

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 mission strategic objectives are to:

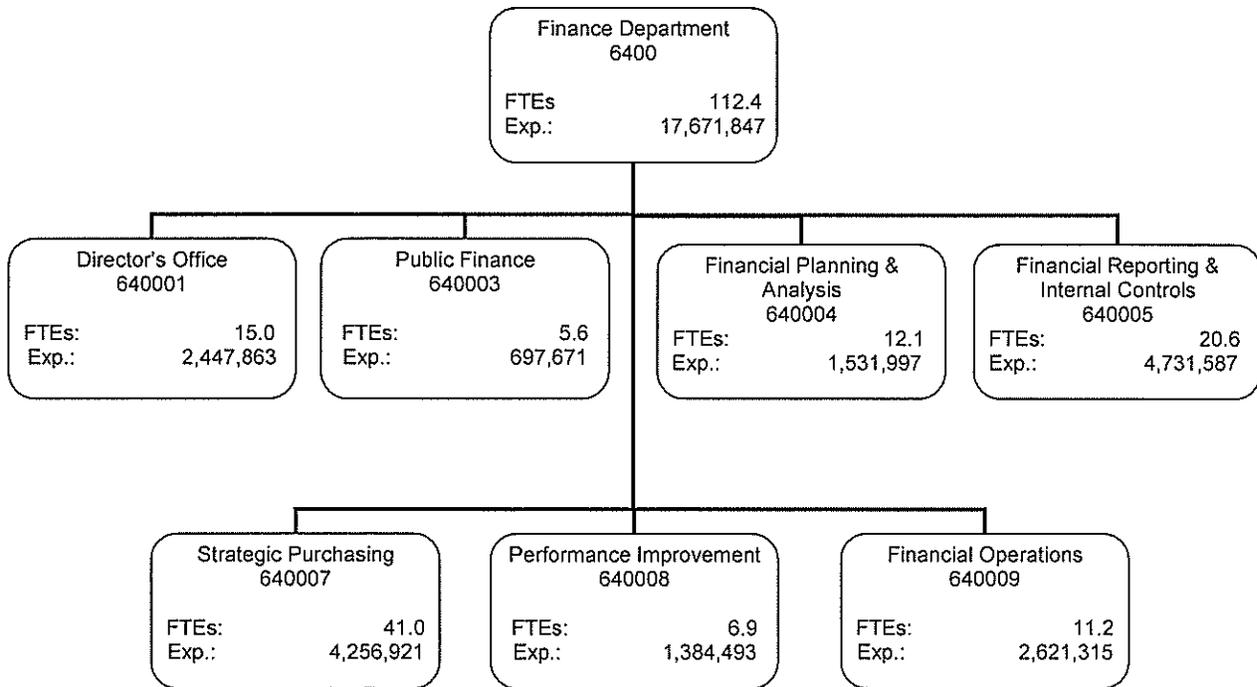
- Promote fiscal responsibility
- Serve the Administration, City Council, Departments, and Citizens
- Improve process execution internally and citywide
- Engage staff and provide them the resources they need to get the job done

Three year goals include:

- Promote fiscal responsibility
 - Certify all component units as meeting City of Houston financial management and reporting standards
 - Create and manage plans for maintaining and optimizing usage of the City's capital assets: facilities, fleet, equipment, and information technology
 - Maintain cost of service models for all fee-based and core City services; create optimization scenarios for major cost drivers
 - Accounts receivable collections program generates \$20 million incremental revenue citywide (baseline FY2011)
 - Zero findings in grants single audit (requires shared goals with departments)
- Serve the Administration, City Council, Departments, and Citizens
 - All financial data is stored and accessible in a financial data mart
 - The City's open data initiative has been recognized nationally for its ability to help us address resource and service problems
 - Citywide performance data and Finance Department process data is stored in a data mart and accessible via scorecards
 - Our strategy, planning, budgeting, reporting, and support processes produce meaningful and useful results according to 95% of council members, staff, and members of the Mayor's administration
 - Receive Texas Comptroller's Gold Certificate Leadership Circle Award for Financial Transparency
- Improve process execution internally and citywide
 - All financial management processes have documented controls, up-to-date written procedures, instruction manuals, and associated training
 - All staff involved in financial processes have received baseline training and are receiving regular refresher training
 - All financial management processes are in a mode of continuous improvement and are managed with metrics and goals
 - Process Improvement/Lean Six Sigma program has been rolled out to all City departments; all City departments are in a mode of continuous improvement on one or more of their processes
 - The Procure-to-Payment process has been fully reengineered and is producing significant savings citywide

- Engage staff and provide them the resources they need to get the job done
 - Conduct citywide finance staff job evaluations and salary studies
 - Design citywide finance position career paths
 - Develop and implement cross-training program for finance staff citywide
 - 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
 - Have baseline scores for citywide finance staff employee engagement; and to have these scores show significant improvement

Department Organization

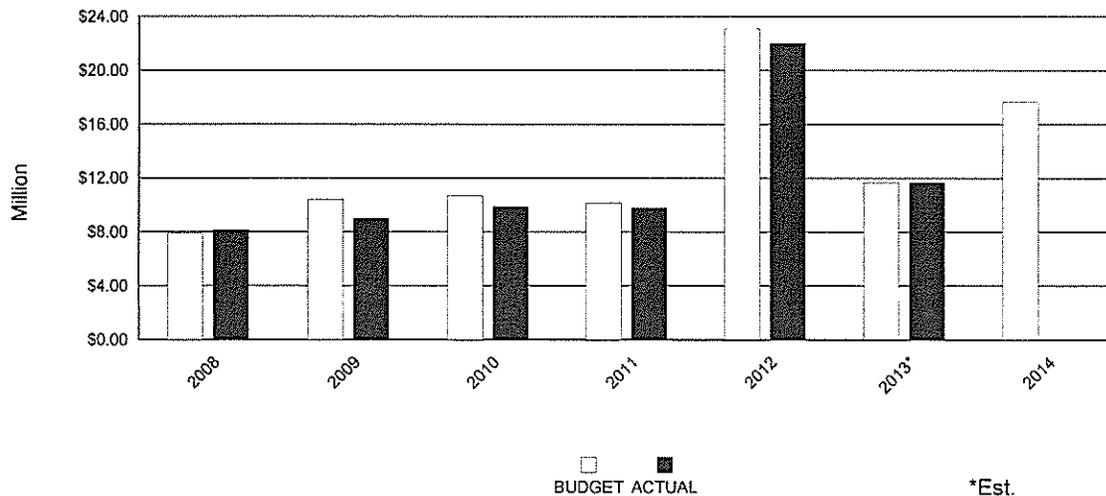




FISCAL YEAR 2014 BUDGET

Business Area Budget Summary					
Fund Name : General Fund					
Business Area Name : Finance Department					
Fund No./Bus. Area No. : 1000 / 6400					
		FY2012 Actual	FY2013 Current Budget	FY2013 Estimate	FY2014 Budget
Expenditures	Personnel Services	6,165,142	7,132,712	7,132,712	11,823,125
	Supplies	77,168	62,164	62,164	102,581
	Other Services and Charges	15,784,828	4,493,724	4,493,724	5,746,141
	Non-Capital Equipment	0	5,241	5,241	0
	Total M & O Expenditures	22,027,138	11,693,841	11,693,841	17,671,847
	Debt Service & Other Uses	0	0	0	0
	Total Expenditures	22,027,138	11,693,841	11,693,841	17,671,847
Revenues		1,440,367,309	1,493,523,543	1,514,638,765	1,588,257,350
Staffing	Full-Time Equivalents - Civilian	61.3	68.6	68.6	112.4
	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	61.3	68.6	68.6	112.4
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	o The FY2014 Budget provides funding for health benefits, pension contribution and municipal employees 3% pay increases.				
	o Transfer of Strategic Purchasing Division to improve financial practices surrounding procurement; previously reported under Administration of Regulatory Affairs Department.				
	o Additional 4.4 FTEs for cash reconciliation, improving and maintaining the capital improvement plan for facilities and Performance Improvement Division expansion to implement Lean Six Sigma programs and projects.				
	o Management consulting increases to improve internal financial controls, document financial processes and procedures, and perform and maintain citywide Fee Cost of Service Study.				
	o Transfer liens revenue management and reporting to Department of Neighborhoods.				

**Finance Department
Current Budget vs Actual Expenditures**



FISCAL YEAR 2014 BUDGET

Business Area Performance Measures					
Fund Name : General Fund					
Business Area Name : Finance Department					
Fund No./Bus Area No. : 1000 / 6400					
Customer Measures	Priorities	FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Budget
Meeting turn around time requirement for RCAs	F	N/A	N/A	N/A	100%
Open records request turn around on-time	F	N/A	N/A	N/A	100%
Information Satisfaction - Council, Mayor, staff	F	N/A	N/A	N/A	TBD
Open data initiative - data sets online	F	N/A	N/A	400	500
Business Process Measures					
Closure of old grants	F	N/A	N/A	N/A	160
Internal control assessments/reviews	F	17	35	18	40
Single Audit Reports (SAR) - reduction of findings	F	N/A	N/A	N/A	20%
Collection Rates - vendor managed revenues	F	N/A	30%	30%	35%
Lean Six Sigma projects completed	F	N/A	N/A	10	25
People and Technology Measures					
Average training hours per employee	F,J	10.25	17.52	17.52	17.87
Number of citywide employees trained in Lean Six Sigma	F	N/A	N/A	100	600
Financial Measures					
Expenditures Budget vs Actual Utilization	F	95%	98%	100%	98%
Revenues Budget vs Actual Utilization	F	103%	100%	101%	100%
Combined cash flow for property and sales tax	F	\$1.4B	\$1.4B	\$1.4B	\$1.5B
Mayor's Five Priorities: Jobs and Sustainable Development (J) Public Safety (P) Infrastructure (I) Fiscal Responsibility (F) Quality of Life (Q)					

FISCAL YEAR 2014 BUDGET

Division Summary							
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400							
Division Description	FY2012 Actual		FY2013 Estimate		FY2014 Budget		
	FTEs	Cost \$	FTEs	Cost \$	FTEs	Cost \$	
Directors Office 640001 Provides leadership developing financial and strategic policies, priorities to promote stability, and financial health for 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.	13.1	1,687,442	14.4	2,356,929	15.0	2,447,863	
Public Finance 640003 The division serves the citizens of Houston by providing cost-efficient debt management services to the City and its enterprise funds for short, medium and long-term debt. As well, the division coordinates and oversees the City's Capital Improvement Plan (CIP).	6.0	711,969	4.8	511,075	5.6	697,671	
Financial Planning & Analysis 640004 Previously known as Budget Management, the primary responsibility of this division is to develop and manage the City's Operating Budget and the Five Year Plan. It provides effective financial planning to promote fiscal responsibility and financial health of the City of Houston.	16.5	2,064,843	13.6	1,548,405	12.1	1,531,997	
Financial Reporting & Internal Controls 640005 Primary responsibility of the division is citywide monitoring and oversight of accounting, fixed assets, internal controls, and Enterprise Risk Management (ERM) process. Ensure process documentation exist and assess the need for and update policies and procedures. Coordinate annual audit including the single audit report (SAR), prepare indirect cost allocation plan and fee cost of services.	16.9	15,852,872	19.3	4,014,235	20.6	4,731,587	
Strategic Purchasing 640007 Manage citywide purchasing of goods and services that are consistent with applicable City policies and procedures and the State of Texas Bid Laws.	0.0	0	0.0	0	41.0	4,256,921	
Performance Improvement 640008 Leads financial and operational performance improvement projects to increase revenues, optimize expenditures, and improve operational effectiveness.	4.0	283,083	3.9	752,822	6.9	1,384,493	

FISCAL YEAR 2014 BUDGET

Division Summary						
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400						
Division Description	FY2012 Actual		FY2013 Estimate		FY2014 Budget	
	FTEs	Cost \$	FTEs	Cost \$	FTEs	Cost \$
Financial Operations 640009 The division effectively manages General Fund revenue streams, and promotes stability and optimization of funds. Additional functions include managerial and fiscal oversight of special revenue funds and newly created revenue streams. Lead the oversight of accounts receivable and collections; including internal processes and external vendor relations in managing delinquent accounts.	4.8	1,426,929	12.6	2,510,375	11.2	2,621,315
Total	<u>61.3</u>	<u>22,027,138</u>	<u>68.6</u>	<u>11,693,841</u>	<u>112.4</u>	<u>17,671,847</u>

FISCAL YEAR 2014 BUDGET

Business Area Roster Summary

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

Job Description	Pay Grade	FY2013 Current Budget FTE	FY2014 Budget FTE	Change
ACCOUNT CLERK	10	1.0	0.0	(1.0)
ADMINISTRATION MANAGER	26	0.0	1.0	1.0
ADMINISTRATIVE ASSISTANT	17	4.0	5.0	1.0
ADMINISTRATIVE ASSOCIATE	13	2.0	2.0	
ADMINISTRATIVE COORDINATOR	24	1.0	2.0	1.0
ADMINISTRATIVE SPECIALIST	20	4.0	7.0	3.0
ADMINISTRATIVE SUPERVISOR	22	0.0	1.0	1.0
ASSISTANT DIRECTOR (EXE LEV)	32	3.0	3.0	
AUDITOR MANAGER	28	0.0	2.0	2.0
AUDITOR SUPERVISOR	25	0.0	1.0	1.0
CONTRACT ADMINISTRATOR	22	0.0	1.0	1.0
CUSTOMER SERVICE MANAGER	29	1.0	1.0	
DEPUTY ASSISTANT DIRECTOR (EXE LEV)	30	5.0	6.0	1.0
DEPUTY DIRECTOR (EXE LEV)	34	0.0	2.0	2.0
DEPUTY DIRECTOR-FINANCE/ADMIN.	36	0.0	2.0	2.0
DIVISION MANAGER	29	10.0	10.0	
EXECUTIVE OFFICE ASSISTANT	15	1.0	0.0	(1.0)
FINANCE DIRECTOR	37	1.0	1.0	
FINANCIAL ANALYST I	15	1.0	1.0	
FINANCIAL ANALYST II	18	1.0	0.0	(1.0)
FINANCIAL ANALYST III	21	1.0	4.0	3.0
FINANCIAL ANALYST IV	25	17.0	14.0	(3.0)
MANAGEMENT ANALYST II	18	2.0	1.0	(1.0)
MANAGEMENT ANALYST III	21	1.0	0.0	(1.0)
MANAGEMENT ANALYST IV	25	4.0	4.0	
MANAGEMENT INTERN	11	0.0	1.4	1.4
PROCUREMENT SPECIALIST	24	0.0	7.0	7.0
PURCHASING MANAGER	27	0.0	3.0	3.0
SENIOR AUDITOR	21	3.0	2.0	(1.0)
SENIOR BUYER	22	0.0	4.0	4.0
SENIOR PROCUREMENT SPECIALIST	27	0.0	11.0	11.0
SENIOR STAFF ANALYST	28	6.0	10.0	4.0
STAFF ANALYST	26	1.0	6.0	5.0
SYSTEMS CONSULTANT	26	1.0	2.0	1.0
Total FTEs		71.0	117.4	46.4
Less adjustment for Civilian Vacancy Factor		2.4	5.0	2.6
Full-Time Equivalents		68.6	112.4	43.8

FISCAL YEAR 2014 BUDGET

Business Area Revenue Summary

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

Commit Item	Description	FY2013 Current Budget	FY2013 Estimate	FY2014 Budget
6400030001	Public Finance			
424110	Other Interfund Services	15,000	5,000	16,800
6400050001	Accounting			
426090	Demolition Fees	716,964	0	0
426120	Weed Cutting Fees	488,448	0	0
426480	Securing/Boarding - Nuisance Abatement	72,374	0	0
426485	Visual Blight - Nuisance Abatement	396	0	0
428030	Release of Liens	96,157	7,000	3,000
428080	Returned Check Charges	1,000	1,000	1,000
428100	Interest on Liens-COH	200,701	65,990	110,929
428105	Interest on Liens-Contract	511,739	0	0
434150	Streets & Bridges Assessments	110,764	50,867	54,804
	Total Accounting	2,198,543	124,857	169,733
6400070001	Strategic Purchasing			
434505	Prior Year Expenditure Recovery	0	0	5,001
6400090003	Tax & Revenue			
411020	Current Property Tax	813,212,136	824,618,555	859,521,878
411030	Current Year Delinquent Property Tax	61,767,865	48,465,294	55,117,122
411040	Delinquent Property Tax - Prior Years	440,926	623,434	640,832
411150	Prior Year Delinquent Property Tax-2002	64,882	109,805	0
411160	Prior Year Delinquent Property Tax-2003	94,845	132,029	112,546
411170	Prior Year Delinquent Property Tax-2004	132,841	186,800	133,633
411171	Prior Year Delinquent Property Tax-2005	191,386	191,845	191,803
411172	Prior Year Delinquent Property Tax-2006	271,556	516,406	195,654
411173	Prior Year Delinquent Property Tax-2007	709,766	1,232,096	408,610
411174	Prior Year Delinquent Property Tax-2008	1,587,735	2,667,930	796,001
411175	Prior Year Delinquent Property Tax-2009	1,905,533	2,331,019	1,454,101
411176	Prior Year Delinquent Property Tax-2010	2,821,225	2,721,794	2,232,503
411177	Prior Year Delinquent Property Tax-2011	4,836,304	8,342,195	2,466,762
411178	Prior Year Delinquent Property Tax-2012	0	0	8,075,555
411180	Current Delinquent - P & I	4,695,390	4,530,346	4,530,346
411190	Penalty&Interest-Delinq. Property Tax	7,864,610	8,469,654	8,469,654
411210	Property Tax Rebates	(400,000)	(479,202)	(479,000)
411220	Unclaimed Refunds of Property Tax	0	1,537,000	1,540,000
412010	Sales Tax	577,373,000	595,255,883	629,601,816
413010	Mixed Beverage Tax	9,500,000	9,800,000	9,800,000
414010	Bingo Tax	185,000	194,000	195,000
428060	Other Interest Income	5,000	12,025	11,000
432010	Interest on Pooled Investments	4,000,000	3,000,000	3,000,000
452020	Recoveries & Refunds	50,000	50,000	50,000
	Total Tax & Revenue	1,491,310,000	1,514,508,908	1,588,065,816
Total Finance Department		1,493,523,543	1,514,638,765	1,588,257,350

FISCAL YEAR 2014 BUDGET

Business Area Expenditure Summary

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

Commit Item	Description	FY2012 Actual	FY2013 Current Budget	FY2013 Estimate	FY2014 Budget
500010	Salary Base Pay - Civilian	4,424,226	5,115,861	5,115,861	8,213,448
500030	Salary Part Time - Civilian	633	0	0	0
501050	Employee Awards	0	2,700	2,700	2,700
501070	Pension - Civilian	832,843	1,064,656	1,064,656	1,863,628
501120	Termination Pay - Civilian	104,758	15,451	15,451	15,451
502010	FICA - Civilian	342,127	374,498	374,498	616,576
503010	Health Ins-Act Civilian	414,791	483,457	483,457	1,043,381
503015	Basic Life Insurance - Active Civilian	2,598	2,945	2,945	6,328
503060	Long Term Disability-Civilian	5,182	5,868	5,868	9,585
503090	Workers Compensation-Civilian-Admin	12,125	16,502	16,502	26,936
503100	Workers Compensation-Civilian-Claim	0	335	335	5,000
504030	Unemployment Claims - Administration	25,859	50,439	50,439	20,092
Total	Personnel Services	6,165,142	7,132,712	7,132,712	11,823,125
511040	Audiovisual Supplies	0	235	235	9,000
511045	Computer Supplies	39,218	9,539	9,539	14,465
511050	Paper & Printing Supplies	(389)	3,842	3,842	7,842
511055	Publications & Printed Materials	155	3,791	3,791	3,091
511060	Postage	2,423	12,680	12,680	7,350
511070	Miscellaneous Office Supplies	33,379	16,471	16,471	50,488
511110	Fuel	323	6,300	6,300	900
511115	Vehicle Repair & Maintenance Supplies	367	3,606	3,606	1,200
511125	Food Supplies	1,252	0	0	0
511145	Small Tools & Minor Equipment	0	200	200	0
511150	Miscellaneous Parts & Supplies	440	5,500	5,500	8,245
Total	Supplies	77,168	62,164	62,164	102,581
520100	Temporary Personnel Services	87,696	162,483	162,483	74,537
520105	Accounting & Auditing Services	1,588,429	1,784,500	1,784,500	1,838,000
520108	Information Resource Services	30,247	0	0	0
520109	Medical Dental & Laboratory Services	443	500	500	500
520110	Management Consulting Services	115,070	580,120	581,818	1,133,003
520112	Banking Services	1,552	1,300	1,300	1,300
520114	Miscellaneous Support Services	3,168	3,829	3,829	25,015
520119	Computer Equipment/Software Maintenance	24,245	15,000	15,000	33,000
520120	Communications Equipment Services	0	1,000	1,000	0
520121	IT Application Svcs	33,619	55,685	55,685	158,565
520123	Vehicle & Motor Equipment Services	(20)	0	0	0
520136	Billing & Collection Services	1,070,138	1,170,000	1,170,000	1,205,000
520139	Motor Pool Charges	0	0	0	550
520157	Computer Software Maintenance Services	0	0	0	12,250
520510	Mail/Delivery Services	50	1,650	1,650	550
520515	Print Shop Services	29,358	42,272	42,272	50,595
520520	Printing & Reproduction Services	(5,065)	376	376	376
520605	Advertising Services	4,043	21,300	21,300	78,292
520705	Insurance Fees	2,451	3,501	3,501	6,671
520760	Contributions	12,525,419	0	0	0
520765	Membership & Professional Fees	1,732	4,431	4,431	6,745
520805	Education & Training	9,146	12,742	12,742	25,232
520905	Travel - Training Related	5,154	11,550	11,550	24,355
520910	Travel - Non-Training Related	3,785	9,348	7,650	10,200
521405	Building Maintenance Services	0	7,694	7,694	694
521605	Data Services	1,871	792	792	48,924
521610	Voice Services	36,128	46,304	46,304	56,916

FISCAL YEAR 2014 BUDGET

Business Area Expenditure Summary

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

Commit Item	Description	FY2012 Actual	FY2013 Current Budget	FY2013 Estimate	FY2014 Budget
521620	Voice Equipment	48,157	964	964	2,314
521625	Voice Labor	2,653	709	709	2,935
521630	GIS Revolving Fund Services	71,723	2,879	2,879	13,033
521635	Voice Services -Wireless	0	0	0	44,846
521715	Office Equipment Rental	10,206	17,180	17,180	17,180
521730	Parking Space Rental	34,843	33,842	33,842	39,757
522430	Miscellaneous Other Services & Charges	443	2,800	2,800	22,800
522721	Interfund HR Client Services	44,207	116,065	116,065	152,578
522722	KRONOS Service Chargeback	2,529	2,809	2,809	4,366
522795	Other Interfund Services	0	380,099	380,099	655,062
522845	Interfund Vehicle Services	1,408	0	0	0
Total	Other Services and Charges	15,784,828	4,493,724	4,493,724	5,746,141
551010	Non-Capital Office Furniture & Equipment	0	5,241	5,241	0
Total	Non-Capital Equipment	0	5,241	5,241	0
Grand Total Expenditures		22,027,138	11,693,841	11,693,841	17,671,847