

## 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. We will achieve the mission in the next three years by meeting strategic objectives and achieving goals.

The Finance Department's strategic objectives are to:

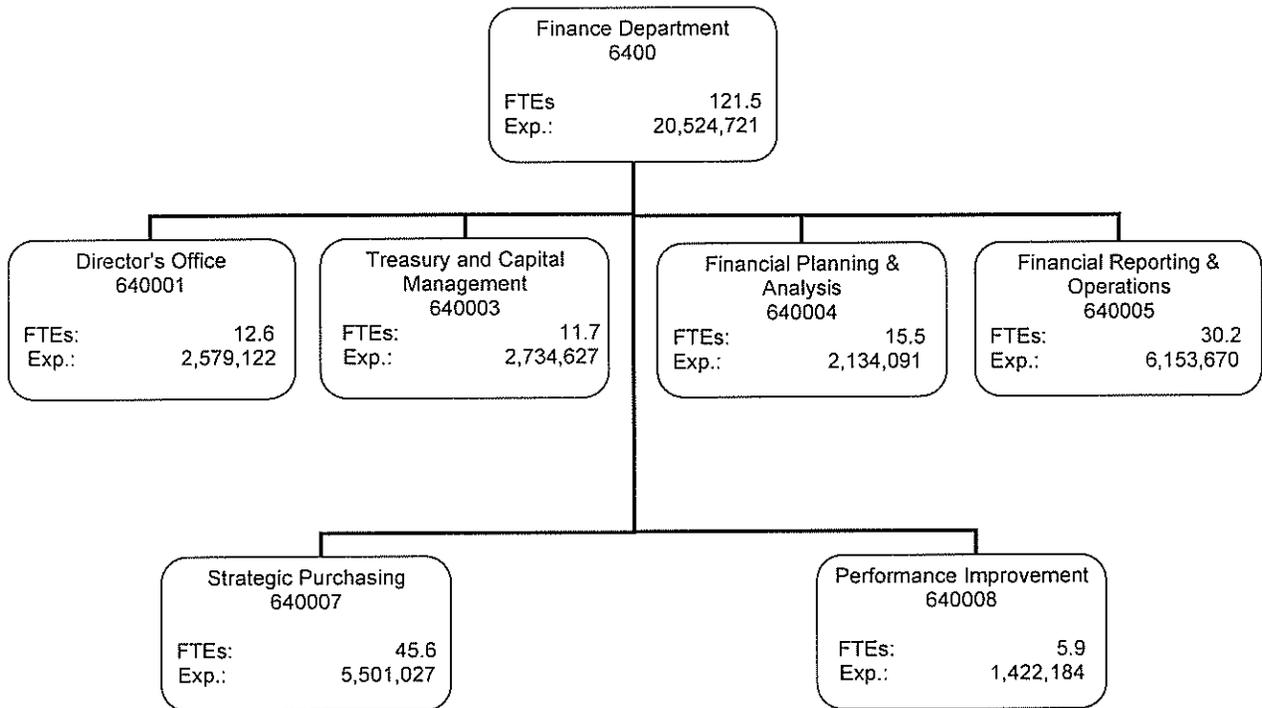
- Promote fiscal responsibility
- Provide high-quality financial services and information to the Mayor's Office, City Council, City departments and citizens
- Improve process execution internally and citywide
- Engage staff and provide them the resources they need to get the job done

Three year goals include:

- Promote fiscal responsibility
  - Encourage and enable compliance with the City's Financial Policies
  - Optimize acquisition, maintenance and usage of the City's capital assets: facilities, fleet, equipment, and information technology
  - Ensure full cost recovery of General Fund dollars
  - Increase collection rates on accounts receivable
  - Achieve zero findings in annual external audit of the City
  - Receive Texas Comptroller's Gold Certificate Leadership Circle Award for Financial Transparency
- Provide high-quality financial services and information to the Mayor's Office, City Council, City departments and citizens
  - Develop fiscally sustainable 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
  - Ensure City Council access to high-quality administrative services, and timely and helpful information in support of their role as elected officials
  - Produce meaningful and useful strategy, planning, budgeting, reporting, and administrative support according to 95% of council members, staff, and members of the Mayor's administration
- Improve process execution internally and citywide
  - Document controls, written procedures, instruction manuals, training curriculum, and metrics/goals for all 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
  - Develop and maintain City goals, initiatives and performance measures in one system used to guide financial and business decisions in every department
  - Promote and advance the Lean Six Sigma process improvement program such that every City department is in a mode of continuous improvement
  - Identify and achieve savings through procurement, active cost management and business process improvements

- Engage staff and provide them the resources they need to get the job done
  - Expand employee opportunities to develop professionally and advance in responsibility and compensation
  - Provide staff the resources and/or time such that 75% of our employees have certification specific to their area of expertise or a post-graduate degree
  - Establish baseline scores for finance staff employee engagement and have these scores show significant improvement
  - Provide employees and managers with constructive 360 degree performance assessments to assist in professional development

## Department Organization





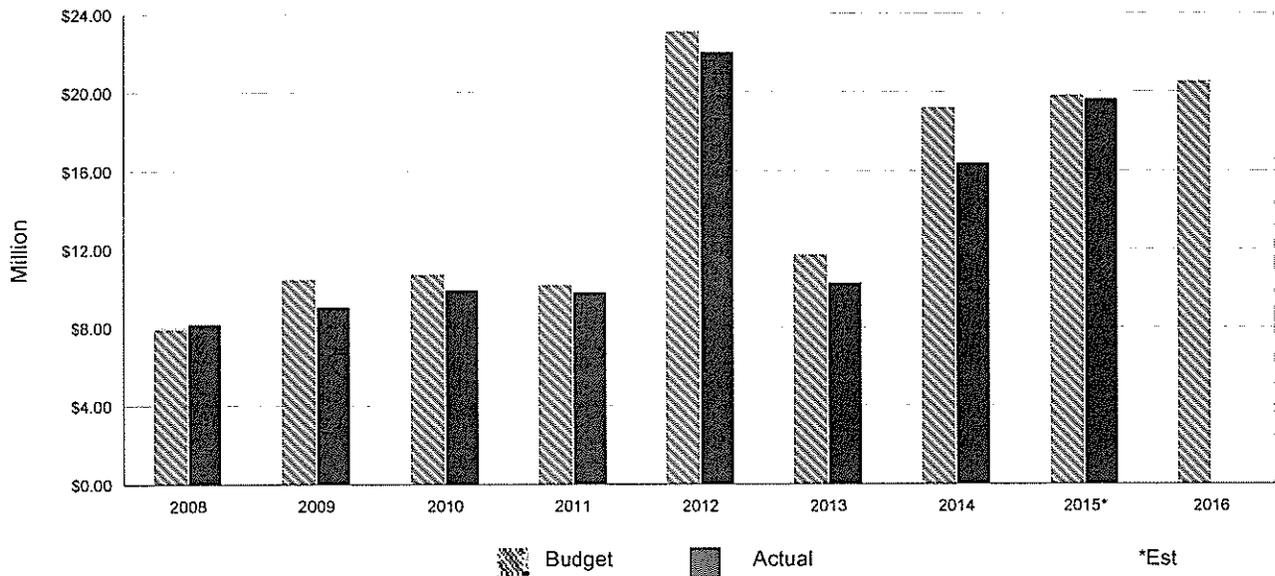
**FISCAL YEAR 2016 BUDGET**

**Business Area Budget Summary**

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

		FY2014 Actual	FY2015 Current Budget	FY2015 Estimate	FY2016 Budget
Expenditures	Personnel Services	10,892,489	13,168,757	12,933,552	14,257,662
	Supplies	123,490	93,451	96,416	93,407
	Other Services and Charges	5,371,818	6,539,221	6,600,261	6,173,652
	Equipment	0	2,928	2,928	0
	Total M & O Expenditures	16,387,797	19,804,357	19,633,157	20,524,721
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	16,387,797	19,804,357	19,633,157	20,524,721
Revenues		1,626,071,966	1,752,830,448	1,772,608,279	1,823,238,681
Staffing	Full-Time Equivalents - Civilian	106.5	117.9	113.3	121.5
	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	106.5	117.9	113.3	121.5
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	o The FY2016 Budget provides funding for health benefits and pension contribution. o The FY2016 Budget continues to include the citywide Enterprise Risk Management (ERM) process to evaluate Internal Controls and Process Documentation for various departments in the City.				

**Finance Department  
Current Budget vs Actual Expenditures**



**FISCAL YEAR 2016 BUDGET**

<b>Business Area Performance Measures</b>					
Fund Name : General Fund					
Business Area : Finance Department					
Fund No. /Bus. Area No. : 1000 / 6400					
<b>Performance Measure</b>	<b>Priority</b>	<b>FY2014 Actual</b>	<b>FY2015 Budget</b>	<b>FY2015 Estimate</b>	<b>FY2016 Budget</b>
Average Days from Purchase Requisition to Purchase Order	F	7	10	7	10
Average Days to Procurement (MOU to Council Award)	F	92	130	122	130
Average Weighted General Obligation Debt Maturity (years)	F	8.6	12.0	8.5	12.0
CIP Plan vs Appropriation	F	N/A	100%	77%	100%
City Contracts with Negotiated Early Payment Discounts	F	0%	2%	1%	5%
Citywide Employees Trained in Lean Six Sigma	F	750	1,200	1,450	1,800
Compliance Rate with City Financial Policies	F	N/A	N/A	N/A	100%
Cost Allocation Plan vs Actual Indirect Cost Rate Recovery to the General Fund	F	95%	95%	95%	95%
Debt Service Expenditures as % of General Fund Revenues	F	12%	20%	12%	20%
Executive Insight Savings Citywide	F	N/A	\$5.0M	\$3.2M	\$5.1M
General Fund Expenditures Budget vs Actual Utilization	F	99%	78%	100%	98%
General Fund Revenues Budget vs Actual Utilization	F	102%	100%	103%	100%
Procurement Cost Savings Identified/Negotiated	F	N/A	\$10.0M	\$28.8M	10.0M
Procurement Projects vs. Procurement Plan	F	N/A	N/A	N/A	100%
Unassigned Fund Balance as % of General Fund Expenditures less Debt Service	F	12.2%	7.5%	12.1%	7.5%
Variance of Monthly Sales Tax Revenue Forecast to Actual (benchmark: 3 yr avg = 4.5%)	F	0.1%	4.0%	3.4%	4.0%
Variance of Property Tax Collection Rate Forecast to Actual	F	1%	1%	1%	1%
Expenditures Budget vs Actual Utilization	F	85%	98%	99%	98%
Revenues Budget vs Actual Utilization	F	102%	100%	101%	100%
<p>Mayor's Five Priorities:    Jobs and Sustainable Development (J)                      Public Safety (P)                      Infrastructure (I)</p> <p>   Fiscal Responsibility (F)    Quality of Life (Q)</p>					

**FISCAL YEAR 2016 BUDGET**

Division Summary						
Fund Name : General Fund						
Business Area : Finance Department						
Fund No. /Bus Area No. : 1000 / 6400						
Division Description	FY2014 Actual		FY2015 Estimate		FY2016 Budget	
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$
<b>Director's Office</b> <span style="float:right">640001</span> 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.	15.9	2,256,540	13.9	2,722,414	12.6	2,579,122
<b>Treasury and Capital Management</b> <span style="float:right">640003</span> The division serves the citizens of Houston by providing cost-efficient debt management services, managing the City's Capital Improvement Plan, monitoring the General Government capital budget and spending, managing City revenues, forecast and model tax revenues, and ensure compliance with the Truth in Taxation requirements.	8.5	2,176,143	10.8	2,597,103	11.7	2,734,627
<b>Financial Planning &amp; Analysis</b> <span style="float:right">640004</span> The primary responsibility of this division is to develop and manage the City's Operating Budget and the Five Year Plan. Provide effective financial planning to promote fiscal responsibility and financial health to the City of Houston.	12.2	1,552,498	13.3	1,819,100	15.5	2,134,091
<b>Financial Reporting &amp; Operations</b> <span style="float:right">640005</span> The division is responsible for citywide oversight and monitoring of accounting, fixed assets, grants, cost accounting, accounts receivable and collections of general fund revenue streams, internal controls, and Enterprise Risk Management (ERM) process including updating financial and accounting policies and procedures. Coordinates the Comprehensive Annual Financial Report (CAFR) and Single Audit Report (SAR) for the administration.	25.7	5,206,939	27.5	6,164,213	30.2	6,153,670
<b>Strategic Purchasing</b> <span style="float:right">640007</span> 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.	39.8	4,214,780	41.9	4,957,981	45.6	5,501,027

**FISCAL YEAR 2016 BUDGET**

Division Summary							
Fund Name : General Fund							
Business Area : Finance Department							
Fund No. /Bus Area No. : 1000 / 6400							
Division Description	FY2014 Actual		FY2015 Estimate		FY2016 Budget		
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$	
Performance Improvement <span style="float:right">640008</span> Leads financial and operational performance improvement projects to increase revenues, optimize expenditures, and improve operational effectiveness.	4.4	980,897	5.9	1,372,346	5.9	1,422,184	
<b>Total</b>	<u>106.5</u>	<u>16,387,797</u>	<u>113.3</u>	<u>19,633,157</u>	<u>121.5</u>	<u>20,524,721</u>	

**FISCAL YEAR 2016 BUDGET**

**Business Area Roster Summary**

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

<b>Job Description</b>	<b>Pay Grade</b>	<b>FY2015 Current Budget FTE</b>	<b>FY2016 Budget FTE</b>	<b>Change</b>
ACCOUNT CLERK	10	1.0	1.0	0.0
ACCOUNTANT ASSOCIATE	14	0.0	1.0	1.0
ADMINISTRATION MANAGER	26	1.0	1.0	0.0
ADMINISTRATIVE AIDE	10	1.0	0.0	(1.0)
ADMINISTRATIVE ASSISTANT	17	5.0	4.0	(1.0)
ADMINISTRATIVE ASSOCIATE	13	2.0	2.0	0.0
ADMINISTRATIVE COORDINATOR	24	4.0	5.0	1.0
ADMINISTRATIVE SPECIALIST	20	7.0	6.0	(1.0)
ADMINISTRATIVE SUPERVISOR	22	1.0	1.0	0.0
ASSISTANT CHIEF POLICY OFFICER (EXEC)	32	0.0	1.0	1.0
ASSISTANT DIRECTOR (EXEC)	32	1.0	2.0	1.0
AUDITOR MANAGER	28	2.0	1.0	(1.0)
AUDITOR SUPERVISOR	25	1.0	1.0	0.0
CHIEF PROCUREMENT OFFICER (EXEC)	36	0.0	1.0	1.0
CONTRACT ADMINISTRATOR	22	1.0	1.0	0.0
DEPUTY ASSISTANT DIRECTOR (EXEC)	30	9.0	9.0	0.0
DEPUTY DIRECTOR (EXEC)	34	1.0	1.0	0.0
DEPUTY DIRECTOR-FINANCE/ADMIN.	36	3.0	2.0	(1.0)
DIVISION MANAGER	29	11.0	11.0	0.0
FINANCE DIRECTOR	37	1.0	1.0	0.0
FINANCIAL ANALYST I	15	0.0	1.0	1.0
FINANCIAL ANALYST II	18	1.0	2.0	1.0
FINANCIAL ANALYST III	21	4.0	5.0	1.0
FINANCIAL ANALYST IV	25	15.0	15.0	0.0
MANAGEMENT ANALYST I	15	1.0	0.0	(1.0)
MANAGEMENT ANALYST II	18	2.0	1.0	(1.0)
MANAGEMENT ANALYST IV	25	3.0	2.0	(1.0)
MANAGEMENT INTERN	11	1.0	0.0	(1.0)
PROCUREMENT SPECIALIST	24	8.0	8.0	0.0
PURCHASING MANAGER	27	2.0	3.0	1.0
SENIOR AUDITOR	21	2.0	3.0	1.0
SENIOR BUYER	22	3.0	2.0	(1.0)
SENIOR PROCUREMENT SPECIALIST	27	11.0	11.0	0.0
SENIOR STAFF ANALYST	28	10.8	12.0	1.2
STAFF ANALYST	26	6.0	7.0	1.0
SYSTEMS CONSULTANT	26	1.0	1.0	0.0
<b>Total FTEs</b>		<b>122.8</b>	<b>125.0</b>	<b>2.2</b>
<b>Less Adjustment for Civilian Vacancy Factor</b>		<b>4.9</b>	<b>3.5</b>	<b>(1.4)</b>
<b>Full-Time Equivalent</b>		<b>117.9</b>	<b>121.5</b>	<b>3.6</b>

**FISCAL YEAR 2016 BUDGET**

**Business Area Revenue Summary**

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

Commit Item	Description	FY2015 Current Budget	FY2015 Estimate	FY2016 Budget
<b>6400030001</b>	<b>Capital Management</b>			
424110	Other Interfund Services	10,000	10,000	8,400
<b>6400070001</b>	<b>Strategic Procurement</b>			
452030	Miscellaneous Revenue	276,500	243,128	225,000
<b>6400090002</b>	<b>Accounts Receivable &amp; Collections</b>			
426330	Miscellaneous Copies Fees	0	181	0
428030	Release of Liens	24,000	24,000	25,000
428080	Returned Check Charges	100	100	300
428100	Interest on Liens-COH	60,000	48,609	45,000
434150	Streets & Bridges Assessments	59,300	91,962	60,000
<b>6400090003</b>	<b>Treasury</b>			
411020	Current Property Tax	978,268,258	980,778,026	1,014,162,334
411030	Current Year Delinquent Property Tax	63,861,740	69,192,230	72,528,149
411040	Delinquent Property Tax - Prior Years	738,164	713,826	715,996
411041	Prior Year Delinquent Property Tax-2014	0	0	4,534,966
411160	Prior Year Delinquent Property Tax-2003	19,467	17,289	0
411170	Prior Year Delinquent Property Tax-2004	166,312	149,107	56,295
411171	Prior Year Delinquent Property Tax-2005	164,630	152,395	149,560
411172	Prior Year Delinquent Property Tax-2006	201,489	212,637	152,859
411173	Prior Year Delinquent Property Tax-2007	284,130	111,777	213,284
411174	Prior Year Delinquent Property Tax-2008	319,846	458,645	112,117
411175	Prior Year Delinquent Property Tax-2009	625,825	936,712	460,039
411176	Prior Year Delinquent Property Tax-2010	1,215,343	1,134,065	939,560
411177	Prior Year Delinquent Property Tax-2011	2,109,478	1,507,189	1,137,512
411178	Prior Year Delinquent Property Tax-2012	3,056,929	2,294,491	1,511,770
411179	Prior Year Delinquent Property Tax-2013	4,806,387	4,519,702	2,302,348
411180	Current Delinquent - P & I	5,312,828	4,694,005	5,005,071
411190	Penalty&Interest-Delinq. Property Tax	6,687,172	7,305,995	7,790,153
411210	Property Tax Rebates	(500,000)	(627,325)	(524,013)
412010	Sales Tax	666,968,000	676,666,000	688,837,000
413010	Mixed Beverage Tax	13,977,900	15,600,760	16,397,311
414010	Bingo Tax	190,000	214,500	281,670
428060	Other Interest Income	11,000	11,000	11,000
432010	Interest on Pooled Investments	2,400,000	3,000,000	3,000,000
452020	Recoveries & Refunds	50,000	0	50,000
452030	Miscellaneous Revenue	1,000,000	1,000,000	1,000,000
452040	Payment in Lieu of Taxes	0	1,997,273	2,000,000
<b>6400090005</b>	<b>DARLEP</b>			
428095	Red Light Enforcement	465,000	150,000	50,000
432010	Interest on Pooled Investments	650	0	0
<b>Total</b>	<b>Finance Department</b>	<b>1,752,830,448</b>	<b>1,772,608,279</b>	<b>1,823,238,681</b>

**FISCAL YEAR 2016 BUDGET**

**Business Area Expenditure Summary**

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

Commit Item	Description	FY2014 Actual	FY2015 Current Budget	FY2015 Estimate	FY2016 Budget
500010	Salary Base Pay - Civilian	7,518,868	9,175,533	8,894,077	9,767,996
500030	Salary Part Time - Civilian	30,088	0	0	0
500060	Overtime - Civilian	101	0	0	0
500110	Bilingual Pay - Civilian	713	907	907	907
501050	Employee Awards	4,533	2,700	2,700	2,700
501060	Moving Expenses	1,189	0	0	0
501070	Pension - Civilian	1,758,147	2,337,133	2,256,876	2,672,515
501120	Termination Pay - Civilian	128,916	19,018	142,003	97,668
502010	FICA - Civilian	556,816	689,240	664,057	724,676
503010	Health Ins-Act Civilian	827,786	885,282	885,282	901,901
503015	Basic Life Insurance - Active Civilian	4,351	5,234	5,085	5,703
503060	Long Term Disability-Civilian	8,132	10,046	9,385	10,335
503090	Workers Compensation-Civilian-Admin	21,227	31,158	30,155	35,850
503100	Workers Compensation-Civilian-Claim	27,313	7,695	32,766	32,600
504030	Unemployment Claims - Administration	4,309	4,811	10,259	4,811
<b>Total</b>	<b>Personnel Services</b>	<b>10,892,489</b>	<b>13,168,757</b>	<b>12,933,552</b>	<b>14,257,662</b>
511040	Audiovisual Supplies	890	9,125	9,242	6,717
511045	Computer Supplies	44,056	15,107	14,270	13,529
511050	Paper & Printing Supplies	0	7,842	7,842	7,842
511055	Publications & Printed Materials	994	2,449	1,949	1,558
511060	Postage	21,714	5,750	4,750	4,688
511070	Miscellaneous Office Supplies	40,394	42,852	49,111	50,068
511110	Fuel	113	202	202	205
511115	Vehicle Repair & Maintenance Supplies	0	200	0	0
511125	Food Supplies	1,220	1,300	1,500	1,350
511150	Miscellaneous Parts & Supplies	14,109	8,624	7,550	7,450
<b>Total</b>	<b>Supplies</b>	<b>123,490</b>	<b>93,451</b>	<b>96,416</b>	<b>93,407</b>
520100	Temporary Personnel Services	245,369	242,503	242,531	77,402
520105	Accounting & Auditing Services	1,802,050	1,138,690	1,138,900	1,236,900
520108	Information Resource Services	182	151	151	151
520109	Medical Dental & Laboratory Services	949	500	500	500
520110	Management Consulting Services	817,978	1,575,388	1,655,118	1,655,912
520112	Banking Services	1,704	1,300	1,764	1,764
520114	Miscellaneous Support Services	8,766	20,420	21,000	21,000
520119	Computer Eq/SW Mnt	38,897	61,568	68,206	116,106
520120	Communications Equipment Services	1,352	2,618	2,618	2,611
520121	IT Application Svcs	119,573	175,344	175,344	181,401
520136	Billing & Collection Services	1,100,515	1,280,677	1,280,677	1,249,474
520139	Motor Pool Charges	0	550	0	0
520149	Internship Program	4,000	0	0	0
520157	Computer Software Maintenance Services	46,887	74,020	74,020	47,020
520510	Mail/Delivery Services	208	450	461	487
520515	Print Shop Services	30,245	47,181	25,836	25,829
520520	Printing & Reproduction Services	0	1,876	1,876	1,876
520605	Advertising Services	70,495	71,300	71,000	71,000
520705	Insurance Fees	2,265	9,178	9,178	6,419
520725	Assessments - Other Governments	0	7,679	0	0

**FISCAL YEAR 2016 BUDGET**

**Business Area Expenditure Summary**

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

Commit Item	Description	FY2014 Actual	FY2015 Current Budget	FY2015 Estimate	FY2016 Budget
520765	Membership & Professional Fees	10,763	11,067	11,067	10,827
520805	Education & Training	56,762	191,777	191,486	193,798
520905	Travel - Training Related	17,347	30,497	33,297	33,047
520910	Travel - Non-Training Related	4,542	10,000	6,400	6,400
521405	Building Maintenance Services	0	700	700	700
521605	Data Services	29,227	49,751	49,751	40,654
521610	Voice Services	7,286	8,185	8,185	7,141
521620	Voice Equipment	5,757	890	890	268
521625	Voice Labor	1,188	1,129	1,129	1,739
521630	GIS Revolving Fund Services	9,597	35,271	35,321	6,399
521635	Voice Services -Wireless	8,909	12,572	12,572	5,802
521715	Office Equipment Rental	36,484	44,232	33,732	15,732
521730	Parking Space Rental	43,102	35,000	37,253	37,253
521735	Hobby Parking Space Rental	28,406	33,424	44,888	44,888
522430	Misc Othr Svcs & Chrg	92,273	71,574	72,651	73,150
522620	Claims & Judgments	0	310,000	310,000	0
522721	Interfund HR Client Services	146,214	205,344	205,344	222,486
522722	KRONOS Service Chargeback	4,532	4,922	4,922	5,994
522795	Other Interfund Services	577,728	771,022	771,022	771,022
522845	Interfund Vehicle Services	266	471	471	500
<b>Total</b>	<b>Other Services and Charges</b>	<b>5,371,818</b>	<b>6,539,221</b>	<b>6,600,261</b>	<b>6,173,652</b>
560810	Cap Exp-Controlled Equipment	0	2,928	2,928	0
<b>Total</b>	<b>Equipment</b>	<b>0</b>	<b>2,928</b>	<b>2,928</b>	<b>0</b>
<b>Grand Total Expenditures</b>		<b>16,387,797</b>	<b>19,804,357</b>	<b>19,633,157</b>	<b>20,524,721</b>