

# Proposed Revisions to the Monthly Financial and Operations Report (MFOR)

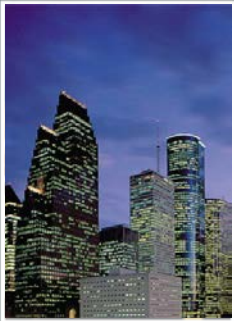


Mayor Annise D. Parker



**Joint Presentation to  
Council Budget & Fiscal Affairs Committee**

**July 30, 2013**



# Rice ALP Team Analysis

Findings from Council Interviews

***“Virtually Useless”***  
***“This report is a waste of paper”***

– Council Members describing the MFOR

- Revenues, Expenditures, Fund balances viewed at high level
- Executive Summary is generally read
- Enterprise & Special Revenue funds can be summarized
- Want subjective view of City’s Finances – what is good v. bad?

## **Summary of MFOR Shortcomings:**

- Lacks a clear audience and purpose
- Time consuming to produce
- Not user friendly
- Irrelevant / Inaccurate information

**Report is ignored as a result**



# City Comparison

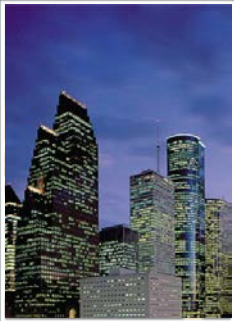
	Austin	Boston	Charlotte	Denver	New Orleans	New York	San Antonio	Houston Current	Houston After
Length (# pgs)	74	157	228	205	84	38	11	66	12
Publication frequency	Quarterly	Annually	Annually	Annually	Annually	Monthly	Quarterly	Monthly	Monthly
Summary vs. detailed financials	Detailed	Summary	Detailed	Summary	Detailed	Summary	Summary	Detailed	Summary
Defined framework used in reporting	Yes	Yes	Yes	Yes	No	No	No	No	Yes
Key variances explained	Yes	Yes	Yes	No	No	Yes	Yes	No	Yes
Graphic indicators to show trending	Yes	No	No	No	No	No	Yes	No	Yes
Graphic indicators to show goal attainment	Yes	No	No	No	No	No	Yes	No	Yes
Operational metrics integrated?	No	No	No	No	No	No	No	Yes	No
# of operational/performance metrics	1933	150	38	24	314	471	62	150	<150
Key definitions/drivers/CPVs	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes
Targets/goals for operational metrics	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Metric definitions easily available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Interactive online report	Yes	Yes	No	No	No	Yes	No	No	No

 Denotes desired practice



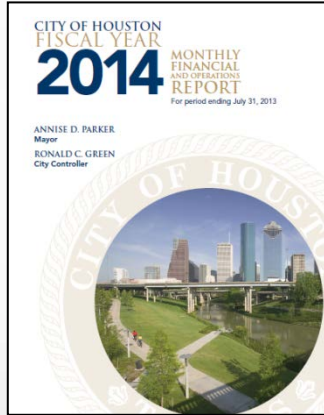
# Key Recommendations

- Shorten report from ~70 pages to ~15 pages
- Include more visuals
- Remove operational reporting from MFOR and report quarterly (Quarterly Performance Report)
- Report what is required by Charter on a monthly basis and provide more detail on a quarterly basis (Quarterly Financial Report)
- Rename report to the Monthly Financial Report (MoFR) instead of Monthly Financial and Operations Report (MFOR)
- Summarize Enterprise, Risk Management and Special Revenue Funds with focus on Net Current Activity and Fund Balance
- Provide a subjective analysis of funds to easily show whether a number is good or bad



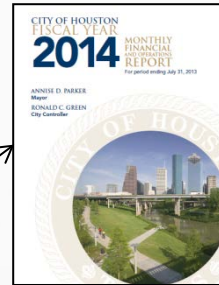
# Proposed Structure

## Current MFOR



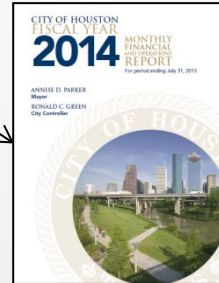
- 64 Pages B/W
- Same reports on monthly basis
- Objective fund analysis
- Difficult to read and understand

## MoFR



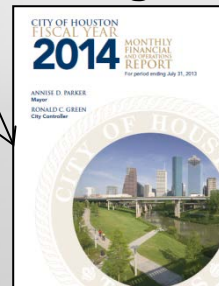
- Less than 20 Pages, Color
- Satisfies Charter requirement
- In-depth Executive Summary
- Provides subjective analysis of Funds
- Accessible online in readable (color) .pdf
- Easy to understand

## QFR



- More comprehensive financial report on a quarterly basis
- Approximately 30 Pages, B/W
- Enterprise and Special Revenue fund detail
- Highlights important financial topics i.e. health benefits, pension, debt, etc...

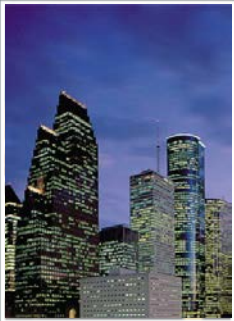
## Performance Insight



- Less than 20 Pages, Color
- Has online component that allows for ad-hoc reporting from City data marts
- Reports Performance metrics
- Highlights City innovation and performance improvement activities



# Key Benefits



- Easier to read and understand
- Separate comprehensive operations/performance report (better oversight = better performance)
- Detailed analysis of important fiscal matters on quarterly basis i.e. highlight of Health Benefits Fund, Pension Funds etc...
- Better online/public accessibility
- Reports in color
- Nominal cost savings (below) and less paper

<b>Print Cost Analysis</b>				
	<b>Current MFOR</b>	<b>Proposed MoFR</b>	<b>Proposed QFR</b>	<b>Proposed QPR</b>
Number of pages	32	5	15	4
Per Page Cost	\$ 0.14	\$ 0.70	\$ 0.14	\$ 0.70
Per Unit Print Cost	\$ 4.50	\$ 3.50	\$ 2.11	\$ 2.80
Number of Copies	41	41	41	41
<b>Total Print Cost</b>	<b>\$ 184.50</b>	<b>\$ 143.50</b>	<b>\$ 86.48</b>	<b>\$ 114.80</b>
Number of Annual Editions	12	8	4	4
<b>Annual Cost</b>	<b>\$ 2,214.00</b>	<b>\$ 1,148.00</b>	<b>\$ 345.94</b>	<b>\$ 459.20</b>
<b>Total Annual Cost of Proposed Reports</b>				<b>\$ 1,953.14</b>

Note: MFOR uses double-sided 8.5X11 B/W; Revised Reports use double-sided 11X17 Color



# Proposed Plan for Implementation

- **July 30** – Budget and Fiscal Affairs Committee: Present results of Rice study and proposed changes to the MFOR
- **Mid-August** – Special Budget and Fiscal Affairs Committee: Present new format for the **Monthly Financial Report (MoFR)**
- **September 3** – Budget and Fiscal Affairs Committee: Present 1<sup>st</sup> Edition **Quarterly Performance Report** for Q1 (July-Sept)
- **September 4** – City Council Meeting: Present July **MoFR** in old and new format with motion to approve new format
- **October 29** – Budget and Fiscal Affairs Committee: Present 1<sup>st</sup> Edition **Quarterly Financial Report** for Q1 FY2014