

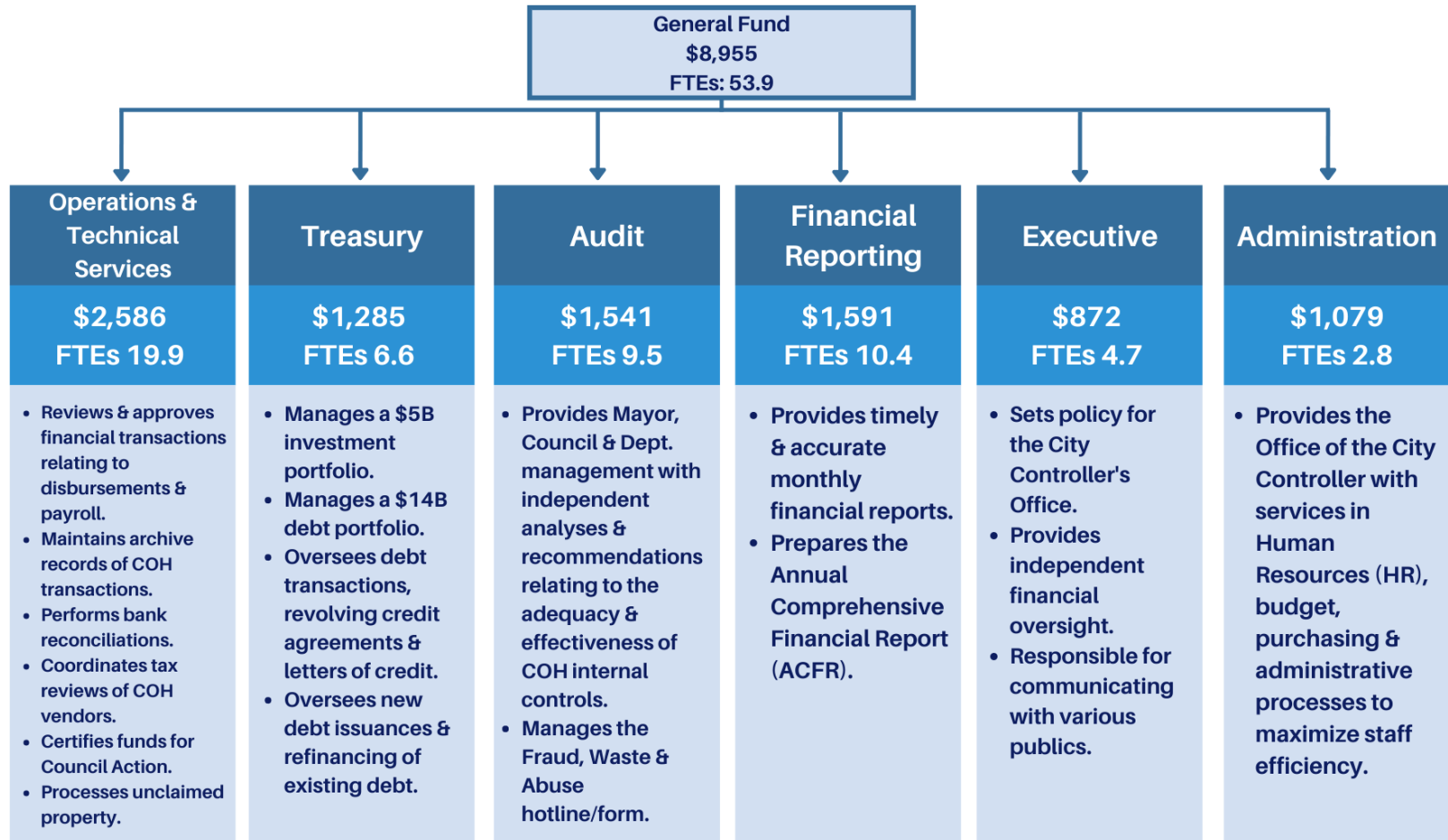


Office of the City Controller

**FY2023 Proposed Budget
Workshop Presentation
May 19, 2022**

Controller Chris Brown
Deputy Director Lenard Polk

Functional Org Chart (in thousands)





Department Programming

- **Major Services:**

- Process payments to vendors/employees;
- Develops & publishes financial reports (i.e. MFOR, ACFR);
- Provide financial oversight of City operations.

- **Statutory Requirements:**

- Per Charter, responsible for certifying availability of funds for Council action.
- Per Charter, responsible for audit functions of the City.

- **Commitments:**

- Endeavor to implement paperless approval of invoices.
- Institutionalize transparency in government spending.

Revenues by Funds (\$ in thousands)



Category	FY21 Actual	FY22 Budget	FY22 Estimates	FY23 Proposed	Variance FY23 Prop/FY22 Estimates	% Change
	\$0	\$0	\$0	\$0	\$0	N/a
Total	\$0	\$0	\$0	\$0	\$0	N/a



FY2023 - Revenues Highlights

- No revenue to report.

Expenditures By Funds (\$ in thousands)

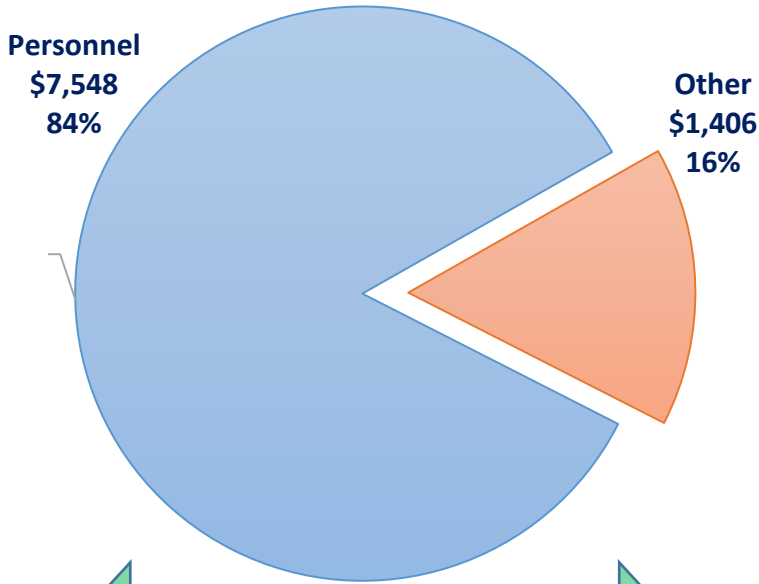


Category	FY21 Actual	FY22 Budget	FY22 Estimates	FY23 Proposed	Variance FY23 Prop/FY22 Budget	% Change
Personnel Services	\$ 6,748	\$7,415	\$ 7,413	\$ 7,548	\$ 133	1.80%
Supplies	\$ 45	\$ 53	\$ 53	\$ 56	\$ 3	6.51%
Other Services & Charges	\$ 1,020	\$1,263	\$ 1,265	\$ 1,350	\$ 88	6.94%
Total	\$ 7,814	\$8,730	\$ 8,730	\$ 8,955	\$ 225	2.57%



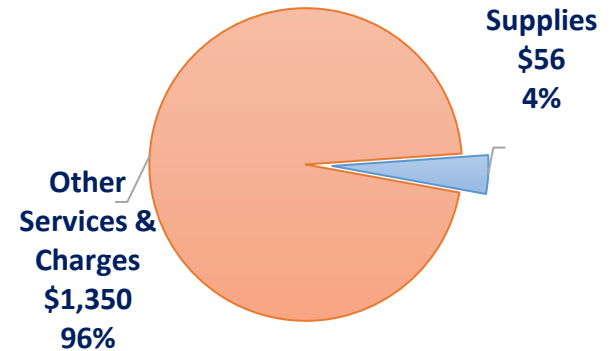
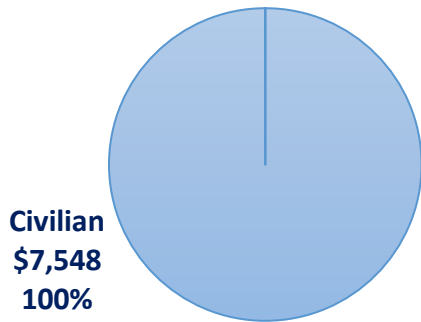
FY2023 Personnel vs Non-Personnel (\$ in thousands)

**FY23 Projected Budget
\$8,955**



**Personnel (FY23)
\$7,548**

**Other (FY23)
\$1,406**



FY2023 Budget Expenditures Net Change



FY2023 General Fund Budget Expenditures Net Change to FY2022 Current Budget

FY2022 Current Budget		<i>Notes</i>
Operating Adopted Budget	\$8,548,188	
FY 22 Restricted Account Adjustments	\$ 51,970	1
FY 22 HOPE Adjustment	\$ 139,209	2
FY 22 Health Benefit Adjustment	(9,090)	3
FY2022 Current Budget	\$8,730,277	

Explanation of FY2023 Incremental Increase/(Decrease)

Operating Budget Adjustments	
Accounting & Auditing Services	(4,000)
Information Resource Services	(20,000)
Misc. Support Services	20,000
Computer Supplies	1,000
Travel Training Related	(2,000)
Printing and Reproduction Services	300
Misc. Office Supplies	2,423
Education and Training	2,810
Membership and Professional Fees	750
Misc. Other Services	(5,000)
Computer EQ/SW Maintenance	(641)
Subtotal Operating Budget Adjustments	\$ (4,358)
% Change from FY 22 Operating Budget	(0.1%)

FY2023 Budget Expenditures Net Change [Continued...]



Contractual or Mandated Adjustments:	
Restricted Accounts	108,683
Restricted Accounts	(13,423)
Health Ins. Active Civilian	(42,506)
FY 23 Hope/Salary Adjustment	134,141
Pension Civilian	12,761
Termination Pay	40,000
FICA - Civilian	10,193
Pension Legacy	(23,013)
Other Fringe Benefits	2,088
Subtotal Contractual/Mandated Increases	\$ 228,924
<hr/>	
FY2023 Proposed Budget	
Operating and Contractual Adjustments	\$ 224,566
FY2023 Proposed Budget	\$ 8,954,843
% Change from FY22 Current Budget	2.6%

Notes:

1. Restricted Budget includes service chargeback accounts for items such fuel, electricity, IT accounts, etc
2. HOPE Contract
3. Health Benefit Adjustment



FY2023 - Expenditure Highlights

- Expenditure increases reflect rising amounts in the restricted accounts, pension contributions & contractual municipal employee pay raises.



Questions



Appendix

Restricted Account Details

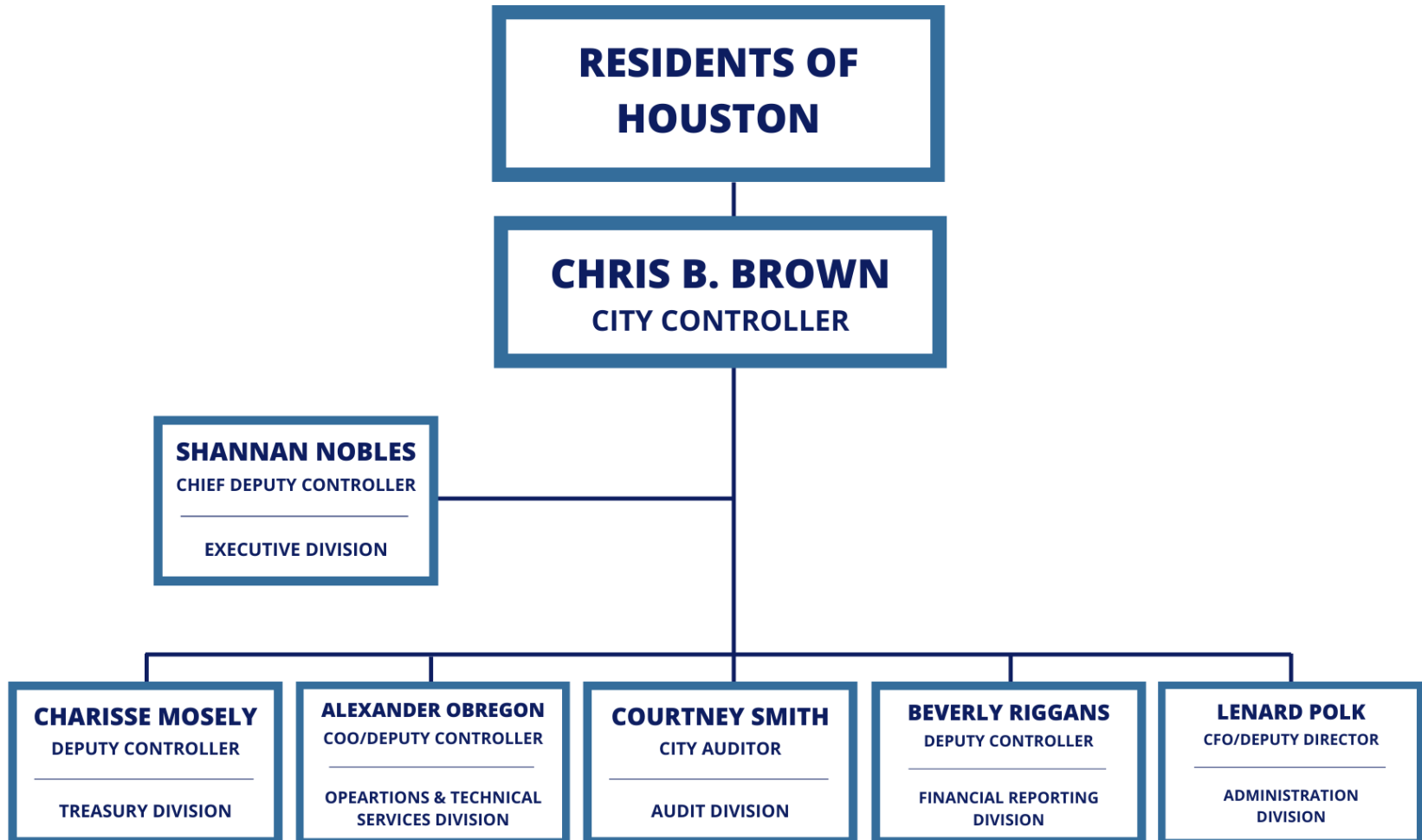


GL Description	Justification & Cost Drivers
Interfund Electricity	Responsible for administering the electricity accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Electricity expenses are projected to be lower than the previous year as a function of the competitive bidding process.
Interfund HR Client Services	Include HR operation cost reflecting health benefits and restricted accounts increase.
Interfund KRONOS Service Charge	Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS).
Interfund Drainage Charge	Fee is based on impervious service.
Interfund Application Services	Costs include Microsoft Enterprise licenses, 3-1-1 maintenance support and applications, SAP licenses maintenance and support, various Enterprise Application and Server support personnel, CSMART (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department, eSignature.
Interfund Data Services	Costs associated with software and maintenance support contracts required to maintain city networks, applications, desktop devices, servers, payment card industry security, storage devices, cloud services, telephone systems and network equipment including Phonoscope circuits. Contracts cover Antivirus, Firewall and Network backup systems. Also, the Data Center costs are included in the Data Services restricted account.
Interfund Voice Services	Monthly costs for Voice/Communication Services. The services include: Local landlines, voice/data circuits, long distance, 1-800 numbers, calling cards, language lines, Citywide ISP/Internet Access. The major vendors are ATT, Department of Information Resources (DIR), Verizon and Century Link.
Interfund Wireless Services	Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets.
Interfund Voice Labor	Labor costs and parts needed to perform work associated with installation and/or upgrades of telephone systems and cabling. The sole vendor is Selrico.
Interfund Vehicle Accidents	Provides vehicle accidents repairs for all city departments' rolling stock equipment.
Interfund Permit Center Point of Sale	HPC Point of Sale chargeback.
Interfund Insurance Fees	Cost increase for property insurance premium.
Interfund GIS Services	Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS).
Interfund Permit Center Rent Chargeback	HPC lease chargeback.
Interfund Vehicle Services - Tires	Tire purchases and services costs for City's rolling stock equipment.
Interfund Vehicle Services	Provides repair, maintenance, and administrative support for all city departments' rolling stock equipment. Expense explanation - Vehicle Services are projected to increase driven by part cost, contractual increases, and an aging vehicle population.
Interfund Vehicle Fuel	Fuel Program operates and manages all City owned fuel sites. Expense explanation - Fuel services are driven primarily by market pricing.
Interfund Natural Gas	Responsible for administering the natural gas accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Natural gas expenses are projected to be lower than the previous year due to current market conditions and locking in a rate favorable to the City.
Interfund Radio System Access	Due to the consolidation of the radio group in General Fund to revolving fund for HITS. This group is responsible for the operation and maintenance of the City's public safety radio system.

Appendix



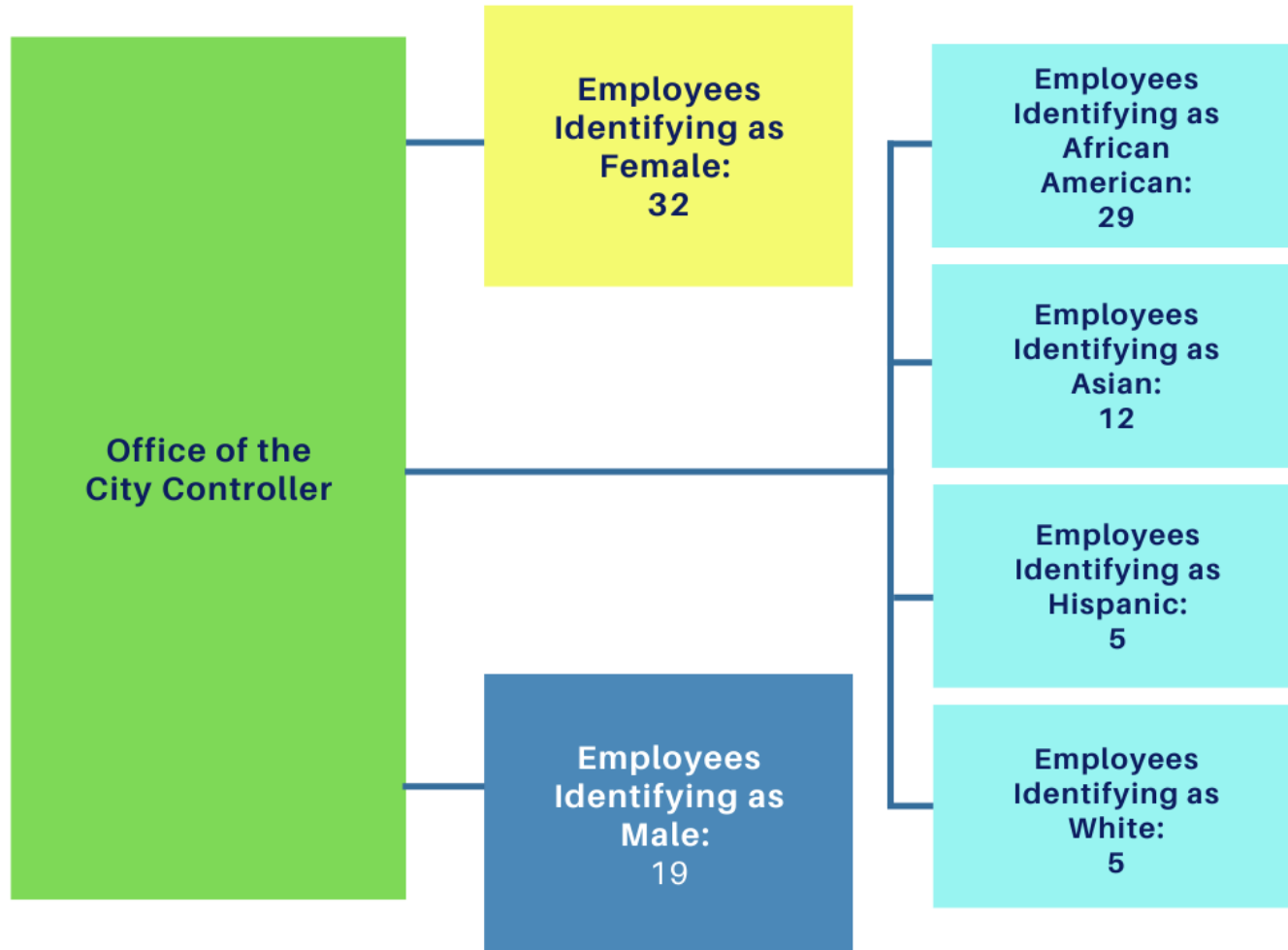
Organizational Chart:



Appendix



Demographic Breakdown:



Appendix



Unmet Needs:

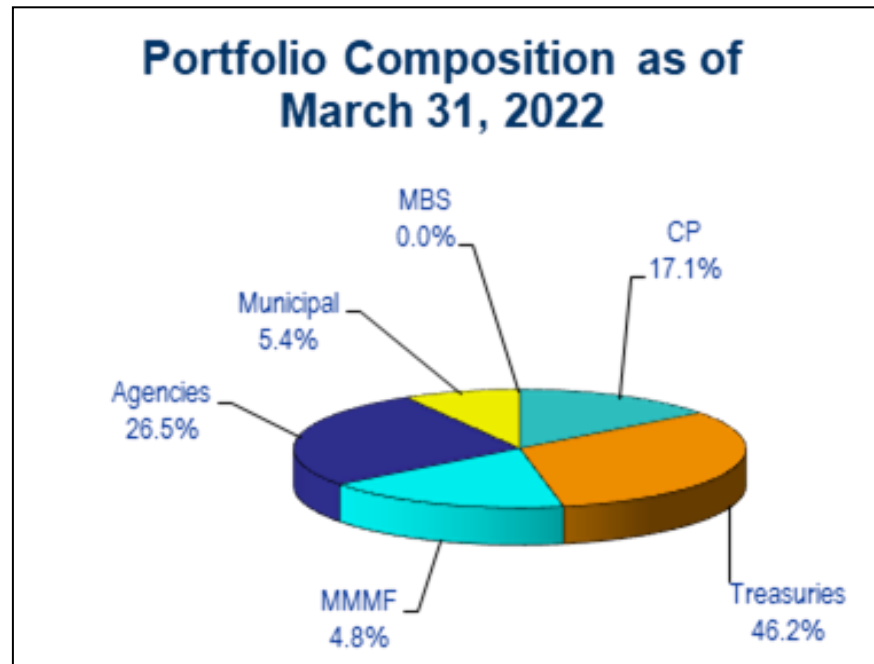
- **Audit Capacity**
- **Online financial transparency dashboard**



Department FY2022 Accomplishments

Expansion of ESG Program:

- Toyota, USA 5.2%
- TD-Bank 4.2%
- Bank of Montreal 3.9%
- MUFG Union Bank 3.8%
- **Total ESG Investment 17.1%**





Department FY2022 Accomplishments

Continue to generate savings due to bond refinancing:

- \$639.1M between 2016-2020
- \$30M in 2021
- **And more!**

All amounts are reflected in Calendar Year (CY)

