

## FINANCE

### Department Description and Mission

The Finance Department's mission is to transform the finance function citywide to that of a highly efficient, value-adding business partner that supports the City's goals and objectives. 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:

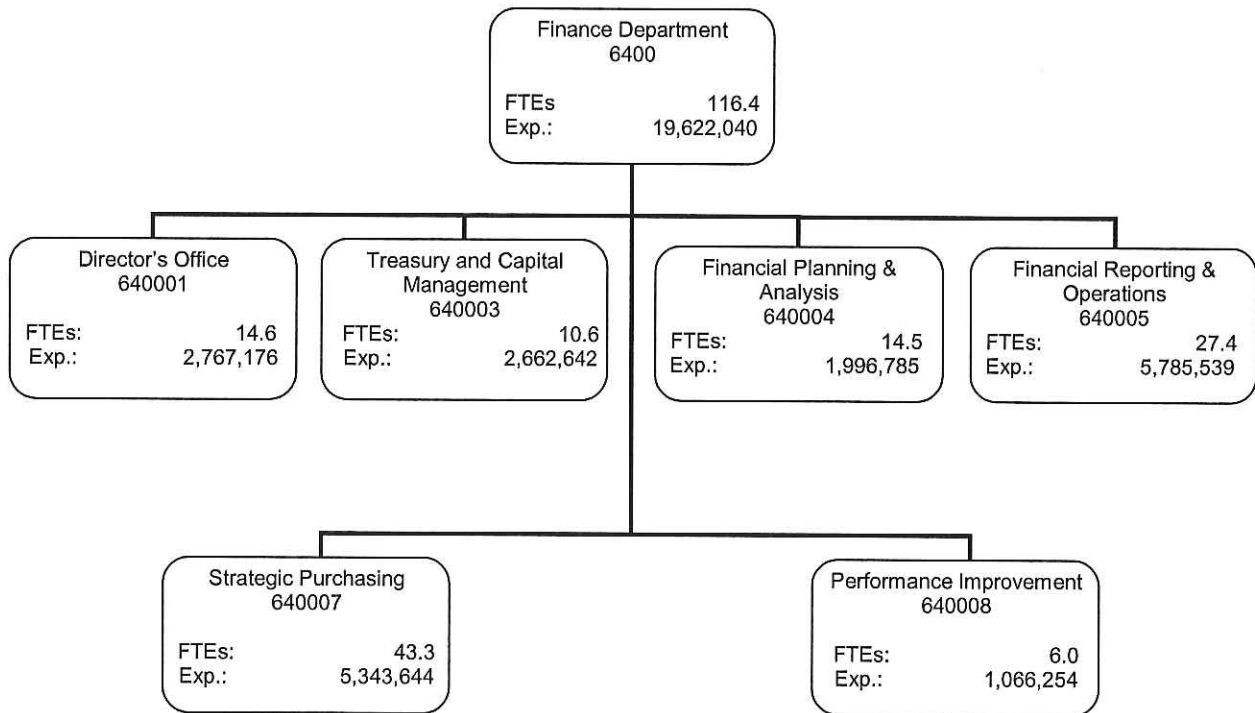
- Promote fiscal responsibility.
- Provide high-quality financial services and information to the Mayor's Office, City Council, City departments and citizens.
- Improve process execution internally and citywide.
- Engage staff and provide them the resources they need to get the job done.

Three year goals include:

- Promote fiscal responsibility
  - Implement full compliance with the City's Financial Policies.
  - Optimize acquisition, maintenance and usage of the City's capital assets: facilities, fleet, equipment, and information technology.
  - Reduce costs citywide.
  - Significantly increase grant awards.
  - Increase billings and collection rates on accounts receivable.
  - Achieve zero findings in annual external audit and grants single audit of the City.
  - Audit and implement controls for all financial processes citywide.
- Provide high-quality financial services and information to the Mayor's Office, City Council, City departments and citizens
  - Implement Mayor's executive orders and administrative polices on effective financial and performance management by improving visibility into budgets, focusing budgets and spending on outcomes, linking budgets and plans to measurable goals, improving efficiencies, eliminating waste, and increasing public participation in the budget and capital planning process.
  - Ensure City Council access to high-quality administrative services by providing timely and helpful information in support of their role as elected officials.
  - 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.
  - 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
  - Promote and advance the Lean Six Sigma process improvement program such that every City department is in a mode of continuous improvement.
  - Reduce hours required to execute financial processes citywide.
  - Reduce cycle times for delivering finance services and information.
  - Improve on-time delivery percentages for finance deliverables.
  - Improve quality of finance deliverables.

- 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.
  - Encourage cross-functional cooperation within the Finance Department and across the finance function.
  - Improve scores for finance staff employee engagement .
  - Provide employees and managers with constructive 360 degree performance assessments and coaching to assist in professional development.

## Department Organization







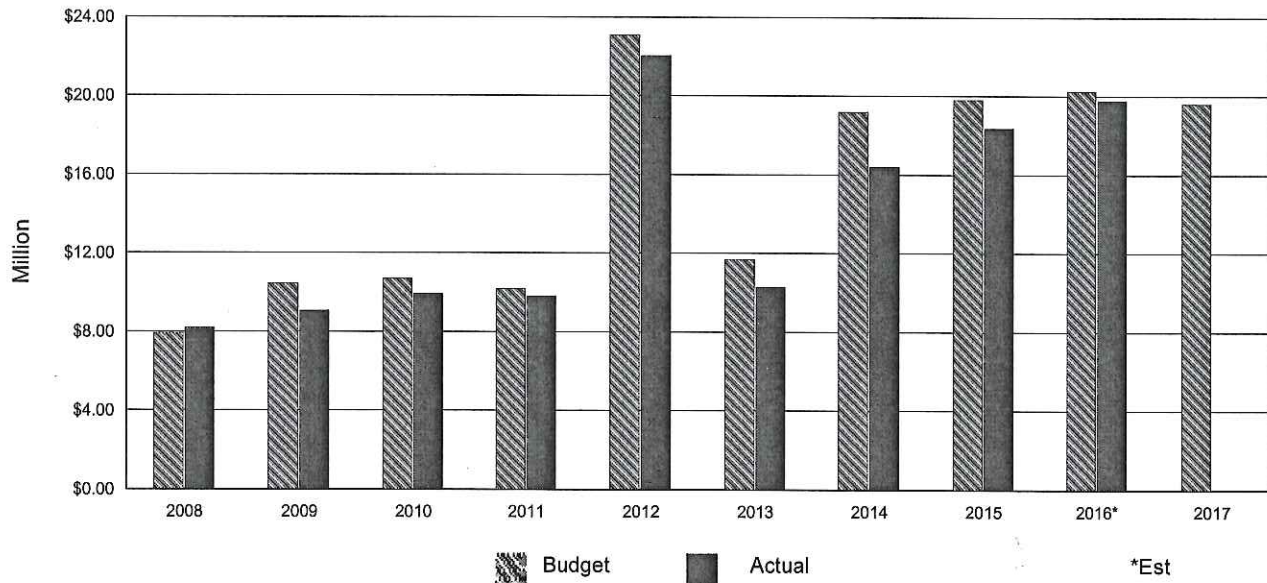
**FISCAL YEAR 2017 BUDGET**

**Business Area Budget Summary**

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

		FY2015 Actual	FY2016 Current Budget	FY2016 Estimate	FY2017 Budget
Expenditures	Personnel Services	12,738,871	14,211,039	13,660,369	14,244,335
	Supplies	101,082	92,802	101,587	84,768
	Other Services and Charges	5,518,544	5,947,568	6,019,572	5,291,437
	Equipment	0	2,674	1,400	1,500
	Total M & O Expenditures	18,358,497	20,254,083	19,782,928	19,622,040
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	18,358,497	20,254,083	19,782,928	19,622,040
Revenues		1,764,036,048	1,826,019,661	1,750,365,426	1,769,506,747
Staffing	Full-Time Equivalents - Civilian	111.4	120.5	112.3	116.4
	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	111.4	120.5	112.3	116.4
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	o The FY2017 Budget provides funding for health benefits, pension contribution and municipal employees contractual pay increases.				
	o The FY2017 Budget includes a reduction of \$854,526 for department savings initiatives.				

**Finance Department  
Current Budget vs Actual Expenditures**



**FISCAL YEAR 2017 BUDGET**

<b>Business Area Performance Measures</b>				
<b>Fund Name : General Fund</b> <b>Business Area : Finance Department</b> <b>Fund No. /Bus. Area No. : 1000 / 6400</b>				
<b>Performance Measures</b>	<b>FY2015 Actual</b>	<b>FY2016 Budget</b>	<b>FY2016 Estimate</b>	<b>FY2017 Budget</b>
Audit Findings	2	1	1	0
Average Days from Purchase Requisition to Purchase Order	7	10	7	6
Average Days to Procurement (MOU to Council Award)	92	130	118	105
City Contracts with Negotiated Early Payment Discounts	0%	2%	1%	3%
Citywide General Fund Expenditures Adopted Budget vs Actual Utilization	99%	98%	99%	98%
Citywide General Fund Revenues Adopted Budget vs Actual Utilization	104%	100%	99%	100%
Compliance Rate with City Financial Policies	N/A	N/A	76%	90%
Debt Service Expenditures as % of General Fund Revenues	12%	15%	15%	13%
Executive Insight Savings Citywide	N/A	\$5.0M	\$1.9M	\$5.0M
Grants Budget Growth	N/A	20%	23%	25%
Unassigned Fund Balance as % of General Fund Expenditures less Debt Service and PAYGO	14.5%	10.0%	9.7%	9.3%
Variance of Monthly Sales Tax Revenue Forecast to Actual (benchmark: 3 yr avg = 4.5%)	0.1%	4.0%	7.6%	4.0%
Variance of Property Tax Collection Rate Forecast to Actual	1%	1%	3%	1%
Expenditures Adopted Budget vs Actual Utilization	95%	98%	96%	98%
Revenues Adopted Budget vs Actual Utilization	101%	100%	96%	100%

**FISCAL YEAR 2017 BUDGET**

<b>Division Summary</b>							
<b>Fund Name : General Fund</b>							
<b>Business Area : Finance Department</b>							
<b>Fund No. /Bus Area No. : 1000 / 6400</b>							
<b>Division Description</b>		<b>FY2015 Actual</b>		<b>FY2016 Estimate</b>		<b>FY2017 Budget</b>	
		<b>FTEs</b>	<b>Costs \$</b>	<b>FTEs</b>	<b>Costs \$</b>	<b>FTEs</b>	<b>Costs \$</b>
<b>Director's Office</b> <span style="float:right"><b>640001</b></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.		14.4	2,766,105	14.3	2,737,491	14.6	2,767,176
<b>Treasury and Capital Management</b> <span style="float:right"><b>640003</b></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 the City's merchant service contract, forecasting and modeling tax revenues and ensuring compliance with the Truth in Taxation requirements.		10.8	2,524,926	10.9	2,648,766	10.6	2,662,642
<b>Financial Planning &amp; Analysis</b> <span style="float:right"><b>640004</b></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.		13.3	1,799,607	14.1	2,005,892	14.5	1,996,785
<b>Financial Reporting &amp; Operations</b> <span style="float:right"><b>640005</b></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.		25.6	5,426,120	24.8	5,663,735	27.4	5,785,539
<b>Strategic Purchasing</b> <span style="float:right"><b>640007</b></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.		41.4	4,805,263	42.7	5,345,649	43.3	5,343,644



**FISCAL YEAR 2017 BUDGET**

Division Summary							
Fund Name : General Fund							
Business Area : Finance Department							
Fund No. /Bus Area No. : 1000 / 6400							
Division Description	FY2015 Actual		FY2016 Estimate		FY2017 Budget		
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$	
<b>Performance Improvement 640008</b> Leads financial and operational performance improvement projects to increase revenues, optimize expenditures, and improve operational effectiveness.	5.9	1,036,476	5.5	1,381,395	6.0	1,066,254	
<b>Total</b>	<b>111.4</b>	<b>18,358,497</b>	<b>112.3</b>	<b>19,782,928</b>	<b>116.4</b>	<b>19,622,040</b>	

**FISCAL YEAR 2017 BUDGET**

**Business Area Revenues Summary**

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

Category	FY2015 Actual	FY2016 Current Budget	FY2016 Estimate	FY2017 Budget
General Property Taxes	1,074,435,185	1,114,028,980	1,092,731,468	1,133,190,875
Sales Taxes	667,061,076	688,837,000	636,300,000	615,000,000
Charges for Services	181	0	0	0
Direct Interfund Services	19,223	8,400	10,000	15,000
Other Fines and Forfeits	235,878	131,300	54,025	38,400
Interest	3,039,623	3,000,000	3,600,000	3,000,000
Miscellaneous/Other	3,252,602	3,335,000	1,053,952	1,353,700
Other Tax	15,992,280	16,678,981	16,615,981	16,908,772
<b>Grand Total Revenues</b>	<b><u>1,764,036,048</u></b>	<b><u>1,826,019,661</u></b>	<b><u>1,750,365,426</u></b>	<b><u>1,769,506,747</u></b>