FINANCE DEPARTMENT

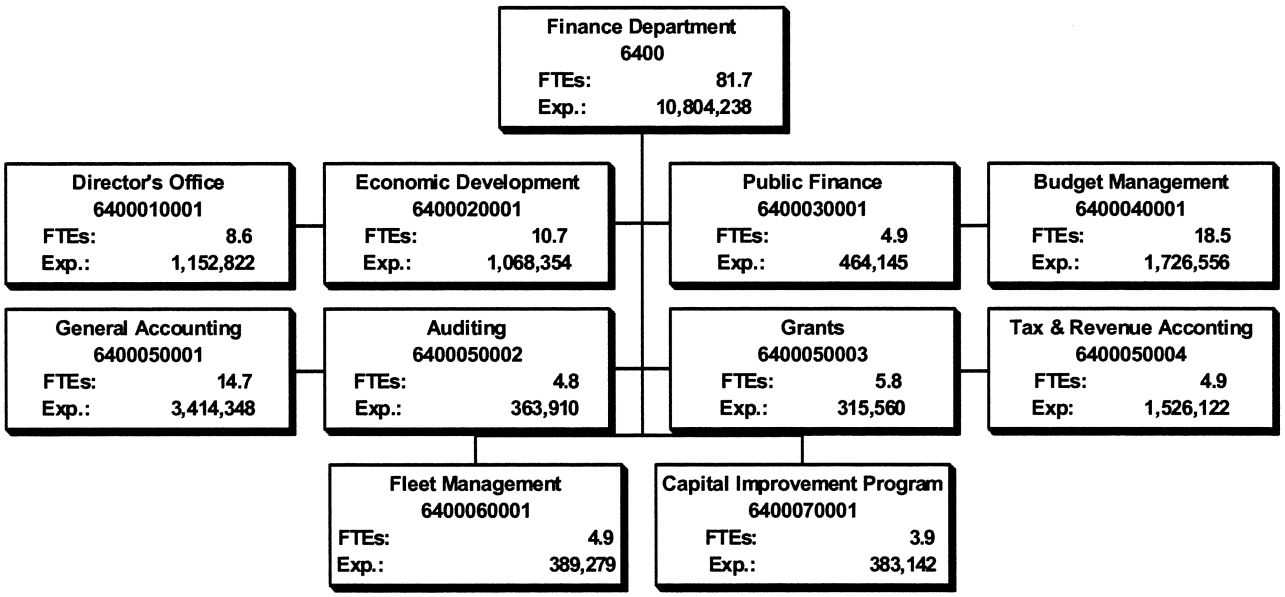
Department Description and Mission

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

The Finance Department's mission objectives are to:

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

Department Organization



Business Area Budget Summary

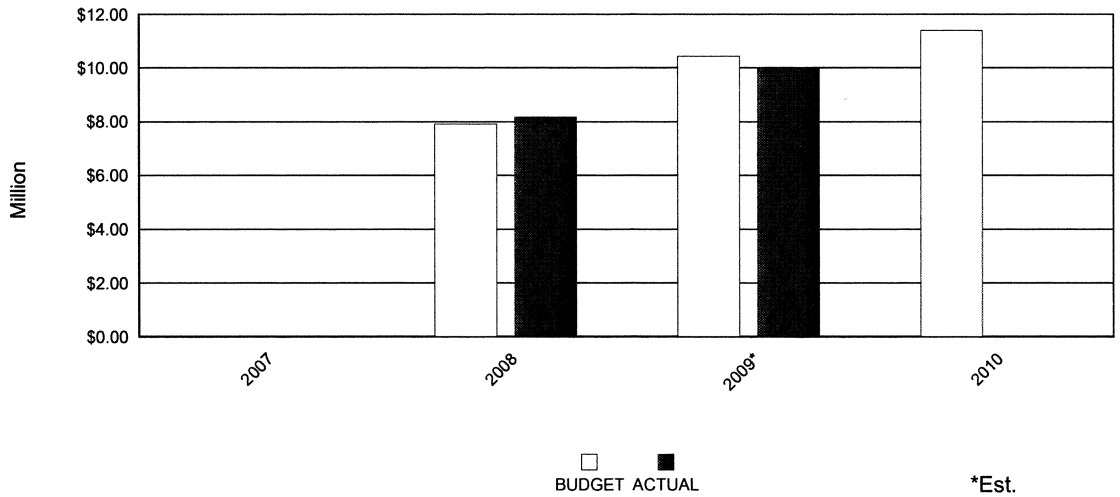
Fund Name : General Fund
Business Area Name : Finance Department
Fund No./Bus. Area No. : 1000 / 6400

		FY2008 Actual	FY2009 Current Budget	FY2009 Estimate	FY2010 Budget
Expenditures	Personnel Services	4,309,265	6,891,629	6,543,890	**7,115,256**
	Supplies	48,074	89,186	58,581	**60,061**
	Other Services and Charges	3,812,168	3,426,066	3,370,464	**3,628,921**
	Non-Capital Equipment	1,468	35,216	45,216	**0**
	Total M & O Expenditures	8,170,975	10,442,097	10,018,151	**10,804,238**
	Debt Service & Other Uses	0	0	0	**0**
	Total Expenditures	8,170,975	10,442,097	10,018,151	**10,804,238**
Revenues		1,376,633,912	1,453,980,427	1,436,580,982	**1,467,546,446**
Staffing	Full-Time Equivalents - Civilian	54.9	89.4	81.7	**81.7**
	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	54.9	89.4	81.7	**81.7**
	Full-Time Equivalents-Overtime	0.0	0.0	0.0	**0.0**

Budget Highlights

- Revenues are expected to increase by approximately $30.97 million from FY2009 estimates.
- Property Tax and Industrial Assessment are expected to increase by $24.6 million and $15.7 million, respectively, which include the impact of Lyondell's bankruptcy in FY2009.
- Sales Tax projection is expected to decrease by $10 million due to the economic downturn.
- Ensure the efficiency and effectiveness of CIP and Fleet Management.
- Continue improvements and efficiencies of audit contracts and staffing of the Audit & Internal Control Division.
- Enhance the effectiveness of TIRZ through better accountability measurements.
- Expansion of the role of Policy Shop to include Business Office and IT functions.
- Includes an adjustment for 3% HOPE raise, the 1.25% Pay for Performance, and the continuation of current service levels.
- Anticipated contractual increase of $350,000 for the Harris County Tax Collectors Office.
- Improve financial forecasting and reporting through integration and interfacing financial models.

Finance Department
Current Budget vs Actual Expenditures



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Business Area Cost Center Summary

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

Cost Center Description	Cost Center Objectives
Director's Office **6400010001**	
Direct and implement citywide financial and strategic policies and objectives of the administration through monthly budgeting, forecasting, revenue reporting and cost analysis to address financial management and programmatic issues of the city.	Improve administrative and financial functions citywide by exercising sound management through improved financial planning, reporting, implementation of debt and cash management policies and management of TIRZ and Economic Development programs. Maintain SAP system.
Intern Program **6400010002**	
Internship program that afford students an opportunity to develop knowledge and leadership skills pertaining to city government.	Introduce America's future leaders to the inner workings of local government, utilizing their talent and energy to address the challenges local government face and to expose them to meaningful careers in public service.
Policy & Business Office **6400010003**	
Conduct statistical and financial analysis. Special projects as assigned by the Director. Responsible for departmental policies and procedures, IT oversight, systems training, accounts payable, procurement, human resources, and budgetary support.	Continue to prepare budgetary and financial procedures to meet the city's key operational and strategic objectives. Expand role to department to review procedures, policies and operations to maximize staff efficiencies, internal operations and processes.
Deferred Compensation **6400010004**	
Implement and manage citywide policies and procedures regulating local, state and federal laws governing the basic, supplemental, investment and fiscal activities. Special projects as assigned by the Director.	Manage and improve all policies and procedures governing the citywide financial operations. Ensure transparency of all financial investment and transactions. Provide communication and education of the programs.
Economic Development - TIRZ **6400020001**	
Implement and manage citywide policy and procedure for economic development programs including Tax Increment Reinvestment Zones (TIRZ) and tax abatements in addition to other tax incentive programs.	Improve policy and procedure for economic development programs and incentives. Develop a team to specialize in various areas of economic development and TIRZ. Ensure transparency on all budgets and financial analysis as they pertain to the various TIRZs.
Public Finance **6400030001**	
Management of all City debt, including long term fixed debt as well as short-term variable debt. Monitor financial and market trends and develop specific strategies. Manage the Reimbursable Program and miscellaneous capital acquisitions. Special Projects as assigned.	Manage existing and prospective debt; monitor the City's Equipment Acquisition Fund, approve Request for Council Action; monitor Capital Project Funding and related Request for Council Action. Undertake Special Projects as assigned.

Business Area Cost Center Summary

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

Performance Measures	FY2008 Actual			FY2009 Estimate			FY2010 Budget		
	Activities	FTEs	Costs $	Activities	FTEs	Costs $	Activities	FTEs	Costs $
GF revenues realized	103.19%			99.88%			**100%**		
GF expenditures	115.46%			98.94%			**100%**		
		4.3	740,975		4.9	959,879		**4.8**	**842,260**
Interns entered program	15			15			**15**		
Interns completed program	15			15			**15**		
		0.2	1,726		0.0	0		**0.0**	**0**
City of Houston guidebook	N/A			1			**1**		
Payments within 30 days	N/A			N/A			**95%**		
Policy and procedures	N/A			N/A			**10**		
Training per employee	N/A			N/A			**3**		
		0.0	0		4.0	189,249		**1.9**	**153,674**
Regulatory review	N/A			N/A			**12**		
Review distribution	N/A			N/A			**900**		
Review participation	N/A			N/A			**1,400**		
Financial review	N/A			N/A			**52**		
Participant meetings	N/A			N/A			**30**		
		0.0	0		0.0	0		**1.9**	**156,888**
TIRZ-bring admin in house	3			3			**19**		
Tax abatements creation	2			2			**1**		
Tax abatements recapture	6			6			**5**		
Industrial Districts Rev.	$18.5M			$11.2M			**$26.8M**		
Brownfields	50			60			**28**		
		8.0	700,272		11.0	1,074,215		**10.7**	**1,068,354**
Debt transactions	14			8			**5**		
Review/Approve RCA	265			440			**440**		
Special projects assigned	8			10			**12**		
		3.5	369,899		5.0	437,277		**4.9**	**464,145**

Business Area Cost Center Summary

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

Cost Center Description	Cost Center Objectives
Budget Management **6400040001**	
Monitor the financial activities of City departments. Coordinate, develop, implement and monitor the citywide budget. Administer budget, tax and financial reporting.	Monitor the City's fiscal activities through financial analysis, review and report preparation.
General Accounting **6400050001**	
Citywide monitoring and oversight of accounting, fixed assets and internal control. Establish and update accounting and internal control policies. Coordinate annual audit. Prepare cost allocation plan. Manage accounting and FEMA compliance for disasters.	To assist all city departments to properly account for City financial transactions and safeguard assets. Develop indirect cost allocation plan for services provided between departments and federal grant administrative costs recovering $10 million for General Fund.
Auditing **6400050002**	
Audit hotels for compliance in paying $60 million of hotel occupancy taxes. Audit tax abatement agreements for compliance with investment and employment requirements. Perform operational and internal control audits of City departments.	To ensure hotels are properly paying hotel occupancy taxes and companies are in compliance with tax abatement agreements. Franchise tax and department operational audits as requested.
Grants **6400050003**	
Citywide oversight and accounting of all federal and state grants. Account for over 120 grant programs totaling $300 million. Establish SAP grant management accounting procedures for all city departments.	Proper accounting for all grant programs. Develop procedures for quarterly reconciliations of grant monies. Assist departments in complying with grant regulations. Coordinate federally required single audit of all grant programs.
Tax & Rev Acctg **6400050004**	
Account for the collection of all city taxes. Prepare General fund cash flow forecast. Perform property tax rate setting and Truth in Taxation procedures. Assist in budget projections for property taxes.	Record and reconcile taxes collected. Comply with Texas State Property Tax code. Prepare and update cash flow forecast to determine General Fund borrowing needs.
Fleet Management **6400060001**	
Manage the city's fleet from a citywide perspective. Employ information technology and management reports to increase efficiency of equipment acquisition funds. Support departmental fleet managers with acquisition, disposition and mangement processes for equipment.	Optimize the City's fleet to improve service delivery while controlling costs to funding limitations. Explore new funding opportunities through grants and partnerships. Become a leader in converting fleet to hybrid and alternative fuel vehicles.

Business Area Cost Center Summary

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

Performance Measures	FY2008 Actual			FY2009 Estimate			FY2010 Budget		
	Activities	FTEs	Costs $	Activities	FTEs	Costs $	Activities	FTEs	Costs $
Financial reports prepared	15			15			**15**		
City departments monitored	25			25			**25**		
Funds managed	34			36			**39**		
		15.8	1,212,273		18.1	1,465,360		**18.5**	**1,726,556**
Assets accounted for	$34.4 B			$34.5 B			**$34.6B**		
Cost Allocation plan	1			1			**1**		
Annual Audit	1			1			**1**		
Quarterly close	0			0			**4**		
		11.1	3,549,887		14.8	3,264,160		**14.7**	**3,414,348**
Total revenue managed ($)	78.3M			60.0M			**61.0M**		
Audits completed	40			50			**50**		
		3.0	247,006		6.0	510,610		**4.8**	**363,910**
Grants / Expenditures	112/$220M			105/$205M			**150/$400M**		
		4.0	194,884		5.9	334,562		**5.8**	**315,560**
Taxes collected	$1.34 bil			$1.42bil			**$1.46bil**		
Cash flow forecast	1			1			**1**		
		5.0	1,154,053		5.0	1,127,762		**4.9**	**1,526,122**
Hybrid fleet initiative	N/A			42%			**50%**		
Fund 1800 appropriations	N/A			32.5m			**29.0m**		
		0.0	0		5.0	355,011		**4.9**	**389,279**

Business Area Cost Center Summary

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

Cost Center Description	Cost Center Objectives
Capital Improvement Program **6400070001** Manage the development of the city's Capital Improvement Program (CIP), provide management reports and facilitate the execution of projects according to plan. Forecast all financial aspects of CIP as it pertains to various debt models.	Efficiently plan all capital projects according to funding constraints and support timely delivery of projects through effective planning and decision support.

Business Area Cost Center Summary

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

Performance Measures	FY2008 Actual			FY2009 Estimate			FY2010 Budget		
	Activities	FTEs	Costs $	Activities	FTEs	Costs $	Activities	FTEs	Costs $
Quarterly Financial Report	N/A			4			**4**		
Coordinate District Meetin	N/A			10			**10**		
Exec of Plan Approp. (PIB)	N/A			$147m			**$141m**		
Exec of Plan Exp. (PIB)	N/A			$134m			**$148m**		
		0.0	0		2.0	300,066		**3.9**	**383,142**
Total		54.9	8,170,975		81.7	10,018,151		**81.7**	**10,804,238**

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

JOB DESCRIPTION	PAY GRADE	FY2009 Current Budget FTE	FY2010 Budget FTE	Change
ADMINISTRATION MANAGER	26	2.0	0.0	(2.0)
ADMINISTRATIVE ASSISTANT	17	1.9	2.0	0.1
ADMINISTRATIVE ASSISTANT (EXE LEV)	17	1.0	0.0	(1.0)
ADMINISTRATIVE ASSOCIATE	13	1.0	0.0	(1.0)
ADMINISTRATIVE COORDINATOR	24	1.0	1.0	
ADMINISTRATIVE SPECIALIST	20	3.0	4.0	1.0
ASSISTANT DIRECTOR (EXE LEV)	32	3.0	5.0	2.0
CONTRACT ADMINISTRATOR	22	0.0	1.0	1.0
CUSTOMER SERVICE REPRESENTATIVE I	13	1.0	1.0	
CUSTOMER SERVICE REPRESENTATIVE III	16	1.0	0.0	(1.0)
DEPUTY ASSISTANT DIRECTOR (EXE LEV)	30	3.9	2.0	(1.9)
DEPUTY CHIEF POLICY OFFICER (EXE LEV)	36	0.2	0.2	
DEPUTY DIRECTOR (EXE LEV)	34	0.9	1.0	0.1
DEPUTY DIRECTOR FINANCE (EXE LEV)	36	1.0	1.0	
DIVISION MANAGER	29	11.0	13.0	2.0
DIVISION MANAGER (EXE LEV)	29	1.0	0.0	(1.0)
EXECUTIVE OFFICE ASSISTANT	15	1.0	1.0	
EXECUTIVE STAFF ANALYST (EXE LEV)	30	1.6	0.7	(0.9)
FINANCE DIRECTOR	37	1.0	1.0	
FINANCIAL ANALYST II	18	0.0	1.0	1.0
FINANCIAL ANALYST III	21	5.0	4.0	(1.0)
FINANCIAL ANALYST IV	25	15.9	19.0	3.1
MANAGEMENT ANALYST II	18	1.0	1.0	
MANAGEMENT ANALYST III	21	6.0	2.0	(4.0)
MANAGEMENT ANALYST IV	25	1.0	2.0	1.0
PROGRAMMER ANALYST IV	25	1.0	0.0	(1.0)
SENIOR ACCOUNT CLERK	13	1.0	1.0	
SENIOR AUDITOR	21	5.0	4.0	(1.0)
SENIOR FIXED ASSET SPECIALIST	17	1.0	1.0	
SENIOR STAFF ANALYST	28	10.9	9.0	(1.9)
STAFF ANALYST	26	7.5	5.0	(2.5)
SYSTEMS CONSULTANT	26	0.0	1.0	1.0
Total FTEs		**91.8**	**83.9**	**(7.9)**
Less adjustment for Civilian Vacancy Factor		**2.4**	**2.2**	**(0.2)**
Full-Time Equivalents		**89.4**	**81.7**	**(7.7)**

Business Area Revenue Summary

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

Commit Item	Description	FY2009 Current Budget	FY2009 Estimate	FY2010 Budget
6400020001	**Economic Development - TIRZ**			
415010	Industrial District Assessment	18,500,000	11,200,000	**26,880,000**
424110	Other Interfund Services	79,893	79,893	**79,893**
452020	Recoveries & Refunds	0	419,055	**700,000**
Total	**Economic Development - TIRZ**	18,579,893	11,698,948	**27,659,893**
6400050001	**General Accounting**			
426090	Demolition Fees	1,300,000	700,000	**570,000**
426120	Weed Cutting Fees	1,000,000	500,000	**490,000**
428030	Release of Liens	134,000	60,000	**56,000**
428080	Returned Check Charges	0	350	**0**
428100	Int on Liens-COH	250,000	200,000	**116,500**
428105	Int on Liens-Contrac	1,575,000	740,000	**650,000**
434150	Streets & Bridges Assessments	150,000	100,000	**106,000**
434315	Reimbursement of Court Costs	0	15,000	**0**
Total	**General Accounting**	4,409,000	2,315,350	**1,988,500**
6400050002	**Auditing**			
424150	Interfund Auditing Services-601	212,733	212,733	**212,733**
6400050004	**Tax & Rev Acctg**			
411020	Current Property Tax	786,314,254	793,814,705	**815,021,802**
411030	Current Year Delinquent Property Tax	56,400,745	62,803,296	**64,755,198**
411040	Delinquent Property Tax - Prior Years	1,489,340	799,581	**868,165**
411100	Prior Year Delinquent Property Tax-1997	28,615	21,179	**0**
411110	Prior Year Delinquent Property Tax-1998	197,426	107,781	**3,240**
411120	Prior Year Delinquent Property Tax-1999	226,689	123,161	**114,426**
411130	Prior Year Delinquent Property Tax-2000	262,404	144,742	**130,755**
411140	Prior Year Delinquent Property Tax-2001	344,262	198,357	**153,666**
411150	Prior Year Delinquent Property Tax-2002	524,925	332,754	**210,587**
411160	Prior Year Delinquent Property Tax-2003	785,453	665,881	**353,269**
411170	Prior Year Delinquent Property Tax-2004	1,134,056	1,156,496	**706,935**
411171	Prior Year Delinquent Property Tax-2005	2,037,075	1,661,448	**1,227,798**
411172	Prior Year Delinquent Property Tax-2006	3,904,936	3,556,583	**1,763,883**
411173	Prior Year Delinquent Property Tax-2007	11,866,820	7,165,036	**2,289,545**
411174	Prior Year Delinquent Property Tax-2008	0	0	**9,093,731**
411180	Curr Delinq-P & I	4,474,161	5,453,178	**5,693,102**
411190	Penalty&Interest-Delinq. Property Tax	8,901,839	7,524,822	**7,855,898**
411210	Property Tax Rebates	(407,000)	(447,000)	**(527,000)**
412010	Sales Tax	526,723,000	517,300,000	**507,300,000**
413010	Mixed Beverage Tax	10,900,000	10,180,000	**10,576,000**
414010	Bingo Tax	257,000	220,000	**207,000**
428060	Other Interest Income	610,000	139,000	**300,000**
428080	Returned Check Charges	0	150	**0**
432010	Interest on Pooled Investments	13,000,000	9,000,000	**9,200,000**
434510	Prior Year Revenue	0	130,000	**0**
452020	Recoveries & Refunds	500,000	0	**0**
Total	**Tax & Rev Acctg**	1,430,476,000	1,422,051,150	**1,437,298,000**
6400070001	**Capital Improvement Program**			
424110	Other Interfund Services	302,801	302,801	**387,320**
Total	**Finance Department**	1,453,980,427	1,436,580,982	**1,467,546,446**

Business Area Expenditure Summary

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

Commit Item	Description	FY2008 Actual	FY2009 Current Budget	FY2009 Estimate	FY2010 Budget
500010	Salary Base Pay - Civilian	3,204,743	5,190,986	4,965,449	**5,353,956**
500030	Salary Part Time - Civilian	31,575	78,972	78,972	**51,130**
500180	Temporary Employees	1,568	0	0	**0**
501050	Employee Awards	1,863	0	0	**0**
501070	Pension - Civilian	484,930	773,365	701,389	**787,033**
501120	Termination Pay - Civilian	42,226	0	0	**0**
501160	Vehicle Allowance - Civilian	8,432	8,558	8,558	**8,558**
502010	FICA - Civilian	244,564	400,017	379,857	**407,267**
503010	Health Ins-Act Civilian	258,816	404,137	372,771	**414,618**
503015	Basic Life Insurance - Active Civilian	4,044	7,241	6,584	**3,090**
503060	Long Term Disability-Civilian	6,962	7,528	7,487	**6,788**
503090	Workers Compensation-Civilian-Admin	10,907	17,742	19,740	**17,186**
503100	Workers Compensation-Civilian-Claim	627	0	0	**0**
504020	Compensation Contingency	0	0	0	**62,832**
504030	Unemployment Claims	8,008	3,083	3,083	**2,798**
Total	**Personnel Services**	**4,309,265**	**6,891,629**	**6,543,890**	**7,115,256**
511040	Audiovisual Supplies	0	15,000	6,000	**4,235**
511045	Computer Supplies	25,657	32,255	4,835	**4,535**
511050	Paper & Printing Supplies	39	7,800	7,800	**7,800**
511055	Publications & Printed Materials	653	6,791	6,791	**6,791**
511060	Postage	987	1,000	7,155	**6,000**
511070	Miscellaneous Office Supplies	20,140	23,640	22,000	**22,000**
511110	Fuel	26	700	0	**3,000**
511125	Food Supplies	233	500	500	**2,000**
511145	Small Tools & Minor Equipment	65	200	0	**200**
511150	Miscellaneous Parts & Supplies	274	1,300	3,500	**3,500**
Total	**Supplies**	**48,074**	**89,186**	**58,581**	**60,061**
520100	Temporary Personnel Services	92,424	143,075	143,075	**70,308**
520105	Accounting & Auditing Services	2,321,017	1,738,000	1,738,000	**1,738,000**
520110	Management Consulting Services	479,222	430,990	430,990	**471,870**
520113	Photographic Services	12	0	0	**0**
520119	Computer Equipment/Software Maintenance	389	47,900	21,000	**21,000**
520121	IT Application Svcs	8,859	8,743	8,743	**8,918**
520123	Vehicle & Motor Equipment Services	116	0	0	**5,000**
520136	Billing & Collection Services	750,000	750,000	750,000	**1,100,000**
520510	Mail/Delivery Services	3,748	2,400	1,848	**2,400**
520515	Print Shop Services	17,694	14,961	22,000	**22,000**
520520	Printing & Reproduction Services	9,380	32,193	20,282	**20,282**
520605	Advertising Services	17,279	22,000	22,000	**22,000**
520705	Insurance Fees	0	1,993	1,993	**554**
520740	Document Recording/Filing Fees	0	1,750	0	**0**
520765	Membership & Professional Fees	4,891	13,101	11,500	**11,500**
520805	Education & Training	(536)	17,536	15,000	**18,846**
520905	Travel - Training Related	8,809	18,951	7,500	**7,500**
520910	Travel - Non-Training Related	1,336	4,334	16,129	**16,129**
521405	Building Maintenance Services	0	85,000	75,000	**0**
521505	Electricity	13	0	0	**0**
521605	Data Services	5,298	21,227	19,948	**22,288**
521610	Voice Services	28,062	22,594	22,363	**23,718**
521620	Voice Equipment	1,319	3,680	3,680	**3,680**
521625	Voice Labor	0	2,926	2,926	**2,926**
521715	Office Equipment Rental	13,314	16,971	16,971	**16,971**

Business Area Expenditure Summary

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

Commit Item	Description	FY2008 Actual	FY2009 Current Budget	FY2009 Estimate	FY2010 Budget
521725	Other Rental	0	100	0	**0**
521730	Parking Space Rental	16,721	20,191	19,016	**20,191**
522430	Miscellaneous Other Services & Charges	32,801	1,450	500	**500**
522795	Other Interfund Services	0	4,000	0	**2,340**
Total	**Other Services and Charges**	**3,812,168**	**3,426,066**	**3,370,464**	**3,628,921**
551010	Non-Capital Office Furniture & Equipment	844	15,000	25,000	**0**
551015	Non-Capital Computer Equipment	624	20,216	20,216	**0**
Total	**Non-Capital Equipment**	**1,468**	**35,216**	**45,216**	**0**
	Grand Total Expenditures	**8,170,975**	**10,442,097**	**10,018,151**	**10,804,238**