

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.

The Finance Department's strategic objectives are to:

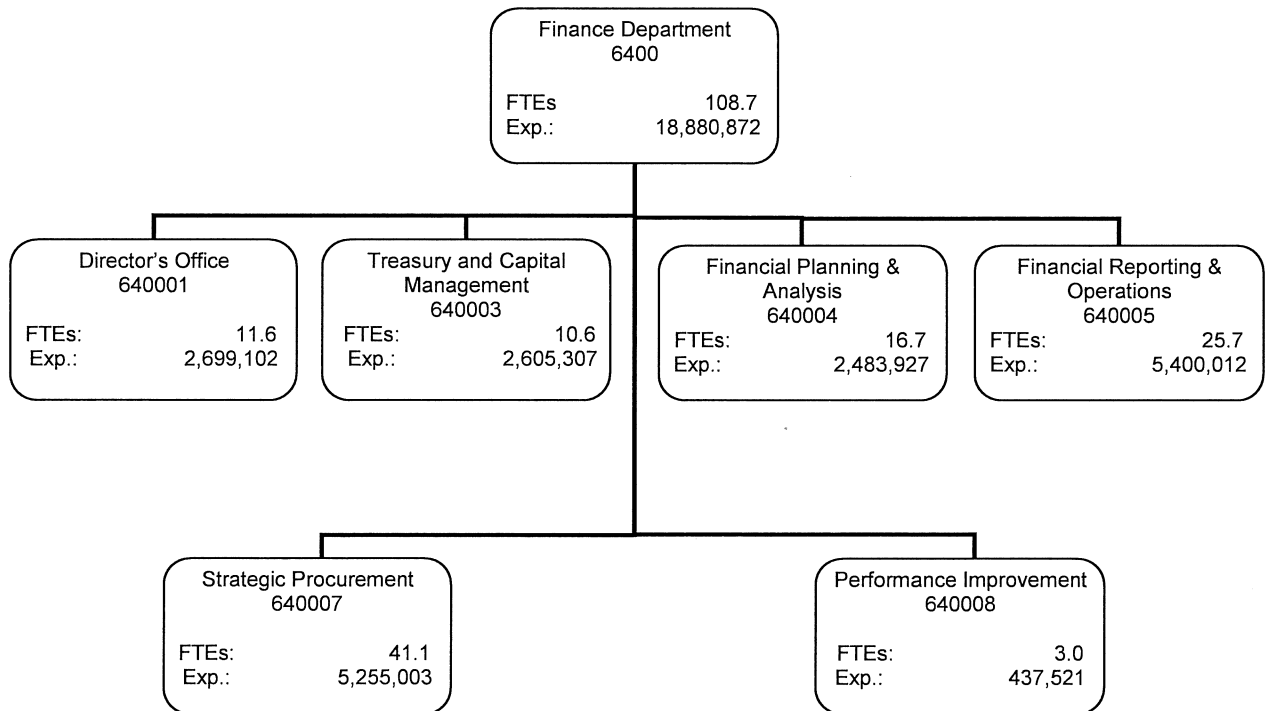
- Promote fiscal responsibility.
- Provide high-quality financial services and information to the Mayor's Office, City Council, City departments and citizens.
- Seek maximum disaster recovery reimbursement from all applicable funding sources.
- Improve process execution internally and citywide.
- Engage staff and provide them the resources they need to get the job done.

Department goals include:

- Promote fiscal responsibility
 - Encourage and enable compliance with the City's Financial Policies.
 - Increase collection rates on accounts receivable through improved vendor performance.
 - 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-budgeted 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.
- Seek maximum disaster recovery reimbursement from all applicable sources
 - Continue site inspections in the area of Hazard Mitigation to reduce or eliminate long-term risk to City properties from future disasters.
 - Secure funding opportunities from federal, state and private sources.
 - Ensure compliance with all applicable federal and state requirements.
 - Monitor cash flow forecasting for recovery purposes.
- 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.
 - 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 employees engagement scores.
 - Provide employees and managers with constructive 360 degree performance assessments to assist in professional development.

Department Organization





FISCAL YEAR 2020 BUDGET

Business Area Budget Summary

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

		FY2018 Actual	FY2019 Current Budget	FY2019 Estimate	FY2020 Budget
Expenditures	Personnel Services	12,677,057	13,995,493	13,104,670	13,962,734
	Supplies	142,217	135,846	134,931	119,141
	Other Services and Charges	4,695,959	4,838,303	4,835,243	4,798,997
	Equipment	13,120	0	0	0
	Total M & O Expenditures	<u>17,528,353</u>	<u>18,969,642</u>	<u>18,074,844</u>	<u>18,880,872</u>
	Debt Service & Other Uses	14,000	0	0	0
	Total Expenditure	<u>17,542,353</u>	<u>18,969,642</u>	<u>18,074,844</u>	<u>18,880,872</u>

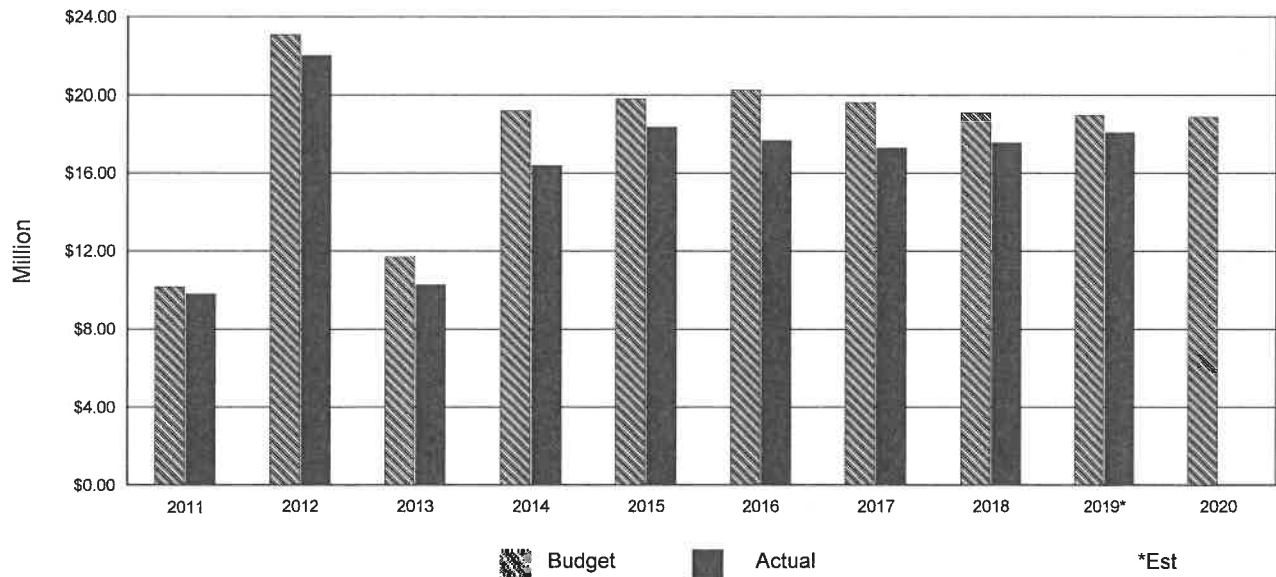
Revenues	1,873,626,341	1,884,165,004	1,907,116,117	1,941,297,402
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Staffing	Full-Time Equivalents - Civilian	103.1	110.8	102.3	108.7
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	Total	103.1	110.8	102.3	108.7
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0

Significant Budget Changes and Highlights

- o The FY2020 Budget provides funding for health benefits and pension contribution and municipal employees contractual pay increases.
- o The FY2020 Budget includes a reduction of \$443,831 for department savings initiatives.

**Finance Department
Current Budget vs Actual Expenditures**



FISCAL YEAR 2020 BUDGET

Business Area Performance Measures				
Fund Name : General Fund Business Area : Finance Department Fund No. /Bus. Area No. : 1000 / 6400				
Performance Measures	FY2018 Actual	FY2019 Target	FY2019 Estimate	FY2020 Target
Audit Findings	3	0	3	0
Average Days from Purchase Requisition to Purchase Order	3.2	3.0	3.3	3.0
Average Days to Procurement (MOU to Council Award)	200	175	123	120
City Contracts with Negotiated Early Payment Discounts	1.0%	1.0%	0.0%	1.0%
Citywide General Fund Expenditures Adopted Budget vs Actual Utilization	138%	98%	99%	98%
Citywide General Fund Revenues Adopted Budget vs Actual Utilization	144%	100%	102%	100%
Compliance Rate with City Financial Policies	84%	90%	90%	90%
Debt Service Expenditures as % of General Fund Revenues	10%	16%	16%	16%
Grants Budget Growth	188%	27%	27%	27%
Sales Tax Collection vs. Prior Year Actuals/Estimate (benchmark: 3 yr avg = 4.0%)	7.54%	.46%	1.55%	1.44%
Unassigned Fund Balance as % of General Fund Expenditures less Debt Service and PAYGO	11.2%	10.5%	13.7%	7.9%
Variance of Property Tax Budget to Actual/Estimate	1.2%	1.2%	.6%	.3%
Expenditures Adopted Budget vs Actual Utilization	92%	98%	97%	98%
Revenues Adopted Budget vs Actual Utilization	104%	100%	101%	100%

FISCAL YEAR 2020 BUDGET

Division Summary							
Fund Name : General Fund							
Business Area : Finance Department							
Fund No. /Bus Area No. : 1000 / 6400							
Division Description		FY2018 Actual		FY2019 Estimate		FY2020 Budget	
		FTEs	Costs \$	FTEs	Costs \$	FTEs	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.		11.4	2,422,889	11.0	2,455,591	11.6	2,699,102
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.		8.9	2,357,678	9.6	2,581,989	10.6	2,605,307
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 initiative to move toward evidence based decision-making through the use of data and analytics tools.		15.8	2,271,265	15.7	2,382,244	16.7	2,483,927
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.		23.8	5,012,301	24.5	5,308,297	25.7	5,400,012
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.		40.2	5,023,502	38.7	4,986,110	41.1	5,255,003

FISCAL YEAR 2020 BUDGET

Division Summary							
Fund Name : General Fund Business Area : Finance Department Fund No. /Bus Area No. : 1000 / 6400							
Division Description	FY2018 Actual		FY2019 Estimate		FY2020 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.	3.0	454,718	2.8	360,613	3.0	437,521	
Total	103.1	17,542,353	102.3	18,074,844	108.7	18,880,872	

FISCAL YEAR 2020 BUDGET

Business Area Revenues Summary

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

Category	FY2018 Actual	FY2019 Current Budget	FY2019 Estimate	FY2020 Budget
General Property Taxes	1,172,543,042	1,200,812,545	1,193,375,000	1,217,065,894
Sales Taxes	674,278,917	657,700,000	684,700,000	694,567,000
Charges for Services	554	0	199	0
Direct Interfund Services	17,035	15,000	15,000	15,000
Other Fines and Forfeits	94,076	51,000	51,000	51,000
Interest	7,530,482	6,011,000	9,011,000	9,011,000
Miscellaneous/Other	1,792,448	1,564,000	1,514,000	1,564,000
Other Tax	17,369,787	18,011,459	18,449,918	19,023,508
Grand Total Revenues	1,873,626,341	1,884,165,004	1,907,116,117	1,941,297,402