CITY CONTROLLER

Department Description and Mission

The mission of the Office of the City Controller is to protect the financial integrity of Houston's City government by:

- Providing accurate and timely reports on the City's current financial status.
- Forecasting the City's future financial health through multiple revenue and expense scenarios.
- Certifying to the City Council that funds are available for all appropriations and commitments, while maintaining precise and transparent accounting records.
- Enhancing accountability by conducting audits of operational and financial activities across City departments.
- Certifying that vendors with City contracts are in good standing with respect to City tax obligations.
- Maximizing the use of every City dollar by ensuring investments generate optimal returns and savings.
- Promoting transparency by making essential financial, operational, and service information accessible to all Houstonians in clear, user-friendly formats.
- Introducing innovative ideas and best practices to support City departments in delivering top-tier services to Houstonians.

Department Short-Term Goals:

- Improve service delivery and enhance Houstonians' quality of life through targeted performance audits.
- Identify opportunities for efficiency and revenue-generating strategies to strengthen the City's financial health.
- Increase government transparency by improving the quality and accessibility of financial, operational, and service information.
- Fully implement paperless invoice approvals and relevant document processes.
- Complete the Annual Comprehensive Financial Report (ACFR) by December 15 and release it in a timely manner.
- Generate investment returns that align with our four key priorities: safety, liquidity, return on investment, and legal compliance.
- Strengthen credit ratings for both the investment and debt portfolios.
- Continuously monitor financial markets and pursue debt refinancing opportunities when market conditions are favorable.
- Expand the scale and impact of the Treasury Division's signature event, the Houston Investor Conference.
- Broaden the reach and impact of the Bank On Houston program to reduce unbanked and underbanked populations while enhancing financial literacy across the city.
- Increase the capacity of the Audit Division to meet or exceed audit standards set by other comparable cities and states.

Department Long-Term Goals:

- Maintain a robust quality control system to ensure the Audit Division adheres to applicable auditing standards.
- Expand the Audit Division's initiatives to identify and implement the best practices that improve both the quality of life for Houstonians and City service delivery.
- Strengthen community engagement efforts to foster dialogue with a wide range of stakeholders on tackling the City's most pressing financial and operational challenges.

Business Area Budget Summary

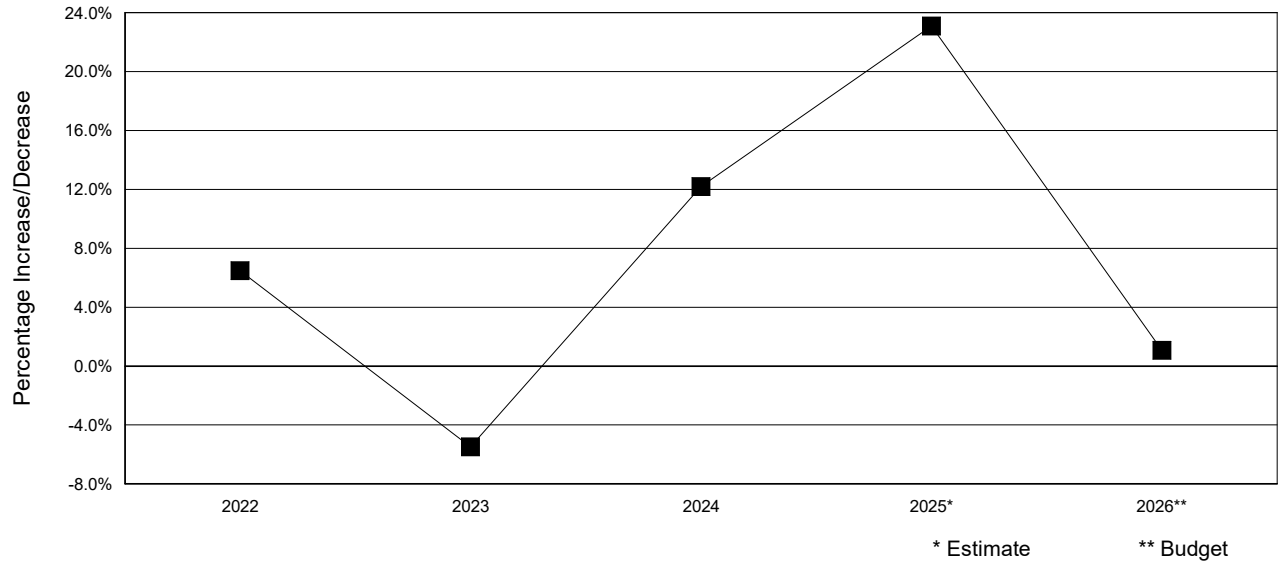
Fund Name : General Fund
Business Area : City Controller
Fund No. /Bus. Area No. : 1000 / 6000

		FY2024 Actual	FY2025 Current Budget	FY2025 Estimate	FY2026 Budget
Expenditures	Personnel Services	7,456,807	8,645,105	8,645,105	**9,353,018**
	Supplies	27,125	58,858	58,858	**58,858**
	Other Services and Charges	1,263,897	1,569,703	1,569,703	**1,566,553**
	Equipment	74,758	0	0	**0**
	Total M & O Expenditures	8,822,587	10,273,666	10,273,666	**10,978,429**
	Debt Service & Other Uses	0	587,208	587,208	**0**
	Total Expenditure	8,822,587	10,860,874	10,860,874	**10,978,429**
Revenues		0	0	0	**0**
Staffing	Full-Time Equivalents - Civilian	51.5	58.7	58.7	**59.7**
	Full-Time Equivalents - Classified	0.0	0.0	0.0	**0.0**
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	**0.0**
	Total	51.5	58.7	58.7	**59.7**
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	**0.0**

Significant Budget Changes and Highlights

o The FY2026 Budget provides funding for health benefits, pension contributions, and municipal employees contractual pay increases.

General Fund
City Controller
Year over Year Expenditure Change



Business Area Program Summary

Business Area: City Controller
Bus. Area No : 6000

Budget By Program ($ in thousands):

Program	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Audit	0	1,706	0	2,101	0	2,667
Executive Oversight	0	893	0	1,182	0	1,145
Financial Reporting	0	1,545	0	1,914	0	1,910
Operations	0	3,394	0	3,598	0	3,648
Treasury	0	1,285	0	1,479	0	1,608
Debt Service and Interfund Transfers	0	0	0	587	0	0
Total	**0**	**8,823**	**0**	**10,861**	**0**	**10,978**

FTEs by Program:

Program	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Audit	9.9	0.0	15.1	0.0	14.2	0.0
Executive Oversight	4.0	0.0	6.5	0.0	7.0	0.0
Financial Reporting	9.8	0.0	8.6	0.0	9.5	0.0
Operations	21.0	0.0	20.9	0.0	21.4	0.0
Treasury	6.8	0.0	7.6	0.0	7.6	0.0
Debt Service and Interfund Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Total:	**51.5**	**0.0**	**58.7**	**0.0**	**59.7**	**0.0**

Business Area Program Detail

Business Area : City Controller

Bus Area No. : 6000

Audit

Description:

Performs audits and projects focused on risk assessment, contract compliance, performance and efficiency, process reviews, ongoing monitoring, and consideration of fraud, waste or abuse.

Goal:

Execute the Audit plan by the end of the fiscal year. Increase the number of short and long-term audits. Assess efficiency, effectiveness and ensure compliance and accountability of City of Houston departments and programs. Enhance transparency and ensure the public trust.

Mayor's Priority: Government that Works

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	0	1,706	0	2,101	0	2,667

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	9.9	0.0	15.1	0.0	14.2	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Average number of engagements completed by each FTE	N/A	2.75	2.75	N/A
Average number of findings per Quality Review report	N/A	N/A	N/A	2
Dollar amount of cost/revenue opportunities identified	N/A	$1.6M	$6.0M	$2.6M
Maximum business days to issue the report after completion of field work	N/A	N/A	N/A	45
Maximum business days to take appropriate action related to fraud, waste, and abuse hotline reports	1	1	1	N/A
Percentage of findings and recommendations agreed to by the auditee (does not include non-response findings.)	N/A	80%	80%	80%

Business Area Program Detail

Business Area : City Controller

Bus Area No. : 6000

Executive Oversight

Description:

Sets policy for the City Controller's Office; increases accountability by holding City government to the highest standards of integrity and efficiency, and by working to eliminate fraud, waste, and abuse; serves as the independent financial voice for the City of Houston; increases transparency by putting important information about the City's finances, operations, and services at the fingertips of every Houstonian in a language and format they can understand; and brings new ideas and best practices to every City department so that critical services can be delivered to Houstonians at the high standard we all deserve.

Goal:

Through increased accountability, transparency, and innovation, advance a solutions-oriented dialogue on how to enhance service delivery and quality of life for all Houstonians while charting a path toward fiscal sustainability.

Mayor's Priority: Government that Works

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	0	893	0	1,182	0	1,145

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	4.0	0.0	6.5	0.0	7.0	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Annual external newsletter distribution	N/A	4	4	4
Annual website visitors	N/A	70,000	70,000	70,000
Community events hosted	N/A	7	7	7
Community events participation	N/A	N/A	N/A	80
Median response time to media inquiries	N/A	3 hrs	3 hrs	N/A
Median response time to public inquiries	N/A	1 business day	1 business day	N/A

Business Area Program Detail

Business Area : City Controller

Bus Area No. : 6000

Financial Reporting

Description:

Dedicated to promoting transparency, integrity, and accountability in the city's financial reporting operations. By providing accurate, timely, and comprehensive financial reports, we equip stakeholders with essential information to make informed decisions and uphold responsible stewardship of public resources for the benefit of all residents.

Goal:

To consistently achieve and uphold the highest standards of accuracy in our Annual Comprehensive Financial Report (ACFR), Popular Annual Financial Report (PAFR) Monthly Financial Reports, and comprehensive financial analysis, ensuring that all financial data and insights provided are reliable, transparent, and reflective of the City of Houston's fiscal position and performance.

Mayor's Priority: Government that Works

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	0	1,545	0	1,914	0	1,910

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	9.8	0.0	8.6	0.0	9.5	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Number of audit findings related to the ACFR	0	0	0	N/A
Number of days to complete the ACFR once the soft period closes	N/A	80	79	N/A
Number of insights reports	N/A	N/A	N/A	4
Variance of sales tax forecast from actual	N/A	N/A	N/A	2.0%
Expenditures Adopted Budget vs Actual Utilization	98%	98%	103%	98%

Business Area Program Detail

Business Area : City Controller

Bus Area No. : 6000

Operations

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

Goal:

Improve efficiency in processing invoices, certifying contracts, and handling all financial transactions to reduce turnaround time. Ensure the timely completion of all human resources and purchasing functions for the City Controller's Office.

Mayor's Priority: Government that Works

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	0	3,394	0	3,598	0	3,648

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	21.0	0.0	20.9	0.0	21.4	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Early payment discounts secured	$3,034,357	$951,220	$2,000,000	$2,000,000
Maximum business days to prepare purchase orders and requisitions after request	N/A	5	5	N/A
Number of paper checks remitted	39,291	32,210	35,000	32,210
Number of unclaimed funds captured	N/A	N/A	N/A	30
Percent of contracts routed within 3 days of receipt	100%	100%	100%	N/A
Percent of ordinance certification processes completed prior to relevant City Council date	100%	100%	100%	100%
Received invoices paid within one week	N/A	N/A	N/A	100%

Business Area Program Detail

Business Area : City Controller

Bus Area No. : 6000

Treasury

Description:

Manages the entire City investment portfolio related to the three accounts General Pool, Tax Exempt, and HUD Section 108. Ensures that all investments comply with the Texas Public Fund Investment Act. Responsible for the entire City debt portfolio (manages the City's commercial paper program. system), consisting of each City credit Airport, Convention & Entertainment, Combined Utility, and General Obligation. Manages the City's depository banking system.

Goal:

Ensure that the City's investments follow the four pillars safety, liquidity, return, and legal requirements. Ensure that each debt managed generates present value savings according to the financial policies. Support the payment of all debt service.

Mayor's Priority: Government that Works

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	0	1,285	0	1,479	0	1,608

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	6.8	0.0	7.6	0.0	7.6	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
City's investment portfolio credit rating maintained with Fitch Ratings	AAAf	AAAf	AAAf	AAAf
City's total return on investment over the Merrill Lynch Custom Benchmark (which consists of Treasury, T-Bill, and Agency)	N/A	5 basis points	5 basis points	5 basis points
Maintain healthy cash balance	N/A	N/A	$11M-$13M	$10M-$14M
Percent of City debt service paid on a timely basis	100%	100%	100%	100%
Weighted average interest rate of all City's letter of credit commercial paper draws	N/A	< 5%	< 5%	< 5%

Business Area Program Detail

Business Area : City Controller
Bus Area No. : 6000

Debt Service and Interfund Transfers

Description:

Budget allocations included in this section reflect debt service payments and/or interfund transfers.

Goal:

To effectively manage debt service payments and interfund transfers.

Mayor's Priority: Government that Works

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	0	0	0	587	0	0