miscellaneous Revenue	0	0	1,000,000
Total Treasury		1,588,065,816	1,630,962,837	1,751,934,898
6400090005	DARLEP			
428095	Red Light Enforcement	0	0	465,000
432010	Interest on Pooled Investments	0	0	650
Total DARLEP		0	0	465,650
Total Finance Department		1,588,257,350	1,631,437,099	1,752,830,448

FISCAL YEAR 2015 BUDGET

Business Area Expenditure Summary

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

Commit Item	Description	FY2013 Actual	FY2014 Current Budget	FY2014 Estimate	FY2015 Budget
500010	Salary Base Pay - Civilian	4,239,848	8,495,504	8,327,527	9,141,314
500030	Salary Part Time - Civilian	0	0	37,300	80,749
500060	Overtime - Civilian	27	0	0	0
500110	Bilingual Pay - Civilian	467	0	904	0
501050	Employee Awards	0	2,700	2,700	2,700
501060	Moving Expenses	0	193	193	0
501070	Pension - Civilian	925,243	1,956,158	1,945,963	2,318,233
501120	Termination Pay - Civilian	11,655	24,121	124,099	17,306
502010	FICA - Civilian	314,417	646,687	642,005	688,836
503010	Health Ins-Act Civilian	460,624	997,798	959,949	880,002
503015	Basic Life Insurance - Active Civilian	2,427	6,542	5,505	5,234
503060	Long Term Disability-Civilian	4,802	10,009	9,811	10,046
503090	Workers Compensation-Civilian-Admin	11,380	28,162	28,780	31,158
503100	Workers Compensation-Civilian-Claim	0	5,000	5,000	6,600
504030	Unemployment Claims - Administration	0	20,092	13,624	4,811
Total	Personnel Services	5,970,890	12,192,966	12,103,360	13,186,989
511040	Audiovisual Supplies	10,734	1,000	9,000	6,600
511045	Computer Supplies	119,566	16,931	33,556	18,037
511050	Paper & Printing Supplies	0	7,842	7,842	7,842
511055	Publications & Printed Materials	808	3,091	3,091	2,341
511060	Postage	2,613	26,190	26,190	5,750
511070	Miscellaneous Office Supplies	35,442	49,019	45,029	42,860
511110	Fuel	57	900	900	202
511115	Vehicle Repair & Maintenance Supplies	0	1,200	1,200	200
511125	Food Supplies	1,473	0	1,300	1,300
511150	Miscellaneous Parts & Supplies	1,190	8,245	8,245	8,624
Total	Supplies	171,883	114,418	136,353	93,756
520100	Temporary Personnel Services	142,655	192,460	246,259	127,500
520105	Accounting & Auditing Services	1,788,285	2,338,000	2,353,690	1,138,690
520108	Information Resource Services	1,064	151	80	151
520109	Medical Dental & Laboratory Services	443	500	600	500
520110	Management Consulting Services	298,681	1,641,116	1,585,198	1,280,388
520112	Banking Services	1,648	1,300	1,300	1,300
520114	Miscellaneous Support Services	3,947	11,515	20,000	20,420
520116	Parking Services Contract	2,484	0	0	0
520119	Computer Equipment/Software Maintenance	88,773	33,000	79,987	59,068
520120	Communications Equipment Services	383	2,618	9,786	2,618
520121	IT Application Svcs	97,721	158,566	144,831	175,344
520122	Office Equipment Services	112	0	0	0
520126	Construction Site Work Services	1,250	0	0	0
520136	Billing & Collection Services	1,070,193	1,200,000	1,163,104	1,315,677
520139	Motor Pool Charges	0	550	550	550
520157	Computer Software Maintenance Services	0	47,020	47,020	47,020
520160	CIP-Software	37,150	0	0	0
520510	Mail/Delivery Services	119	550	550	450
520515	Print Shop Services	39,589	42,406	49,095	47,181
520520	Printing & Reproduction Services	0	376	376	1,876
520605	Advertising Services	2,873	76,292	62,300	71,300
520705	Insurance Fees	2,993	6,671	6,671	9,178
520725	Assessments - Other Governments	0	0	0	7,679
520765	Membership & Professional Fees	7,496	8,521	9,176	10,717

FISCAL YEAR 2015 BUDGET

Business Area Expenditure Summary

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

Commit Item	Description	FY2013 Actual	FY2014 Current Budget	FY2014 Estimate	FY2015 Budget
520805	Education & Training	77,841	25,325	72,155	195,645
520905	Travel - Training Related	13,865	24,355	23,155	28,595
520910	Travel - Non-Training Related	6,799	9,924	10,200	10,000
521405	Building Maintenance Services	95,354	694	4,926	700
521605	Data Services	352	48,924	48,924	49,751
521610	Voice Services	17,747	58,566	58,866	8,185
521620	Voice Equipment	726	2,314	2,314	890
521625	Voice Labor	6,421	2,935	2,935	1,129
521630	GIS Revolving Fund Services	2,937	13,033	13,033	35,271
521635	Voice Services -Wireless	0	44,846	44,424	12,572
521715	Office Equipment Rental	12,117	17,180	21,448	26,232
521730	Parking Space Rental	15,847	13,114	9,928	35,000
521735	Hobby Parking Space Rental	0	26,642	23,642	33,424
522430	Miscellaneous Other Services & Charges	2,314	21,056	51,056	71,574
522620	Claims & Judgments	0	0	0	310,000
522721	Interfund HR Client Services	109,540	152,578	152,578	205,344
522722	KRONOS Service Chargeback	3,033	4,366	4,366	4,922
522795	Other Interfund Services	171,254	655,062	625,423	771,022
522845	Interfund Vehicle Services	0	0	251	471
Total	Other Services and Charges	4,124,006	6,882,526	6,950,197	6,118,334
	Grand Total Expenditures	10,266,779	19,189,910	19,189,910	19,399,079