

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.

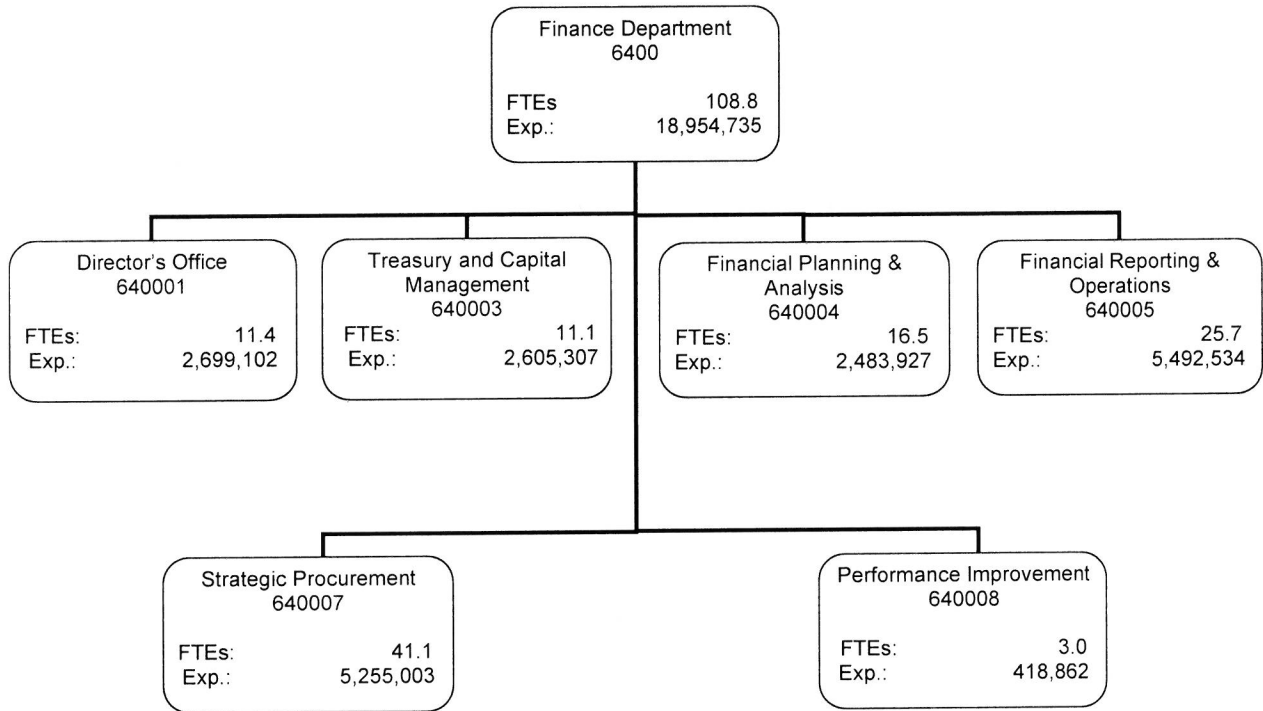
The Finance Department's strategic objectives are to:

- 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 to 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.

Department Organization





FISCAL YEAR 2021 BUDGET

Business Area Budget Summary

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

	FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Budget
Personnel Services	12,845,257	13,962,734	12,350,680	13,981,408
Supplies	52,321	117,641	117,079	115,441
Other Services and Charges	3,618,028	4,807,987	4,537,066	4,857,886
Equipment	6,194	0	0	0
Total M & O Expenditures	16,521,800	18,888,362	17,004,825	18,954,735
Debt Service & Other Uses	0	0	0	0
Total Expenditure	16,521,800	18,888,362	17,004,825	18,954,735

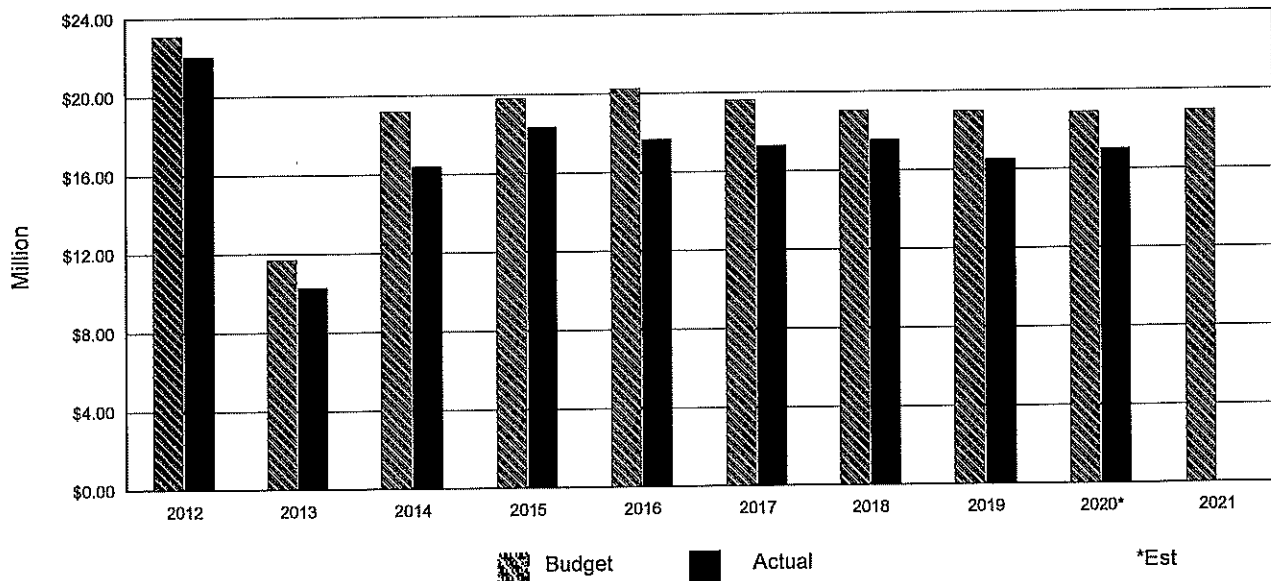
Revenues	1,914,310,514	1,939,918,408	1,924,410,815	1,938,555,246
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	FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Budget
Full-Time Equivalents - Civilian	101.1	108.7	95.9	108.8
Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0
Total	101.1	108.7	95.9	108.8
Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0

Significant Budget Changes and Highlights

- o The FY2021 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases.
- o FY2021 includes funding for the implementation of GASB 87.
- o The FY2020 Estimate and FY2021 revenues for Sales Tax have decreased significantly due to Coronavirus Disease (COVID-19).

**Finance Department
Current Budget vs Actual Expenditures**



FISCAL YEAR 2021 BUDGET

Business Area Performance Measures				
Fund Name : General Fund Business Area : Finance Department Fund No. /Bus. Area No. : 1000 / 6400				
Performance Measures	FY2019 Actual	FY2020 Target	FY2020 Estimate	FY2021 Target
Audit Findings	3	0	0	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	120	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	99%	98%	99%	98%
Citywide General Fund Revenues Adopted Budget vs Actual Utilization	103%	100%	100%	100%
Compliance Rate with City Financial Policies	77%	90%	90%	90%
Debt Service Expenditures as % of General Fund Revenues	16%	17%	16%	16%
Grants Budget Growth	72%	27%	30%	33%
Sales Tax Collection vs. Prior Year Actuals/Estimate	2.67%	1.44%	-1.77%	-.74%
Unassigned Fund Balance as % of General Fund Expenditures less Debt Service and PAYGO	15.5%	8.7%	11.2%	7.2%
Variance of Property Tax Budget to Actual/Estimate	.9%	.3%	0%	.1%
Expenditures Adopted Budget vs Actual Utilization	88%	98%	90%	98%
Revenues Adopted Budget vs Actual Utilization	102%	100%	99%	100%

FISCAL YEAR 2021 BUDGET

Division Summary						
Fund Name : General Fund Business Area : Finance Department Fund No. /Bus Area No. : 1000 / 6400						
Division Description	FY2019 Actual		FY2020 Estimate		FY2021 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.	11.0	2,303,604	11.0	2,609,911	11.4	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.	8.7	2,447,868	9.9	2,562,037	11.1	2,605,307
Financial Planning & Analysis 640004 The primary responsibility of this division is to develop and manage the City's Operating Budget and long-range financial planning. 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 analytical tools.	15.0	2,087,842	14.4	2,114,406	16.5	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.	25.1	4,460,333	19.5	4,521,936	25.7	5,492,534
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.	38.5	4,853,258	39.0	4,917,681	41.1	5,255,003

FISCAL YEAR 2021 BUDGET

Division Summary							
Fund Name : General Fund							
Business Area : Finance Department							
Fund No. /Bus Area No. : 1000 / 6400							
Division Description	FY2019 Actual		FY2020 Estimate		FY2021 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.	2.7	368,895	2.1	278,854	3.0	418,862	
Total	101.1	16,521,800	95.9	17,004,825	108.8	18,954,735	

FISCAL YEAR 2021 BUDGET

Business Area Revenues Summary

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

Category	FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Budget
General Property Taxes	1,190,243,066	1,215,686,900	1,215,686,999	1,233,390,999
Sales Taxes	692,271,113	694,567,000	680,000,000	675,000,000
Charges for Services	2,090	0	11,890	0
Direct Interfund Services	14,635	15,000	15,000	15,000
Other Fines and Forfeits	40,910	51,000	51,000	45,000
Interest	11,802,056	9,011,000	9,440,865	9,011,000
Miscellaneous/Other	1,910,659	1,795,185	1,872,027	1,565,000
Other Tax	18,025,985	18,792,323	17,333,034	19,528,247
Grand Total Revenues	<u>1,914,310,514</u>	<u>1,939,918,408</u>	<u>1,924,410,815</u>	<u>1,938,555,246</u>