



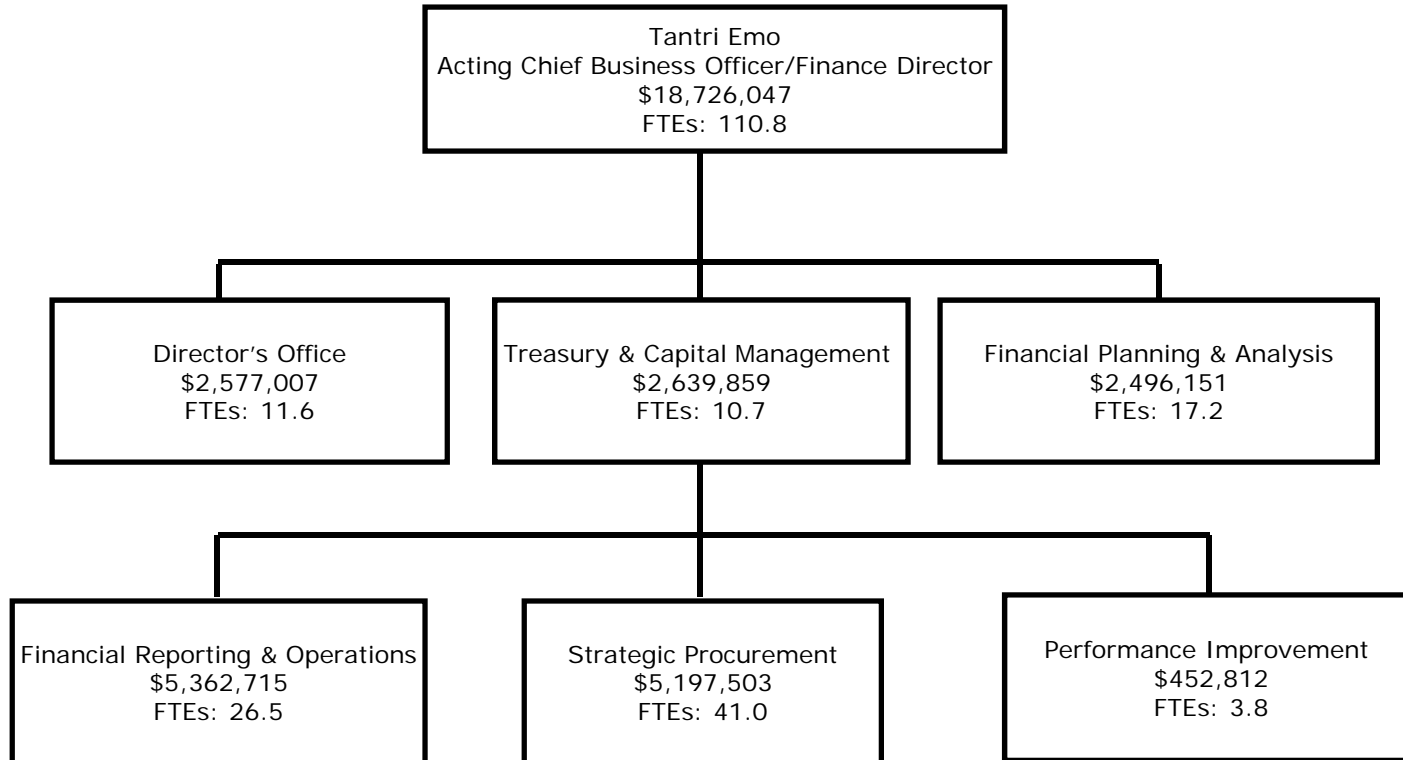
Finance Department

FY2019 Proposed Budget Presentation

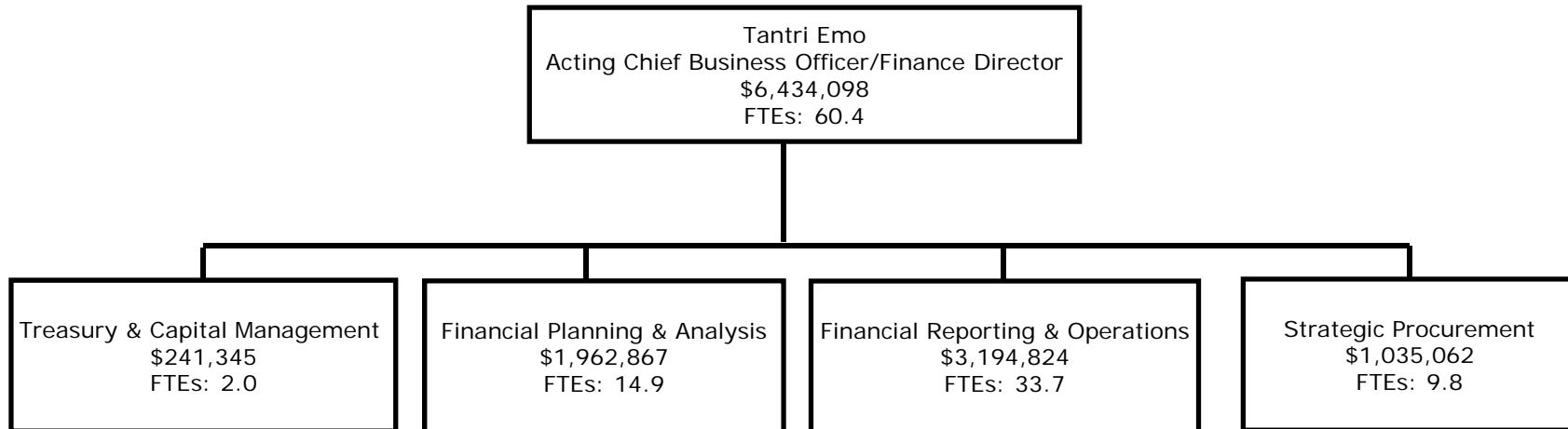
May 9, 2018

Tantri Emo, Interim Director

Finance Department Org Chart - General Fund



Finance Department Org Chart – Revolving Fund



Revenues By Funds (\$ in thousands)



Fund	FY17 Actual	FY18 Budget	FY18 Estimates	FY19 Proposed	Variance FY19 Prop/FY18 Estimates	% Change
General Fund						
General Property Taxes	\$1,153,823	\$1,158,297	\$1,172,376	\$1,200,813	\$28,436	2.43%
Sales Taxes	631,993	627,000	654,700	657,700	3,000	0.46%
Other Tax	16,896	17,413	17,413	18,011	598	3.43%
Interest	5,051	3,000	6,000	6,000	-	0.00%
Miscellaneous/Other*	1,842	1,738	1,719	1,641	(78)	-4.56%
Total General Fund	\$1,809,605	\$1,807,449	\$1,852,209	\$1,884,165	\$31,956	1.73%
Central Service Revolving Fund						
Direct Interfund Services	4,362	6,391	5,743	6,434	691	12.03%
Direct Interfund Services	\$ 4,362	\$ 6,391	\$ 5,743	\$ 6,434	\$ 691	12.03%

*Note - Miscellaneous/Other includes: Other Fines & Forfeits, Direct Interfund Services, and Charges for Services

FY2019 – Revenues Highlights



- **Property Tax Revenue**
 - Estimated taxable value of \$234 billion, increase of 2.9%.
 - Taxable value net of tax increment agreements is \$206.1 billion.
 - Increase in property tax revenue of 2.43%, \$28 million higher than FY2018 estimates.
 - In compliance with Prop 1+H limitations and holding the senior/disabled exemption at \$160,000.
 - Collection rate of 98.5%.

FY2019 – Revenues Highlights



- **Sales Tax**
 - Growth of 0.46%, \$3 million higher than FY2018 estimates, derived from econometric models which take into account the sectors of the Houston economy and estimates of income, prices, population, and Primary Metropolitan Statistical Area (PMSA) retail sales.
- **Other Tax**
 - Other Tax include Bingo and Mixed Beverage Tax. The FY2019 Proposed Budget is 3.43% or \$598,000 higher than the FY2018 Estimates based on trends.

Expenditures All Funds (\$ in thousands)

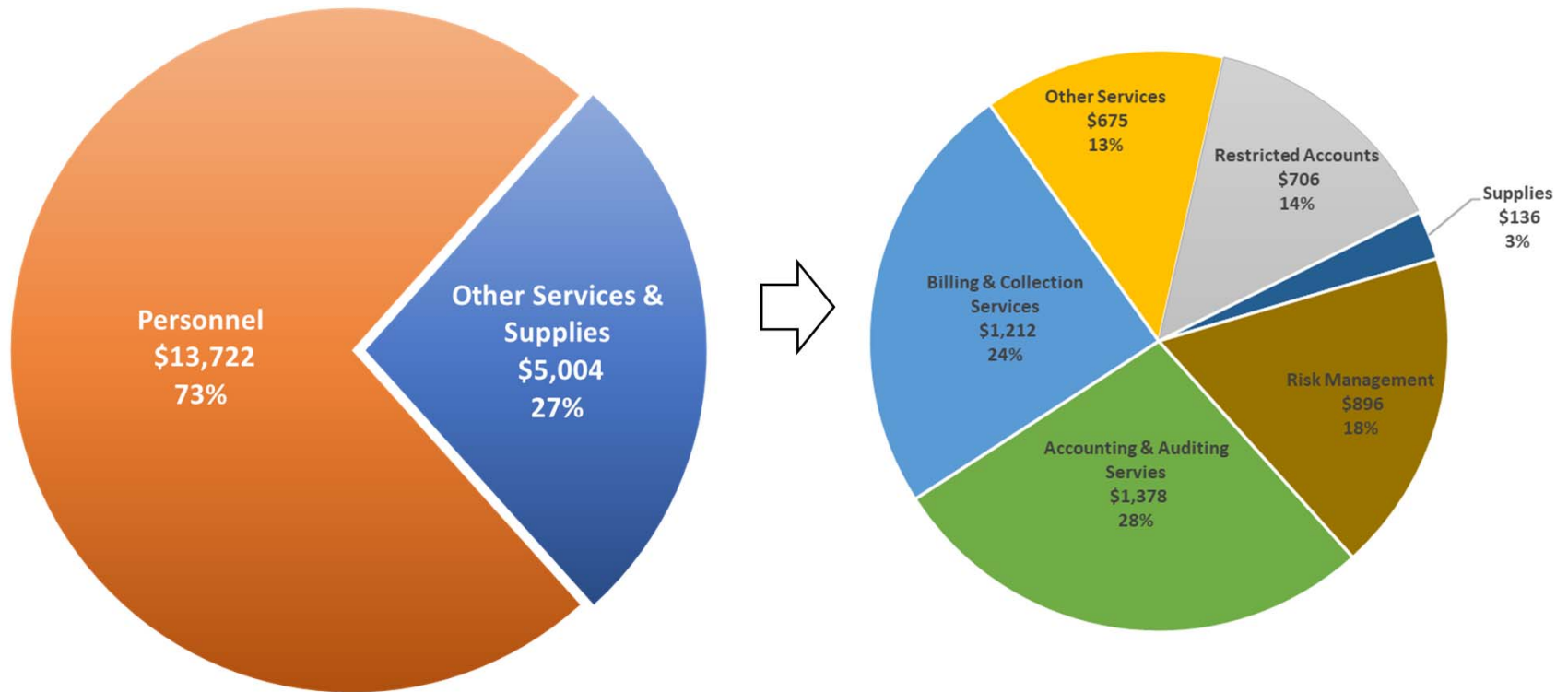


Fund	FY17 Actual	FY18 Budget	FY18 Estimates	FY19 Proposed	Variance FY19 Prop/FY18	% Change
General Fund	\$17,281	\$19,053	\$19,053	\$18,726	-\$326	-1.71%
Central Service Revolving Fund	\$4,362	\$6,391	\$5,743	\$6,434	43	0.67%
Total All Funds	\$21,643	\$25,444	\$24,796	\$25,160	-\$284	1.47%

FY19 Personnel vs Non Personnel General Fund (\$in thousands)



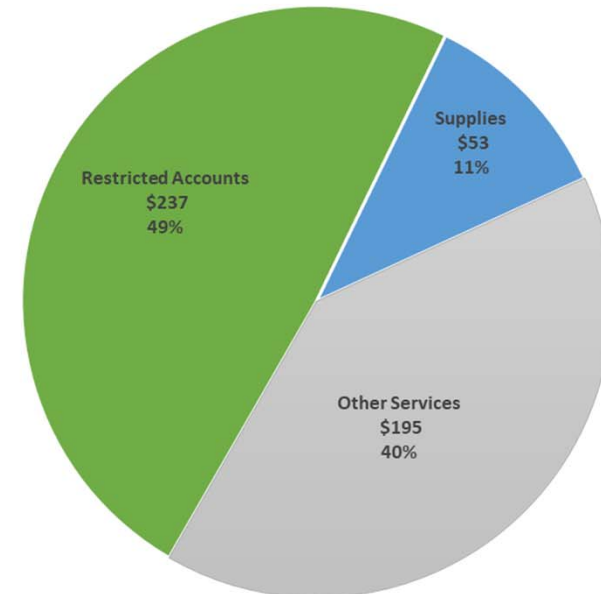
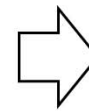
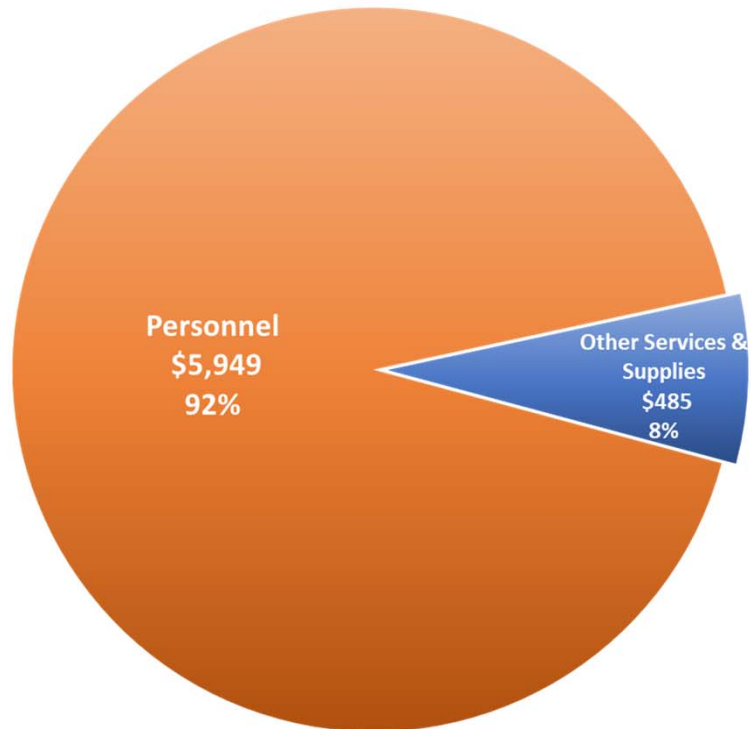
FY2019 Proposed Budget
\$18,726



FY19 Personnel vs Non Personnel Central Service Revolving Fund (\$in thousands)



FY2019 Proposed Budget
\$6,434



Department Budget Reductions (in thousands)



Budget Reductions	FY17	FY18	FY19	3 Year Total
Finance - General Fund	855	726	653	2,234
Total	855	726	653	2,234

- Overview of General Fund 3-year budget reductions:
 - Over the last three years the Finance department has taken part in across-the-board reductions efforts by: downgrading positions, reducing budgeted vacant positions, hiring positions at lower rates, eliminating vacant positions, and reducing expenditures for supplies & services.
 - Estimated 3-year reduction: \$2.2 million.

Department Budget Reductions



- **FY2019 budget reductions - \$653,042:**
 - \$145,155 - Downgrade five (5) vacant, budgeted positions,
 - \$93,135 – Reduce one (1) vacant, budgeted position,
 - \$282,417 – Reduction in contract services,
 - \$132,335 - Reduce advertising services and equipment maintenance software.

FY2019 Budget Expenditures Net Change (in thousands)



FY2019 General Fund Budget Expenditures Net Change to FY2018 Current Budget		
FY2018 Current Budget		Notes
Operating Budget	\$ 18,315	
Restricted Budget	\$ 737	1
FY2018 Current Budget	\$ 19,053	
Explanation of FY2018 Incremental Increase/(Decrease)		
Operating Budget Adjustments		
Budget reduction initiatives	(653)	
Subtotal Operating Budget Adjustments	\$ (653)	
% Change from FY18 Operating Budget	(3.6%)	
Contractual or Mandated Adjustments:		
Health Benefits Active Civilian	\$ 166	
Health Benefits Active Classified (if applicable)	-	
Municipal Pension	57	
Classified Pension (if applicable)	-	
Restricted Accounts	(31)	
Program Adjustment	\$ 135	
Subtotal Contractual/Mandated Increases	\$ 327	
FY2019 Proposed Budget		
Operating and Contractual Adjustments	\$ (326)	
FY2019 Proposed Budget	\$ 18,726	
% Change from FY18 Current Budget	(1.7%)	
Notes:		
1. Restricted Budget includes service chargeback accounts for items such fuel, electricity, IT accounts, etc		

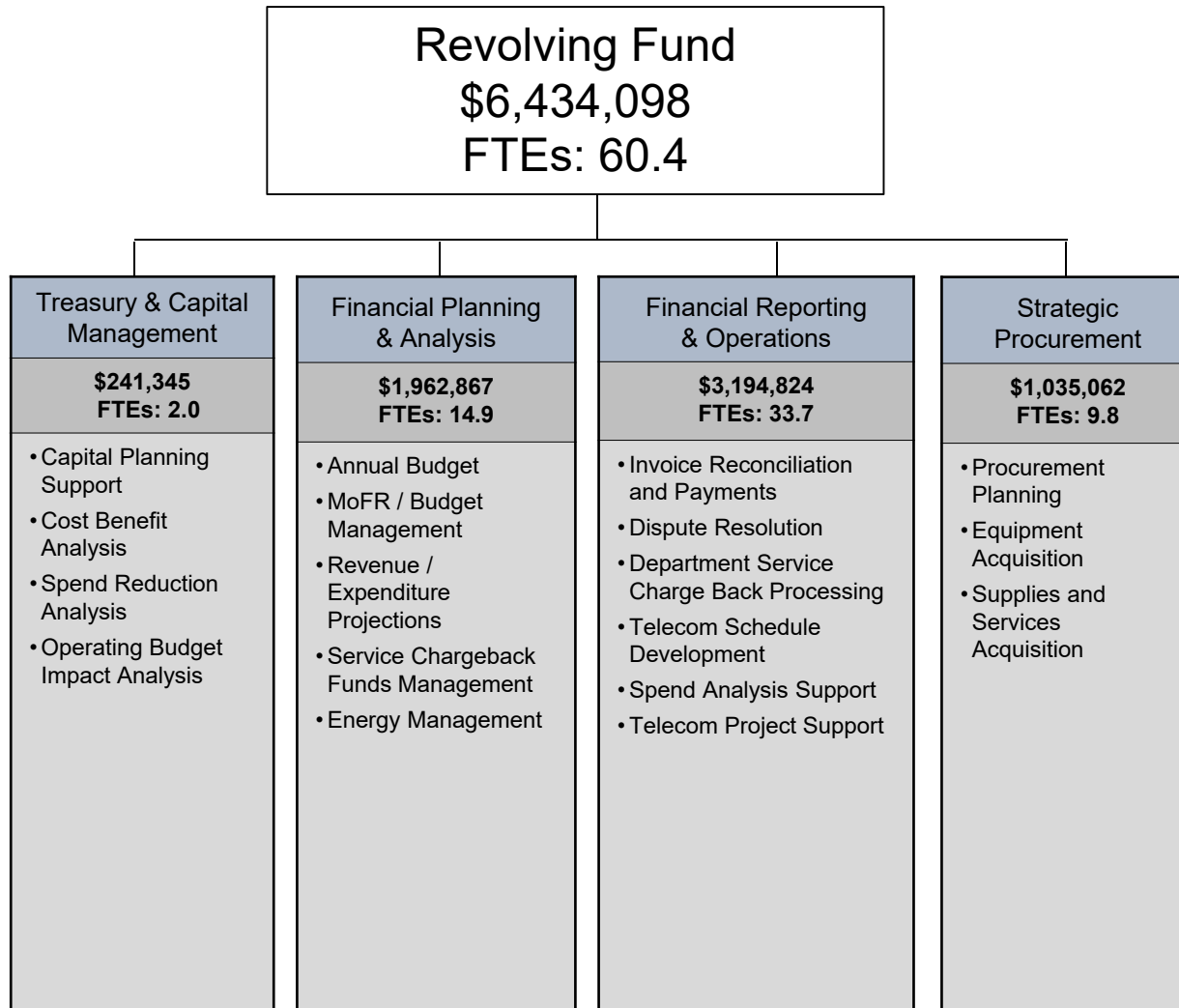
Functional Org Chart



General Fund
\$18,726,047
FTEs: 110.8

Director's Office	Treasury & Capital Management	Financial Planning & Analysis	Financial Reporting & Operations	Strategic Procurement	Performance Improvement
\$2,577,007 FTEs: 11.6	\$2,639,859 FTEs: 10.7	\$2,496,151 FTEs: 17.2	\$5,362,715 FTEs: 26.5	\$5,197,503 FTEs: 41.0	\$452,812 FTEs: 3.8
<ul style="list-style-type: none"> • Council Administration • Legislative Analysis • Pension System Analysis • Departmental Admin Support • RCA Budget Impact Analysis Coordination • TPIA Coordination • Technical Support 	<ul style="list-style-type: none"> • Capital Budget Planning, Management, Reporting, and Analysis • Debt Issuance & Derivative Monitoring • Economic Modeling and Projections • Manage City's Liquidity Alternatives • Tax & Revenue Management • Cash Management • Banking Services 	<ul style="list-style-type: none"> • Annual Budget • Five-Year Forecast • General & Continuing Appropriations • MoFR / Budget Management • Mid-Year Review • Revenue & Expenditure Projections • Service Chargeback Fund Management • Ad Hoc Financial Reporting 	<ul style="list-style-type: none"> • Accounting / Disaster Recovery • Fixed Assets • Cost Accounting • Grants Management • Internal Controls / Audit • Trust Funds Management • Deferred Compensation • Accounts Receivable & Collections • Liens Management 	<ul style="list-style-type: none"> • RCA Administration • Commodities Procurements • Technology & Services Procurements • Formal Procurements • Informal Procurements • Material & Vendor Management • P-Card Program Management 	<ul style="list-style-type: none"> • Revenue and Cost Performance Management • Process Improvements • Citywide Operational Performance Monitoring • Citywide Strategic Planning Coordination • Open Data and Innovation Initiatives

Functional Org Chart





APPENDIX



Demographics

as of May 2018



FINANCE DEPARTMENT WORKFORCE ANALYSIS

	Males					Females					Total				
	Asian/P.I.	Black	Hispanic	White	Total	Asian/P.I.	Black	Hispanic	White	Total	Asian/P.I.	Black	Hispanic	White	Total
	Executives	1	2	0	3	6	1	1	2	2	6	2	3	2	5
	17%	33%	0%	50%	100%	17%	17%	33%	33%	100%	17%	25%	17%	42%	100%
Professionals	11	15	8	10	44	14	35	15	4	68	25	50	23	14	112
	25%	34%	18%	23%	100%	21%	51%	22%	6%	100%	22%	45%	21%	13%	100%
Administrative Support	1	2	0	1	4	6	12	5	0	23	7	14	5	1	27
	25%	50%	0%	25%	100%	26%	52%	22%	0%	100%	26%	52%	19%	4%	100%

Total	13	19	8	14	54	21	48	22	6	97	34	67	30	20	151
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Department FY18 Major Accomplishments



- Obtained expedited FEMA Public Assistance funds totaling \$163M within 45 days after Hurricane Harvey
- Completed 1st pass of substantial damaged site inspections 3 months ahead of schedule for FEMA PA
- Increased Ambulance Supplemental Payment Program (ASPP) revenues by \$7M for FY18. (FY17 \$21M to FY18 \$28M)
- Prepared FY2019 Cost Allocation Plans (6 – Plans) in-house using City's SAP, general ledger system (1st year) instead of using 3rd party consultant
- Issuance of \$1 billion pension obligation bonds
- Passage of Public Improvement Bonds in the amount of \$495 million
- Begin Long Range Financial Plan implementation strategy

FY2019 Performance Measures

General Fund



Performance Measures	FY2017 Actual	FY2018 Budget	FY2018 Estimate	FY2019 Budget
Audit Findings	2	0	3	0
Average Days from Purchase Requisition to Purchase Order	3.18	5.0	2.9	3.0
Average Days to Procurement (MOU to Council Award)	200	105	203	175
City Contracts with Negotiated Early Payment Discounts	1.0%	3.0%	1.0%	1.0%
Citywide General Fund Expenditures Adopted Budget vs Actual Utilization	100%	98%	99%	98%
Citywide General Fund Revenues Adopted Budget vs Actual Utilization	102%	100%	102%	100%
Compliance Rate with City Financial Policies	NA	90%	86%	90%
Debt Service Expenditures as% of General Fund Revenues	12%	11%	11%	16%
Grants Budget Growth	NA	27%	27%	27%
Sales Tax Collection vs Prior Year Actuals/Estimate (benchmark 3 yr avg = 4.0%)	2.76%	.92%	4.67%	.46%
Unassigned Fund Balance as% of General Fund Expenditures less Debt Service and PAYGO	13.3%	6.8%	9.3%	9.2%
Variance of Property Tax Collection Rate Forecast to Actual	1.8%	1.7%	.3%	1.2%
Expenditures Adopted Budget vs Actual Utilization	88%	98%	100%	98%
Revenues Adopted Budget vs Actual Utilization	102%	100%	102%	100%

FY2019 Performance Measures

Central Service Revolving Fund



Performance Measures	FY2017 Actual	FY2018 Budget	FY2018 Estimate	FY2019 Budget
Chargebacks Processed for Departments in 45 Days	100%	100%	100%	100%
Client Department Expenditures Adopted Budget vs Actual Utilization	97.7%	98%	100%	98%
Collection Rate for EMS	43%	42%	42%	42%
Collection Rate of Vendor Managed Revenues	45%	45%	45%	45%
Cost per Invoice Processed	\$31	\$41	\$39	\$41
Invoice Payments Processed within Payment Terms	95%	95%	89%	95%
Expenditures Adopted Budget vs Actual Utilization	75%	100%	90%	100%
Revenues Adopted Budget vs Actual Utilization	75%	100%	90%	100%