

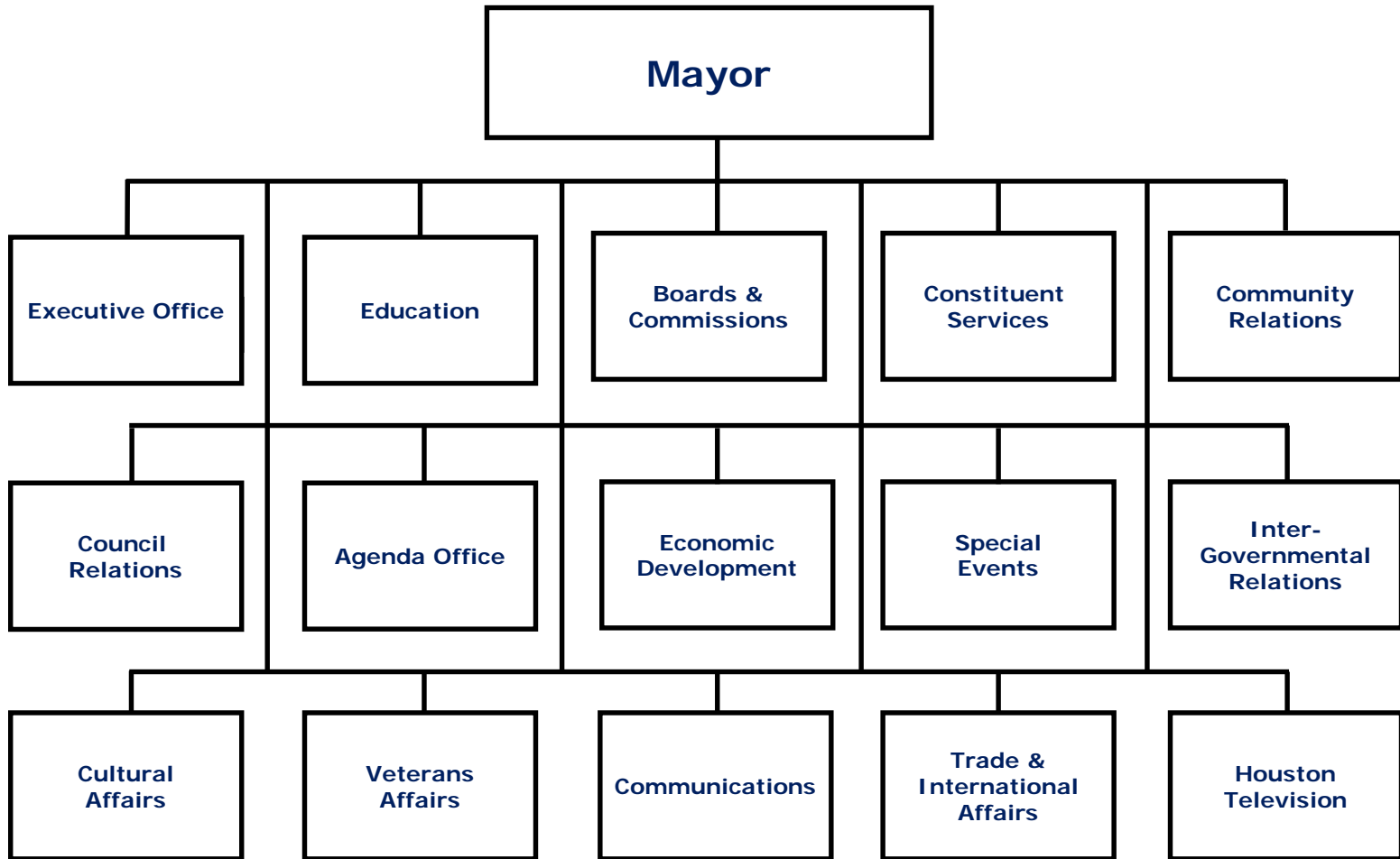


# Mayor's Office

## FY2020 Proposed Budget Presentation

May 8, 2019

# Organizational Chart





# Mayor's Office Programming

## Major Services Provided by the Mayor's Office:

### ☐ Education Office

- Statutory Requirement: None; Constituent Need and Benefit
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to provide education services impacts the quality of life for Houstonians.
- Impact of Service Delivery: Financial impact is at least \$8.4M donated for resources towards the education of Houston's youth. Societal impact are greater and attainable resources for the youth and families of Houston. Provides 10,000 summer jobs, college and career counseling.
- Anticipated Growth: Houston is expected to grow 4% by 2020, while education funding is being cut. This will increase the demand for education services and need for private sector collaboration and funding.

### ☐ Boards & Commissions

- Statutory Requirement: Municipal requirement; multiple boards & commissions are created and/or listed for oversight in the City of Houston Code of Ordinances
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to provide a boards & commissions office will impact the oversight, reporting, and schedule of appointments to boards.
- Impact of Service Delivery: The societal impact is the communication for initiatives, progress, needs, and potential problems for approximately 160 active boards & commissions, 1400 mayoral appointees, and more than 1700 total positions.
- Anticipated Growth: Dependent on current events, new boards, commissions, or task forces will be created to adequately represent Houston. Two new creations under Mayor Turner are the Mayor's Commission Against Gun Violence and the LGBTQ Advisory Board.

### ☐ Constituent Services

- Statutory Requirement: None; Constituent Need and Benefit
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to provide constituent services impacts the quality of life for Houstonians.
- Impact of Service Delivery: Societal impact necessitates the need for response and assistance to approximately 900 pieces of correspondence per month from Houston constituents.
- Anticipated Growth: Last year, an average of 800 pieces of correspondence per month was serviced. The demand for services increased by 12.5% in one year to 900 per month.



# Mayor's Office Programming

## Major Services Provided by the Mayor's Office (continued):

### ❑ Agenda Office

- Statutory Requirement: State and Municipal requirement; originates from the Texas Open Meetings Act
- Penalty for Failure to Comply: Fine of \$100-\$500, confinement to county jail for 1-6 months, both fine and confinement, a Class B misdemeanor charge, or a Class C misdemeanor charge.
- Impact of Service Delivery: Societal impact necessitates the need to inform and notify the public of upcoming governmental meetings at least 72 hours in advance. Transparency and open government.
- Anticipated Growth: Including regularly scheduled council sessions, growth depends on special sessions and the number of agenda items to be discussed.

### ❑ Economic Development

- Statutory Requirement: State and Municipal requirement; originates from legislatively created economic incentives (i.e. TIRZs, Tax Abatement Districts, Enterprise & Empowerment Zones).
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to manage economic development incentives impedes business growth and expansion and impacts the quality of life for Houstonians.
- Impact of Service Delivery: Financial impact is at least \$21.7M received in revenue for Industrial District Assessments/Foreign Trade Zones alone. Societal impact is the increase in job opportunities as businesses expand and the tax base increases.
- Anticipated Growth: Houston is expected to grow 4% by 2020. This will increase the demand for economic development initiatives to attract businesses to Houston, especially with newly created State Empowerment Zones.

### ❑ Special Events

- Statutory Requirement: Municipal requirement; created in Chapter 25 of the City of Houston Code of Ordinances
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to manage the production and permitting of over 1,000 public events or civic celebrations per year impacts the quality of life for Houstonians, as well as revenue to the City.
- Impact of Service Delivery: Societal impact increases Houston's visibility and promotes the positive interaction of communities for civic celebrations attended by over 4 million people per year. Financial impact is approximately \$38K in revenue per fiscal year.
- Anticipated Growth: Houston is expected to grow 4% by 2020. This will increase the demand for positive community engagements through new public events and higher attendance rates for current programs.



# Mayor's Office Programming

---

## Major Services Provided by the Mayor's Office (continued):

### ❑ Inter-Governmental Relations

- Statutory Requirement: None; Municipal Need and Benefit
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to have a City government liaison at the state and federal level impacts the quality of life for Houstonians, as well as potential funding to the City.
- Impact of Service Delivery: Financial impact includes appropriations of over \$100 million/year and \$1.2 billion for disaster recovery efforts from the federal government. Societal impact includes greater federal and state funding, in addition to passing legislation that benefit Houstonians.
- Anticipated Growth: Growth is dependent on current events – from unexpected natural disasters, to combating newly proposed bills seeking to limit local control.

### ❑ Cultural Affairs

- Statutory Requirement: None; Municipal Need and Benefit
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to provide cultural services for a diverse population of over 2.2 million Houstonians impacts quality of life.
- Impact of Service Delivery: The societal impact connects communities and the over 17 million annual visitors to the 35,000 working artists in Houston. This improves the quality of life for all Houstonians through art engagement within neighborhoods, facilities, and festivals.
- Anticipated Growth: Houston is expected to grow 4% by 2020. This will increase the demand for access to arts and cultural programs in Houston.

### ❑ Veterans Affairs

- Statutory Requirement: None; Constituent Need and Benefit
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to provide veteran services impacts the quality of life for over 300,000 veterans living in Houston – the 2<sup>nd</sup> largest veteran population in the nation.
- Impact of Service Delivery: The societal impact allows the veterans office to connect with veterans and their dependents to resources such as housing, food, education, counseling and job opportunities.
- Anticipated Growth: As more active service men and women transition to civilian life, Houston's veteran population is expected to increase. At the same time, due to aging of the current veterans, the office will need to continue guiding veterans as they become eligible to apply for funds, healthcare, and other benefits.



# Mayor's Office Programming

## Major Services Provided by the Mayor's Office (continued):

### ☐ Communications Office

- Statutory Requirement: State and Municipal requirement; partial duties required by the Texas Public Information Act (TPIAs); Constituent Need and Benefit
- Penalty for Failure to Comply: Penalty for not fulfilling a TPIA request can result in a misdemeanor punishable by confinement in a county jail for 3 days-3 months, a fine of \$25-\$4,000, or both confinement and the fine. Failure to communicate effectively to the public can impact safety and welfare and result in a lowered quality of life for Houstonians.
- Impact of Service Delivery: Societal impact includes the transparency of government to the citizens of Houston. Responsiveness to citizen's request for over 170 TPIAs/ year and over 300 ceremonial documents requests per month or 3,600/year.
- Anticipated Growth: The number of TPIAs and Ceremonial documents requests are expected to continue increasing, while processing times for CDs will decrease due to recent staff reduction.

### ☐ Trade & International Affairs

- Statutory Requirement: None; Municipal Benefit and Need
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to facilitate international trade impacts local business growth and expansion and affects the ability to market Houston as an International City.
- Impact of Service Delivery: Increased trade supports the economic viability of Houston and increases Houston's profile as a global trade and commerce hub. The office works to attract foreign investment and assist Houston businesses seeking markets abroad.
- Anticipated Growth: Houston is expected to grow 4% by 2020. This will increase the demand for a global economy to support a growing city.

### ☐ Houston Television

- Statutory Requirement: Municipal requirement; created in Chapter 37 of the City of Houston Code of Ordinances
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to communicate to the public relevant information on municipal and government related matters will impact the citizen's ability to be informed and affect Houstonian's quality of life.
- Impact of Service Delivery: Societal impact includes transparency of government and an informed public via council meetings, committees, CIP meetings, townhalls, etc.
- Anticipated Growth: As franchise fees continue to decrease, the HTV services will need to decrease or alternative funding sources found.

# Revenues By Funds (\$ in thousands)



Fund	FY18 Actual	FY19 Budget	FY19 Estimates	FY20 Proposed	Variance FY20 Prop/FY19 Estimates	% Change
General Fund	\$19,287	\$20,459	\$20,613	\$20,719	\$106	0.51%
Houston Television Special Revenue Fund	\$5,160	\$4,579	\$4,928	\$4,833	-\$95	-1.93%
Tourism Promotion Special Revenue Fund	\$19,971	\$19,932	\$19,585	\$20,014	\$429	2.19%
<b>Total</b>	<b>\$44,418</b>	<b>\$44,970</b>	<b>\$45,126</b>	<b>\$45,566</b>	<b>\$440</b>	<b>0.98%</b>



# FY2020 - Revenues Highlights

---

## General Fund:

- ❑ **City Election Fees** budget is \$24K higher than the FY19 estimated budget due to the upcoming election in November.
- ❑ **Industrial District Assessment** budget is \$86K higher than the FY19 estimated budget. The tax rate applied is .221% less than last year and the total base contract values have increased by \$26M, therefore contributing to the overall increase of \$106K in General Fund revenue.

## Houston Television:

- ❑ **PEG Contributions – State Franchises** budget is \$246K lower than the FY19 estimated budget due to the decline of cable franchise fees.
- ❑ **Transfer from Special Revenue Fund** budget is \$184K higher than the FY19 estimated budget due to the increase for HTV service chargebacks to departments

## Tourism Promotion:

- ❑ **Transfer from Component Unit** budget is \$386K higher than the FY19 estimated budget as the revenue received from Houston First is based on 19.3% of the total Hotel Occupancy Tax (HOT) gross receipts. The HOT gross receipts are expected to be \$2M greater in FY20. This revenue primarily is the cause for the increase of \$429K in Tourism total revenue.



# Expenditures By Funds (\$ in thousands)



Fund	FY18 Actual	FY19 Budget	FY19 Estimates	FY20 Proposed	Variance FY20 Prop/FY19 Budget	% Change
General Fund	\$7,465	\$7,372	\$7,372	\$7,434	\$62	0.84%
Houston Television Special Revenue Fund	\$3,897	\$4,171	\$4,171	\$4,949	\$778	18.65%
Tourism Promotion Special Revenue Fund	\$18,766	\$20,232	\$19,733	\$20,106	-\$126	-0.62%
<b>Total</b>	<b>\$30,128</b>	<b>\$31,775</b>	<b>\$31,276</b>	<b>\$32,489</b>	<b>\$714</b>	<b>2.25%</b>

# FY2020 - Expenditures Highlights General Fund

---



## □ Mayor's Office FY2020 General Fund Budget includes

- (\$235,601) Approved Budget Reduction
  - (\$12,182) One-time adjustment from FY2019
  - \$18,407 Other personnel benefits (pension and health insurance)
  - \$114,476 Allocation for HOPE increases
  - \$176,424 Restricted Accounts total net change
- = \$61,524 Total variance from FY2019 Budget



# FY2020 - Expenditures Highlights

---

## General Fund:

### ❑ **Approved FY2020 Budget Reduction - \$236K**

Approved reduction includes the reallocation of funding for 4.0 FTEs and re-alignment of personnel to maximize staffing efficiencies.

## Houston Television:

### ❑ **Furniture Fixtures and Equipment Increase - \$750K**

Increase due to anticipated capital expenditures for rebuild of City Hall Council Chambers and internal HTV studios.

## Tourism Promotion:

### ❑ **Misc Support Services Decrease – \$664K**

The misc support services budget is the payment to the four arts partners. This amount is directly calculated by formula per the arts contract based on calendar year total gross HOT receipts.

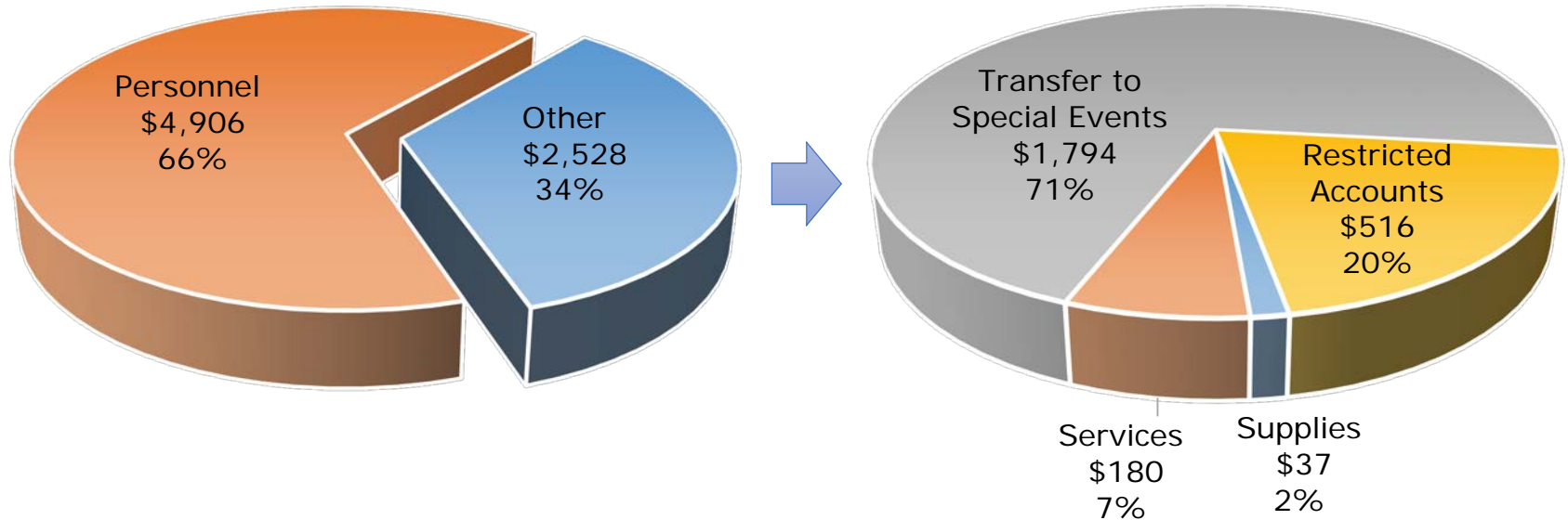
### ❑ **Contingency Increase – \$890K**

The contingency budget is the remaining HOT funds received after payment to the four arts partners. The increase is primarily due to the projected excess receipt of HOT revenues, which is based on 19.3% of the gross receipts.

# FY20 Personnel vs Non Personnel General Fund (in Thousands)



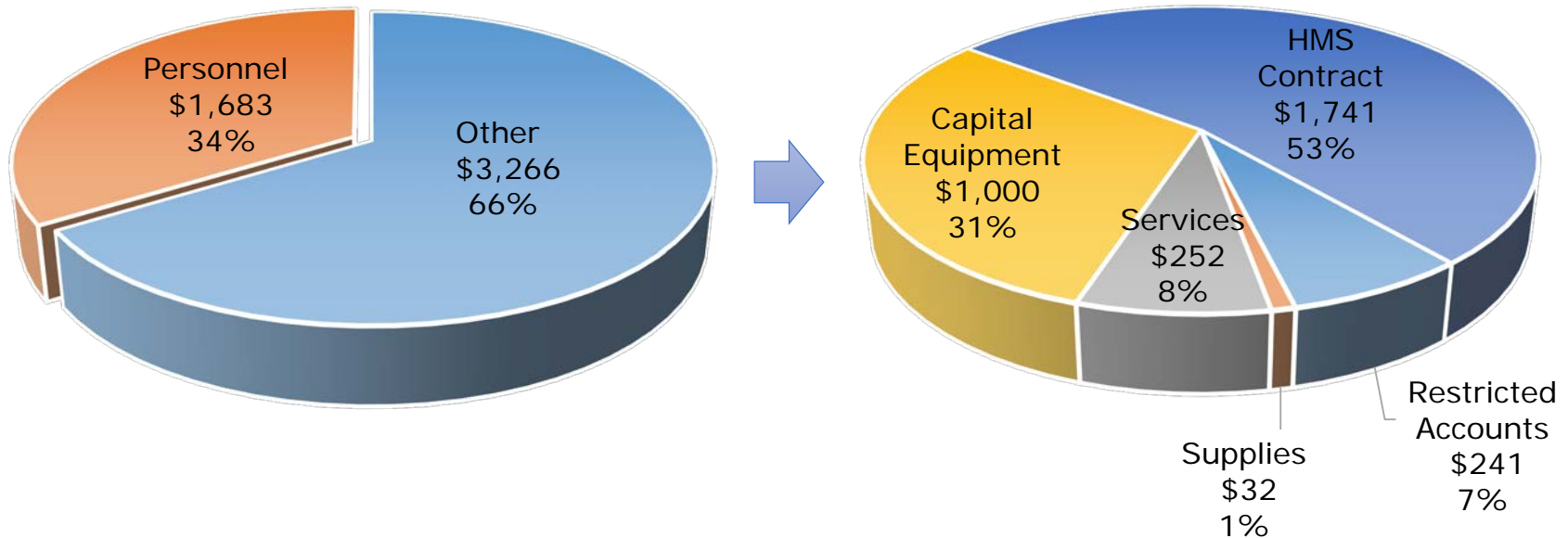
## FY2020 Proposed Budget \$7,434



# FY20 Personnel vs Non Personnel Houston Television Special Revenue Fund (in Thousands)



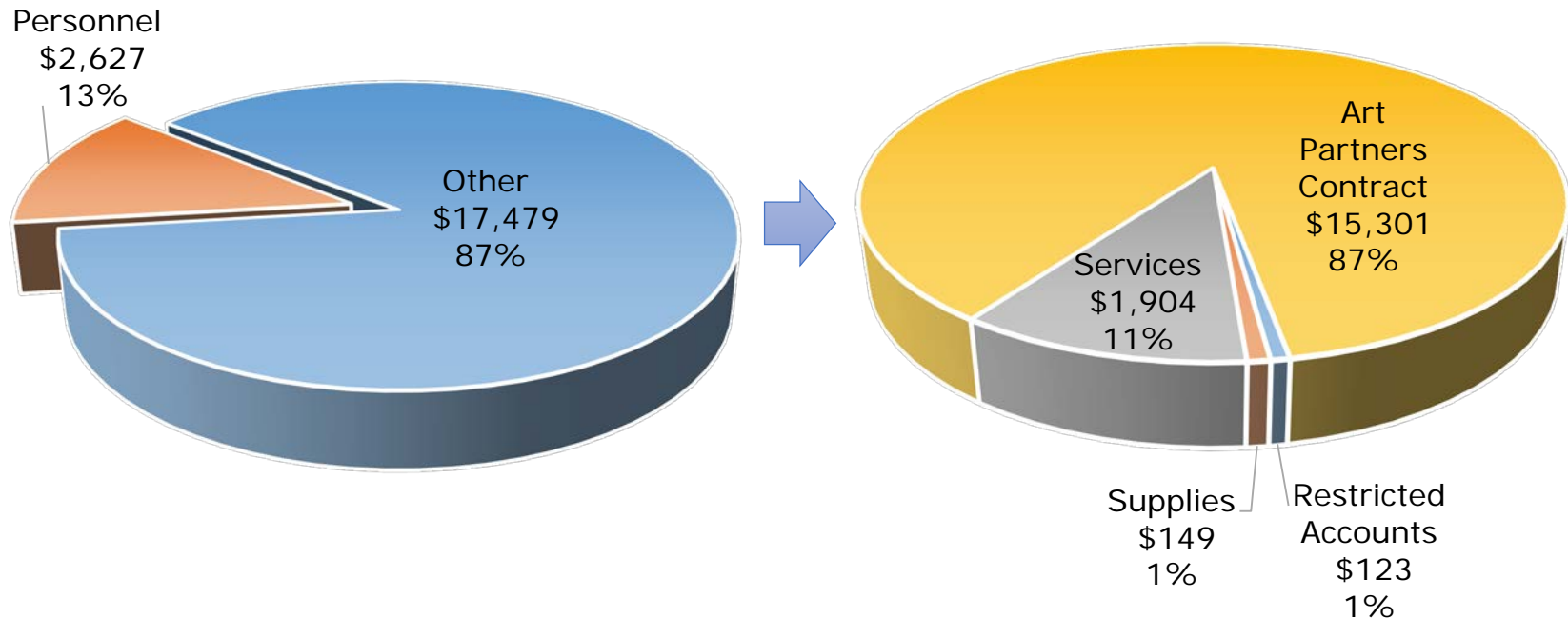
**FY2020 Proposed Budget \$4,949**



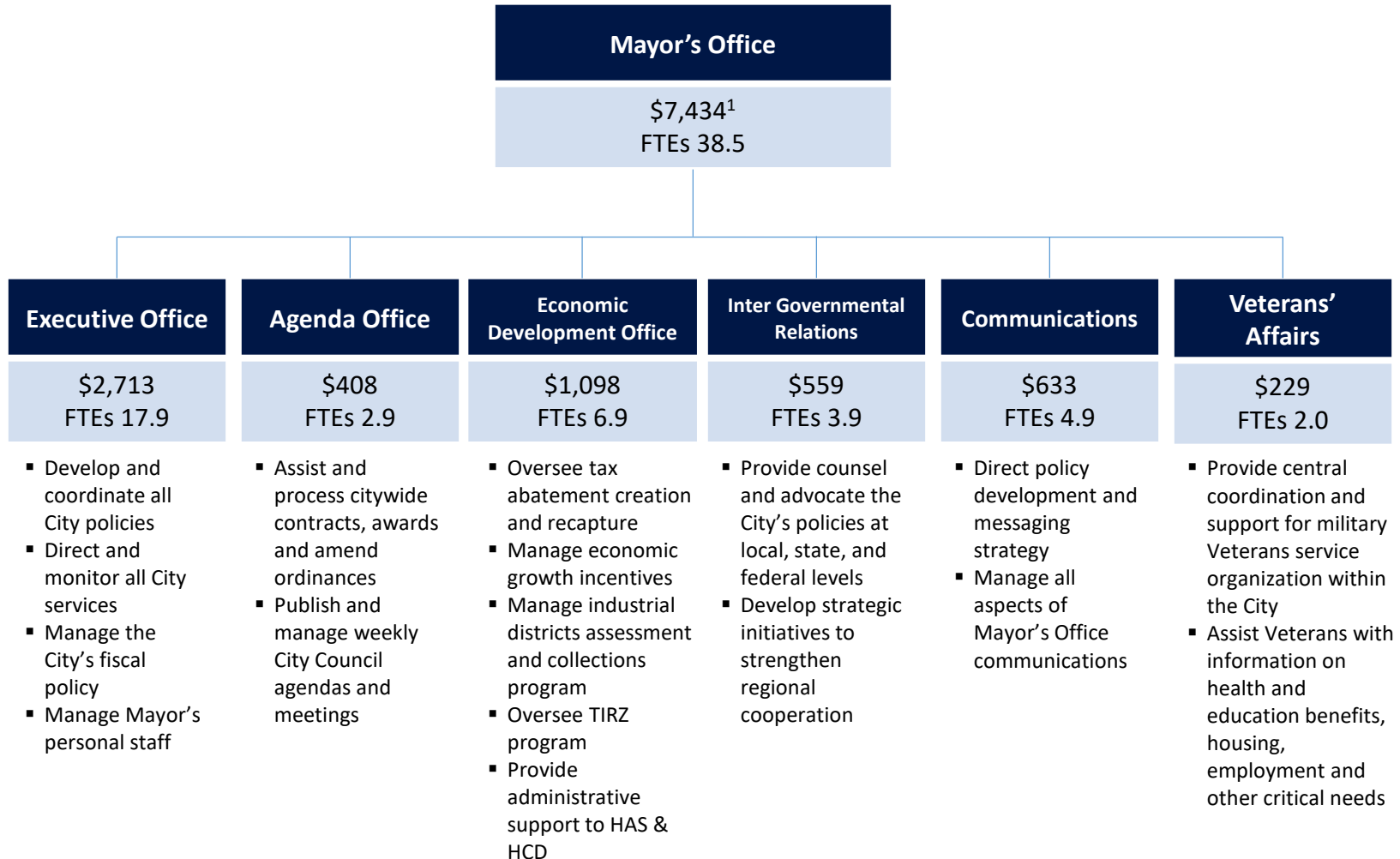
# FY20 Personnel vs Non Personnel Tourism Promotion Special Revenue Fund (in Thousands)



## FY2020 Proposed Budget \$20,106

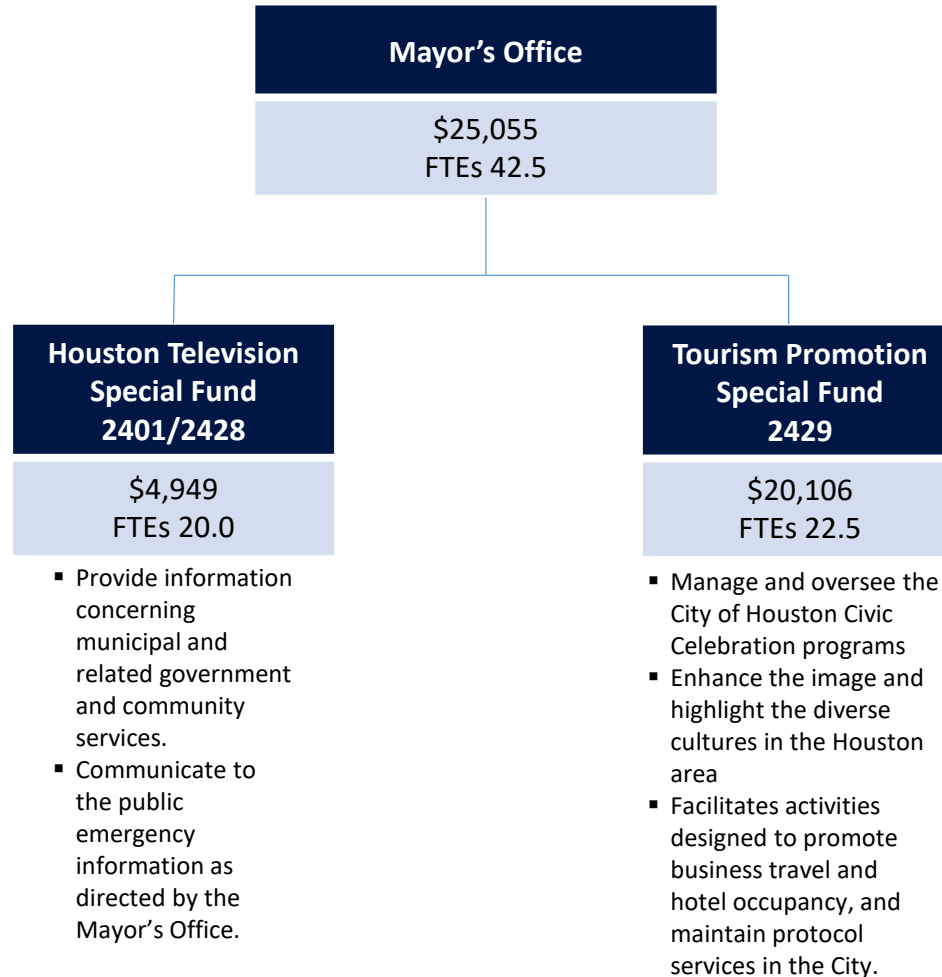


# Functional Org Chart General Fund (in thousands)



<sup>1</sup> Includes funding for the Mayor's Office of Special Events transfer of \$1,794K.

# Functional Org Chart Special Revenue Funds (in thousands)







# FY20 Budget Reductions

---

## FY20 Budget Reductions - \$235,601:

- \$169,835 – Eliminated three (3) vacant, budgeted positions
- \$65,766 – Transferred one (1) position to the Tourism Promotion Special Revenue Fund

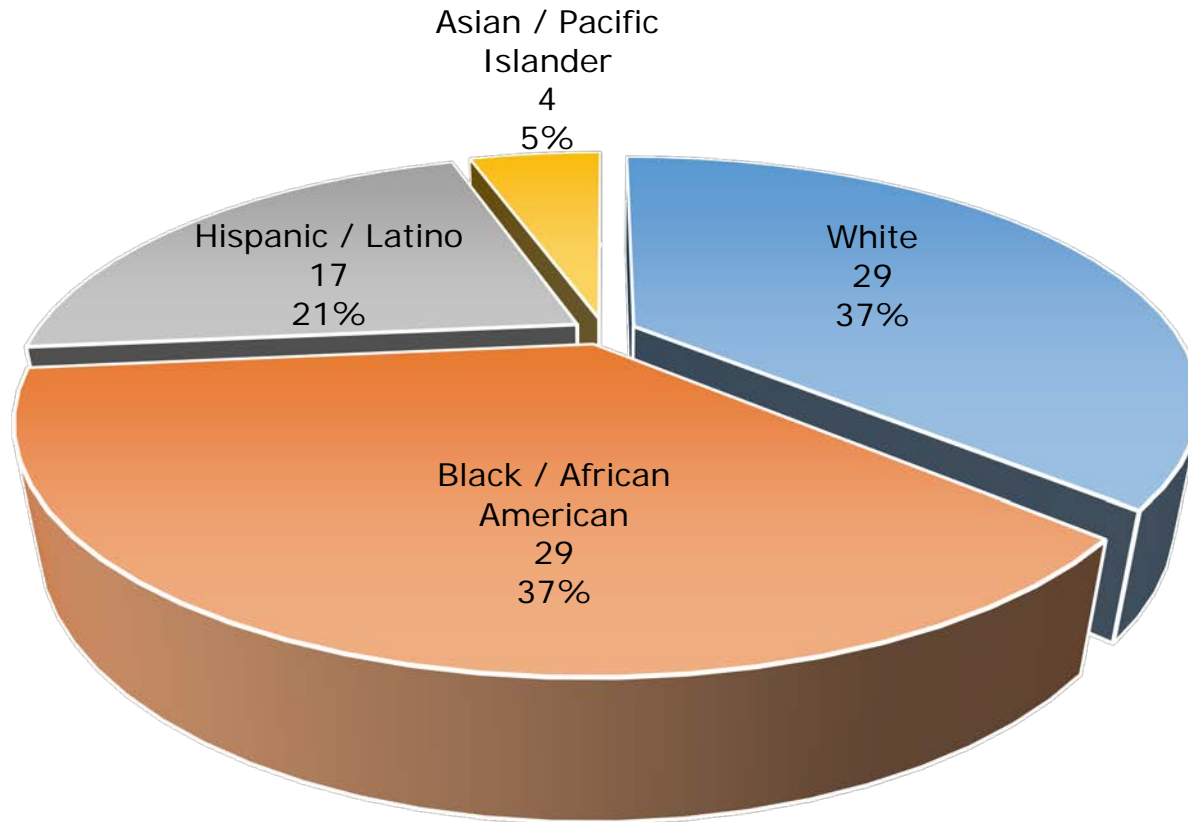


---

# Questions



# Mayor's Office Demographics

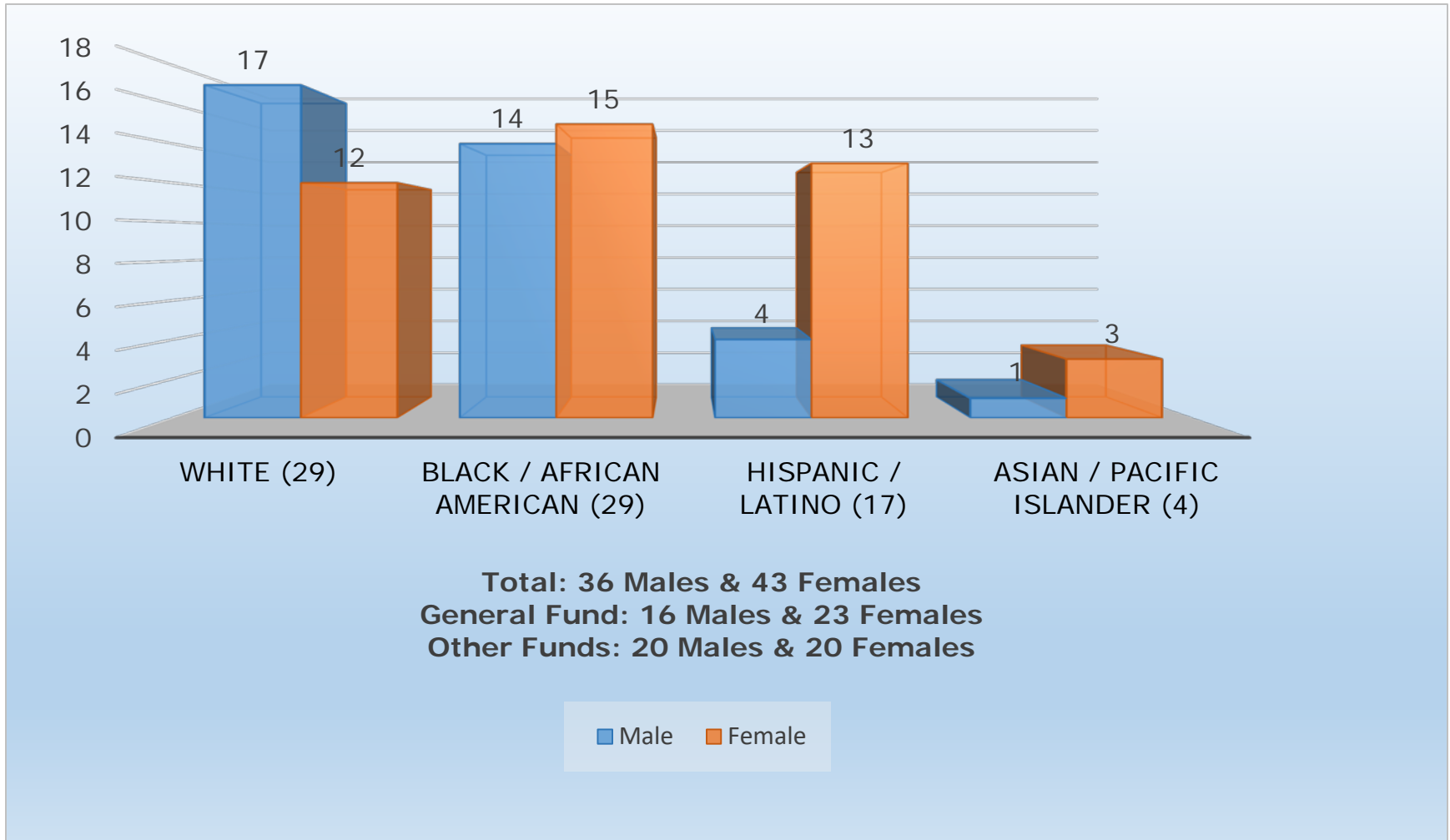


**Total Employees = 79**

**General Fund = 39 | Other Funds = 40**



# Race & Gender Distribution



# FY2020 General Fund Expenditures Net Change (in thousands)



FY2020 General Fund Budget Expenditures Net Change to FY2019 Current Budget		
<b>FY2019 Current Budget</b>		
Operating Budget	\$	7,007
Restricted Budget	\$	365
<b>FY2019 Current Budget</b>	<b>\$</b>	<b>7,372</b>
<b>Explanation of FY2020 Incremental Increase/(Decrease)</b>		
<b>Operating Budget Adjustments</b>		
Budget reduction initiatives		(236) <sup>1</sup>
<b>Subtotal Operating Budget Adjustments</b>	<b>\$</b>	<b>(236)</b>
<b>% Change from FY19 Operating Budget</b>		<b>(3.4%)</b>
<b>Contractual or Mandated Adjustments:</b>		
Health Benefits Active Civilian	\$	(38)
Municipal Pension		57
Restricted Accounts		176
Contractual Agreements		115 <sup>2</sup>
Program Adjustment from FY2019		(12) <sup>3</sup>
<b>Subtotal Contractual/Mandated Increases</b>	<b>\$</b>	<b>298</b>
<b>FY2020 Proposed Budget</b>		
<b>FY2020 Proposed Budget</b>	<b>\$</b>	<b>7,434</b>
<b>\$ Change from FY19 Current Budget</b>	<b>\$</b>	<b>62</b>
<b>% Change from FY19 Current Budget</b>		<b>0.8%</b>
<b>Notes:</b>		
1. FY2020 Budget Reduction includes:		
Elimination of 3 vacant full time positions	\$	(170)
Transfer of 1 position to T&IA	\$	(66)
	\$	(236)
2. Increases per HOPE Agreement		
		115
3. One-time adjustment from FY2019 General Appropriation		
		(12)



# Budget History – General Fund

	FY15	FY16	FY17	FY18	FY19	FY20
<b>Current Budget</b>	\$8,068,713	\$8,164,447	\$7,717,465	\$7,476,245	\$7,372,317	\$7,433,841
<b>Actual / Projection</b>	\$7,600,250	\$7,999,989	\$7,647,576	\$7,464,939	\$7,372,317	\$7,433,841
<b>Surplus / Deficit</b>	\$468,463	\$164,457	\$69,889	\$11,306	\$0	\$0

# Mayor's Office Budget Reductions (in thousands)



Fund	FY18	FY19	FY20	3-Year Total
General Fund	\$222	\$272	\$236	\$730
<b>Total</b>	<b>\$222</b>	<b>\$272</b>	<b>\$236</b>	<b>\$730</b>

- Total General Fund budget cuts FY18 – FY20 total \$730K
- Total FTEs impacted by reductions
  - FY18 – No impact to FTEs
  - FY19 – Reductions resulted in 1.5 FTEs eliminated due to reallocating positions to special revenue funds and capitalizing on vacancies to create staffing efficiencies
  - FY20 – Reductions resulted in 4.0 FTEs eliminated due to reallocating positions to special revenue funds and capitalizing on vacancies to create staffing efficiencies
- Impact of Reductions
  - Ability to align personnel duties and responsibilities with dedicated funding sources
  - Service delay of an additional 3 days for processing ceremonial documents

# Mayor's Office FY2019 Accomplishments

---



- ❑ Increased summer job opportunities through Hire Houston Youth to a new record high of 10,000 jobs, an increase of 33% over last year.
- ❑ Conducted a successful trade mission to Barcelona, Latin America, and India.
- ❑ Successfully promoted the City of Houston as the host for the 2019 Gastech Conference.
- ❑ Hosted the African American Mayor's Association conference held for the first time outside Washington, D.C.
- ❑ Facilitated a \$2.5 million donation agreement with Qatar, the founding donor of the mayor's new fund to aid the homeless.
- ❑ Minal Patel Davis, Mayor Turner's Special Advisor on Human Trafficking, received the prestigious Presidential Award for Extraordinary Efforts to Combat Trafficking in Persons, the highest U.S. award for this issue.
- ❑ Opened a state-of-the-art recycling facility, resuming curbside glass recycling after a two-year pause.
- ❑ Partnered with U.S. Army's Partnership for Youth Success (PaYS) to provide opportunities to veterans entering the workforce.
- ❑ Received the 5G Wireless Champion Award from CTIA for making Houston one of the first cities in the world to deploy 5G.
- ❑ Houston selected to join Rockefeller 100 Resilient Cities Global Network funded by Shell Oil.
- ❑ Secured funding from the Houston Endowment for the Mayor's Office of Complete Communities and successfully raised over \$11 million to support neighborhood projects.
- ❑ Secured \$1.2 Billion in Federal Disaster Relief funding for Hurricane Harvey.