



Controller's Office

FY2021 Zero Based Budget Workshop Presentation

April 2020



Program Organizational Chart

General Fund
Controller's Office
Projected Budget \$8,678,222
FTEs: 55.0

Administration	Audit	Executive	Financial Reporting	Ops & Tech. Service	Treasury
FY21 Budget \$949,732 FTEs: 2.8	FY21 Budget \$1,475,217 FTEs: 9.5	FY21 Budget \$998,779 FTEs: 5.7	FY21 Budget \$1,360,292 FTEs: 9.5	FY21 Budget \$2,558,939 FTEs: 19.9	FY21 Budget \$1,335,263 FTEs: 7.6
Provides Office with services in: <ul style="list-style-type: none">• HR• Budget• Purchasing• Admin	Provides Mayor, Council, and depts. independent analysis and audits on city's operational efficiency.	Sets policy for the office, serves as independent voice for taxpayers, communication link between office and public.	Provides monthly financial reports (MFORs) and prepares Comprehensive Annual Financial Report (CAFR).	Reviews and approves disbursements; maintains transaction archives; certifies funds for Council Action.	Manages all city investments except pension and trust funds. Oversees all debt, credit, and refundings.



Department Expenditures By Category

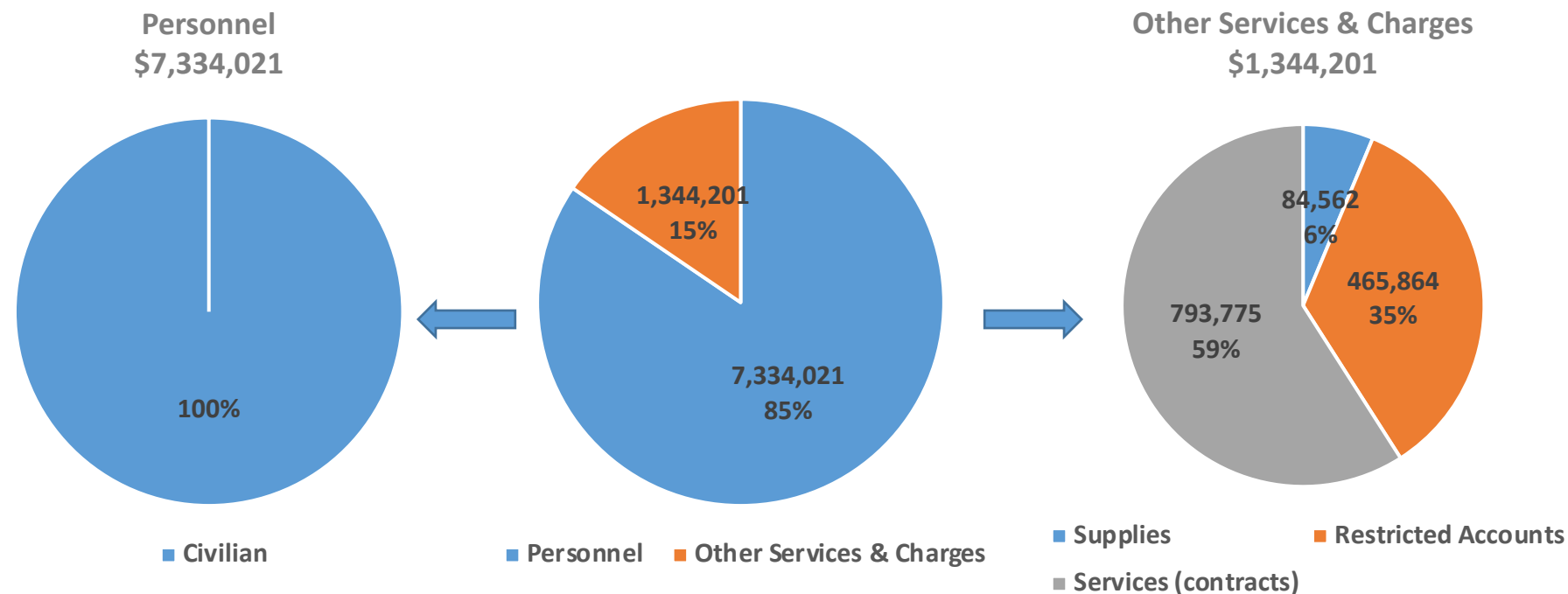
Category	FY19 Actual	FY20 Projected Current Budget	FY20 Estimates	FY21 Projected Budget	Variance FY21 Projected Budget/FY20 Projected Current Budget	% Change
Personnel	\$6,994,212	\$7,284,030	\$7,198,314	\$7,334,021	\$49,991	.68%
Supplies	\$44,559	\$85,062	\$85,062	\$84,562	\$500	.59%
Restricted Accounts*	\$328,951	\$356,135	\$356,177	\$465,864	\$109,729	30.8%
Services (contracts)	\$494,278	\$741,925	\$789,262	\$793,775	\$51,850	7.0%
Total	\$7,862,000	\$8,467,152	\$8,428,815	\$8,678,222	\$211,070	2.5%

*Restricted Accounts - Budget includes application services, insurance fees, data & voice services, GIS revolving fund services, etc.



FY2021 Personnel vs Non-Personnel

FY2021 Projected Budget **\$8,678,222**

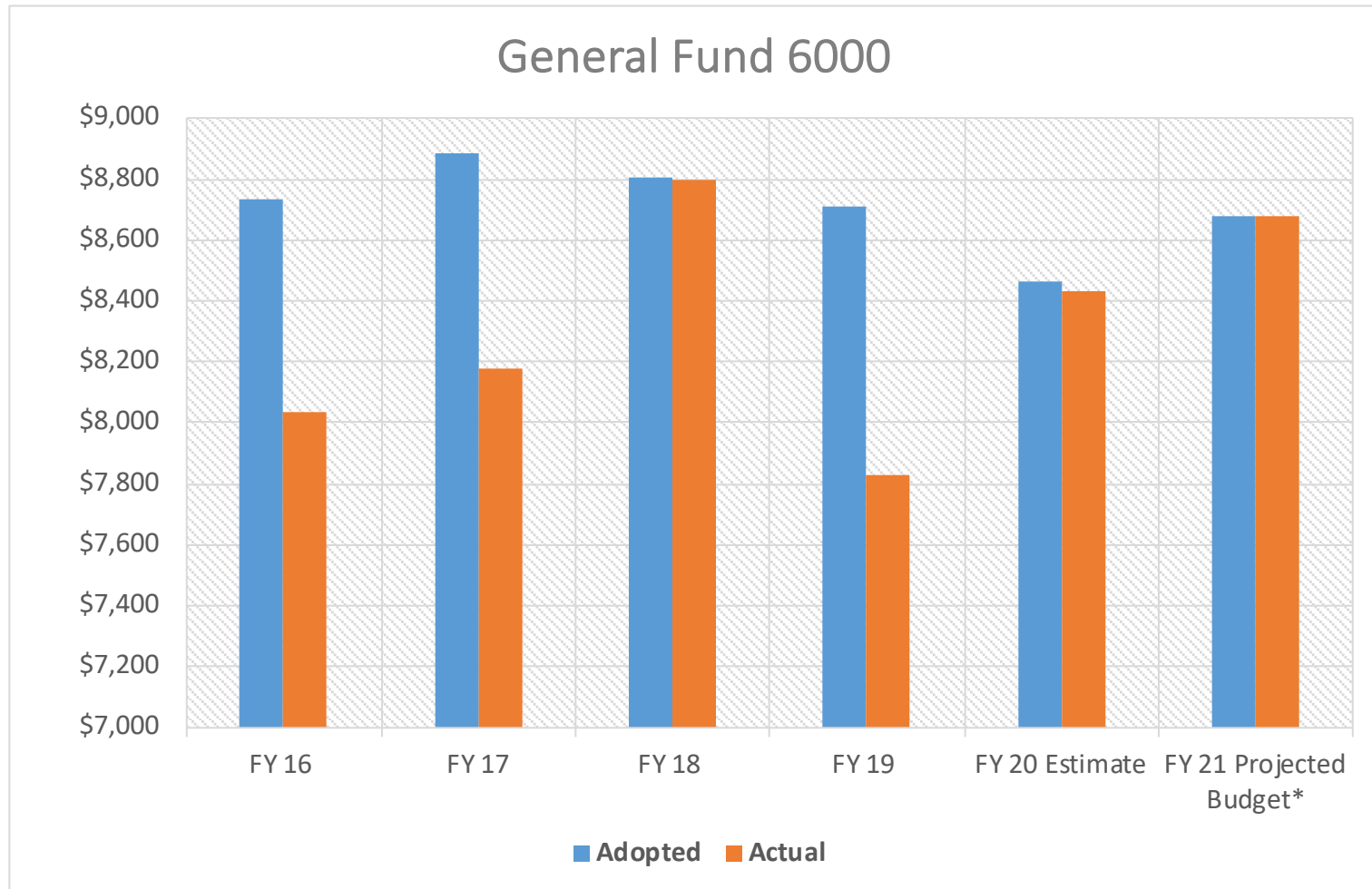


FY2021 Expenditures Net Change



FY2021 General Fund Budget Expenditures Net Change to FY2020 Current Budget		
FY2020 Current Budget		
Operating Budget	\$ 8,111,017	<i>Notes</i>
Restricted Budget Adjustment	356,135	1
FY2020 Current Budget	\$ 8,467,152	
Explanation of FY2021 Incremental Increase/(Decrease)		
Operating Budget Adjustments		
Budget reduction initiatives Salary Base Pay	(36,017)	
Bilingual Pay	(1,826)	
Publications and Printed Materials	(500)	
Travel Non Training	(1,300)	
Accounting and Auditing Services	3,000	
Membership and Professional Fees	(665)	
Education and Training	3,165	
Travel Training Related	(1,300)	
Subtotal Operating Budget Adjustments	\$ (35,443)	
% Change from FY20 Operating Budget	(0.4%)	
Contractual or Mandated Adjustments:		
Health Benefits Active Civilian	\$ 89,044	
Restricted Accounts Increases	109,729	
Transparency Financial Platform	48,950	
Pension Civilian	(1,101)	
Workers Compensation Admin	(798)	
FICA	(2,420)	
Basic Life insurance	(24)	
Pension Legacy	3,361	
Long Term Disability	(228)	
Subtotal Contractual/Mandated Increases	\$ 246,513	
FY2021 Proposed Budget		
Operating and Contractual Adjustments	\$ 211,070	
FY2021 Proposed Budget	\$ 8,678,222	
% Change from FY20 Current Budget	2.5%	

Budget History (in thousands)



****Increase in FY 21 Projected Budget due primarily to increased costs in restricted accounts***



Program Details

Administration



Program Name:	Administrative Support
Program Description:	This program provides Controller's Office with services in Human Resources, Budget, Purchasing, and Administrative services
Program Deliverables:	Manages all Human Resources processes for the Controller's Office
Plan Houston:	Spend money wisely
Staffing / FTE Count:	2.8 FTEs
Significant Changes:	Increase in this program is primarily due to contractual obligations including HOPE pay raise, pension cost, and health benefits

FY2019 Actual	FY2020 Estimate	FY2021 Projected Budget
\$739,560	\$798,731	\$949,732

* FY2021 projected budget represents funding to continue the level of services currently provided

Audit



Program Name:	Audit Services
Program Description:	This program Provides Mayor, Council, and depts independent analysis and audits on city's operational efficiency.
Program Deliverables:	Controller's Office audits have generated more than \$10 million in savings and operational efficiencies over the previous five FYs.
Plan Houston:	Spend money wisely
Staffing / FTE Count:	9.5 FTEs
Significant Changes:	Increase in this program is primarily due to additional FTEs (+1.2), contractual obligations including HOPE pay raise, pension cost, and health benefits

FY2019 Actual	FY2020 Estimate	FY2021 Projected Budget
\$1,180,725	\$1,408,274	\$1,475,217

* FY2021 projected budget represents funding to continue the level of services currently provided

Executive



Program Name:	Executive Oversight
Program Description:	This program sets policy for the office, serves as an independent voice for taxpayers, operates as a communications link between the Controller's Office and the public.
Program Deliverables:	The Executive program most recently produced and released the Controller's Office stress test of the city's finances, and champions the adoption of sound fiscal policies city-wide.
Plan Houston:	Spend money wisely
Staffing / FTE Count:	5.7 FTEs
Significant Changes:	Decrease is due primarily to program efficiencies created over the course of the last FY.

FY2019 Actual	FY2020 Estimate	FY2021 Projected Budget
\$1,033,965	\$1,049,794	\$998,779

* FY2021 projected budget represents funding to continue the level of services currently provided

Financial Reporting



Program Name:	Financial Reporting
Program Description:	This program provides monthly financial reports (MFORs) and prepares Comprehensive Annual Financial Report (CAFR).
Program Deliverables:	Financial Reporting received the GFOA award in reporting excellence for the FY 2019 CAFR – the 21 st consecutive year the award has been bestowed on the CAFR.
Plan Houston:	Spend money wisely
Staffing / FTE Count:	9.5 FTEs
Significant Changes:	Decrease is due primarily due to reduction in FTE count, as well as other efficiencies realized in the CAFR process.

FY2019 Actual	FY2020 Estimate	FY2021 Projected Budget
\$1,387,346	\$1,412,905	\$1,360,292

* FY2021 projected budget represents funding to continue the level of services currently provided



Operations and Technical Services

Program Name:	Operations
Program Description:	This program reviews and approves disbursements; maintains transaction archives; certifies funds for Council Action.
Program Deliverables:	Process the city's more than 35,000 checks, 25,000 ACH transactions, and more than 1,000 wires. Certify funds in a timely – and fiscally responsible – manner prior to Council action.
Plan Houston:	Spend money wisely
Staffing / FTE Count:	19.9 FTEs
Significant Changes:	Increase in this program is due to increase in FTEs (+1.0) and contractual obligations including HOPE pay raise, pension cost, and health benefits.

FY2019 Actual	FY2020 Estimate	FY2021 Projected Budget
\$2,391,436	\$2,484,382	\$2,558,939

* FY2021 projected budget represents funding to continue the level of services currently provided

Treasury



Program Name:	Treasury
Program Description:	The Treasury program manages the city's \$4.5 billion investment portfolio, superintends the \$14 billion debt portfolio, and oversees all all debt issuances, lines of credit, and refundings.
Program Deliverables:	Since 2016, the Treasury Division has helped save city taxpayers \$508 million via refundings – or refinancing the city's existing debt.
Plan Houston:	Spend money wisely
Staffing / FTE Count:	7.6 FTEs
Significant Changes:	Increase in this program is primarily due to increase in FTEs (+1.3), contractual obligations including HOPE pay raise, pension cost, and health benefits.

FY2019 Actual	FY2020 Estimate	FY2021 Projected Budget
\$1,128,968	\$1,274,729	\$1,335,263

* FY2021 projected budget represents funding to continue the level of services currently provided



Appendix

Restricted Account Details



GL Account	GL Description	Justification & Cost Drivers
511110	Fuel	Fuel Program operates and manages all City owned fuel sites. Expense explanation - Fuel services are driven primarily by market pricing
520121	Application Services	Costs include Microsoft Enterprise licenses, 3-1-1 maintenance support and applications, SAP licenses maintenance and support, various Enterprise Application and Server support personnel, CSMART (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department, eSignature
520705	Insurance Fees	Cost increase for property insurance premium.
521505	Electricity	Responsible for administering the electricity accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Electricity expenses are projected to be lower than the previous year as a function of the competitive bidding process.
521510	Natural Gas	Responsible for administering the natural gas accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Natural gas expenses are projected to be lower than the previous year due to current market conditions and locking in a rate favorable to the City.
521605	Data Services	Costs associated with software and maintenance support contracts required to maintain city networks, applications, desktop devices, servers, payment card industry security, storage devices, cloud services, telephone systems and network equipment including Phonoscope circuits. Contracts cover Antivirus, Firewall and Network backup systems. Also, the Data Center costs are included in the Data Services restricted account.
521610	Voice Services	Monthly costs for Voice/Communication Services. The services include: Local landlines, voice/data circuits, long distance, 1-800 numbers, calling cards, language lines, Citywide ISP/Internet Access. The major vendors are ATT, Department of Information Resources (DIR), Verizon and Century Link.
521625	Voice Labor	Labor costs and parts needed to perform work associated with installation and/or upgrades of telephone systems and cabling. The sole vendor is Selrico.
521630	GIS Revolving Fund Services	Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS)
521635	Voice Services - Wireless	Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets.
522721	Interfund HR Client Services	Include HR operation cost reflecting health benefits and restricted accounts increase.
522722	KRONOS Service Chargeback	Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS)
522723	Drainage Fee Service Chargeback	Fee is based on impervious service.
522840	Interfund Permit Center Rent Chargeback	The cost include the HPC Point of Sale cost increase for credit card merchant fee, and lease cost increase.
522845	Interfund Vehicle Services	Provides repair, maintenance, and administrative support for all city departments' rolling stock equipment. Expense explanation - Vehicle Services are projected to increase driven by part cost, contractual increases, and an aging vehicle population.
522850	Interfund Radio System Access	Due to the consolidation of the radio group in General Fund to revolving fund for HITS. This group is responsible for the operation and maintenance of the City's public safety radio system.