



Office of the City Controller

**FY2024 Proposed Budget
Workshop Presentation
May 25, 2023**

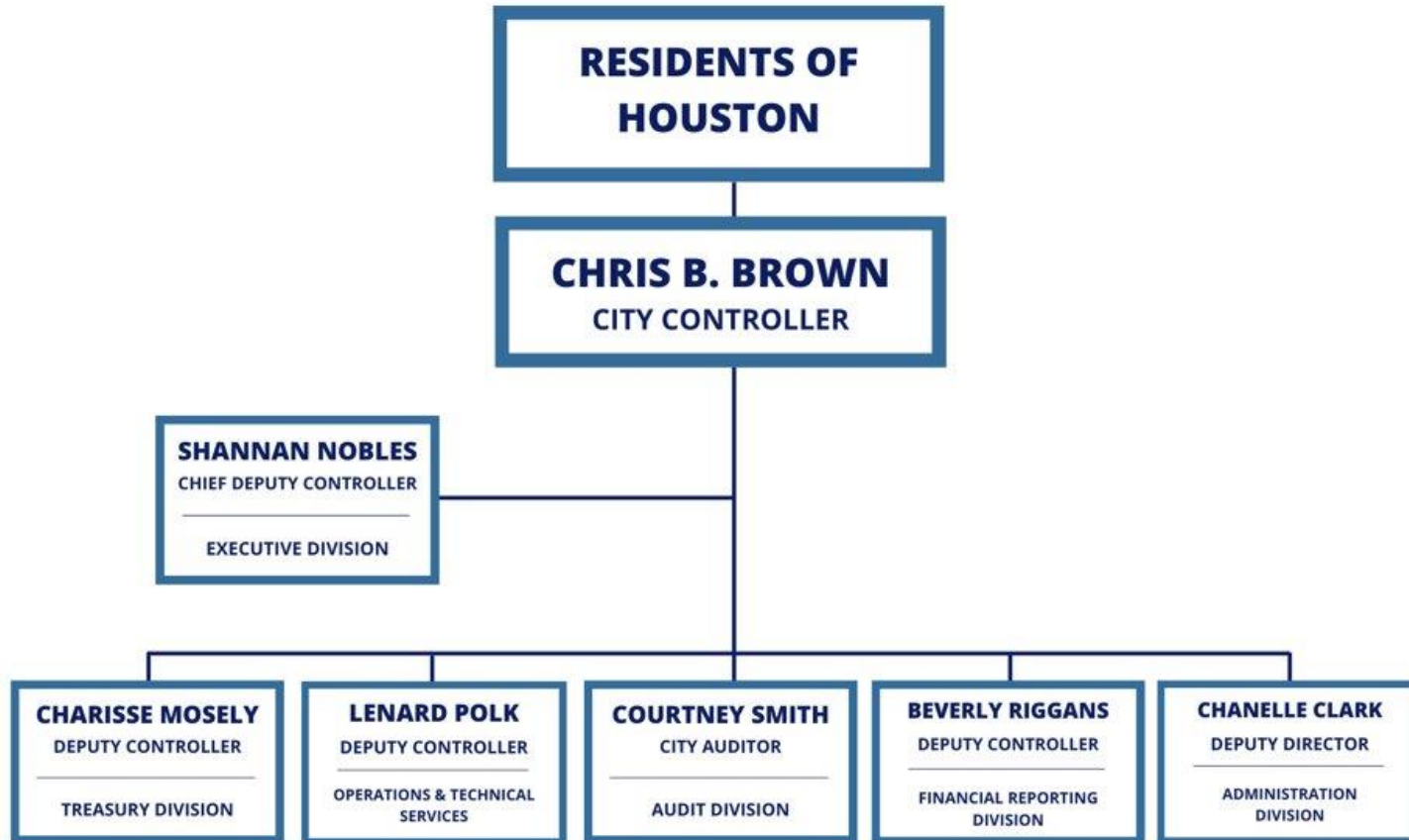
Controller Chris B. Brown
Deputy Controller Lenard Polk

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Department Organization Chart





Strategic Guidance Alignment

Objective

The tables below summarize your department's alignment to the Mayor's defined Priorities and Initiatives as defined in his strategic guidance. All programs align to a mayoral priority and the overall department budget is broken down as such.

Sound Financial Management	Public Safety	Complete Communities	Service & Infrastructure	Resilient Houston	Other
Admin. Services					\$796
Audit					\$1,594
Executive Oversight					\$970
Financial Reporting					\$1,781
Operations					\$2,541
Treasury					\$1,342

ALIGNED INITIATIVES

- Sound Financial Management

DEPARTMENT BUDGET BY PRIORITY

- Sound Financial Management



Expenditure by Program [in thousands]

Objective

List program budgets for FY23 Current Budget vs FY24 Proposed (in thousands)

Program	FY22 Actual	FY23 Budget	FY23 Estimate	FY24 Proposed	Variance FY24 Prop/FY23 Budget	% Change
Admin. Services	\$1,029	\$1,080	\$959	\$796	\$(284)	-26%
Audit	\$1,206	\$1,541	\$1,536	\$1,594	\$53	3%
Executive Oversight	\$889	\$872	\$867	\$970	\$98	11%
Financial Reporting	\$1,441	\$1,591	\$1,584	\$1,781	\$190	12%
Operations	\$2,583	\$2,586	\$2,576	\$2,541	\$(45)	-2%
Treasury	\$1,172	\$1,285	\$1,285	\$1,342	\$57	4%
Total	\$8,320	\$8,955	\$8,807	\$9,024	\$69	0.77%



Program 1 - Admin. Services

Priority:	Sound Financial Management
FY2024 FTE Count:	2.5

Program Description

Provides the Office of the City Controller with services in human resources, budget, purchasing, and administrative processes to maximize staff productivity.

Significant Budget Items

- N/a

FY24 Prop Budget by Fund

General Fund	\$795,672
Total	\$795,672

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Received invoices are paid within one week. PO's and RQ's are prepared within one week of request.	100%	100%	100%	100%	



Program 2 - Audit

Priority:	Sound Financial Management
FY2024 FTE Count:	9.5

Program Description

Provides the Mayor, City Council, and department management with independent analyses and recommendations concerning the adequacy and effectiveness of the City's internal control structure. Responds to the Fraud Hotline.

Significant Budget Items

- N/a

FY24 Prop Budget by Fund

General Fund	\$1,593,522
Total	\$1,593,522

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Complete at least 50% of the Current/Carryover audit plan.	14%	100%	84%	100%	Staffing capacity
Respond to Fraud Waste and Abuse hotline reports within five (5) business days	100%	100%	100%	100%	



Program 3 – Executive

Priority:	Sound Financial Management
FY2024 FTE Count:	4.7

Program Description

Sets policy for the City Controller's Office, serves as the independent financial voice for the City of Houston, and provides the communication link between the office and the public.

Significant Budget Items

- N/a

FY24 Prop Budget by Fund

General Fund	\$970,409
Total	\$970,409

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Provide monthly financial update or as needed.	100%	100%	100%	100%	



Program 4 – Financial Reporting

Priority:	Sound Financial Management
FY2024 FTE Count:	10.7

Program Description

Provides timely and accurate monthly financial reports and prepares the Annual Comprehensive Financial Report (ACFR).

Significant Budget Items

- N/a

FY24 Prop Budget by Fund

General Fund	\$1,781,229
Total	\$1,781,229

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Annual Comprehensive Financial Report (ACFR) completed by Dec. 15 annually.	100%	100%	100%	100%	



Program 5 – Operations

Priority:	Sound Financial Management
FY2024 FTE Count:	19.9

Program Description

Ensures the availability of funds for city contracts; ensures city invoices and payment requests meet applicable city policies and best practices; maintains the integrity of city records for financial transactions and contracts; maintains internal controls by reconciling cash disbursement against the city's book of accounts; and ensures City vendors do not owe back taxes.

Significant Budget Items

- N/a

FY24 Prop Budget by Fund

General Fund	\$2,540,679
Total	\$2,540,679

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Provide monthly financial update or as needed.	100%	100%	100%	100%	



Program 5 – Operations (Continued)

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
# of contracts countersigned per year	730	730	730	730	Controller's minimum target estimate for countersignatures.
# of paper checks remitted	36,798	34,958	34,958	33,210	Trending down as increase in digital payments becomes more prevalent.
# of payments remitted	19,063	20,016	20,016	21,017	Trending up as a result of increase in vendor transactions with COH.
% of contracts routed within 3 days of receipt	100%	100%	100%	100%	Represents adherence to effective internal controls.
% of vendor invoices processed within 3 days	100%	100%	100%	100%	Represents adherence to effective internal controls.
# of Unclaimed Fund claims received	30	25	25	20	Trending down as a result of effective remittance strategy.
Certification of availability of funds prior to City Council meeting date	100%	100%	100%	100%	A Function of the Controller's office as stated in Article VIII. Sec. 3. of the Code of Ordinances
Early payment discount	\$821,700	\$862,785	\$862,785	\$905,924	Increased advocacy for early payments.



Program 6 – Treasury

Priority:	Sound Financial Management
FY2024 FTE Count:	6.6

Program Description

Manages all investments of City funds except pension and trust funds. Oversees all debt operations, revolving credit agreements and letters of credit, new debt issuances, and refinancing of existing debt.

Significant Budget Items

- N/a

FY24 Prop Budget by Fund

General Fund	\$1,342,149
Total	\$1,342,149

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Pay Debt Service timely on a monthly basis	100%	100%	100%	100%	

Expenditures by Fund [in thousands]



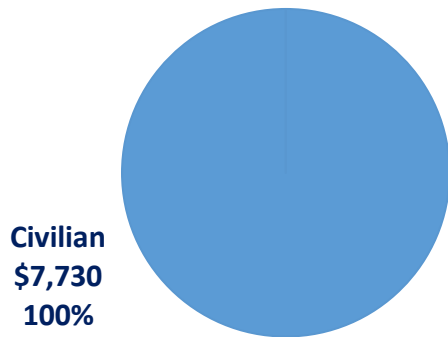
Category	FY22 Actual	FY23 Budget	FY23 Estimate	FY24 Proposed	Variance FY24 Proposed/ FY23 Budget	% Change
General Fund	\$8,320	\$8,955	\$8,807	\$9,024	\$69	0.77%
Total	\$8,320	\$8,955	\$8,807	\$9,024	\$69	0.77%

Personnel vs. Non-Personnel [in thousands]

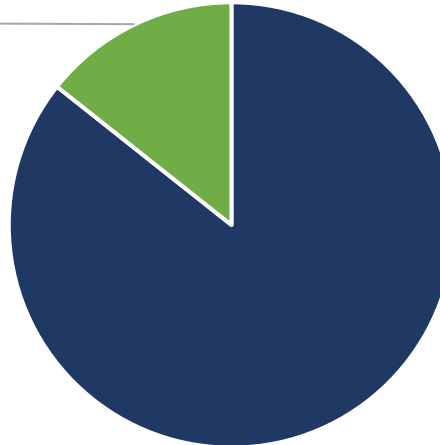


\$000 in Thousands

Personnel (FY24)
\$7,730



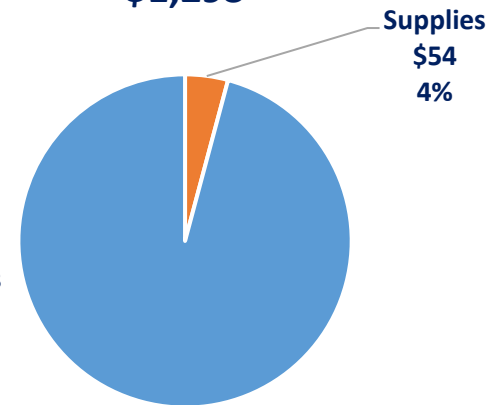
Other
\$1,293
14%



FY24 Other
\$1,293

Personnel
\$7,730
86%

**Other Services
& Charges**
\$1,240
96%



Other Category Breakdown

Restricted Accounts	\$540
Supplies	\$54
Services	\$699
Total	\$1,293



Revenue by Program [in thousands]

Program	FY22 Actual	FY23 Budget	FY23 Estimate	FY24 Proposed	Variance FY24 Prop/FY23 Budget	% Change
Admin. Services	\$0	\$0	\$0	\$0	\$0	0%
Audit	\$0	\$0	\$0	\$0	\$0	0%
Executive Oversight	\$0	\$0	\$0	\$0	\$0	0%
Financial Reporting	\$0	\$0	\$0	\$0	\$0	0%
Operations	\$0	\$0	\$0	\$0	\$0	0%
Treasury	\$0	\$0	\$0	\$0	\$0	0%
Total	\$0	\$0	\$0	\$0	\$0	0%

Revenue by Fund [in Thousands]



- **No revenue to report**

Revenue Highlights [in Thousands]



- **No revenue to report**



Questions



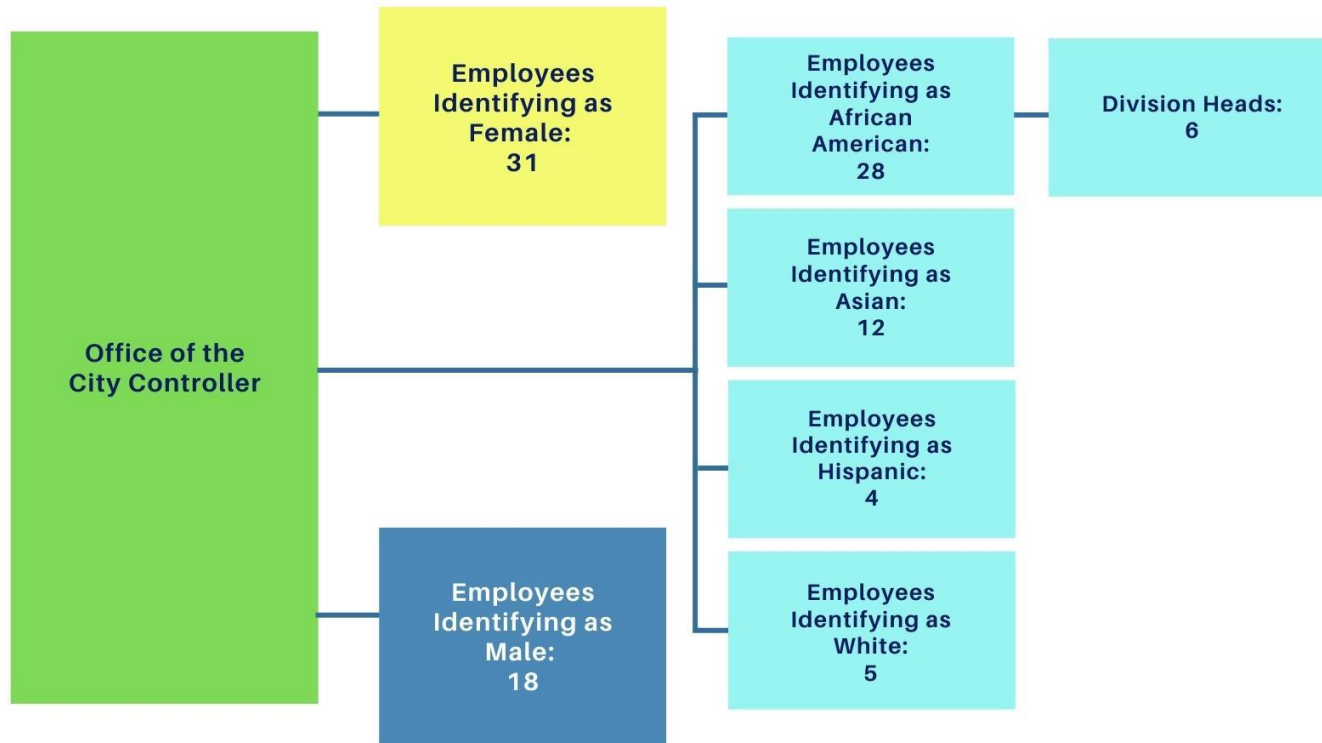
Appendix

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



Department FY2023 Accomplishments



- Increase in ESG portfolio from \$495M in 2019 to \$730M (as of 3/31/23).
- Budgeted expenditures reflects purchase of financial reporting software for automation of ACFR.