

## Connecting Budget to Strategy

The FY2017 Budget represents a significant step towards a more proactive approach to governance at the City, focused on influencing the future rather than adapting to it. In September 2015, City Council adopted Plan Houston, the City's first General Plan, which outlines a vision for Houston's future and identifies the policies, plans and programs that represent the City's long-term priorities for achieving the vision. Under Mayor Turner's leadership, the City is redesigning its budget to better align the City's resources towards that vision and ensure greater transparency and accountability in the process.

### The Vision:

Houston offers opportunity for all and celebrates its diversity of people, economy, culture, and places. Houston promotes healthy and resilient communities through smart civic investments, dynamic partnerships, education, and innovation. Houston is the place where anyone can prosper and feel at home.

**Houston: Opportunity. Diversity. Community. Home.**

### Core Strategies:

In order to accomplish this vision, the Plan outlines 12 core strategies:

|   |   |                                |                                   |
|---|---|--------------------------------|-----------------------------------|
| Spend money wisely                      | Connect people and places                 | Protect and conserve resources | Grow responsibly                  |
| Support our global economy              | Communicate clearly and with transparency | Sustain quality infrastructure | Champion learning                 |
| Partner with others, public and private | Nurture safe and healthy neighborhoods    | Foster an affordable city      | Celebrate what's uniquely Houston |

### Implementation:

The Plan was developed with the input of local community leaders and residents, and is being integrated into the City's organization to enable implementation. Upon taking office in January 2016, the new administration set forth a budgeting framework that moves the City from an incremental budgeting approach to a more strategic program performance-based approach, in order to better align resources with the needs of the City. Executive Order 1-53, issued in January, calls for a series of new policies and procedures to improve the City's financial and performance management. These include an increased emphasis on outcomes in budget decision-making (program- or performance-based budgeting), greater scrutiny of spending proposals, long-range financial planning, greater focus on goal-setting and monitoring of progress toward those goals, and more transparency with regard to communication on fiscal matters. An administrative policy explicating these high-level commitments is to be released by the end of Spring 2016.

The FY2017 Budget reflects elements of this new approach, which is to be fully implemented by the FY2018 Budget; a redesign of the City's budget development and management processes is already underway and will be completed in time for use in developing the FY2018 Proposed Budget.

**FY2017 Key Initiatives:**

In FY2017, the Mayor has set forth priorities and initiatives that advance the core strategies defined in Plan Houston. These include:

| <b>Initiative</b>                                 | <b>Description</b>  | <b>Primary Core Strategy*</b>          |
|---|---|--|
| <b>Drainage and Flood Prevention</b>              | Develop and implement long-term solutions to improve flood response and prevention                                      | Sustain quality infrastructure         |
| <b>Development of a long-range financial plan</b> | Focus on achieving annual budgets that are structurally balanced and clearly aligned to City goals                      | Spend money wisely                     |
| <b>Complete Communities</b>                       | Create attractive, inclusive, efficient, healthy and resilient neighborhoods that improve quality of life for residents | Nurture safe and healthy neighborhoods |
| <b>Comprehensive Mobility Planning</b>            | Continue development of the City's Complete Streets and Transportation Plan with regional partners                      | Connect people and places              |
| <b>Economic Development Plan</b>                  | Create economic opportunity districts to revitalize neighborhoods, grow private investment and support jobs             | Support our global economy             |
| <b>Tourism Plan</b>                               | Coordinate with Houston First and local partners to implement the first Visit Houston Tourism Plan                      | Support our global economy             |
| <b>Street Repairs</b>                             | Continue to assess and repair potholes by the next business day and address long-term street repair needs               | Sustain quality infrastructure         |
| <b>Partners in Safety</b>                         | Increase police presence and collaborate with communities and law enforcement agencies to improve public safety         | Nurture safe and healthy neighborhoods |
| <b>Turnaround Houston</b>                         | Remove barriers to employment by offering resources to residents in Houston's low income, high crime areas              | Nurture safe and healthy neighborhoods |

\*Initiatives encompass multiple core strategies. For brevity, these initiatives show linkage to the primary core strategy only.

## Citywide Performance Measures

Departmental Performance Measures are included within the Citywide Performance Measures. Citywide Performance Measures are broken into four categories of metrics: Customer, Business Process, People and Technology, and Financial Measures. Citywide Performance Measures will be improved as part of the Mayor's Executive Order 1-53, which should be fully-implemented by FY2018.

Measures are in alphabetical-order or grouped by similarity:

| <b>Customer Measures</b>                              | <b>FY2015 Actual</b> | <b>FY2016 Budget</b> | <b>FY2016 Estimate</b> | <b>FY2017 Budget</b> |
|---|----------------------|----------------------|------------------------|----------------------|
| 311 Call Wait Time (seconds)                          | 73                   | 75                   | 96                     | 90                   |
| 911 Emergency Calls Answered within 10 Seconds        | 98%                  | 90%                  | 97%                    | 90%                  |
| Average Days from Blight Request to Inspection        | 18                   | 10                   | 10                     | 10                   |
| Average Job Applications per City Job Posting         | N/A                  | 75                   | 80                     | 80                   |
| BARC Live Release Rate                                | 57%                  | 53%                  | 78%                    | 68%                  |
| EMS Response Time (minutes)                           | 7.3                  | 7.1                  | 7.4                    | 7.3                  |
| Fire Response Time (minutes)                          | 7.3                  | 7.4                  | 7.3                    | 7.3                  |
| Houston Metropolitan Area Employment Rate             | 95.5%                | 95.0%                | 95.3%                  | 95.0%                |
| Police Priority 1 Calls Responded to within 5 Minutes | 60.2%                | 65.5%                | 59.4%                  | 65.5%                |
| Police UCR Part 1 Crimes per 100,000                  | 6,005                | 6,118                | 5,945                  | 5,945                |
| Potholes Filled by Next Business Day                  | N/A                  | N/A                  | 95%                    | 95%                  |
| Solid Waste Diversion Rate (% of total tonnage)       | 30%                  | 30%                  | 30%                    | 30%                  |

| <b>Business Process Measures</b>            | <b>FY2015 Actual</b> | <b>FY2016 Budget</b> | <b>FY2016 Estimate</b> | <b>FY2017 Budget</b> |
|---|----------------------|----------------------|------------------------|----------------------|
| BARC Spay and Neuter Procedures Completed   | 8,859                | 10,694               | 18,000                 | 15,000               |
| Commercial Plan Reviews Completed           | 19,192               | 19,900               | 19,840                 | 19,900               |
| Dangerous Buildings Demolished              | 533                  | 425                  | 425                    | 425                  |
| Food Facility Inspections Completed On Time | 100%                 | 100%                 | 100%                   | 100%                 |
| Library Total Circulation                   | 4.3M                 | 4.5M                 | 5.5M                   | 5.5M                 |
| Municipal Courts Caseload Disposition Rate  | 125%                 | 100%                 | 103%                   | 100%                 |
| Parking Citations Issued                    | 199,939              | 200,000              | 200,000                | 200,000              |
| Parks Grounds Maintenance Cycle (Days)      | 20                   | 21                   | 21                     | 21                   |
| Pothole Repairs Completed                   | 51,800               | 48,000               | 64,000                 | 52,000               |
| Residential Plan Reviews Completed          | 13,858               | 14,400               | 11,484                 | 11,500               |
| Solid Waste Tonnage Collected               | 628,978              | 623,166              | 611,676                | 674,719              |
| Water Gallons Delivered                     | 157M                 | 172M                 | 168M                   | 164M                 |
| Waste Water Gallons Collected and Treated   | 94M                  | 81M                  | 83M                    | 83M                  |

## Citywide Performance Measures

| <b>People and Technology Measures</b>               | <b>FY2015 Actual</b> | <b>FY2016 Budget</b> | <b>FY2016 Estimate</b> | <b>FY2017 Budget</b> |
|---|----------------------|----------------------|------------------------|----------------------|
| Civilian Full-Time Equivalents (FTEs)               | 10,074.1             | 10,863.9             | 10,376.8               | 10,774.2             |
| Classified Firefighter Full-Time Equivalents (FTEs) | 3,871.0              | 3,996.9              | 4,005.4                | 4,069.8              |
| Classified Police Full-Time Equivalents (FTEs)      | 5,172.9              | 5,249.3              | 5,149.8                | 5,250.7              |
| Civilian Attrition Rate                             | 14.0%                | 9.0%                 | 14.4%                  | 9.0%                 |
| Classified Firefighter Attrition Rate               | 3.0%                 | 3.0%                 | 2.7%                   | 3.0%                 |
| Classified Police Attrition Rate                    | 3.2%                 | 3.0%                 | 2.4%                   | 3.0%                 |
| Civilian Average Annual Base Compensation           | \$48,166             | \$48,297             | \$48,924               | \$50,377             |
| Civilian FTEs Per 1,000 Population                  | 4.5                  | 4.8                  | 4.5                    | 4.7                  |
| Classified Firefighters Per 1,000 Population        | 1.7                  | 1.7                  | 1.8                    | 1.8                  |
| Classified Police Per 1,000 Population              | 2.3                  | 2.3                  | 2.3                    | 2.3                  |
| Civilian Overtime Budget vs Actual Utilization      | 132%                 | 98%                  | 122%                   | 98%                  |
| Classified Overtime Budget vs Actual Utilization    | 102%                 | 98%                  | 104%                   | 98%                  |
| Civilian Personnel Budget vs Actual Utilization     | 93%                  | 98%                  | 95%                    | 98%                  |
| Classified Personnel Budget vs Actual Utilization   | 99%                  | 98%                  | 99%                    | 98%                  |

| <b>Financial Measures</b>                         | <b>FY2015 Actual</b> | <b>FY2016 Budget</b> | <b>FY2016 Estimate</b> | <b>FY2017 Budget</b> |
|---|----------------------|----------------------|------------------------|----------------------|
| General Fund Balance % of Expenditures            | 14.65%               | 7.70%                | 9.69%                  | 9.27%                |
| General Fund Surplus or (Deficit)                 | \$62M                | (\$84M)              | (\$91M)                | (\$10M)              |
| Expenditures Adopted Budget vs Actual Utilization | 98%                  | 98%                  | 98%                    | 98%                  |
| Revenues Adopted Budget vs Actual Utilization     | 101%                 | 100%                 | 100%                   | 100%                 |
| Expenditures Per Capita                           | \$1,831              | \$1,946              | \$1,899                | \$1,942              |
| Revenues Per Capita                               | \$1,841              | \$1,844              | \$1,838                | \$1,866              |
| MWSBE Contract Participation % - Construction     | 24%                  | 34%                  | 34%                    | 34%                  |
| Pension Payments as % of Expenditures             | 8.0%                 | 8.6%                 | 8.7%                   | 8.6%                 |
| Pension Payments Per Capita                       | \$146                | \$167                | \$165                  | \$167                |
| General Obligation Debt as % of Appraised Value   | 1.7%                 | 1.5%                 | 1.5%                   | 1.3%                 |
| Tax Supported Per Capita Debt                     | \$1,429              | \$1,332              | \$1,332                | \$1,289              |

See Appendix for Definitions of Performance Measures.