

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:

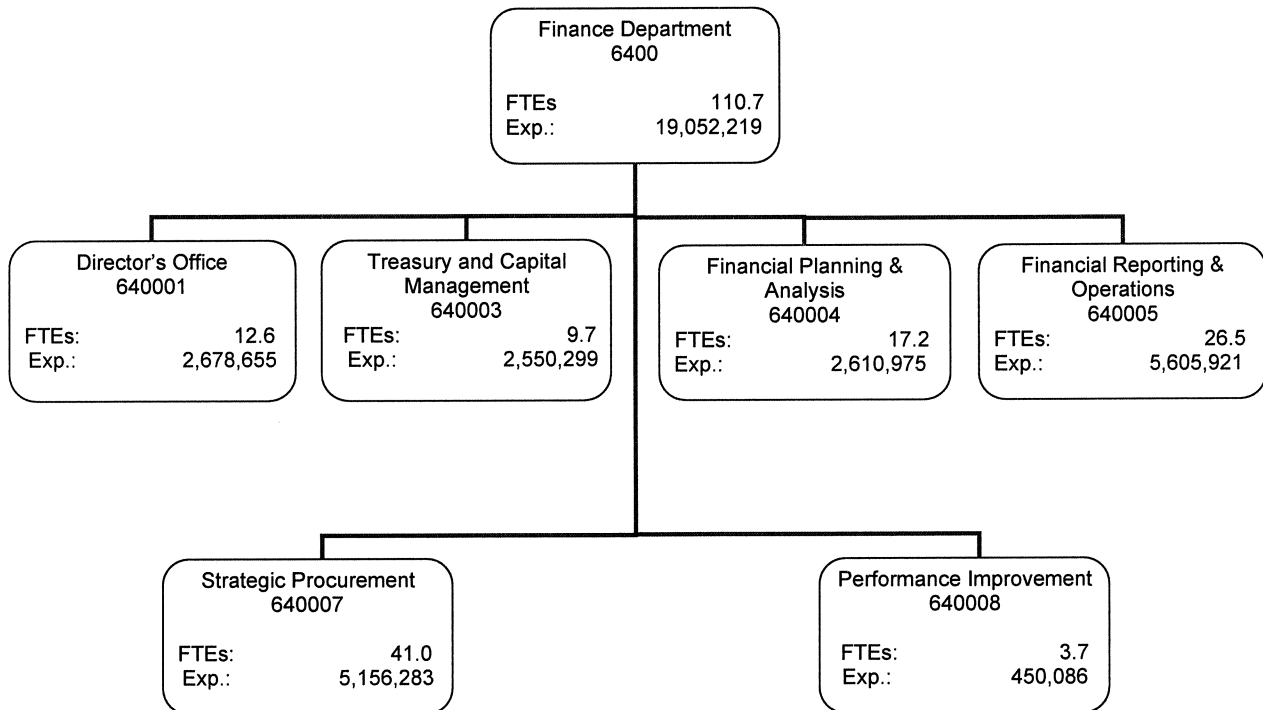
- Promote fiscal responsibility.
- Provide high-quality financial services and information to the Mayor's Office, City Council, City departments and citizens.
- Improve process execution internally and citywide .
- Engage staff and provide them the resources they need to get the job done.

Three year goals include:

- Promote fiscal responsibility
 - Encourage and enable compliance with the City's Financial Policies.
 - Increase collection rates on accounts receivable.
 - Achieve zero findings in annual external audit of the City.
 - Implement performance-based budgeting citywide.
 - Complete in-depth budget reviews on all city departments.
- Provide high-quality financial services and information to the Mayor's Office, City Council, City departments and citizens
 - Develop structurally-balanced operating and capital budget proposals for the Mayor that maximize City resources and promote the Administration's priorities .
 - Work with operating departments to create efficiencies by centralizing financial work functions.
 - Ensure City Council access to high-quality administrative services, and timely and helpful information in support of their role as elected officials.
 - Produce meaningful and useful strategy, planning, budgeting, reporting, and administrative support according to 95% of council members, staff, and members of the Mayor's administration.
- Improve process execution internally and citywide
 - Document controls, written procedures, instruction manuals, training curriculum, and metrics/goals for all remaining financial management and procurement processes.
 - Create a data warehousing environment for operational and financial data that enables citywide access to useful business intelligence and analytics, and external access to open data.
 - Promote and advance the Lean Six Sigma process improvement program such that every City department is in a mode of continuous improvement.
 - Implement new financial forecasting, budgeting, and reporting software system.
 - Identify and achieve savings through procurement, active cost management and business process improvements.

- Engage staff and provide them the resources they need to get the job done
 - Expand employee opportunities to develop professionally and advance in responsibility and compensation.
 - 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.
 - Improve employee engagement scores.
 - Provide employees and managers with constructive 360 degree performance assessments to assist in professional development.

Department Organization





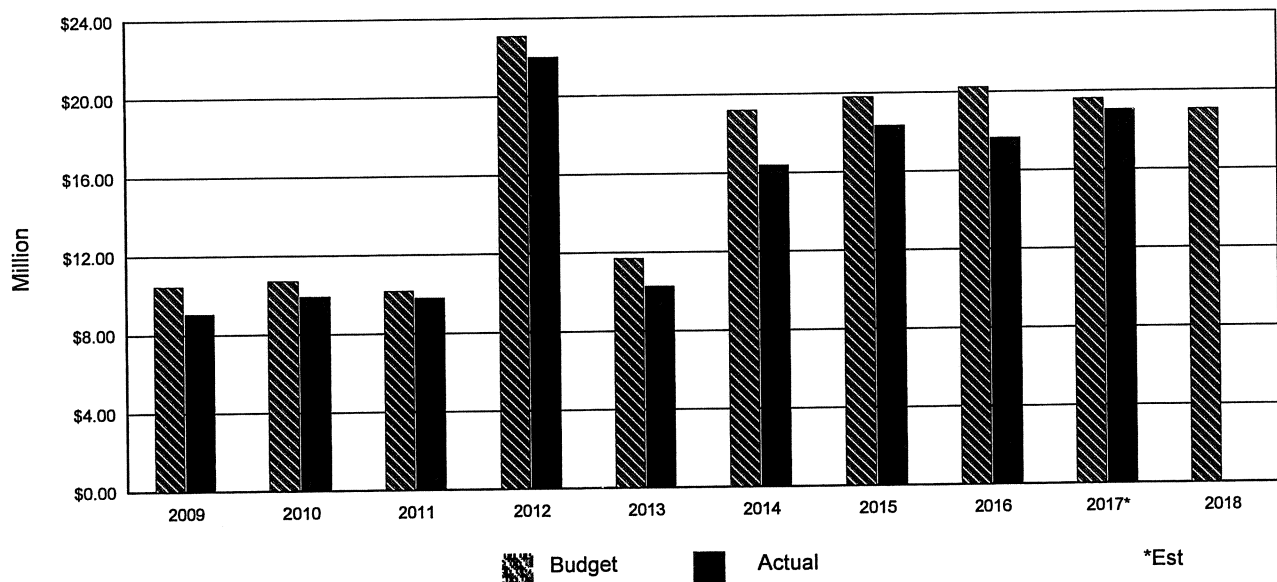
FISCAL YEAR 2018 BUDGET

Business Area Budget Summary

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

		FY2016 Actual	FY2017 Current Budget	FY2017 Estimate	FY2018 Budget
Expenditures	Personnel Services	13,104,670	14,179,336	13,189,614	13,640,942
	Supplies	79,343	84,768	83,529	96,099
	Other Services and Charges	4,458,216	5,359,402	5,779,701	5,313,678
	Equipment	14,713	1,500	1,500	1,500
	Total M & O Expenditures	17,656,942	19,625,006	19,054,344	19,052,219
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	17,656,942	19,625,006	19,054,344	19,052,219
Revenues		1,761,076,348	1,769,506,747	1,801,946,853	1,807,448,547
Staffing	Full-Time Equivalents - Civilian	105.8	116.4	106.6	110.7
	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	105.8	116.4	106.6	110.7
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	<p>o The FY2018 Budget provides funding for health benefits, pension contribution and municipal employees contractual pay increases.</p> <p>o The FY2018 Budget includes a reduction of \$726,149 for department savings initiatives.</p>				

**Finance Department
Current Budget vs Actual Expenditures**



FISCAL YEAR 2018 BUDGET:

Business Area Performance Measures

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

Performance Measures	FY2016 Actual	FY2017 Budget	FY2017 Estimate	FY2018 Budget
Audit Findings	1	0	0	0
Average Days from Purchase Requisition to Purchase Order	5.8	6.0	5.1	5.0
Average Days to Procurement (MOU to Council Award)	121	105	129	105
City Contracts with Negotiated Early Payment Discounts	3.1%	3.0%	3.3%	3.0%
Citywide General Fund Expenditures Adopted Budget vs Actual Utilization	98%	98%	99%	98%
Citywide General Fund Revenues Adopted Budget vs Actual Utilization	100%	100%	101%	100%
Compliance Rate with City Financial Policies	NA	90%	86%	90%
Debt Service Expenditures as % of General Fund Revenues	15%	13%	13%	16%
Grants Budget Growth	NA	25%	25%	27%
Unassigned Fund Balance as % of General Fund Expenditures less Debt Service and PAYGO	12.0%	9.5%	11.0%	8.9%
Variance of Monthly Sales Tax Revenue Forecast to Actual (benchmark: 3 yr avg = 4.5%)	7.02%	4.00%	1.02%	.92%
Variance of Property Tax Collection Rate Forecast to Actual	1.4%	1.0%	2.2%	1.7%
Expenditures Adopted Budget vs Actual Utilization	86%	98%	97%	98%
Revenues Adopted Budget vs Actual Utilization	96%	100%	102%	100%

FISCAL YEAR 2018 BUDGET

Division Summary						
Fund Name : General Fund Business Area : Finance Department Fund No. /Bus Area No. : 1000 / 6400						
Division Description	FY2016 Actual FTEs	FY2016 Actual Costs \$	FY2017 Estimate FTEs	FY2017 Estimate Costs \$	FY2018 Budget FTEs	FY2018 Budget Costs \$
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.	14.2	2,447,962	13.3	2,658,974	12.6	2,678,655
Treasury and Capital Management 640003 The division serves the citizens of Houston by providing cost-efficient debt management services, managing the City's Capital Improvement Plan, monitoring the various capital budgets and spending, managing the City's merchant service contract, forecasting and modeling tax revenues, and ensuring compliance with the Truth in Taxation requirements.	10.8	2,650,573	11.3	2,639,398	9.7	2,550,299
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. Provides effective financial planning to promote fiscal responsibility and financial health to the City of Houston. Supports citywide initiatives to move toward evidence, based decision-making through the use of data and analytics tools.	13.9	1,965,373	15.3	2,430,130	17.2	2,610,975
Financial Reporting & Operations 640005 The division is responsible for directing the financial reporting and operations functions including grants and trust management, internal controls, and disaster recovery resulting in efficient and accurate outcomes and ensuring compliance with standards, laws, and regulations. Coordinates the Comprehensive Annual Financial Report (CAFR) and Single Audit Report (SAR) for the administration.	21.9	4,490,942	24.9	6,121,112	26.5	5,605,921
Strategic Procurement 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. Designs, develops, and implements sustainable process improvements in all facets of the procurement process and raises the talent workbench through training and development of all COH procurement personnel.	39.9	4,846,486	39.0	4,851,426	41.0	5,156,283

FISCAL YEAR 2018 BUDGET

Division Summary						
Fund Name : General Fund						
Business Area : Finance Department						
Fund No. /Bus Area No. : 1000 / 6400						
Division Description	FY2016 Actual		FY2017 Estimate		FY2018 Budget	
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$
Performance Improvement 640008 Leads financial and operational performance improvement projects to increase revenues, optimize expenditures, and improve operational effectiveness.	5.1	1,255,606	2.8	353,304	3.7	450,086
Total	105.8	17,656,942	106.6	19,054,344	110.7	19,052,219

FISCAL YEAR 2018 BUDGET

Business Area Revenues Summary

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

Category	FY2016 Actual	FY2017 Current Budget	FY2017 Estimate	FY2018 Budget
General Property Taxes	1,098,663,951	1,133,190,875	1,158,377,116	1,158,297,000
Sales Taxes	640,476,181	615,000,000	621,000,000	627,000,000
Charges for Services	10,800	0	0	0
Direct Interfund Services	16,080	15,000	15,000	15,000
Other Fines and Forfeits	115,855	38,400	40,686	56,500
Interest	3,699,893	3,000,000	4,000,000	3,000,000
Miscellaneous/Other	1,822,385	1,353,700	1,605,279	1,666,617
Other Tax	16,271,203	16,908,772	16,908,772	17,413,430
Grand Total Revenues	<u>1,761,076,348</u>	<u>1,769,506,747</u>	<u>1,801,946,853</u>	<u>1,807,448,547</u>