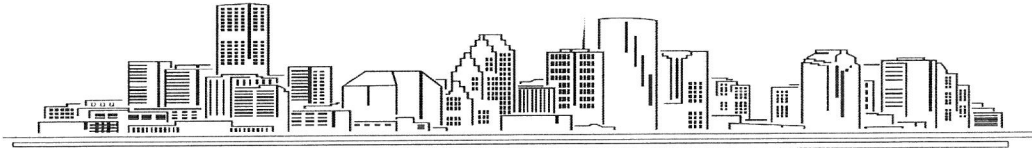


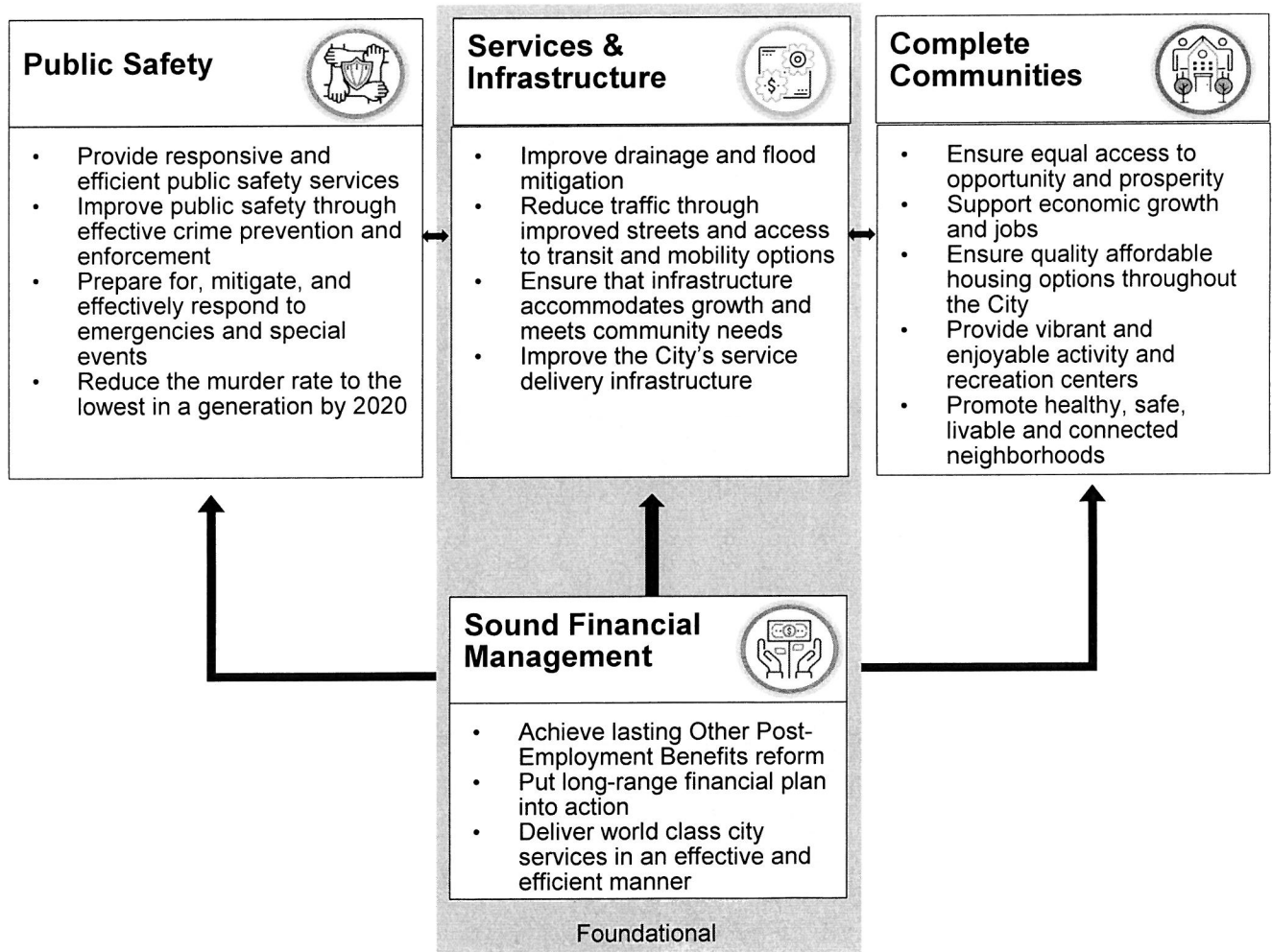
Connecting Budget to Strategy

The Mayor's Priorities for the City of Houston are *Complete Communities, Public Safety, Services & Infrastructure* and—the foundation of each priority—*Sound Financial Management*. These Priorities are drawn from Plan Houston and will guide the strategic direction of the City through Mayor Turner's administration. Along with the Mayor's Priorities are goals to provide further definition, and outcome measures to ensure the goals are achieved. Under Mayor Turner's leadership, the City is redesigning its budget to better align the City's resources towards this shared vision and ensure greater transparency and accountability in the process.



Mayor Sylvester Turner's Priorities

Houston: A welcoming city that works for all.



FISCAL YEAR 2020 BUDGET

Implementation:

In his first Executive Order, Mayor Turner set forth a budgeting framework that moves the City from an incremental budgeting approach to a more strategic program performance-based approach to better align resources with the needs of the City. Executive Order 1-53 and the accompanying Administrative Policy 4-10, ensure that budgeting and spending decisions focus on specific measurable outcomes that align with the Mayor's Priorities.

The FY2020 Budget reflects elements of this new approach, which is to be fully implemented over the next several fiscal years.

FY2020 Key Initiatives:

The following is a list of key initiatives currently underway or planned for FY2020 that will help fulfill the Mayor's Priorities:

| Initiative | Description | Primary Priority* |
|---|---|----------------------------|
| Other Post-Employment Benefits (OPEB) Reform | Create meaningful and conscientious reforms to OPEB, to allow the City to better fund retiree health benefits | Sound Financial Management |
| Hire Houston Youth | Work with public and private partners to provide summer jobs and internships to Houston's youth | Complete Communities |
| 21st Century Policing | Deploy innovative strategies and techniques to engage the community in policing efforts and strengthen trust | Public Safety |
| Support Innovation & Next Century Jobs | Leverage Houston's economic strengths to create an environment that supports digital technologies focused on energy, industrial, logic industries and health care | Complete Communities |
| Streets & Drainage | Responsible for overseeing the transportation and drainage infrastructure that spans Houston's 640 square miles. | Services & Infrastructure |
| Stormwater Action Team (SWAT) | Work proactively to reduce drainage problems that are not directly attributable to overflow from the City's bayous | Services & Infrastructure |
| Anti-Gang Initiative | Combat gang activity throughout the region and prevent youths from indoctrination by focusing their energy and talent | Public Safety |
| Complete Communities | Create attractive, inclusive, efficient, healthy and resilient neighborhoods that improve quality of life for residents | Complete Communities |
| Homelessness & Panhandling Strategies | Expedite efforts to provide more permanent housing for homeless and reduce panhandling | Complete Communities |
| Long-range Financial Plan Implementation | Focus on achieving annual budgets that are structurally balanced and clearly aligned to short and long-term goals | Sound Financial Management |
| US Census 2020 | Reach out to all Houstonians to come forward and be counted in the upcoming US Census 2020 | Complete Communities |

*Initiatives may encompass multiple priorities. For brevity, these initiatives show linkage to the primary priority only.

Citywide Performance Measures

Citywide performance measures provide decision-makers and the public with a better understanding of the overall financial and operational health of the City. These measures show the results of the City's work and set targets aimed at making tangible improvements towards the Mayor's Priorities. The measures are categorized by Priority-area as follows:

| Public Safety | FY2018 Actual | FY2019 Target | FY2019 Estimate | FY2020 Target |
|---|----------------------|----------------------|------------------------|----------------------|
| 911 Emergency Calls Answered within 10 Seconds | 96% | 90% | 98% | 90% |
| Fear of Crime Index ¹ | 26% | 26% | 26% | 26% |
| Fire First Unit Response Time (Minutes) | 7.49 | 7.37 | 7.33 | 7.37 |
| Dangerous Buildings Secured/Make Safe | 736 | 600 | 697 | 950 |
| Dangerous Buildings Demolished | 176 | 400 | 200 | 200 |
| Police Priority 1 Calls Responded to within 6 Minutes | 68.2% | 68.3% | 68.3% | 68.3% |
| Police UCR Part 1 Crime Clearance Rate | 13.5% | 15.0% | 15.0% | 15.0% |
| Police UCR Part 1 Crime Rate (Per 100,000) | 5,339 | 5,700 | 5,400 | 5,700 |
| Traffic Fatalities | 238 | 225 | 245 | 225 |

| Services & Infrastructure | FY2018 Actual | FY2019 Target | FY2019 Estimate | FY2020 Target |
|---|----------------------|----------------------|------------------------|----------------------|
| Average Age of Fleet | 8.7 | 7.0 | 8 | 7.5 |
| Traffic Signal Repairs Completed (annually) | 17,117 | 15,000 | 15,000 | 15,000 |
| Flood Plain Area Inspections Completed (annually) | 24,147 | 12,000 | 35,000 | 20,000 |
| 311 Average Speed of Answer (seconds) | 134 | 75 | 131 | 90 |
| Medium Commercial Plan Reviews Completed - 15 Business Days | N/A | N/A | N/A | 90% |
| Traffic Signs Completed within 10 Business Days | 98% | 95% | 95% | 95% |
| Potholes Repaired within Next Business Day | 96% | 95% | 95% | 95% |
| Bridges Inspected (annually) | 3,266 | 2,742 | 2,742 | 2,742 |

1. Fear of Crime Index is based on the percent of respondents who were "very worried" about becoming a victim of a crime. Houston Area Survey, Rice Kinder Institute, May 2018

FISCAL YEAR 2020 BUDGET

| Complete Communities | FY2018 Actual | FY2019 Target | FY2019 Estimate | FY2020 Target |
|--|----------------------|----------------------|------------------------|----------------------|
| Houston-Woodlands-Sugar Land Unemployment Rate | 4.3 | 4.4 | 4.4 | 4.4 |
| Bike/Hike Mowing Cycle (average number of days) | 19.0 | 21.0 | 18.6 | 21.0 |
| Percent of Anti-Gang Program Youth Who Reoffend | 7% | 5% | 5% | 5% |
| Number of Chronically Homeless Housed | 703 | 720 | 561 | N/A |
| Clean Rivers Sites Monitored | 1,234 | 1,197 | 1,228 | 1,197 |
| Air Quality Inspections within 24 Hours of Complaint | 96% | 100% | 90% | 100% |

| Sound Financial Management | FY2018 Actual | FY2019 Budget | FY2019 Estimate | FY2020 Budget |
|--|----------------------|----------------------|------------------------|----------------------|
| General Fund Balance % of Expenditures | 11.2% | 10.5% | 14.3% | 8.7% |
| General Fund Surplus or (Deficit) | \$59M | (\$107M) | (\$28M) | (\$113M) |
| General Fund Expenditures Budget vs Actual Utilization | 138% | 98% | 99% | 98% |
| General Fund Revenues Budget vs Actual Utilization | 144% | 98% | 103% | 100% |
| General Fund Expenditures Per Capita | \$1,272 | \$899 | \$891 | \$917 |
| General Fund Revenues Per Capita | \$1,450 | \$1,019 | \$1,045 | \$1,040 |
| Pension Payments as a % of Expenditures | 23.5% | 7.9% | 7.9% | 7.8% |
| Pension Payments Per Capita | \$564 | \$166 | \$163 | \$170 |

**Note: The Sound Financial Management table includes the one-time Pension Obligation Bonds in FY2018, which resulted in a significant variance from FY2018 to FY2019.*

See Appendix section page XV - 17 - for Definitions of Performance Measures.