

## 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.

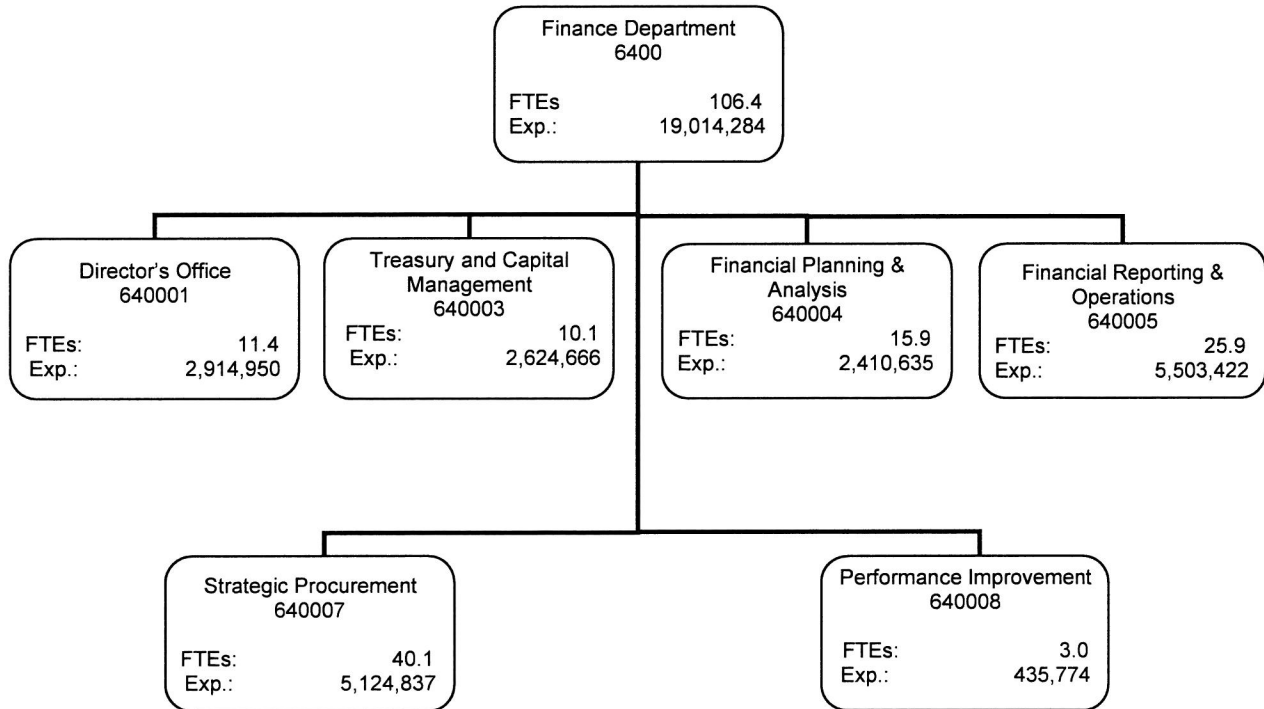
The Finance Department's strategic objectives are to:

- 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.
  - Continue using data-driven analysis to provide accurate revenue estimates.
- 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.
- Effectively manage spend and compliance of the COVID-19 pandemic cost recovery from U.S. Department of Treasury
  - Coronavirus Relief Fund under the Coronavirus Aid, Relief, and Economic Security Act (CARES).
  - Coronavirus State and Local Fiscal Recovery Fund under the American Rescue Plan Act (ARPA).
- 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, centralization and business process improvements.
  - Collaborate with Internal stakeholders to increase engagement with local small business.

## Department Organization



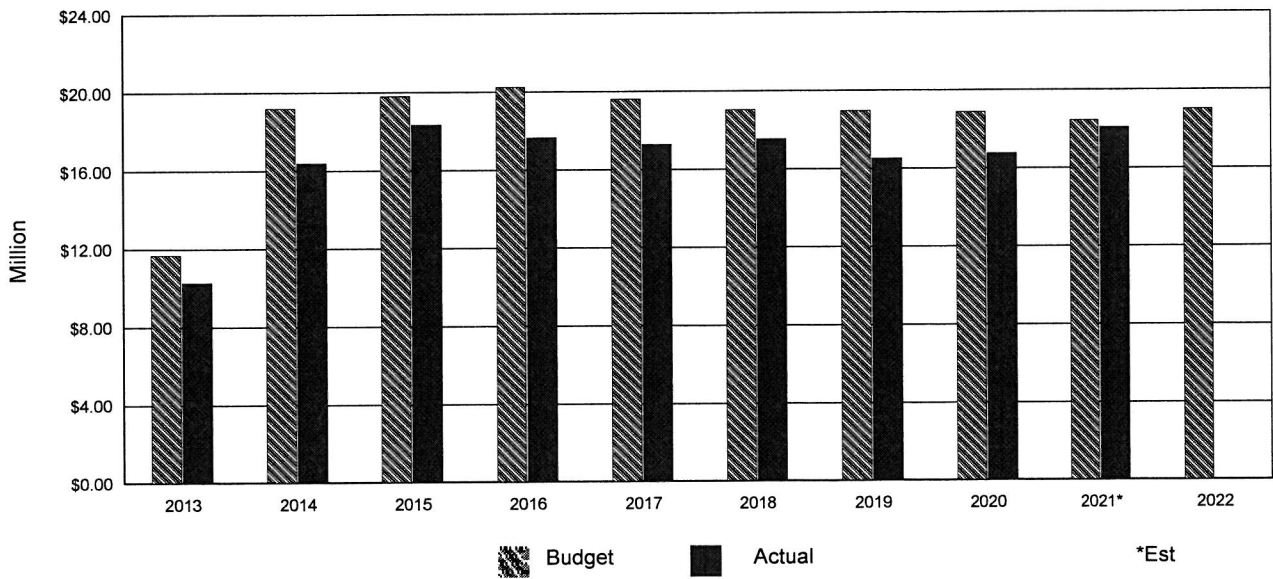


**FISCAL YEAR 2022 BUDGET**

**Business Area Budget Summary**

<b>Fund Name</b> :		<b>General Fund</b>			
<b>Business Area</b> :		<b>Finance Department</b>			
<b>Fund No. /Bus. Area No.</b> :		<b>1000 / 6400</b>		<b>FY2020</b>	<b>FY2021</b>
		<b>Actual</b>	<b>Current Budget</b>	<b>FY2021</b>	<b>FY2022</b>
				<b>Estimate</b>	<b>Budget</b>
Expenditures	Personnel Services	12,501,724	13,397,957	13,269,953	<b>13,861,649</b>
	Supplies	58,826	115,441	100,439	<b>90,479</b>
	Other Services and Charges	4,188,529	4,940,823	4,713,936	<b>5,062,156</b>
	Non-Capital Equipment	5,850	0	0	<b>0</b>
	Total M & O Expenditures	<u>16,754,929</u>	<u>18,454,221</u>	<u>18,084,328</u>	<b><u>19,014,284</u></b>
	Debt Service & Other Uses	0	0	0	<b>0</b>
	Total Expenditure	<u>16,754,929</u>	<u>18,454,221</u>	<u>18,084,328</u>	<b><u>19,014,284</u></b>
Revenues		1,934,972,976	1,938,555,246	1,938,992,000	<b>1,957,082,299</b>
Staffing	Full-Time Equivalents - Civilian	97.9	104.9	102.3	<b>106.4</b>
	Full-Time Equivalents - Classified	0.0	0.0	0.0	<b>0.0</b>
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	<b>0.0</b>
	Total	<u>97.9</u>	<u>104.9</u>	<u>102.3</u>	<b><u>106.4</u></b>
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	<b>0.0</b>
Significant Budget Changes and Highlights	<ul style="list-style-type: none"> <li>o The FY2022 Budget provides funding for health benefits, and pension contribution.</li> <li>o The FY2022 Budget includes a reduction of \$391,720 for department savings initiatives.</li> <li>o The FY2022 Budget includes restoration of prior year's funding level from COVID-19 eligible redeployment costs that were funded out of the Coronavirus Relief Fund (CRF) under the CARES Act 2020.</li> </ul>				

**Finance Department  
Current Budget vs Actual Expenditures**



**FISCAL YEAR 2022 BUDGET**

<b>Business Area Performance Measures</b>				
<b>Fund Name : General Fund</b> <b>Business Area : Finance Department</b> <b>Fund No. /Bus. Area No. : 1000 / 6400</b>				
<b>Performance Measures</b>	<b>FY2020 Actual</b>	<b>FY2021 Target</b>	<b>FY2021 Estimate</b>	<b>FY2022 Target</b>
% Discount Negotiated for Early Payment on City Contracts	1.0%	1.0%	0.5%	1.0%
Audit Findings	1	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	157	120
Citywide General Fund Expenditures Adopted Budget vs Actual Utilization	97%	98%	99%	98%
Citywide General Fund Revenues Adopted Budget vs Actual Utilization	100%	100%	99%	100%
Compliance Rate with City Financial Policies	92%	92%	92%	92%
Debt Service Expenditures as % of General Fund Revenues	16%	16%	17%	16%
Unassigned Fund Balance as % of General Fund Expenditures less Debt Service and PAYGO	13.7%	8.1%	10.3%	9.6%
Variance of Property Tax Budget to Actual/Estimate	0.5%	0.1%	1.0%	0.3%
Variance of Sales Tax Budget to Actual/Estimate	-1.5%	0.4%	0.0%	0.2%
Expenditures Adopted Budget vs Actual Utilization	89%	98%	95%	98%
Revenues Adopted Budget vs Actual Utilization	100%	100%	100%	100%

**FISCAL YEAR 2022 BUDGET**

<b>Division Summary</b>							
<b>Fund Name : General Fund</b>							
<b>Business Area : Finance Department</b>							
<b>Fund No. /Bus Area No. : 1000 / 6400</b>							
<b>Division Description</b>	<b>FY2020 Actual</b>		<b>FY2021 Estimate</b>		<b>FY2022 Budget</b>		
	<b>FTEs</b>	<b>Costs \$</b>	<b>FTEs</b>	<b>Costs \$</b>	<b>FTEs</b>	<b>Costs \$</b>	
<b>Director's Office 640001</b> 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.	11.1	2,510,575	11.1	2,627,651	11.4	2,914,950	
<b>Treasury and Capital Management 640003</b> 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.	10.0	2,529,370	11.4	2,727,189	10.1	2,624,666	
<b>Financial Planning &amp; Analysis 640004</b> 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	2,148,892	14.6	2,222,906	15.9	2,410,635	
<b>Financial Reporting &amp; Operations 640005</b> 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.	20.8	4,269,588	24.0	5,171,190	25.9	5,503,422	
<b>FIN - Strategic Procurement Division 640007</b> 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.	39.0	5,009,671	38.4	4,970,271	40.1	5,124,837	

**FISCAL YEAR 2022 BUDGET**

**Division Summary**

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

Division Description	FY2020 Actual		FY2021 Estimate		FY2022 Budget	
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$
<b>Performance Improvement 640008</b> Leads financial and operational performance improvement projects to increase revenues, optimize expenditures, and improve operational effectiveness.	2.0	286,833	2.8	365,121	3.0	435,774
<b>Total</b>	<b>97.9</b>	<b>16,754,929</b>	<b>102.3</b>	<b>18,084,328</b>	<b>106.4</b>	<b>19,014,284</b>

**FISCAL YEAR 2022 BUDGET**

**Business Area Revenues Summary**

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

Category	FY2020 Actual	FY2021 Current Budget	FY2021 Estimate	FY2022 Budget
General Property Taxes	1,222,153,665	1,233,390,999	1,245,356,000	<b>1,230,985,000</b>
Sales Taxes	684,425,290	675,000,000	675,000,000	<b>703,000,000</b>
Charges for Services	11,890	0	0	<b>0</b>
Direct Interfund Services	9,614	15,000	15,000	<b>15,000</b>
Other Fines and Forfeits	52,943	45,000	45,000	<b>30,000</b>
Interest	10,485,276	9,011,000	5,011,000	<b>5,511,000</b>
Miscellaneous/Other	2,455,660	1,565,000	1,565,000	<b>1,558,000</b>
Other Tax	15,378,638	19,528,247	12,000,000	<b>15,983,299</b>
<b>Grand Total Revenues</b>	<b><u>1,934,972,976</u></b>	<b><u>1,938,555,246</u></b>	<b><u>1,938,992,000</u></b>	<b><u>1,957,082,299</u></b>