

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.

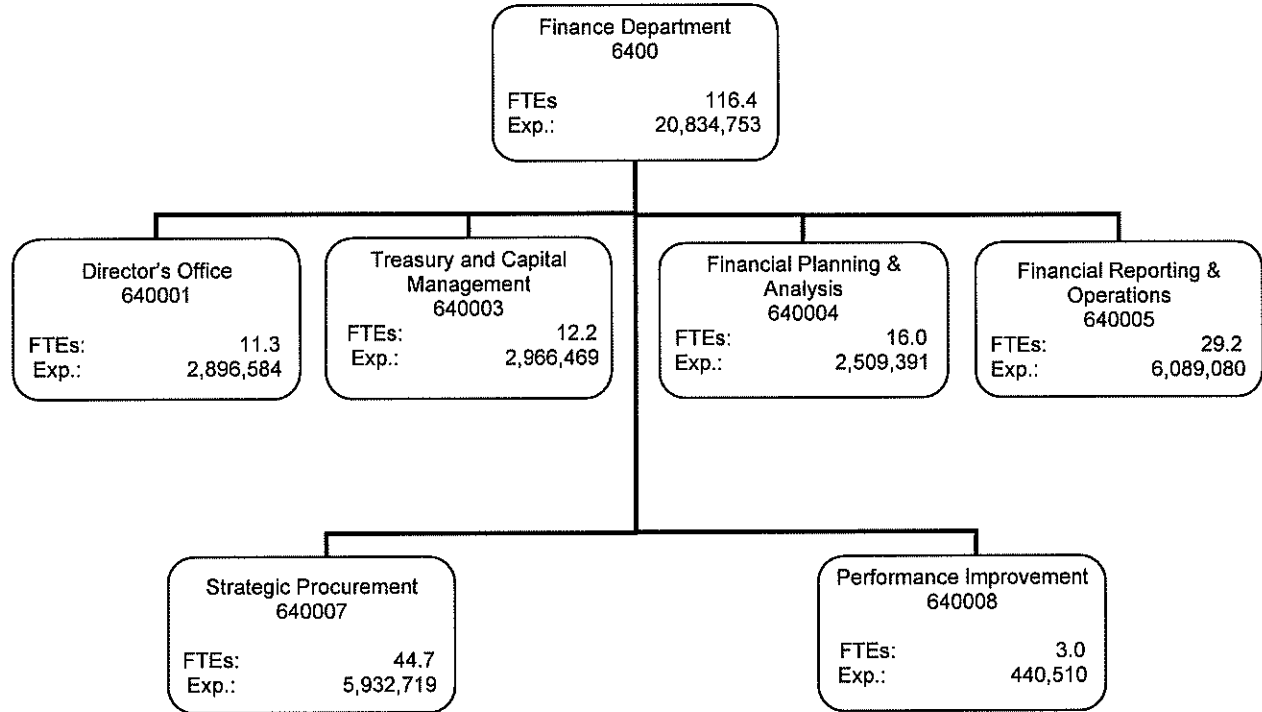
The Finance Department's strategic objectives are to:

- 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 outcome-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.
 - Promote financial transparency to provide useful financial information to all stakeholders.
 - 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.
 - Streamline contract management and sourcing.

Department Organization





FISCAL YEAR 2023 BUDGET

Business Area Budget Summary

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

		FY2021 Actual	FY2022 Current Budget	FY2022 Estimate	FY2023 Budget
Expenditures	Personnel Services	12,424,464	14,107,091	14,102,964	15,791,826
	Supplies	52,097	90,479	91,857	84,742
	Other Services and Charges	3,820,771	4,981,687	4,984,436	4,958,185
	Equipment	8,028	0	0	0
	Non-Capital Equipment	12,501	0	0	0
	Total M & O Expenditures	<u>16,317,861</u>	<u>19,179,257</u>	<u>19,179,257</u>	<u>20,834,753</u>
	Debt Service & Other Uses	0	0	0	0
Total Expenditure	<u>16,317,861</u>	<u>19,179,257</u>	<u>19,179,257</u>	<u>20,834,753</u>	

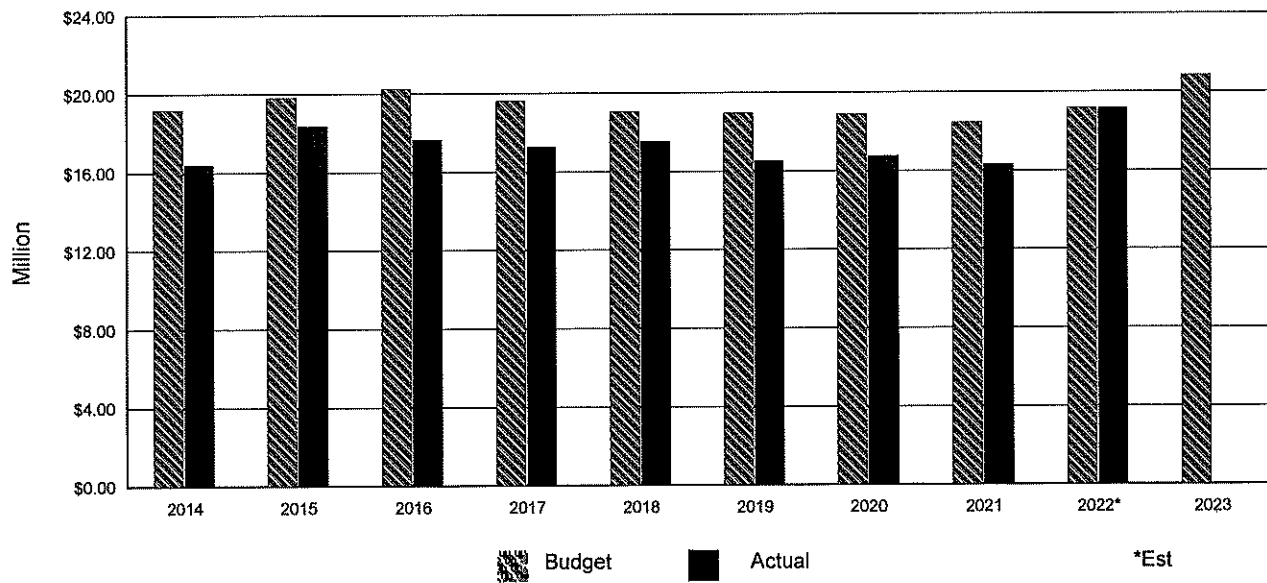
Revenues	1,982,399,227	1,957,082,299	2,062,267,436	2,105,737,726
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Staffing	Full-Time Equivalents - Civilian	99.4	106.4	105.0	116.4
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	Total	99.4	106.4	105.0	116.4
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0

Significant Budget Changes and Highlights

- o The FY2023 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases.
- o The FY2023 Budget includes 10 additional positions to keep up with an increasing workload mainly associated with state/federal funding, provide additional reporting in an effort to continue transparency of City finances, and assist with oversight and management of Strategic Procurement, Grant Management, CIP and Debt functions.

**Finance Department
Current Budget vs Actual Expenditures**



FISCAL YEAR 2023 BUDGET

Business Area Performance Measures				
Fund Name : General Fund				
Business Area : Finance Department				
Fund No. /Bus. Area No. : 1000 / 6400				
Performance Measures	FY2021 Actual	FY2022 Target	FY2022 Estimate	FY2023 Target
% Discount Negotiated for Early Payment on City Contracts	1.0%	1.0%	0.5%	1.0%
Audit Findings	1	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	120	157	120
Citywide General Fund Expenditures Adopted Budget vs Actual Utilization	97%	98%	101%	98%
Citywide General Fund Revenues Adopted Budget vs Actual Utilization	101%	100%	103%	100%
Compliance Rate with City Financial Policies	92%	92%	92%	100%
Debt Service Expenditures as % of General Fund Revenues	16%	16%	15%	16%
Unassigned Fund Balance as % of General Fund Expenditures less Debt Service and PAYGO	13.7%	9.1%	14.0%	13.2%
Variance of Property Tax Budget to Actual/Estimate	1.7%	0.3%	0.0%	0.2%
Variance of Sales Tax Budget to Actual/Estimate	4.7%	0.7%	14.8%	0.7%
Expenditures Adopted Budget vs Actual Utilization	86%	98%	101%	98%
Revenues Adopted Budget vs Actual Utilization	102%	100%	105%	100%

FISCAL YEAR 2023 BUDGET

Division Summary						
Fund Name : General Fund Business Area : Finance Department Fund No. /Bus Area No. : 1000 / 6400						
Division Description	FY2021 Actual		FY2022 Estimate		FY2023 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.	11.1	2,512,380	11.4	2,841,184	11.3	2,896,584
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.	11.4	2,720,285	11.0	2,827,883	12.2	2,966,469
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.	12.7	1,744,757	15.0	2,443,619	16.0	2,509,391
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 Annual Comprehensive Financial Report (ACFR) and Single Audit Report (SAR) for the administration.	23.5	4,165,945	25.8	5,548,567	29.2	6,089,080
FIN - Strategic Procurement Division 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.	37.9	4,822,986	39.2	5,140,389	44.7	5,932,719

FISCAL YEAR 2023 BUDGET

Division Summary							
Fund Name : General Fund							
Business Area : Finance Department							
Fund No. /Bus Area No. : 1000 / 6400							
Division Description	FY2021 Actual		FY2022 Estimate		FY2023 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.	2.8	351,508	2.6	377,615	3.0	440,510	
Total	99.4	16,317,861	105.0	19,179,257	116.4	20,834,753	

FISCAL YEAR 2023 BUDGET

Business Area Revenues Summary

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

Category	FY2021 Actual	FY2022 Current Budget	FY2022 Estimate	FY2023 Budget
General Property Taxes	1,254,016,218	1,230,985,000	1,230,985,000	1,271,767,638
Sales Taxes	706,828,528	703,000,000	806,920,052	806,920,052
Charges for Services	1	0	0	0
Direct Interfund Services	22,861	15,000	15,000	15,000
Other Fines and Forfeits	47,036	30,000	54,000	30,000
Interest	5,132,714	5,511,000	2,586,000	4,704,000
Miscellaneous/Other	1,790,974	1,558,000	1,536,080	1,558,000
Other Tax	14,560,895	15,983,299	20,171,304	20,743,036
Grand Total Revenues	<u>1,982,399,227</u>	<u>1,957,082,299</u>	<u>2,062,267,436</u>	<u>2,105,737,726</u>