CITY OF HOUSTON FISCAL YEAR 2027 BUDGET DEPARTMENT QUESTIONS

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When the budget was released on May 5, my team and I got straight to work reviewing and analyzing the data. We scrutinize departmental line items and performance measures and ask a number of questions. Some of these I ask during the budget workshops, and many more I submit in writing via the city's internal site. In the interest of transparency, I share with you my written budget questions and the departments' responses. If you are interested in learning more about the responses, please email atlarge5@houstontx.gov or call us at (832) 393-3017.

**** As of June 5, some of the following submitted questions are pending departmental responses. This document will be updated as responses become available.**

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ADMINISTRATION & REGULATORY AFFAIRS

1. ParkHouston expenditures – Explain the decrease in funds transferred to the General Fund from $5.1 million (FY26 estimate) to $4.2 million (FY27 proposed).

The FY26 end-of-year revenue estimate for ParkHouston includes $719,000 in FIFA meter revenue that boosts the revenue we have already earned this year, and the amount of the General Fund transfer for FY26. Although we project ParkHouston will also earn FIFA meter revenue for the first two weeks of FY27, other meter revenues are trending down (such as meter revenues for Astros games). Taking that trend into account, and in the interest of not overestimating revenue the General Fund relies upon, ARA lowered the overall revenue projection for ParkHouston for FY27, which also lowers the estimated transfer to the General Fund. If meter revenues at downtown venues rebound during the fiscal year, the FY27 General Fund transfer will increase as well.

2. ParkHouston revenues – Explain the decrease in metered parking revenues from $7.9 million to $7.4 million.

As explained above, as we near the end of FY26, we are seeing a downward trend in downtown meter revenues, particularly around events such as Astros games, where meter revenues are usually strongest. For FY26, the projected FIFA meter revenues are expected to offset the decreases, but for FY27, if the trend continues, the FIFA meter revenues that come in at the beginning of the fiscal year will not be enough to offset several months of lower meter revenues

3. Park Houston - Is it possible to break down parking citations by shift?

Yes, this is an analysis ParkHouston frequently performs to evaluate enforcement officer performance. We have also hired an analyst who is mapping the areas of the city where parking meter payment compliance is lowest to redeploy enforcement officers to those areas to raise compliance. Below is the breakdown of parking citations by shift for the period from January 1, 2025 to February 17, 2026.

Shift	Citation_Count	Total_Base_Fine	Percent_of_Total	Avg_Base_Fine
1st	51,303	$ 2,884,435	23%	$ 56.22
2nd	73,266	$ 4,192,120	33%	$ 57.22
3rd	51,628	$ 2,849,270	23%	$ 55.19
4th	45,529	$ 2,376,320	21%	$ 52.19

4. BARC – What is the “all in” average salary plus benefits for animal enforcement trainees and animal enforcement officers?

The “all in” average salary plus benefits for animal enforcement trainees and animal enforcement officers is detailed below:

	Base Pay	HOPE Increase	Pension & FICA	Total Cost
Animal Enforcement Officer Trainee	$46,342.40	$ 47,964.38	$ 17,751.62	$ 65,716.00
Animal Enforcement Officer	$49,192.00	$ 50,913.72	$ 18,843.17	$ 69,756.89

It is important to note that the cost above reflects only salary plus benefits, and not all the ancillary costs associated with hiring enforcement personnel, such as additional vehicles, uniforms, radios, and other equipment.

5. BARC - FTEs increase from 116 (FY26 estimate) to 117 (FY27 proposed). How many additional animal enforcement trainees/officers are needed in FY27 to improve service response in priority 2 and 3 calls? What are BARC's response rates percentages for priorities 1-5?

BARC's response rate for Priority 1, 2, and 3 calls is always 100% unless the call is cancelled by the requester. For example, for FY26, we are reporting a 98% response rate for priority 1,2, and 3 calls. The main reason it is not 100% is not a matter of resources, but rather that sometimes these calls get cancelled by the requester. For example, HPD may request assistance at a scene and then will call BARC and say they do not need an animal control officer after all because a family member has taken custody of the animal, and BARC does not need to respond. BARC has sufficient resources to respond to all Priority 1, 2, and 3 calls, although response time will vary depending on the degree of urgency of the need.

As a reminder, Priority 1, 2, and 3 calls are those that involve:

- Priority 1:
    - Bite cases, where the victim has been bitten or attacked
    - An animal that has been identified as dangerous or aggressive on school grounds
    - An animal that has not been identified as dangerous, but is roaming freely on elementary school grounds
- Priority 2:
    - A request from law enforcement for assistance in securing an animal when law enforcement has secured the scene
    - An aggressive animal where humans may be in imminent danger
    - An injured or sick animal that is unable to move on its own
    - An ongoing cruelty case where animals are being used for cockfighting, dog fighting, etc.(reported to HPD, and BARC assists HPD)
    - Dangerous or wild animals such as lions, tigers, non-indigenous venomous animals, or exotic animals
- Priority 3:
    - trapped "high-risk" wildlife that are inside a human's living area
    - cases of neglect/abandonment of dogs, cats, or livestock
    - confined animals at places of business or apartment complexes
    - an animal that has not been identified as dangerous and is roaming middle/school or college grounds
    - calls for assistance from postal workers, City Council offices, and other government agencies

BARC's response rate for Priority 4 calls is approximately 30%, and our response rate for Priority 5 calls is approximately 13%. Priority 4 and 5 calls are a lower priority because they do not involve an imminent threat to the health and safety of human beings or animals. In most instances, either the animal is already contained, and the owner or rescuer is calling BARC to pick up the animal, or the animal is roaming as a stray, and by the time a BARC enforcement officer can arrive at the scene, the animal is gone. (NP)

BARC receives more than 50,000 calls for enforcement services per year, and Priority 1, 2, and 3 calls comprise more than 52% of those calls. With a response rate just short of 100% for those calls, BARC's goal is to meet our primary mission to protect public safety and, as resources allow, to also respond to those calls that are less urgent and are not life-threatening. Thanks to the foresight and strategic planning of this and previous Administrations and City Council members, for FY26, BARC is achieving an overall 66% enforcement call response rate – the highest response rate in the history of the BARC animal shelter

6. BARC - Section F page VI-2 in the budget book describes this goal: (f) begin efforts to work with Harris County to achieve economies of scale in procuring items of common use, such as animal medications and shelter supplies. What is the plan for implementation, and how much savings are anticipated?

In March 2026, our BARC Shelter Director began a survey of wellness costs for other municipal shelters and non-profit animal organizations in the Houston area to determine if BARC fees for our wellness services were in line with others. BARC prices for medications and supplies have increased by more than 70% since 2016, but BARC's wellness pricing has not changed to account for those increased costs.

While conducting that survey, we found that Harris County is currently performing its own cost-of-service analysis for wellness service pricing. We also discovered that Harris County is getting better rates than BARC from some suppliers, while BARC is getting better pricing from others. Thus, we are exploring how we might partner with Harris County to leverage buying power and combine orders on a BuyBoard type of contract for items like medical supplies, gloves, syringes, and other shelter necessities. BARC is bringing SPD into that conversation as well.

The conversation just began in March, and we do not have an estimate of potential savings at this time, but as these discussions with the County progress and as our internal cost of service review is completed, we will report the results to the Mayor and City Council.

7. Regulatory Permitting - How many commercial establishments' noise permits have been revoked in FY26?

In FY26, two commercial establishment permits have been revoked, and four commercial establishment permit renewals were denied due to violations of the City's sound ordinance.

8. Regulatory Permitting - Slide 38 in the appendix shows ~5,000 short-term rentals have registered with the program. Does ARA have an estimate of how many additional short-term rentals are operating and at risk of being delisted after January 1, 2027?

Granicus has identified 9,860 unique STR listings within the Houston city limits as of May 12, 2026.

- ARA has sent notices to 7,862 of these listings to date – all the STRs for which complete address information is available from Granicus at this time.
- Of the 9,860 listed STRs, only 6,244 (63.3%) are "active" – in other words, they have had at least one rental in the past 12 months.
- Of the 6,244 "active" STRs, we have received 6,062 applications – or 97%.
- Of the 6,244"active" STRs, 4,916 – or approximately 79% – have received their certificate of registration from the City of Houston.
- The other 1,146 applications are pending because they have missing information in their applications.

Thus, at this time, 4,944 "listed" STRs are at risk of delisting after January 1, 2027, if they have not applied for registrations from the City of Houston, and they are still listed within the Houston city limits.

9. 311 – FTEs increase from148 (FY26 estimate) to 183.5 in FY27 budget. Are these additional FTEs call takers?

The FY26 estimate of 148 FTEs is based on total full-time equivalent hours projected for the fiscal year. The 311/WCS call center began the fiscal year with 33 vacancies, including 12 employees who accepted the retirement incentive option. At the time the FY27 budget was prepared, there were 156 full-time and 1 part-time positions filled, and 26 full-time and 2 part-time vacant positions were budgeted. Of the vacant budgeted positions, there are 23 full-time and 2 part-time call-taker positions.

As of May 1, 2026, the consolidated 311/WCS call center has 150 full-time and 1 part-time position on the active roster.

AIRPORTS

1. The goal of the commercial development division is to grow non-airline revenues. What are the performance measures for this division?

At Commercial Development, we measure performance by tracking monthly Key Performance Indicators (KPIs) against current budget and prior year's results in the following categories:

REVENUE:
- Total Non-Airline Revenue
- Non-Airline Revenue per Enplanement

AIR SERVICE DEVELOPMENT:
- Passenger enplanements by airport

CONCESSIONS:
- Total Concessions Revenue
- Total Concessions Revenue per enplanement by airport and, in the case of IAH, by Terminals A and D

PARKING:
- Total Parking Revenue
- Total Parking Revenue per space by airport
- Total Parking Revenue per enplanement by airport
- Total Parking Revenue per transaction by airport

In addition, for Concessions, we measure quarterly the performance of concessionaire partners for food & beverage (f&b), retail, coffee, and services by tracking:
- Sales per square foot by Prime Concessionaire and by unit (retail, food &beverage, coffee)
- Safety and Operations scores by unit – provided by internal team
- Mystery Shopper rankings – provided by an external third-party vendor HAS leadership reviews these KPIs monthly.

2. Has the airport system met its goal of 20% managers/supervisors having less than four direct reports?

The goal has been met with more organizational realignments in process to further improve.

3. What are the projected FY27 revenues/expenses attributed to the Houston Spaceport?

For FY27, Spaceport projected revenues are $5,582,407, and expenditures are projected at $352,201.

4. What amount in FY27 will HAS pay to the General Fund for services provided by HPD, HFD, HR, IT, Legal, and Water/Sewer?

- HPD $49.25 million
- HFD $28.25 million
- HR $3.77 million
- IT $ 5.13 million
- Legal $880K
- Water $2.85 million
- Sewer $3.22 million
- Electricity $17.55 million
- Gas $1.89 million
- Property Insurance $10.39 million
- Drainage Fee $5.07 million
- Total Cost of all Interfund charges to HAS in FY27 is $141.29 million

5. Explain the $4.6 million gap in HOU concession revenue between FY26 budgeted ($44.6 million) and FY26 estimate ($40 million).

This variance is primarily driven by a 5% dip in enplanements (0.4 million passengers) at Hobby. This is due to Southwest Airlines' inability to secure B737 Max 7 aircraft from Boeing due to FAA aircraft certification issues. In 2026, Boeing was set to deliver 101 B737 Max 7 aircraft to Southwest to allow Southwest to continue to grow. Certification delays are now anticipated to delay Southwest from receiving its aircraft until sometime in early 2027.

Timing issues in the transition from temporary to permanent food & beverage openings also contributed to variations in anticipated revenue. Additionally, airports have been experiencing ongoing international conflicts, long partial government shutdowns, and other global uncertainties that disrupted typical travel patterns and passenger spending.

Despite the FY26 budget shortfall, concessions revenue is actually up 14% compared to the prior year ($26.4 million vs $23.2 million), showing general growth.

6. Explain the increase in spending in Fund 8012 from $13.3 million (FY26 estimate) to $22.6 million (FY27 proposed).

The $9.3 million difference between the FY26 estimate and the FY27 proposed is attributed to $6.9 million for carryover items, which includes $3.1 million for two ARFF trucks, and new vehicle and equipment requests, which include $2.0 million to replace the CCTV at IAH and HOU, and $0.5 million for custodial equipment and surveying equipment.

7. Misc. other services/HAS-director's office – explain the 79% increase from FY26 estimate to FY27 proposed?

Our compliance budget was increased to acquire consultants to assist HAS in complying with ADA Title II, ADA Title VI, and WCAG, which will prevent potential lawsuits and cancellations of government funding.

- ADA Title II of the Americans with Disabilities Act (ADA) prohibits discrimination based on disability in state and local government services. WCAG (Web Content Accessibility Guidelines) are the technical standards adopted by the U.S. Department of Justice to ensure that websites and mobile apps are accessible to people with disabilities.
- ADA Title VI of the Civil Rights Act of 1964 prohibits discrimination based on race, color, or national origin in programs and activities receiving federal financial assistance.

8. How are airports encouraging recycling? What data is available to indicate how much waste HAS is diverting from the landfill?

HAS targets three channels of recycling at the airports. Construction waste recycling is done on a project-by-project basis and can have results like the 98% recycling of the Terminal D garage demolition for ITRP. The other two streams are related: passenger waste and concessionaire waste. We work specifically with the concessionaires on recycling. For passengers, the airports have wastebins that accommodate both general waste and recyclable materials. Those two streams combined into the terminal waste stream that HAS tracks. For FY25, 404 tons of recycled material were collected at both airports. That was a 3% increase when compared to the 391 tons in FY24.

Additionally, for 2025, United Airlines recycled 44 tons of materials in the terminals it manages at IAH .

CONTROLLER’S OFFICE

1. Audit – Describe the $2.048 million amount of cost/revenue opportunities identified through FY26 audits. Which audits are expected to yield $2.9 million in cost/revenue opportunities in FY27?

The $2.0 million in cost/revenue opportunities identified through FY26 audits is attributable to the Fleet Management Department Fuel Card Program Audit released in October 2025.

Please see that audit here:
[www.houstontx.gov/council/committees/bfacommittee/20251104/FMD Fuel-Card-Audit.pdf.](www.houstontx.gov/council/committees/bfacommittee/20251104/FMD Fuel-Card-Audit.pdf)

Our office is applying the $2.9 million in cost/revenue opportunities from the FY27 budget proposal to offset the Audit Division's total FY27 proposed budget, with the goal of achieving, at a minimum, cost neutrality for the City.

2. Administration – Describe the $73K management consulting expense budgeted for FY27?

This expenditure reflects consulting services for communications and production of the City’s Popular Annual Financial Report (PAFR).

3. Financial Reporting – Describe the $50K management consulting expense budgeted for FY27?

This expenditure reflects professional consulting services supporting the preparation of the City’s ACFR, including technical accounting guidance, reporting support, and assistance with financial reporting requirements and deadlines.

4. Operations – Describe the $40K management consulting expense budgeted for FY27?

This expenditure reflects records storage and retention services provided by the Harris County Department of Education.

FINANCE

1. In Strategic Procurement, miscellaneous other services are up 215% – $260K in FY26 estimate and $820K in FY27 budget. Please explain.

This is for any consultant services/software needed to help SPD continue to automate and streamline the procurement process and drive down cycle time.

2. How much does it cost annually to print the monthly financial reports? What is the cost of printing the large budget books (proposed and adopted)?

The annual cost to print the monthly financial report is approximately $6,800, and it is approximately $7,500 to print the adopted and proposed budget books.

3. In General Government legal services, describe the $500K increase from $985K in FY26 to $1.485 million in FY27.

The $500K increase is attributed to the upcoming FY27 legislative session.

4. Does the admin fee for solid waste constitute new revenue for the HFD pay escalator?

No. Also, please note that the Houston Professional Fire Fighters Association has announced their support of the FY27 Budget as Proposed.

5. Disaster Cost Recovery Management - One of the FIN Department's goals is to seek maximum disaster recovery reimbursement from all applicable sources. Does the department do this completely in-house, or are outside consultants specializing in disaster recovery reimbursement engaged to assist?

It’s a collaborative effort between in-house (City) personnel and outside consultants. City personnel manage the overall disaster cost recovery process for the FEMA Public Assistance (PA) program. This includes coordination with hundreds of stakeholders across the City, State, and Federal governments. It also entails managing all financial aspects of the disaster, including accounting and overseeing the tedious audit process by Federal and State auditors. Consulting firm(s) assist in domains requiring specialized knowledge, such as technical site inspections, project development, cost estimating, and arbitrations and appeals with Federal stakeholders.

6. Accounting and Financial Reporting - Explain the increase in cost per invoice from $41 (FY26 estimate) to $50 (FY27 proposed).

The cost per invoice of $51 for FY27 is calculated using the budgeted amount for the Accounts Payable (AP) group and divided by the projected invoices to be processed. The increase is due to factors such as:

- 3.5% contractual HOPE increase;
- increase budget costs for restricted accounts; and
- higher salaries for integrated employees.

The cost per invoice of $40 for FY26 (estimate) is calculated using the actual and projected expenditure for the Accounts Payable (AP) group and divided by the actual/projected invoices processed. The FY26 estimate of $40 is less than the budgeted FY26 of $48 due to vacancies within the AP group.

7. Citywide Procurement and Contract Management – Describe efforts to reduce the average number of calendar days to complete formal Invitation to Bid (ITB) procurement projects, from project acceptance to council award (from 182 days to target 120 days). Also describe efforts to reduce the average number of calendar days to complete formal Requests for Proposals, Requests for Qualifications, and Best Value Bids to Council Award (from 268 days to target 180 days).

Key initiatives this fiscal year include the continued volume reduction as a result of category management (this will be one of the most significant strategies for reducing cycle time), expansion of operational automation and AI-enabled process improvements. We will continue leveraging workflow automation tools to standardize intake, routing, approvals, document generation, and milestone tracking, while utilizing AI-assisted drafting and review tools to accelerate development of solicitation documents and evaluation matrices. In addition, workflows are being restructured so multiple functions—including scope review, Legal review, Office of Business Opportunity (OBO) participation analysis, insurance review, evaluation planning, and contract drafting, can occur concurrently rather than sequentially. Running these activities simultaneously will significantly reduce idle time between process steps and compress the overall procurement timeline. Increased coordination with OBO and the Legal Department throughout all stages of the procurement process is also expected to reduce rework, improve alignment, and accelerate contract readiness for Council award.

At the same time, we recognize that achieving these goals requires investment in people as well as technology. Over the last several months, we have begun developing robust desktop guides and standardized process documentation to provide staff with clear procedures, timelines, templates, escalation protocols, and best practices. These resources, combined with continued coaching and operational support, are expected to improve consistency, reduce rework, and strengthen overall cycle-time performance. The newly established Procurement Center of Excellence (COE) is leading these efforts by focusing on process optimization, performance management, staff development, automation initiatives, and continuous improvement. The COE will monitor procurement timelines, identify bottlenecks, implement corrective actions, and regularly report performance results to leadership to ensure sustained operational efficiency gains.

8. Citywide Procurement and Contract Management – What are the expected savings in the General Fund and Enterprise Funds from contract management EY efforts in FY27?

Category	Project Savings/Cost Avoidance
Facilities and Management Operations	**$1,290,000**
• Portable Restrooms	
• Grounds Maintenance	
• Janitorial Services	
• Security Services	
Information Technology	**$675,000**
• OrangeBoy Contract	
• EPLUS Inc Contract	
• Motorola Inc	
• NetSync Network Solutions	
Professional Services & Human Services	**$330,000**
• Language Services	
• Laboratory Testing	
Fleet Management, Equipment & Public Safety	**$205,000**
• Vehicle Replacement Parts	

9. Energy Management – What is the status of the city's contract energy and natural gas rate negotiations? Will the city have enough funding in its current $640 million electricity contract to cover costs through the contract extension period?

The team is actively exploring options in identifying a long-term contract with an electricity retail provider. This process has entailed exploring various product options with the City's current retail provider (i.e., block and index, blend and extend) and utilizing electricity cooperatives. The team is closely monitoring the remaining spending authority with its current retail provider and will time the potential need for additional contract spend with the long-term solution. Options around the City's natural gas contract will be reviewed in FY27.

10. Performance Management – Provide a few examples of the 164 "turn the curve" plans that have been developed. Have "turn the curve" plans replaced in-house consulting and Lean Six Sigma efforts?

Attached are a few examples of Turn the Curve (TTC) plans. Most departments have already completed an initial TTC session focused on a high-value KPI. Our goal for FY27 is for each department to take at least six KPIs through the full TTC process, which includes quarterly data reviews and follow-up on actions.

Turn the Curve uses the Results-Based Accountability framework to ensure that KPIs and performance data lead to concrete actions and measurable improvements. Because this program will drive much of our performance management work going forward, we updated our KPIs to reflect this shift.

The Division will continue supporting in-house consulting engagements to help departments improve service delivery and modernize operations. However, we found that tracking the number of engagements was no longer meaningful from a management perspective and was often difficult to define consistently. For that reason, we removed it as a KPI.

We also removed the KPI related to Lean Six Sigma Green Belt certifications. The Division is no longer actively conducting Green Belt trainings; instead, we created an online, on-demand course available to all City employees through TMS. We still use and teach Lean Six Sigma tools as needed, but the certification metric is no longer aligned with our current operating model

FLEET

1. Fleet Operations – Describe 16% increase in vehicle repair and maintenance tires from $4.1 million (FY26 estimate) to $4.8 million (FY27 proposed).

We are not seeing the budget line item with the listed $4.1 million and $4.8 million cost figures. Vehicle maintenance and repair costs are increasing because of several conditions:

- The replacement parts line item “Vehicle Repair & Maintenance Supplies” is increasing by almost 5% because parts costs are increasing. The average part has increased in price by almost 17%. Suppliers are attributing these steep increases to recent changes in import tariffs. Many of our replacement parts are manufactured in Canada and Mexico.
- The cost of tires is increasing by 15% due to increases in tariffs and the cost of raw materials.
- Our outside/contracted services (line item #520123) are increasing by $2 million because we are outsourcing more work, and contractor rates are increasing.

2. Describe the $2.3 million in departmental savings initiatives.

Reduced labor expenses resulting from the elimination of 26 positions will provide for a savings of $2.3 million.

3. Why is there no target listed for the purchase of electric vehicles?

Our KPIs are a work in progress . The KPIs listed in our presentation are initial submissions to the Administration and EY for review and development through the Turning the Curve process. We have traditionally included a KPI for EV purchases in our budgets, and we can certainly continue the process. The City fleet currently includes 1,020 EVs (BEV+HEV), and deliveries are pending for an additional 151 (POs issued).

4. How many vacant mechanic positions will be filled in FY27?

Ten advanced-level mechanic vacancies will be carried into the new budget year with the intention of filling these positions.

5. Fleet Management – Why the drop in FleetShare vehicle utilization hours from 71,059 (FY26 estimate) to 50,000 (FY27 target)?

The FY27 Target is 75K.

6. Fleet Management – How does the department plan to increase preventive maintenance inspections from 75% to 90% in FY27?

Fleet Management began outsourcing a portion of our light-duty preventive maintenance to Valvoline Oil Change locations in late FY25 for cost savings. There were growing pains as we worked with each department on the process of their employees driving their vehicles to the Valvoline locations for service. Departments have now become comfortable with the process. Valvoline has serviced 4,089 vehicles so far in FY26.

Also, we are collecting much more accurate vehicle mileage as we implement the Samsara GPS system. The better mileage readings have identified additional vehicles in need of preventive maintenance. We are adjusting to this additional work and are now on pace to complete 13K preventive maintenance jobs in FY26. This is approximately 1K more than FY25.

In short, we are getting better, and we believe we can achieve our FY27 goal.

FIRE

1. Operational Services – What comprises miscellaneous revenue, and explain the decrease from $1.5 million (FY26 estimate) to $350K (FY27 proposed).

For FY27, the Houston Fire Department has established a new General Ledger (GL) account, 452025 Deployment Reimbursement, to distinctly track natural disaster deployment revenues. This separation from the historical miscellaneous revenue GL improves tracking transparency for these highly unpredictable revenue streams.

The FY27 revenue budget for the new deployment account, as well as the Houston Fire Department (HFD) Special Events Team reimbursements to the City General Fund, are budgeted at approximately $600K, combined. This baseline matches historical budget estimates, accounting for the unpredictability of both natural disaster Emergency Response and Rescue missions and Special Event Team demands.

2. Emergency Response – Explain the decrease in revenue from ambulance services' supplemental reimbursement from $8.2 million (FY26 estimate) to $5 million (FY27 proposed).

HFD works closely with its partner, Digitech, to forecast for the amount expected for the ambulance supplemental services reimbursement. Due to the expected number of participants for the upcoming reimbursement period, HFD was advised to lower its upcoming fiscal year projection.

3. Emergency Response – FY26 classified overtime is estimated to be $75.2 million, and FY27 budgeted overtime is $47.9 million. What operational changes is HFD implementing in FY27 to bring down the cost of classified overtime?

To bring down classified overtime costs in FY27, HFD is aggressively increasing staffing levels by scheduling 11 new fire cadet classes. Additionally, we are continuously reviewing best practices to lessen the department's reliance on overtime staffing as well as minimizing overtime costs when overtime is needed.

4. Emergency Response – Performance measures project attrition to hold steady at 170. Explain why termination pay decreases from $4.8 million (FY26 estimate) to $1.9 million (FY27 projected).

The increase in the number of retirement options, from one to four, based on the Collection Bargaining Agreement in place for HFD, makes available the phased-out payment of accrued, unused benefit time. Prior to the CBA, retiring members had one option for termination payment – a payout over 4 annual payments. The proposed decrease is related to an expected decrease in the number of members who are due annual payments under pre-CBA retirement options. As FY27 progresses, we will re-evaluate and re-assess termination costs based on the most recent data and projected trends.

5. Emergency Response – Paramedics available for coverage is going from 390 in FY26 to 530 in FY27. Describe how this progress in increasing paramedic coverage has been achieved.

HFD has been on a multi-year plan to increase its number of Paramedics. This multi-year plan has included increasing the number of vendors offering Initial Paramedic Training as well as increasing the number of students that we send annually. We have seen improvements in our Paramedic Program since implementing these changes

6. Executive Services – Explain the decrease in classified FTEs from 44 (FY26 estimate) to 30.2 (FY27 proposed).

In FY25 HFD increased its classified headcount by 103 firefighters. For FY26, HFD is projecting to increase its classified headcount by 141 firefighters. We have planned a classified headcount increase of 242 firefighters for FY27.

7. Prevention – Explain the decrease in classified FTEs from 228.1 (FY26 estimate) to 168.8 (FY27 proposed).

In FY25 HFD increased its classified headcount by 103 firefighters. For FY26, HFD is projecting to increase its classified headcount by 141 firefighters. We have planned a classified headcount increase of 242 firefighters for FY27.

8. Prevention – Describe the decrease in classified overtime expense from $5.4 million (FY26 estimate) to $3.8 million (FY27 proposed).

To bring down classified overtime costs in FY27, HFD is aggressively increasing staffing levels by scheduling 11 new fire cadet classes. Additionally, we are continuously reviewing best practices to lessen the department’s reliance on overtime staffing as well as minimizing overtime costs when overtime is needed.

9. Prevention – Why are smoke alarm installs going from 1200 in FY26 to 500 in FY27?

HFD was provided funding under the 2021 Fire Prevention and Safety Grant (FP&S) to install strobe light smoke alarms with vibration appliances for the deaf/hard of hearing. This funding is not expected in FY27.

10. What is HFD’s cost to start training for 340 cadets in FY26 (presentation says 340 cadets and budget book says 490)? What is the cost per cadet for non-certified (long-track) cadet classes? What is the cost per cadet for certified (fast-track) cadet classes?

HFD plans to start 11 cadet classes with a total of 340 cadets in FY27. The proposed budgeted cost per non-certified cadet is approximately $30K per cadet. The proposed budgeted cost per certified cadet is approximately $10K per cadet.

11. What is HFD's minimum staffing requirement and average daily headcount? How does HFD address the gap?

HFD operates with 849 riding positions daily. This is the number of personnel required to staff EMS units, heavy apparatus, etc. Through the end of March 2026, HFD averaged 821 members assigned to each of the four shifts. HFD addresses the gap in number of members needed and number of members available to work with overtime staffing. It is important to note that 849 is the number of personnel needed to ensure that all units are staffed and no units are placed out of service

12. In the Fire Prevention and Risk Reduction program, consider revising the performance measure related to "inspection activities" and plan review. What is the current number of days it takes for review, and how many rounds of review on average occurred in FY26?

GENERAL SERVICES

1. What is the total amount of deferred maintenance of city facilities? When was the last facilities condition assessment performed?

The estimated total amount is $846M. The most recent Facilities Condition Assessment took place in FY22.

2. Maintenance Renewal and Replacement (MRR) – Describe the 24% increase in building maintenance services from $8.3 million (FY26 estimate) to $10.3 million (FY27 proposed).

The 24% increase is due to an increase in call-out services and escalation in preventive maintenance contract renewal costs.

3. MRR – Describe the 46% increase in elevator repair from $853K (FY26 estimate) to $1.25 million (FY27 proposed).

The budget includes the projected increase for services for the new proposed contract. The rate is projected to increase to industry averages.

4. MRR – Describe the 56% increase in equipment rental from $547K (FY26 estimate) to $854K (FY27 proposed).

The increase is due to increased costs for equipment rentals.

5. MRR – Describe the 15% decrease in HVAC repair and replacement from $13.6 million (FY26 estimate) to $11.5 million (FY27 proposed).

These funds were moved to Building Maintenance Services. HVAC repairs may be addressed with these funds.

6. GSD Energy Management – Describe the 20% increase in Natural Gas spending from $5 million (FY26 estimate) to $6 million (FY27 proposed).

The estimated increase is 17% (Citywide) for the FY27 Natural Gas Budget, which is higher than the FY26 Natural Gas Budget due to increased natural gas rates.

7. GSD Property Management – Describe the 613% increase in pest control service from $15K (FY26 estimate) to $92K (FY27 proposed).

The pest control renewal pricing is now based on an hourly rate versus a per-spray rate. SPD made this decision.

8. Budget reductions include window cleaning services ($114K) and recycling services ($8.7K). What are the total budgets for these categories?

520101 Janitorial Services – (includes window cleaning services) $6,293,631
520118 Refuse Disposal – (includes recycling services) $1,309,249.25

HEALTH

1. Opioid Abatement Fund – What initiatives are planned for FY27's $1.3 million in spending in this fund?

We increased personnel to add Peer Wellness Specialists to do outreach in targeted zip codes for FY27.

2. Laboratory Operations and Maintenance Fund – Describe the increase in total expenditures from $600K (FY26) to $1 million (FY27 proposed).

The lab is using the fund balance to pay for new capital equipment (replacement). This is a one-time request for FY27.

3. Provide an explanation for the move of Consumer Food, Vital Statistics, and Garage Parking revenues and expenditures to the Health Special Revenue Fund and the Essential Public Health Services Fund.

Dr. Tran will explain how moving these programs to the special fund will look in future fiscal years. To note: we will need to submit some PBJs in the future to request budget increases in the general fund since fund 2010's balance will be depleted after FY27. The move to Essential Public Health included Health Centers, Client Access, Nursing Services, and Medical Services. Please note that the attempt was to put the revenue and expenditures in one fund. In prior years, Finance decreased the fund balance in special funds (2002, 2423, 2009) using a claw-back while receiving revenue in the general fund for the same programs. For FY27, revenue-earning programs will be 100% special fund and are expected to break even or retain a fund balance that will support increases related to increases in fringe benefit costs. We also plan to increase fees using the Consumer Price Index.

4. Why a decrease in expenditures in the Apartment Compliance Division from $1.5 (FY26 estimated) million to $782K (FY27 proposed)? Similarly, why is staffing down from 10 FTEs to 6.6?

The decrease includes a vacancy factor for 4 vacancies that will take some time to fill due to the advanced degrees needed for Environmental Investigators. The program will have the same number of staff. The current budget is $851K. The estimate is $706K. The $1.5 million includes expenditures for other Consumer Health programs that are not appropriately rolled up in the report due to program name changes from FY26 to FY27.

5. Care Coordination – Describe the activities of the Pathways program.

Pathways is an evidence-based, data-driven, pay-for-performance model of care coordination. HHD's Pathways team include 1 supervisor and 2 Community Health Workers.

Referral population are pregnant individuals at risk of poor maternal/infant outcomes, people with chronic conditions lacking coordinated care, uninsured/underinsured residents, persons with mental health and substance use issues. Staff address behavioral health, maternal health, and social needs of participating families. Services include home visits, screenings, assessments, referrals, education, and advocacy. Staff participate in outreach and awareness activities including health fairs and resource networking events. Staff support emergency response and crisis events including Warming and Cooling Centers.

6. Ambulance Safety and Permitting – Explain the decrease in ambulance inspections and consultative visits from 3175 (FY26 estimate) to 2438 (FY27 proposed).

The higher projected number of ambulance inspections in FY26 of 3,174 compared to the projected 2,438 in FY27, is primarily due to the temporary increase in private ambulance operations associated with FIFA World Cup in Houston. To support the significant influx of visitors during FIFA, HFD has contracted with additional private ambulance providers to expand emergency medical service capacity throughout the city. These temporary service expansions require increased regulatory oversight, including inspections and compliance activities by HHD. As a result, FY26 projections reflect this surge in inspection activity is directly tied to the temporary public safety and regulatory demands created by FIFA operations.

7. Consumer Health/Food Safety – Explain the increase in expenditures in the Health Special Revenue Fund from $2.8 million (FY26 estimate) to $7.4 million (FY27 proposed).

Similarly, the increase in FTEs is from 37.3 to 60.8. The FY26 general fund budget was moved to fund 2002 in FY27 so that all of the revenue and expenditures will be in the same fund instead of being split between fund 1000.

8. Consumer Health/Food Safety - Why the decrease in the number of retail food facility inspections from 34,955 to 27,924?

The difference is primarily in the reduction of mobile food trucks. Changes in the State Legislature resulted in fewer inspections and revenue. We will be working with the State of Texas to do the work as a contractor. This means that the State of Texas will receive all revenue and reimburse HHD on a fee-for-service basis. This arrangement was made after the budget was submitted and has not started yet. Also, due to changes in the State legislature, we can no longer require mobile food trucks to have a GPS. This means that it will be harder to find mobile food trucks to do inspections. For example, the address on file for the permit will be the only address that HHD will know to inspect, and it could be in another jurisdiction. However, the food truck may be in any part of the City of Houston.

9. Healthy Families Houston – Explain the decrease in total expenditures (all funds) from $7.8 million (FY26 estimate) to $436K (FY27 proposed).

The $7.8 million includes the amounts for the Health Centers in error for FY25 and FY26. This error is due to the change in the names of Programs. Please see the screenshot below. The estimate for Health Centers for FY26 is lower due to hard to fill vacancies.

Health Centers

Description:
The Clinical Health program interventions can prevent disease or detect disease early when treatment is more effective. The health centers protect the health and social well-being of all Houstonians. They provide patient services to meet the community's present and future needs in family planning, immunizations, tuberculosis diagnosis, care for sexually transmitted diseases, and dental care.

Goal:
Provide access to low-cost, high-quality clinical and preventive health services.

Mayor's Priority: Quality of Life

Program Notes:
This program was established as part of the restructuring of the former Clinical Health program. Performance measures displaying only a FY2027 Target indicate a newly reported measure.

($ in thousands)

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Essential Public Health Services Fund	0	0	0	0	0	11,363
General Fund	0	0	0	0	0	251
Health Special Revenue Fund	0	0	0	0	1,200	1,361
Total	**0**	**0**	**0**	**0**	**1,200**	**12,975**

10. The Anti-Human Trafficking program has been retired. Please describe how the activities of this division are being carried out by other city efforts.

This program was maintained by DON while budgeted at HHD at the request of Mayor Turner. All decisions were made by Minal Davis, former Director of the Mayor's Office of Human Trafficking and Domestic Violence, and previously served as Special Advisor to the Mayor on Human Trafficking. HHD has not been involved with any other efforts since this budget was removed from HHD. According to the Department of Neighborhoods' website, they are coordinating citywide efforts. HHD is willing to support any requests from other Departments if appropriate resources are available.

11. Multi-Service Centers - Explain the increase in total expenditures (all funds) from $3.1 million (FY26 estimate) to $5 million (FY27 proposed).

The FY26 estimate includes vacancies that we are expected to fill in FY27. These vacancies do not require advanced degrees or specialization, making the vacancies much easier to fill once the Mayor approves hiring requests. The FY27 budget includes $732K for Congregate Meals that was formerly under a different program name, Human Services, in FY26. Finally, the FY27 budget includes $909K that will be transferred to the Health Centers due to last-minute changes in balancing the budget.

12. How many individuals are expected to be assisted through the Cloudbreak respite initiative. What additional funds are needed above the $1.6 reserved for leases at the facility?

13. How do the Health Department's vital statistics fees charged to residents compare to what the county charges? When were these fees last adjusted. How much additional revenues could be realized if fees more adequately reflected the cost of service provided.

14. Please describe how more revenues could be generated by moving services provided at the three clinic sites to the multiservice centers.

15. Does the department need to update its charges for services provided at clinics and multiservice centers? When were these fees last adjusted?

HUMAN RESOURCES

1. What is the FY27 “all in” salary plus benefits cost of civilian and classified city employees?

Average	Employer Cost	
	Municipal	Classified
Base Pay [1]	$71,611	$95,569
Pension	5,775	25,833
Benefits [2]	16,647	16,714
Total	**$94,033**	**$138,116**

[1] Includes Full time and Part Time employees, and HOPE increase
[2] Includes FICA, Health Insurance, Long-Term Disability, Workers' Compensation, and Life Insurance

2. Provide overall turnover and retention numbers across departments for the past two years, year by year. For each department, provide both numbers and percentages by pay grade, if possible, and include VRPO numbers. Provide the formulas used for calculating both employee retention and employee turnover rates.

Turnover	Average Headcount		Separations		Turnover	
Department Name	2024	2025	2024	2025	2024	2025
Admin. & Regulatory Affairs	356	400	63	71	17.7%	17.8%
Business Opportunity	36	36	11	7	30.6%	19.4%
City Council	63	71	21	26	33.6%	36.9%
City Secretary	8	7	0	3	0.0%	42.9%
Controllers	50	56	8	17	16.0%	30.6%
Department of Neighborhoods	102	69	18	18	17.6%	26.3%
Finance	175	213	15	19	8.6%	8.9%
Fire	4,168	4,334	278	302	6.7%	7.0%
Fleet Management	353	333	41	76	11.6%	22.9%
General Services	255	215	34	85	13.4%	39.5%
Health & Human Services	1,210	1,091	201	219	16.6%	20.1%
Housing & Community Dev.	208	183	32	36	15.4%	19.7%
Houston Airport System	1,317	1,334	213	296	16.2%	22.2%
Houston Emergency Center	214	194	58	61	27.1%	31.5%
Houston Public Works	3,798	3,646	437	690	11.5%	18.9%
Human Resources	287	293	35	51	12.2%	17.4%
Information Technology	204	234	31	42	15.2%	17.9%
Legal	192	174	21	44	11.0%	25.3%
Library	493	476	87	87	17.7%	18.3%
Mayor's Office	92	84	27	35	29.3%	41.9%
Municipal Courts	270	245	37	68	13.7%	27.8%
Parks & Recreation	686	687	116	174	16.9%	25.3%
Planning & Development	85	71	14	25	16.6%	35.2%
Police	6,773	6,701	402	457	5.9%	6.8%
Solid Waste Management	424	411	65	98	15.3%	23.8%
City-wide	**23,838**	**23,575**	**4,289**	**5,032**	**18.0%**	**21.3%**

Excluded Elected and Temps

Turnover Rate = (Number of Separations during the Period ÷ Average Number of Employees during the Period) × 100

Retention	2024			2025		
Department Name	Beg of the year	End of the year	Retention Rate	Beg of the year	End of the year	Retention Rate
Admin. & Regulatory Affairs	354	308	87%	358	300	84%
Business Opportunity	40	30	75%	32	27	84%
City Council	54	46	85%	71	56	79%
City Secretary	8	8	100%	8	5	63%
Controllers	47	42	89%	53	43	81%
Department of Neighborhoods	104	88	85%	100	83	83%
Finance	174	162	93%	175	157	90%
Fire	4,104	4,008	98%	4,232	4,096	97%
Fleet Management	344	312	91%	361	291	81%
General Services	258	233	90%	248	171	69%
Health & Human Services	1,244	1,077	87%	1,172	966	82%
Housing & Community Dev	213	184	86%	201	167	83%
Houston Airport System	1,258	1,134	90%	1,375	1,139	83%
Houston Emergency Center	216	177	82%	208	158	76%
Houston Public Works	3,742	3,400	91%	3,843	3,213	84%
Human Resources	279	250	90%	295	248	84%
Information Technology	202	180	89%	206	165	80%
Legal	188	169	90%	192	153	80%
Library	488	418	86%	497	417	84%
Mayor's Office	92	69	75%	95	62	65%
Municipal Courts	271	247	91%	263	203	77%
Parks & Recreation	657	579	88%	713	567	80%
Planning & Development	86	73	85%	83	59	71%
Police	6,750	6,397	95%	6,793	6,382	94%
Solid Waste Management	412	370	90%	434	344	79%
City-wide	**21,585**	**19,961**	**92%**	**22,008**	**19,472**	**88%**

Excluded Elected and Temps

Retention Rate = (Number of Employees Remained Employed for the Period ÷ Number of Employees at the Start of the Period) × 100

3. Describe the process for reviewing morale at each department.

Administered by the HR-Center for Public Leadership & Learning (HR-CPLL), the Citywide Involve & Evolve Employee Engagement Survey currently serves as the City's primary standardized tool for reviewing employee morale and engagement across departments. The survey is focused on the City's 12 key drivers of Employee Engagement, including:

- My Work, My Team, Training & Development, Resources & Workload, Benefits & Wellness, The City's Priorities, Leadership & Managing Change, Department Culture, and My Supervisor.

The survey was previously administered every 18 months and was completed in 2023 and 2025, and will now move to be annual in FY27. Survey results are reviewed to identify trends related to leadership, communication, workplace experience, and employee engagement.

Department Directors and their I&E Champion Catalyst meet with the CPLL Organizational Development (OD) Team to review results, share best practices, and recommend strategies for improving their overall Employee Engagement Score and address the key drivers which explore morale. In addition, throughout the year, the CPLL OD Driver's Seat webinar series is held monthly to educate Departments on how to strengthen morale and culture.

3a. Detail the triggers that lead to a more in-depth investigation of a morale issue.

Currently, employee engagement survey results serve as the primary indicator for identifying potential morale concerns requiring additional review or support. Areas demonstrating lower engagement trends may prompt further discussion with department leadership to better understand contributing factors and potential support needs.

HR is also working to strengthen the City's overall engagement strategy by expanding feedback opportunities, revitalizing the engagement champions, continuing to revise the leadership pulse survey, and incorporating additional data points to provide more ongoing insight into workforce morale and organizational health.

Since February 2026, CPLL has utilized the monthly Involve & Evolve (I&E) Leadership Pulse Inventory as an additional mechanism to help identify emerging workforce concerns and track the strategies implemented by Departments.

Additional factors that may inform a more in-depth review include recurring employee operational challenges, employee feedback patterns, and information gathered through leadership pulse surveys. Through our CPLL OD team, we provide organizational development services for Departments at no direct cost. These services provide our Thought Partnership consulting sessions to identify workforce challenges associated with employee morale, organizational change, process improvement, leadership & communications, employee engagement, etc. During this process, the OD team conducts an in-depth review through a variety of industry-based OD methodologies, including Discovery sessions, Listening Sessions, additional assessments, and more, to identify and diagnose triggers. Then the OD team provides a proposal of solutions and strategies to help Departments achieve better outcomes and improve the overall organizational culture and health. HR is always continuing to strengthen and formalize our CPLL OD action-planning approach to better identify and respond to workforce morale concerns.

3b. Are any triggers in place for issues flagged either through exit interviews, high turnover, or complaints that come in through surveys or the public?

Yes.

3c. Explain the follow-up process if issues are flagged.

HR advises the appropriate Department Director of the overall feedback and patterns, either through the HR Executive Leader or Client Relations Manager. In addition, HR CPLL provides ongoing training and OD intervention services.

3d. Does department leadership review exit interviews of those leaving their department?

For confidentiality purposes, department leadership may not review full exit interviews; however, issues and patterns are discussed with department leadership.

4. Employee retention and turnover rates are no longer being used as HR performance metrics. What is the reason for this transition?

The HR departmental KPI for turnover has been elevated to one of the Citywide Administrative Services KPI that will be available for Departments to select to monitor in FY28. HR currently continues to monitor turnover daily via Director's Corner. Furthermore, Employee Retention is still a current HR KPI and is published in the FY27 budget.

5a. HR describes the city as a people-first culture valuing every employee's journey. What metrics does HR monitor to understand, for each department, issues related to morale, turnover, and retention?

Employee Engagement KPI, Employee Turnover Rate, and Employee Retention Rate available to Department Leadership via the HR Director's Corner.

5b. How is department leadership notified and made aware of any issues related to departmental culture and turnover rates?

HR has multiple ways to keep department leadership informed of any issues via the HR Executive Leadership Team, Employee Relations team, Client Relations Managers, HR CPLL OD team, availability of the I&E Employee Engagement Survey, and access to the Director's Corner.

6. Across COH departments, what is the estimated cost to a department and to the HR department of losing an employee, searching and recruiting to fill the position, and onboarding the new employee? Estimate the loss of work value, time to train a new-hire, and the cost of the search.

The City currently does not maintain a standardized calculation for the loss of work value associated with employee turnover across departments. However, turnover may result in reduced productivity, increased workload distribution among remaining staff, operational delays, and additional supervisory oversight during vacancy and onboarding periods.

Recruiting and search costs include the resources and staff time required by the Talent Acquisition (TA) team to manage the hiring process. Based on current operations, the average time-to-fill is approximately 45 days and involves support from approximately 30 Talent Acquisition staff members across sourcing, screening, interviewing, and hiring coordination activities.

New-hire onboarding and training costs include the time and resources dedicated to the New Employee Experience and New Employee Orientation process, which spans approximately three weeks. This process is supported through CPLL and includes contributions from:

- (1) Senior Talent Acquisition representative
- (2) Talent Coordinators
- (1) Verification team member
- (1) Shared Services team member
- (1) Chief Learning Officer (CLO) representative

In addition to HR-related onboarding costs, departments also incur operational training costs associated with position-specific instruction, supervisory coaching, and the time required for a new employee to achieve full productivity. These costs vary significantly depending on the complexity and classification of the position.

7. With the EY recommendation that all managers supervise 5 or more staff –

7a. What is HR's pathway for new managers to grow into management leadership? Are all new managers required to manage 5 staff from their first day as a manager?

HR's pathway for supporting new managers into leadership begins with mandatory New Supervisor Orientation (NSO), facilitated through CPLL in accordance with Administrative Policy AP 3-32. NSO must be completed within 45 days of hire, rehire, or promotion and is designed to provide foundational leadership support in areas such as leadership expectations, professionalism, civility, employee engagement, performance management, delegation, and feedback.

In addition to NSO, CPLL offers Strengthen Your Core (SYC) courses, a series of skill building training courses aligned to the behavioral factors outlined in the City's HEAR performance plan. These courses are intended to strengthen understanding, application, and proficiency in key leadership and workplace competencies while allowing participants to select learning opportunities based on individual growth and development needs. CPLL continues to expand leadership development opportunities intended to support managers throughout their leadership journey through ongoing training and additional learning resources aligned to organizational and workforce needs.

7b. What is HR's pathway for new managers to grow into management leadership? Are all new managers required to manage 5 staff from their first day as a manager?

Yes, managers and supervisors are responsible for managing the teams assigned to them upon assuming their role, which may include supervising five or more employees depending on the department's operational structure and staffing model.

8. Central Service Revolving, Client Services Administration – Explain the increase in management consulting from $279K (FY26 estimate) to $618K (FY27 proposed).

The $618K is the FY27 budget for the Compensation Division in HR, which includes $588K for the citywide compensation study and $30k for compensation surveys. The FY26 compensation estimate is $28K, representing compensation surveys only. The increase in FY27 is primarily due to the addition of the citywide compensation study.

9. Central Service Revolving, CPLL – Explain the increase in management consulting from $629K (FY26 estimate) to $1.1 million (FY27 proposed).

The increase of $482K is primarily driven by expanded citywide workforce training and upskilling
efforts. This funding will support the initiatives presented at the Labor Committee:

- Leadership and learning at every level
- Technical learning, including Digital Literacy & Applications and AI & Copilot
- Specialized learning programs: Staff Analyst Development Program, Communications Hub Development Program, and Military Leadership & Career Development Program

10. Provide details of departmental savings initiatives.

HR contributed $3.4 million to the citywide savings initiative as follows:

- $3.0 million - Reduction in contingent workforce services across two contracts
- $0.4 million - Operational savings realized through the partnership with HITS and a shift to virtual professional development, which has significantly reduced travel expenses

11. Describe the timeline and goals of the $675,000 new consolidated occupational testing contract.

Effective June 1, 2026, the City will transition from Alere to Alliance, which will provide both drug testing and occupational testing services, including Medical Review Officer (MRO) services. This transition supports the City's ongoing efforts to enhance service delivery, strengthen compliance oversight, and streamline pre-employment and employee testing processes.

The new five-year consolidated testing contract's goal is to streamline and improve the City's Drug Testing and Occupational Testing Program by increasing efficiency, consistency, and service quality.

As part of this transition, HR will implement several program enhancements, including:

- Establishing a centralized HR Drug Testing team to coordinate and manage all drug testing activities.
- Transitioning to a fully paperless testing process, with all forms completed electronically through a new online portal.
- Expanding weekday after-hours and weekend scheduling to better accommodate shift based operations. The centralized HR Drug Testing team will be available Monday–Friday from 6:00 a.m. to 10:00 p.m. and Saturday–Sunday from 10:00 a.m. to 7:00 p.m.
- Maintaining Test First availability for on-call test collection after 7:00 p.m. on weekdays and 24 hours on weekends. Test First will also continue providing mobile testing services.
- Discontinuing the use of Concentra for testing and referrals effective May 15, while expanding the collection network from 14 to 27 sites, including CareNow, AFC Urgent Care, Any Lab Test Now, and other providers. A complete list of collection site addresses will be distributed prior to the June 1 launch.
- Providing departments with the option for on-site drug testing based on operational needs and group scheduling.
- Expanding the network of Medical Review Officers (MROs) to support improved responsiveness and service coverage.

INFORMATION TECHNOLOGIES

1. Applications – Explain the increase in data services from $501K (FY26 estimate) to $1 million (FY27 proposed).

The increase above is being driven by additional ServiceNow licenses planned for FY27. The "data services" in this case refers to the GL account HITS uses to track this expense.

2. Director's Office – Describe Compensation Contingency and why are no funds allocated in FY27?

The dollar amount that you see in the FY26 Current Budget is largely a place holder for term pay that is expected to be realized for several individuals within the organization by the end of the FY26. No dollars were allocated in the proposed FY27 given the proposed budgeting, staffing and hiring strategy within HITS that will allow better visibility into the availability of personnel dollar to address compensation variances.

3. Director's Office – Explain the increase in Salary Base Pay – Civilian from $3.5 million (FY26 estimate) to $5.9 million (FY27 proposed).

The FY26 adopted budget for this division is $4.5 million. The FY27 proposed budget includes the consolidation of the FTEs to support HPL, and the HOPE increase for the other four cost centers within this division. The variance seen between the FY26 adopted ($4.5 million) and estimate ($3.5 million) is largely due to the current vacancies in HFD IT support.

4. HPD IT Services – This division is going from 78.5 FYEs (FY26 estimate) to 84.6 FTEs (FY27 proposed). Provide a description of the services the additional FTEs will provided.

The FY26 adopted FTE for HPD IT Services was 90.6. The FY26 estimate is lower due to the vacancies with this group. During FY26, five FTEs were transferred back to HPD. The remaining decrease is a factor of the HITS removing the vacancy factor, leaving budget for only the positions the department has prioritized hiring in FY27. Note that this does not mean that only 84.6 FTEs are needed to support HPD, rather, HIT will focus its efforts on recruiting the delta of approximately 6 FTEs and then reassess the remaining gaps.

5. HPD IT Services – Explain the increase in Cap Exp – communication equipment from $9.5 million (FY26 estimate) to $15.4 million (FY27 proposed).

The increase is for approved PBJ to support the technology needs for the new cadets in FY27.

6. HPD IT Services – Explain the increase in data services from $1.5 million (FY26 estimate) to $2 million (FY27 proposed).

The increase from the FY26 estimate is largely related to contractual increases for infrastructure expenditures. Additionally, there were some infrastructure expenditures that were expensed out of BA1000 in FY26 that we are moving to the revolving fund for FY27.

7. Cybersecurity - Describe efforts to increase the percentage of vulnerabilities remediated within a specified timeframe from 44.5% (FY26 estimate) to 75% (FY27 proposed).

We will focus on establishing stronger cross-functional coordination processes across the various HITS support teams responsible for remediation activities. We will also improve coordination between cybersecurity and IT operations by translating vulnerability findings into actionable operational risk information rather than purely technical scan results.

8. End User Compute Services Program – the performance measure of customer satisfaction surveys gives a target of 4. Is that out of 5? How many surveys are filled out by end users?

HITS issues a customer satisfaction survey to end users each time an incident ticket is closed. The survey asks respondents to rate:

- Their satisfaction with the quality of support received
    - The professionalism of the support team
    - The team’s effectiveness in resolving the issue
- Responses are scored on a 1–5 scale:
    - 5 - Very satisfied
    - 4 – Satisfied
    - 3 – Neutral
    - 2 – Dissatisfied
    - 1 - Very dissatisfied
- Each survey result is calculated as the average of the three question scores.

Over the past 12 months, HITS sent 14,823 surveys and received 1,031 completed responses for this program.

9. Citywide Customer Service Request – 311 Program – Why is the target of online submissions vs call intake decreasing from 23.3% (FY26 estimate) to 15% (FY27 proposed)?

The target has been adjusted to 25% for FY27 and will be redlined in the adopted budget.

10. Provide some examples of how the city is adopting AI to enhance operational efficiency, reduce labor-intensive tasks, and save money? Are there specific areas of focus to expand the use of AI in FY27?

The City is adopting AI to improve efficiency and reduce manual work. All employees with City email accounts now have secure access to Copilot Chat, with about 900 active monthly users who use it to draft documents, summarize reports, and perform routine tasks. AI translation tools are being added as part of FIFA preparation to support multilingual emergency response. The City has initiated work on AI solutions such as Automotus for curb management and enforcement, BridgeSocial, an HHD chatbot to support resident intake, and Unicorn plan-review pre-check tool to speed permit processing. FY27 will expand responsible AI review, AI agents, and department-specific solutions.

LIBRARIES

1. Provide the breakdown in circulation numbers between physical materials, e-materials, and database use.

Physical Materials: 3,065,825
e-materials: 5,149,364
Database use: 3,042,790

2. How does the department respond to employee exit interview feedback?

HPL has requested this information from HR. HPL and HR will review the feedback on a quarterly basis to help identify areas of concern and address opportunities for improvement.

3. How many libraries are expected to reduce opening hours in FY27?

HPL does not plan to reduce the operating hours for any library in FY27.

4. What is the annual attendance at the 3 least visited libraries?

Location	FY25 Visitors	FY26 Visitors(through April)
Kashmere Gardens	10,446	14,653
Melcher	10,486	11,534
Pleasantville	4,076	4,897

5. Administrative Services - Explain the increase in FTEs from 18.1 to 37.1.

In FY27, Administrative Services included 3 Cost Centers. The table below shows the overall FTE shifts amongst the FY27 programs. Please note that the FTE does account for the vacancy factor.

			FY26 Estimate	Change	FY27 Proposed
Administrative Services	Director's Office	10001	3.0	2.7	5.7
	Communications	10004	15.1	-1.6	13.5
	Stats and BI	10009	0	10	10
		Sub Total	**18.1**	**11.1**	**29.2**
			FY26 Estimate	Change	FY27 Proposed
FTE shifts in other programs	History Research Centers	[redacted]	0	30.5	30.5
	Library Collections		35	5.5	40.5
	Library Spaces		8.8	-0.8	8.0
	Literacy and Educational Programs		22.6	-3.9	18.7
	Neighborhood Libraries and Central		0	283.0	283.0
	Special Events		0	6.0	6.0
	TECHLink		0	28.6	28.6
	Digital Strategies		45	-45.0	0.0
	Library Operations		306.2	-306.2	0.0
	Historic Preservation Fund		1.5	-1.5	0.0
		Sub Total	**419.1**	**-3.8**	**415.3**
		Grand Total	**437.2**	**7.3**	**444.5**

6. Administrative Services - Explain the decrease in General Fund revenue from $926K (FY26 estimate) to $126K (FY27 proposed).

Passport revenue is moving from Administrative Services to the Neighborhood Libraries and Central Program. A separate cost center for Passports was created with assistance from Finance to support the monitoring of costs and revenue. The remaining $126K in Administrative Services is the revenue from lost and damaged library materials.

7. TECHlink - Explain the decrease in FTEs from 45.0 to 28.6.

Previously, TECHLink and the Digitization team were included in the Digital Strategies program. In FY27, the IT part of Digital Strategies (14 FTE) is moving to HITS. The six staff members of the Digi Team moved to Library Collections as their functions matched that program. The 24 existing TECHLink staff and the additional 11 positions (9 FTE) from the PBJ for TECHLink Vinson remain as the 28.6 FTE (with the vacancy factor added in). Please refer to the table included in question six to see the overall FTE shifts. Please refer to the table in Question 6 for a summary of the overall FTE changes.

8. What amount was received from the Houston Public Library Foundation for FY26, and what is projected for FY27? To the extent possible, share the breakdown of this funding, including materials (include breakdown between physical materials, e-books, other digital materials, databases); programming (include breakdown of programming between youth, teen, and adult), staff, and special funds.

In FY26, HPL received an estimated $1 million from HPL Foundation including grants via the Foundation. HPL typically receives approximately $1million each year.

- 21.8% is directed towards materials (physical, e-books, Library of Things)
- 18.8% is used for systemwide programming (split 54% for youth and teen and 43% for adult)
- 15.7% for exhibits, location programs, and supplies (includes Central, History Research Centers, and Neighborhood Libraries.
- 13.1% for communications/marketing
- 12.4% for staff training/professional development, staff engagement, and volunteer background checks
- 10.5% for systemwide priorities
- 7.6% for technology

9. Share a list of job classifications by division having a pay grade of 31-40. Indicate which positions are on the leadership team and which are occupied by someone having a Master's of Library Science (MLS) or Master's of Library and Information Science (MLIS)?

Administration Services has the Library Director (PG 35). An MLS is not required for this role. The position is part of the leadership team.

Neighborhood Libraries (NL) and Central has an Assistant Director (PG31). While the current person in the position has an MLS, it is not a requirement of the position. This role is part of the leadership team.

10. Provide details of the $1.17 million in department savings initiatives.

Name of Program	FTEs Filled	FTEs Vacant	Personnel Cost	Other Cost	Total Approved Reduction
TECHLink	0	1	$70,265	$ -	$70,265
Library Collections	0	0	$ -	$1,054,463	$1,054,463
Library Spaces	0	0	$ -	$50,000	$50,000
Total	0	1	**$70,265**	**$1,104,463**	**$1,174,728**

11. Regarding the FY27 performance measure target of percentage of employees that are "fully engaged" or "somewhat engaged" in their work:

In the 2025 Employee Engagement Survey Results, on page 7 of the survey, when asked whether they will Stay or Leave the library, is the correct understanding that 68 participants (24.4%) who are "Fully" or "Somewhat engaged" are planning to leave the Library?

- Yes, according to the survey.

On page 5-6 of the survey for the question, "Are you considering leaving your current position in the next year and, if so, why?": is it the correct understanding that those who answered "Yes, to pursue a position in another department," 71% of these respondents are considered "Fully" or "Somewhat engaged?"

- Yes, according to the survey.

12. What was the cost and duration of the Houston Grand Opera teen residency program? How many teens participated? Share the impact on HPL's performance metrics as a result of this expense. Provide the cost-per-person served with this program.

The Houston Grand Opera Partnership with HPL consisted of two programs:

- Teen residency that occurred during Spring Break, March 9-13, 2026
  - Involved experiences at Central Library, Houston History Research Center and the Wortham Theatre where students learned about the planning and execution of a live performance from "behind the curtain".
  - 34 hours of programming over 5 days (total cost/total hours = $439 per hour)
  - 76 student interactions (total cost/total student interactions = $197 per student each day;
    - 3/9, Mon - 16 teens
    - 3/10, Tues - 15 teens
    - 3/11, Wed - Opera night - 12 teens (plus 4 parents)
    - 3/12, Thurs - 14 teens, 4 teaching artists
    - 3/13, Fri - 15 teens, 4 teaching artists
- Presentation of HGO's Opera to Go! The Velveteen Rabbit at Vinson Neighborhood Library: 216 student participants
- Sum Total: $16,440.00 ($14,940: Teen Residency; $1,500: Velveteen Rabbit)

13. Share the number of staff hours and equivalent salary cost per year for HPL employees to staff the HISD DYAD program in FY25-FY26. Did DYAD participation impact HPL programming. Share any payment that HISD made to HPL to provide its staff for this program.

- The Community Outreach partnership to HISD schools was grounded in HPL's goal to re-engage students who otherwise would not have a library experience within school hours and/or outside of the school day. In addition to hands-on STEM activities typical of HPL programs, students were provided an overview of HPL programs and services allowable under SB13. Participating schools were located in historically marginalized communities and where schools are following the NES model.
- DYAD participation did not impact any HPL programming. All HPL services are free, including DYAD.
- CEET allocated 140 hours total from Fall 2025 - Spring 2026 and NL allocated 360 hours total for Spring 2026. Average staff cost per hour is $25.

14. MOAL - In 2021, the Mayor's Office for Adult Literacy (MOAL) and HPL received a grant from the City with federal funds under ARPA’s Coronavirus Local Fiscal Recovery Fund (CLFRF). An amount of approximately $500K was allocated to purchase and outfit mobile technology units to the community develop capacity of local adult literacy providers. Provide an update on the use of these funds.

- Approximately $500K in ARPA was allocated to outfit mobile technology units. However, vendor later notified HPL that the services could not be rendered to meet U.S. Treasury’s definition of obligation. Thus, funding to outfit mobile technology units was unallocated.

15. MOAL - Provide metrics on MOAL activities over the past year. Include list of adult literacy providers partners, events led by MOAL, and adults reached through MOAL’s actions.

FY25 Summary

- MOAL, in collaboration with our adult literacy partner organizations, delivered a total of 110 adult literacy classes, which are often offered as multi-session series. Through these classes, 2,691 adults participated in literacy-focused learning opportunities. These figures reflect participation documented through our Digital Labs sites.

FY26 – 1st Quarter

- During the first quarter of FY26, MOAL and partners have offered 28 adult literacy classes, with 572 adults attending. These numbers also reflect metrics collected through Digital Labs.

Data Notes

- Direct referrals made by MOAL to external literacy partners are not included in the metrics above. With the implementation of the new data dashboard, we will soon be able to track and report referral-based engagement as well, giving us a more complete picture of MOAL’s reach and impact.
- Partners are listed below in question #16.

16. MOAL - Share MOAL's plans to provide networking and fundraising opportunities for adult literacy providers over the next 12 months.

Over the next year, MOAL will expand partnerships in neighborhood libraries, highlight literacy monthly, and build new collaborations in high-need areas. MOAL is actively re-establishing relationships with original partners while strategically assessing both the types of services offered and the geographic reach of each partnership. Current efforts prioritize collaborations with organizations that can provide services citywide rather than limited to a single area. As part of our expanded partnership network, we are now working with Harris County Public Health, SERJobs, Houston City College, SEDES, Houston Money Weekly, Bridging for Tomorrow, and most recently with EFNEP (Expanded Food and Nutrition Education Program) to strengthen and broaden the services available across the City of Houston. MOAL will also work closely with Grants & Foundations to pursue strategic funding with a strong focus on basic literacy programs/services for adult.

MAYOR'S OFFICE

1. Economic Development – How does the city plan to allocate the $2.6 million in digital network revenue in FY27?

The revenue with the exception of $250k for the historic houses in SH Park will be assigned as general fund and allocated consistent with the general allocation process.

2. Economic Development – TIRZ municipal service fees are listed as a revenue category, but no numbers are provided for FY27. How much will the city collect in municipal services fees from TIRZs in FY27? List revenues by TIRZ.

The projected amount for 2027 will be $31,437,203.18. The detail is below. Please note that Uptown has bond debt payments that are superior to the municipal service fee.

No.	TIRZ	Total	No.	TIRZ	Total
1	LAMAR TERRACE	954,281.08	17	MEMORIAL CITY	3,313,425.42
2	MIDTOWN	1,151,613.38	18	FIFTH WARD	199,621.25
3	MARKET SQUARE	1,559,197.95	19	UPPER KIRBY	4,439,406.97
5	MEMORIAL HEIGHTS AREA	269,641.60	20	SOUTHWEST HOUSTON	3,561,587.00
7	OLD SPANISH TRIAL /ALMEDA CORR	1,277,178.99	21	HARDY PLACE	125,706.36
8	GULFGATE AREA	1,696,381.39	22	LELAND WOODS	3,508.40
9	SOUTH POST OAK AREA	80,998.73	23	HARRISBURG	730,044.21
10	LAKE HOUSTON AREA	360,269.95	24	GREATER HOUSTON	5,133,300.46
11	GREATER GREENSPOINT	3,713,931.86	25	HIRAM CLARKE FORT BEND	390,045.79
12	CITY PARK	16,788.77	26	SUNNYSIDE	240,517.70
13	OLD SIXTH WARD	245,654.64	27	MONTROSE	1,320,175.79
14	FOURTH WARD	144,529.74			
15	EAST DOWNTOWN	509,395.74	**Grand Total**		**31,437,203.18**
16	UPTOWN	-			

3. Economic Development – Green stormwater infrastructure incentive applications are no longer being tracked as a performance measure. Does the city expect participation in this program in FY27? How is this program marketed, and why are application rates so low?

Houston has experienced an increase in GSI practices in developments without the need for abatement. The GSI abatement requires that the costs of GSI improvements must be more expensive than the traditional drainage infrastructure costs. However, GSI practices are reducing in costs due to improvements and efficiencies in the design stage of a development's process. When a development's drainage design is more efficient and costeffective, then the overall cost of the development decreases. Currently, GSI practices are more expensive than open detention (e.g. detention ponds) but significantly cheaper than underground detention (e.g. vaults). MOED is evaluating the current language of the GSI abatement to determine if any adjustments are needed when the Tax Abatement Ordinance is up for renewal later this year, in FY27.

Regarding marketing - staffing limitations prevent robust marketing efforts, but our office has engaged in conversations with engineers and consultants about the GSI abatement and its applications in this fiscal year.

4. Cable Television – Explain the decrease in revenues from $2.9 million (FY26 estimate) to $2.1 million (FY27 proposed).

The decrease in revenue is related to a $500K reduction in interfund transfer from the GF and a reduction in revenue from PEG Contributions.

5. Cable Television – Explain the decrease in expenditures from $4.8 million (FY26 estimate) to $3.2 million (FY27 proposed).

The decrease in the expenditure is a reduction in contracts and sponsorships lines, capital expenditures, and the delimiting of vacant positions with the group. These reductions were implemented to better align expenditures with the revenue projections from PEG Contributions, thus allowing time to reimage the structure and service delivery of Cable Television.

6. Tourism Promotion – Explain the decrease in the performance measure - number of arts and businesses engaged or receiving civic art program funds - from 30 (FY26 target) to 5 (FY27 target).

The performance measure will remain at the 30 target. The FY26 Q3 performance for this metric is 25, and the program expects to hit the target of 30 by the conclusion of FY26

NEIGHBORHOODS

1. Describe $286K in department savings initiatives.

The reduction includes one vacant Senior Community Liaison position within Cost Center 1100090001, resulting in a personnel savings of $72,981, which reflects salary, FICA/Medicare, and pension legacy obligations.

In addition to the personnel savings, we identified $216,059 in non-personnel reductions across several program areas. These include reductions to Super Neighborhoods funding, Veterans program expenses, New Americans software licensing, non-training travel, miscellaneous support services, and department-wide charges.

Together, the personnel and operating adjustments generate a total net cost reduction of $289,040. These reductions were designed to minimize direct service impacts while ensuring the department remains aligned with fiscal requirements.

2. Describe 13% reduction in community engagement from $1.5 million (FY26 estimate) to $1.3 million (FY27 proposed).

The reduction is primarily driven by a $110K decrease to the Super Neighborhoods program, while ensuring that $170K remains available to support ongoing Super Neighborhood projects and administrative needs.

The additional savings result from a department restructuring, in which an FTE was transferred from the Mayor's Assistance Office to the Office of New Americans to help maintain service levels following the loss of a position through the Voluntary Employee Retirement Program.

3. Neighborhood Engagement/Neighborhood Initiatives program - Describe efforts to coordinate and promote volunteerism in the city? Does Volunteer Houston still exist?

Through the Houston Serves partnership, our Volunteer Initiatives Program coordinates with all of the City of Houston departments that offer volunteer opportunities in order to make it easier for residents to get involved in their community. We also partner with Volunteer Houston, which is a program of IM Houston, to promote our volunteer opportunities on their website, volunteerhou.org. This partnership is not only cost-effective but also allows us to connect our volunteer opportunities with an even larger audience. We also host flagship "Days of Service" events on the week of MLK Day, on Global Youth Day of Service, and on the 9-11 National Day of Service. Lastly, every year we recognize the volunteers who have shown incredible dedication and leadership through their volunteer efforts at the Mayor's Volunteer Appreciation Awards.

4. Further describe the difference in the MAO/Community Engagement division and the Office of Neighborhood Engagement/Neighborhood Initiatives programs. The goals and duties are similar.

The Mayor's Assistance Office responds to resident requests for City services, especially when it requires coordination with multiple departments and/or agencies. This division attends community meetings, responds to residents concerns during City Council's public session, collaborates with Super Neighborhood Councils to help them meet the requirements to maintain "recognized" status by the City, disperses the Super Neighborhood administration funds, and collaborates with community groups to connect them with government, nonprofit, school and church partners. When needed, this division also coordinates informational sweeps, conducts neighborhood surveys, site visits, and investigates complaints.

The Office of Neighborhood Engagement creates civic engagement opportunities by partnering with non-profit organizations and agencies to make it easier for residents to participate in local government, volunteer in their communities, and provide free or low-cost legal assistance to families. The Volunteer Initiatives Program coordinates with other City Departments to offer one place for residents to find volunteer opportunities in the City of Houston. The Mayor's Youth Council provides leadership opportunities for Houston youth by developing service-learning initiatives that focus on mental health, educational equity, voter engagement, and civic responsibility. The Legacy Building Legal Hub and our regular Wills Clinics offer informational workshops and events to help residents create wills, estate planning documents, or other civil legal assistance at low cost or no cost. They also manage the Neighborhood Matching Grants program for beautification projects and the Good Neighbor Program that provides lawn care services in partnering City Council Districts for residents who are 65 years of age and older, veterans, or widows/ widowers of veterans and disabled residents in participating Houston Council Districts.

5. Does DON still train volunteers for bandit sign removal?

No, we sunset that program when Inspections and Public Service moved to Houston Public Works and became Community Code Enforcement.

6. MOPD – How many feet of sidewalks were improved or constructed through the city's Pedestrian Accessibility Review (PAR) program in FY26? What is the current backlog of PAR projects?

We have requested a response from Houston Public Works for this question. The Office for People with Disabilities supports the PAR program by promoting it to the community and confirming the eligibility of the PAR request to make sure their applications are complete for HPW's review. Once those steps have been completed, OPD forwards approved applications to HPW for field vetting, assessment, and assignment to a contractor, depending on funding and resource availability.

7. Office of Gang Prevention and Intervention – How does this division collaborate with the Health and Municipal Courts Departments to provide these services? Both of these departments have similar activities and performance measures.

The Department of Neighborhoods collaborates closely with both Municipal Courts and the Houston Health Department through referrals and coordinated support. The Municipal Courts Department Juvenile Case Manager Program primarily focuses on truancy-related issues , and our Office of Gang Prevention and Intervention concentrates on at-risk youth and gang-involved individuals. When we encounter clients who need truancy or diversion services, we refer them to Municipal Courts, and they, in turn, refer youth to us when gang involvement or other at-risk behaviors are identified.

The Houston Health Department Bureau of Youth and Adolescent Health focuses on improving the physical, mental, and behavioral health of youth while also addressing the social determinants of health, like education and workforce needs, as well as violence prevention through systemic and policy changes. Our Office of Gang Prevention and Intervention partners with the Health Department to provide educational workshops focused on substance abuse prevention at Houston ISD campuses and alternative school settings throughout the city. In turn, the Health Department facilitates substance awareness workshops for our staff and clients.

Our three departments meet quarterly to share available resources, discuss client support strategies, and identify opportunities to strengthen our collaboration.

8. MOPD - Provide a status update on the MOPD accessibility plan.

The Citywide ADA Self-Evaluation & Transition Plan has completed the first phase, and the contract for Phase 2 is currently in the strategic purchasing process.

Phase 2 will provide a needs assessment and gap analysis of the City's current IT system to identify challenges in complying with the Department of Justice's web accessibility rule. In coordination with key City stakeholders, including the Legal Department, Procurement, IT, ADA, and Communications teams, a digital accessibility roadmap will be developed to address the needs assessment and gap analysis. Lastly, to support the adoption of the Digital Accessibility Roadmap, communications materials and presentations for leadership and staff will provide guidance for implementation.

PARKS & RECREATION

1. What is the anticipated cost to create GIS data for the Adopt-an-Esplanade program? How many FTEs are required for this work? How can HPARD partner with HPW to produce this data?

HPARD maintains more than 800 miles of medians owned by Houston Public Works (HPW). By partnering with HPW, HPARD can develop and refine GIS data for the Adopt-An-Esplanade Program by leveraging HPW's existing geospatial datasets, mapping infrastructure, and technical expertise. This effort would focus on compiling and standardizing location information, boundary definitions, and program attributes for esplanades city-wide. HPARD estimates that approximately 2.0 FTEs would be required to complete this initial data development and mapping, depending on the level of detail and the number of esplanades included.

The collaboration would include sharing asset data, standardizing GIS formats, and utilizing HPW's enterprise GIS platforms to ensure long-term accuracy, consistency, and maintainability. This partnership would minimize duplication of effort and support a unified, citywide approach for mapping esplanade locations and adoption statuses.

2. What is the cost of administering the Adopt-an-Esplanade program?

Approximately $130K annually

3. What position(s) and functions are impacted by the $300K management and finance reduction?

No positions are impacted by this reduction. The $300K decrease is the result of lower expenditures in supplies and services.

4. Which park user fees need updating to cover HPARD's cost of service? How much additional revenue could the department bring in for operations if these fees were increased?

HPARD's Fee Schedule was last updated in 1994 and has since only received modest annual Consumer Price Index adjustments, resulting in minimal increases over time. Golf fees were last adjusted in 2010.

Most HPARD programs and service areas rely heavily on General Fund support. While user fees help offset costs, the current fee structure is not designed to fully recover expenses such as personnel, maintenance, utilities, and overhead.

Because operational needs and participation levels vary by program, potential revenue gain from updated fees differs across services. Aligning HPARD fees with those of other major cities is estimated to generate an additional $4 million annually, which could be used to address deferred maintenance and ongoing greenspace management needs.

5. Administrative services – the numbers for FY26 estimates in the budget book and budget presentation do not match. The presentation shows a decrease in expenditures from $23.9 million (FY26 estimate) to $21.3 million (FY27 proposed). The budget book shows an increase from $20.4 million (FY26 estimate) to $21.3 million (FY27 proposed). Please explain and describe the decrease (or increase). The number of FYEs in this category goes from 9.3 (FY26 estimate) to 21.5 (FY27 proposed). Briefly describe the functions the additional FTEs will perform.

The Executive Oversight Program was consolidated with the Administrative Services Program, resulting in a net increase of $1.6 million. The Administrative Services Program now encompasses Management & Finance, the Director's Office, and the Strategic Partnership and Marketing Division. The variance between the FY26 estimate shown in the budget book and the estimate included in the budget presentation reflects the consolidation and realignment of expenditures across these divisions and funds during the budget development process. The FY26 estimate of $23.903 million represents the finalized, consolidated amount for Administrative Services. The decrease in the FY27 proposed budget is due to a $1.4 million reduction in restricted accounts and the reallocation of $1.065 million in debt-related expenses, which are now reflected in the Debt Service and Interfund Transfer Programs.

The increase in FTEs from 9.3 in FY26 to 21.5 in FY27 is primarily the result of transferring and consolidating positions from the Director's Office, Management & Finance, and the Strategic Partnership and Marketing functions into the Administrative Services category. These additional FTEs provide essential support for departmental oversight, financial management, procurement, budgeting, strategic partnerships, marketing, communications, grant coordination, and administrative operations necessary to deliver department-wide services and initiatives.

6. Explain the decrease in FTEs in community center operations from 161.9 (FY26 estimate) to 132.2 FY27 proposed). Will this decrease significantly impact service delivery at the centers?

The decrease in FTEs for Community Center Operations from 161.9 in the FY26 estimate to 132.2 in the FY27 proposed budget is primarily driven by operational realignments, including the consolidation of select positions and increased use of part-time staffing models following the retirement of several full-time supervisory employees. Additionally, some community centers are currently operating as social sites due to lower attendance and operational efficiency considerations, and several of these locations were functioning without assigned supervisors. Despite these staffing adjustments, HPARD does not anticipate any significant impact on core service delivery. The department will continue to prioritize essential programming and community services while managing staffing resources as efficiently as possible.

7. How many pools are expected to open this summer? What are the latest efforts on lifeguard recruitment and training?

HPARD is planning to open and operate all pools for the upcoming summer season. Ten pools are scheduled to open on May 23rd, with the remaining pools opening on June 16th. At this time, HPARD has 144 certified lifeguards awaiting Human Resources processing to support summer operations and staffing needs.

8. What additional funds are needed to improve security at Houston parks? How many urban park rangers are currently with HPARD? How many additional urban park rangers are needed for optimum coverage? What is the average "all-in" salary and benefits cost for an urban park ranger?

HPARD currently has 30 Urban Park Rangers, with an additional 5 vacant positions expected to be filled after July 1. To achieve optimal park coverage and strengthen public safety across the park system, the department estimates that approximately 30 additional Urban Park Rangers would be required. The current average annual salary and benefits cost for an Urban Park Ranger is approximately $80,280.18, which reflects the upcoming 3.5% across the board increase.

In addition to personnel needs, HPARD estimates that approximately $5–8 million in additional funding would be necessary to support expanded ranger staffing, enhance security surveillance, and provide equipment, technology, and other resources essential to park safety initiatives.

9. Describe efforts to increase grant funding from 15 applications (FY26 estimate) to 25 (FY27 target).

To support a target of 25 grant submissions in FY27, HPARD is implementing several focused strategies to strengthen its grant development efforts. The department is enhancing internal coordination by improving collaboration among program areas to identify grant-eligible projects earlier in the planning cycle. HPARD is also expanding its grant-seeking capacity by dedicating staff time to identifying new federal, state, local, and philanthropic opportunities and by improving internal tracking tools to monitor deadlines and requirements.

In addition, HPARD is increasing collaboration with external park partners by supporting their grant applications for park-related projects—an area that has not previously been formally tracked. Incorporating this activity into the department's grant development processes will allow HPARD to fully capture the time and effort devoted to supporting outside grant applications and better reflect the total scope of grant related work.

10. Why are there no performance measures for executive oversight?

The Executive Oversight Program has been consolidated into the Administrative Services Program. The Administrative Services Program now includes the Management & Finance Division, the Strategic Partnership & Marketing Division, and the Director's Office.

11. Facilities maintenance – Expenditures from the Maintenance Renewal and Replacement Fund are decreasing from $4.5 million (FY26 estimate) to $5 million (FY27 proposed). What are the estimated deferred maintenance needs of the department?

Expenditures in the Maintenance Renewal and Replacement program are proposed to decrease from an estimated $4.9 million in FY26 to $4.3 million in the FY27 budget, representing a net reduction of $533K. This decrease is primarily driven by the conclusion of a one-time $800K funding allocation received in FY26 from property sales associated with the North Houston Highway Improvement Project. The loss of this one-time funding is partially offset in FY27 by an increase of $250K to support annual repairs and preservation work at the Nichols Rice-Cherry House located at Sam Houston Park. The department's estimated deferred maintenance needs, including building replacement, systems repair and replacement, and amenities repair and replacement, were last reported at an estimate of $781 million.

12. Describe efforts to increase the number of playground inspections from 376 (FY26 estimate) to 600 (FY27 proposed).

HPARD will increase playground inspections through a team-based approach. Our goal is to inspect all playgrounds at least twice a year. Park inspectors will carry out initial assessments at a wide range of sites, ensuring broad coverage. These will be followed by more detailed inspections from our certified playground inspector, who will focus on key amenities and verify compliance with safety standards.

13. Provide FY27 expected golf operation revenues and expenditures (driving range and golf rounds) broken down by golf course.

The estimated revenue and expenditure for HPARD Golf Operations is as follows:

FY27 Estimated Revenue	Rounds	Revenue
Memorial Park Golf Course	73,171	$ 6,818,300 (including driving range and golf rounds)
Sharpstown Park Golf Course	81860	$2,036,500
Golf Administration		$ 328,100 (payments from agreement and vendors)
Total		**$9,182,900**
FY27 Proposed Expenditures		**Expenses (including personnel, supplies &**
Memorial Park Golf Course		$2,569,588
Memorial Park Maintenance		$3,855,191
Sharpstown Park Golf Course		$1,639,637
Golf Administration		$579,424
Brock		$236,270
Total		**$8,880,110**

14. Explain the $0 in FY27 for the park development and renovation program.

Funding for Park Renovation and Development Program was associated with the Mayor's Love Our Parks Initiative and no longer exists. The program was retired and the associated scope of activities has since been absorbed into the Facilities program, which previously managed those funds.

PLANNING & DEVELOPMENT

1. Historic Preservation Services – Describe the increase in miscellaneous support from $8.5K (FY26 estimate) to $88K (FY27 proposed).

The increase is for the digital archiving of Historic Preservation records.

2. Special Revenue Fund – Describe the 65% increase in management consulting from $749K (FY26 estimate) to $1.24 million (FY27 proposed).

The increase is for ongoing costs for Plat Tracker and Historic Preservation Tracker web applications, AI Chat Box, AI Plat Check-In, Legal services at Planning Commission hearings, and the Digital Preservation and workflow modernization project.

3. One of the department's short-term goals is to implement AI assistance to improve response time and effectiveness to inquiries received through phone and email. Is the department also looking at AI technology to assist with plan review?

AI technology is not yet advanced enough to perform full plan reviews; however, the Department is actively evaluating its use in the application check-in process to verify completeness and document validity. Planners currently dedicate up to two days to checking in plat applications. Integrating AI into this process would allow staff to redirect their time toward applicant consultation and more thorough, higher-quality reviews. We have participated in multiple demonstrations promising significant improvements on the front-end application check-in process.

4. Describe the $280K in General Fund department savings initiatives.

The $280K reduction in the General Fund is attributable to the elimination of two vacant positions (Deputy Assistant Director and Planner I) submitted as part of the department's savings initiative

5. Describe the $99K in Central Savings Revolving Fund department savings initiatives.

The $99K reduction is attributable to the elimination of one vacant position (Senior GIS Analyst) submitted as part of the department's savings initiative.

6. Development Services - What is the goal for commercial project review? – 60% were reviewed within seven days in FY26, and there is no target for FY27. Please explain.

The designation of the FY27 target as N/A was an oversight. The department has taken the necessary corrective actions to ensure this is properly reflected in the adopted budget. Accordingly, the FY27 target will be formally established at "80% of commercial permit applications reviewed within 7 days".

7. How many applications for sidewalk fee-in-lieu were processed in FY26?

From July 1, 2025, to May 12, 2026, the department processed a total of 398 sidewalk modification applications; of these applications, 126 were for a fee in lieu.

8. Where are sidewalk FILO funds collected? Does it flow to public works for sidewalk construction? How much has been spent of the $693K?

The funds are collected by the Planning and Development Department via the Houston Permitting Center.

The money collected resides in the Fee-In-Lieu Fund, which will be available to HPW for building sidewalks once the program criteria are met.

As of today, zero funds have been expended.

POLICE

1. Auto Dealers – What comprises the $5.9 million of projected miscellaneous revenue in FY27?

The projected $5.9 million in miscellaneous revenue for FY27 is primarily comprised of the Storage Lot Vehicle Release City Administrative Fee. Pursuant to Section 8-123(e) of the City Code of Ordinances, when a vehicle is received by a storage lot, and fees are collected, an additional administrative fee established in the City fee schedule is collected and remitted to the police department, regardless of the origin of the tow. These revenues are intended to help defray costs associated with the enforcement and investigation of complaints related to the towing and storage of vehicles without the consent of the vehicle owner. This subsection does not apply to a vehicle submitted for auction.

2. Police Special Services – Explain the decrease in police services revenues from $26.2 million (FY26 current) to $6.9 million (FY26 estimate) to $4.2 million (FY27 proposed).

In FY26, $21 million was budgeted in anticipation of FIFA World Cup overtime reimbursements. FY26 Estimate includes a reduced overtime reimbursement for the FIFA World Cup and an overtime reimbursement for the End the Homelessness program that will now be accounted for in grants. FY27 does not include the FIFA World Cup or End Homelessness over time reimbursements.

3. Police Special Services – Explain the decrease in classified overtime from $10.3 million (FY26 estimate) to $6.5 million (FY27 proposed). What operational changes are being implemented to bring down overtime costs?

FY26 Budget was set to include FIFA World Cup Expenditures and End the Homelessness Overtime. FY26 Estimate includes some FIFA World Cup and End the Homelessness overtime, but will not be utilized as the costs will now be accounted for in Grants. FY27 does not include the FIFA World Cup or End the Homelessness Over Time.

4. Police Special Services – What are the FY27 costs associated with the Human Trafficking Unit? How are they working with the human trafficking division in the Department of Neighborhoods? Why is this unit not paid for out of the Human Trafficking Response & Recovery Fund?

The FY27 HT Unit Budget is $1.9 million

- Personnel Costs– 2 Civilians and classified overtime ($954K)
- Supplies – Computer supplies, printed material, kinetic breaching tools ($131K)
- Services – Lease Vehicles, transfer to Dept of Neighborhoods HT Liaison, Travel & Training ($807K)
- Non-Capital – Office furniture ($2K)

The Dept of Neighborhoods will have 2 HT Liaisons.

The Human Trafficking Response and Recovery Fund was created in FY26 to provide services only to victims of Human Trafficking and Prostitution. The City receives forfeited funds from offenses involving human trafficking and prostitution. These monies cannot be utilized to support investigations to deter human trafficking in and around the City of Houston.

5. Asset Forfeiture – Explain the increase in total expenditures from $5.7 million (FY26 estimate) to $9.1 million (FY27 proposed).

HPD maximizes the spending authority to supplement the general fund with the available funds. The increase represents the rollover fund balance and the revenue that is forecasted to be received from the State of Texas Asset Forfeiture funds.

6. Executive Chief's Command – What comprises "other rental" and why are costs increasing from $498 (FY26 estimate) to $452K (FY27 proposed)?

HPD budgets are developed and managed at the general ledger account level across approximately 75 cost centers, rather than at the individual cost center level. As a result, cost center allocations may remain consistent from year to year even when actual expenditures fluctuate. Variances between budgeted and actual expenditures do not necessarily indicate that funds are unnecessary but rather reflect the timing and operational nature of departmental spending. The Executive Chief's Command Division (100002) FY2026 Estimate reflects $496 compared to the department-wide FY26 Estimate of $800K for G/L 521725 – Other Rental.

For G/L 521725 – Other Rental, the FY26 Adopted and Current Budget is $1,001,271, compared to a FY2026 Estimate of $800K.

The division's (100002) FY26 Adopted Budget remains unchanged in the FY26 Current Budget and is $452,303, which remains consistent with the FY27 Proposed Budget of $452,303. Cost center allocations are maintained to support operational flexibility, anticipated needs, and continuity of services. Actual expenditures may vary based on operational demands, project timing, staffing levels, procurement activity, and other operational factors.

7. Field Operations – Explain the decrease in classified overtime from $14.3 million (FY26 estimate) to $8 million (FY27 proposed). What operational changes are being implemented to bring down overtime costs?

The overtime budget appears lower than estimated year-end spending due to the City's ongoing strategy of managing and funding overtime on an as-needed basis throughout the fiscal year.

For reference, the overtime budget was significantly reduced in FY18 as part of a citywide effort to address anticipated budget constraints. All departments, including HPD, were directed to reduce their budgets, and HPD's overtime allocation was lowered accordingly.

Since that time, HPD and the Finance Department have followed a recurring process in which overtime spending is monitored throughout the fiscal year and supplemental funding requests are submitted as needed. These requests typically support operational demands such as violent crime reduction initiatives, special events, protests, and other public safety activities.

Given limited budget flexibility, HPD first evaluates whether attrition savings can offset projected overtime costs. When attrition savings are insufficient, HPD submits formal requests for supplemental funding through the Finance Department. As a result, the adopted overtime budget at the start of the year may differ from actual year-end expenditures, creating recurring variances between adopted and actual amounts.

While a traditional budgeting approach would fully fund anticipated overtime costs upfront, the current practice reflects anticipated attrition savings and the City's broader strategy of maintain flexibility within constrained financial conditions.

Field Operations Command's (100004) portion of the FY27 General Fund Proposed Budget is $8,093,884, representing an increase of $3.8 million over its FY26 Adopted Budget of $4,316,222, compared to a department-wide General Fund Proposed Budget total of $21,299,459.

The FY26 Estimate of $14,358,665 was based on the year-to-date expenditures run rates. As part of the FY27 budget development process, HPD submitted a Project Budget and Justification (PBJ) request for $16.2 million in General Fund support to gradually increase the classified overtime budget and better align funding with operational needs. As a result, HPD's FY27 General Fund budget was approved for an increase of $6.6 million ($6,616,646) above the prior adopted budget level, resulting in a total budget of $21.3 million ($21,299,459), which remains below the FY26 Estimate.

Operational Drivers of Overtime Demand: Classified overtime continues to support core Fields Operations functions, including: Field Training, Late Calls, SWAT, Dignitary Assignments, Manpower Shortage

Unscheduled Special Events: Protests

Special Overtime Programs / Special Events: Parades, Festivals

8. Strategic Operations – Is $15.5 million the new payment the city makes to the Joint Processing Center? How many years will $15.5 million be the amount paid by the city?

The $15.5 million allocation has remained in HPD's budget since FY20 for the Joint Processing Center. HPD continues to coordinate with Harris County regarding ongoing contractual negotiations for the Intergov Exp-JPC (G/L 520721). The current amendment extends through September 30, 2026.

9. Strategic Operations – What is planned for the $365K management consulting expenditure in FY27?

The FY27 management consulting budget (G/L 520110) of $365K supports recurring operational expenses associated with classified personnel promotional testing, language proficiency testing, auditing services, and related professional services. RMS consulting services may also require funding in FY27; however, those costs are not included within the $365K budget allocation.

10. Strategic Operations – Explain the decrease in classified overtime from $13.2 million (FY26 estimate) to $10.6 million (FY27 proposed). What operational changes are being implemented to bring down overtime costs?

The overtime budget appears lower than estimated year-end spending due to the City's ongoing strategy of managing and funding overtime on an as-needed basis throughout the fiscal year.

For reference, the overtime budget was significantly reduced in FY18 as part of a citywide effort to address anticipated budget constraints. All departments, including HPD, were directed to reduce their budgets, and HPD's overtime allocation was lowered accordingly.

Since that time, HPD and the Finance Department have followed a recurring process in which overtime spending is monitored throughout the fiscal year and supplemental funding requests are submitted as needed. These requests typically support operational demands such as violent crime reduction initiatives, special events, protests, and other public safety activities.

Given limited budget flexibility, HPD first evaluates whether attrition savings can offset projected overtime costs. When attrition savings are insufficient, HPD submits formal requests for supplemental funding through the Finance Department. As a result, the adopted overtime budget at the start of the year may differ from actual year-end expenditures, creating recurring variances between adopted and actual amounts.

While a traditional budgeting approach would fully fund anticipated overtime costs upfront, the current practice reflects anticipated attrition savings and the City's broader strategy of maintaining flexibility within constrained financial conditions.

Strategic Operations Command's (100003) portion of the FY27 total General Fund Proposed Budget is $10,682,921, representing an increase of $1.9 million over its FY26 Adopted Budget of $8,783,270, compared to the department-wide General Fund Proposed total of $21,299,459.

The FY26 Estimate of $13.2 million was based on the year-to-date expenditures run rates. As part of the FY27 budget development process, HPD submitted a Project Budget and Justification (PBJ) request for $16.2 million in General Fund support to gradually increase the classified overtime budget and better align funding with operational needs. As a result, HPD's FY27 General Fund budget was approved for an increase of $6.6 million ($6,616,646) above the prior adopted budget level, resulting in a total budget of $21.3 million ($21,299,459), which remains below the FY26 Estimate.

Operational Drivers of Overtime Demand: Classified overtime continues to support core Fields Operations functions, including: Field Training, Late Calls, SWAT, Dignitary Assignments, Manpower Shortage

Unscheduled Special Events: Protests

Special Overtime Programs / Special Events: Parades, Festivals

11. Strategic Operations – Explain the decrease in temporary personnel from $1.2 million (FY26 estimate) to $47K (FY27 proposed).

This decrease is attributable to the elimination of the Employment Program for Retired Officers (EPRO), under which retired officers performed duties that will now be reassigned to sworn officers.

12. Strategic Operations – Explain the increase in tuition reimbursement from $160K (FY26 estimate) to $1.2 million (FY27 proposed).

The Houston Police Department's Tuition Reimbursement account (G/L 520815) is centrally managed within Strategic Operations Command (100003) to support department-wide reimbursement needs. Although Strategic Operations Command reflects a FY26 General Fund.

Estimate of $160,051, the department-wide FY26 Tuition Reimbursement Estimate totals approximately $1.5 million ($1,447,101).

The FY26 Adopted Budget of $1,243,777 remains unchanged in the FY26 Current Budget and is consistent with the FY27 budget allocation of $1,243,777. These funds are available throughout the fiscal year for department-wide use to reimburse classified personnel for eligible tuition expenses.

Tuition Reimbursement expenditures vary from year to year based on participation levels and changes in tuition costs.

13. Administrative Services – Explain the increase in classified FTEs from 126.1 (FY26 estimate) to 165 (FY27 proposed).

The change in classified FTEs is the result of organizational restructuring. The classified FTEs reflect the movement of existing positions into the new Operational Support Division, which was created during FY26 and reorganized within Administrative Services. As a result, the change reflects the reassignment of existing roles rather than net new staffing growth.

Although this division is included within the Administrative Services Program, this reflects its placement within the department's organizational structure and not the nature of its operational duties. The division functions as an operational group. For additional information regarding the Operational Support Division, please refer to slide 31 of the department's budget workshop presentation.

14. Investigations – Explain the decrease in classified FTEs from 1,352.6 (FY26 estimate) to 1,277 (FY27 proposed). What impact will this decrease have on investigations?

The change in classified FTEs is the result of organizational restructuring. The classified FTEs reflect the movement of existing positions into the new Operational Support Division, which was created during FY26 and reorganized within Administrative Services. As a result, the change reflects the reassignment of existing roles rather than net new staffing growth.

Although this division is included within the Administrative Services Program, this reflects its placement within the department's organizational structure and not the nature of its operational duties. The division functions as an operational group. This reorganization will not impact investigations, as job duties remain unchanged.

15. Training – What is the cost per cadet class for police training? How many cadets will begin training in FY27, and how many are expected to graduate?

In FY27, the estimated cost per cadet class of 75, covering a six-month period from July 1 through December 31, is approximately $3.5 million. Across five cadet classes, a total of 375 cadets are expected to enter training. Including cadets progressing from FY26 classes, approximately 381 cadets are anticipated to graduate in FY27.

Please see slide 28 of the department budget workshop presentation for historical actuals. Over the past several fiscal years, graduating cadets have outpaced attrition, resulting in a net increase of classified officers.

16. What is projected classified attrition for FY27?

HPD’s FY27 classified attrition is projected at 240 positions.

PUBLIC WORKS

1. METRO DDSRF TDO – Explain the increase in construction materials from $7.7 million (FY26 estimate) to $9.3 million (FY27 proposed).

FY26 estimate is decreased from FY26 adopted budget due to low usage and some costs were reclassified into another category. The FY27 proposed budget is now at the same level as the FY26 adopted budget for anticipating usage and regular price increase.

2. DDSRF Drainage HPW Financial Management Services – Explain the decrease in transfer to Stormwater Fund from $36 million (FY26 estimate) to $0 (FY27 proposed).

The FY27 proposed budget does not include the one-time FY26 Budget Amendment 7.02 appropriation of approximately $20 million for the roadside ditch re-establishment program. In addition, the FY27 proposed budget removes the approximately $16 million transfer from Fund 2310 (Drainage Fund) to Fund 2302 (Stormwater Fund) that had previously been used to support roadside ditch re-establishment activities.

HPW is transitioning the roadside ditch re-establishment program over time to Capital Fund 4042, which is funded by Fund 2310. This transition is intended to better align funding sources with the long-term capital nature of the program and improve transparency in how these drainage-related expenditures are budgeted and tracked.

3. DDSRF Drainage HPW Financial Management Services – Explain the increase in transfers to capital projects from $106.4 million (FY26 estimate) to $149.7 million (FY27 proposed).

As the $16 million transfer from Fund 2310 (Drainage Fund) to Fund 2302 (Stormwater Fund) is now removed, the same amount has now been included in the transfer to Capital projects line to fund that portion of the Ditch Re-establishment program out of Fund 4042.

There is an increase of $27.3 million due to higher anticipated spending on CIP street and drainage projects. This amount is based on internal estimates from the HPW Capital Projects group.

4. DDSRF Drainage - Are there plans to adjust the drainage fee rate structure?

At this time, there is not a plan to change the drainage fee structure.

5. DDSRF Ad Valorem Financial Management Services – Explain the increase in transfers to capital projects from $148.1 million (FY26 estimate) to $224.4 million (FY27 proposed).

The increase is due to higher anticipated spending on CIP street and drainage projects. This amount is based on internal estimates from our Capital Projects group.

6. DDSRF Ad Valorem – What is the amount of street and drainage debt that has been paid down since the Build Houston Forward Program was established? What is the current amount of outstanding debt for streets and drainage?

The amount of street and Drainage debt that would be paid down at the end of FY26 is $1.3 billion.

The current amount of outstanding debt for streets and drainage at the end of FY26 is $311 million.

7. Building Inspection Fund HPW CEC – Which contracts comprise the Management Consulting line item - $880.6K (FY25 actual), $2.2 million (FY26 budgeted), $521K (FY26 estimate), and $2.1 million (FY27 proposed)? Briefly describe the contract scope.

FY25 Actuals:

- Alvarez & Marsal ($809.4K): Continued prior-year work focused on improving customer experience and optimizing process flows. Also developed an in-flight plan review dashboard that streamlined plan review operations.
- Gartner Consultants ($71.2K): Subscription-based service that provides access to industry research, benchmarking tools, and advisory services. These resources supported the transition from legacy systems to modern technologies by identifying gaps in customer service delivery and helping leadership prioritize and execute improvement strategies

FY26 Estimate:

- Alvarez & Marsal ($121K): Re-engagement to refine and enhance the in-flight plan review dashboard.
- HPW Ernst & Young Chargeback ($295K): Estimated departmental allocation for the HPW-wide study.
- CoSS RFP ($100K): Initial allocation for the upcoming Cost of Service Study to support financial and operational improvements. The remaining funding will be carried into FY27.

FY27 Proposed:

- CoSS RFP ($2.1 million): Reflects the rolled forward funding for the Cost-of-Service Study. Delays in vendor procurement and proposal evaluations shifted most project costs into FY27.

8. Building Inspection Fund HPW CEC – Explain the increase in miscellaneous support from $2.8 million (FY26 estimate) to $4.3 million (FY27 proposed).

The rise is driven by additional VERSA and SafeBuilt support needed to fill urgent staffing gaps, reduce review backlogs, maintain seven-day and 30-day service targets, and provide flexible staffing to meet higher volume operational demands, particularly in occupancy, demolition and nuisance workloads.

$1.5M Increase from FY26 estimate to FY27 Proposed

- VERSA: $250K
- SafeBuilt: $1.2 million

9. Building Inspection Fund – A short-term goal is to launch the Metropolitan Multiservice Center expansion plan. Briefly describe what is planned for this center and the proposed timeline for execution.

It appears that there was a mistake when the goals were created for the Building Inspection Fund. We have notified Houston Finance of this. The Metropolitan Multiservice Center goal does not belong under the Building Inspection Fund. This belongs to the Mayor's Office of People with Disabilities under Department of Neighborhoods.

10. Building Inspection Fund – A long-term goal is to implement HouPermits. What is the timeline for full implementation of this system?

The new permitting system, HouPermits, is anticipated to launch Fall of 2026

11. Building Inspection Fund – Briefly describe the scope and timeline of the $2.1 million cost of service study.

A comprehensive multi-department Cost-of-Service Study (CoSS) for all private & public permitting, inspection, plan review, and code enforcement operations within the Houston Permitting Center (HPC). Study includes operations within Houston Public Works (Building Code, Community Code, Office of City Engineer), Houston Fire, Houston Planning & Development, and Houston Health.

The study will evaluate both private and public development services across participating departments and establish a defensible, data-driven framework for:

- Aligning fees with the true cost of service delivery
- Identifying opportunities for reinvestment, staffing optimization, and process improvements
- Improving operational efficiency and customer service
- Benchmarking Houston against peer jurisdictions
- Supporting long-term financial sustainability of the Building Inspection Fund and related operations

HPW is currently vetting proposals with a proposed estimated timeline to be completed between 6-9 months.

12. Building Inspection Fund – FTEs go from 344.8 (FY26 estimate) to 406 (FY27 proposed). Describe which functions the additional FTEs will provide.

For Code Enforcement & Compliance Service Line (formerly HPC), the increase in FTE's is related to allowing for additional funding for existing vacancies. CEC has increased the funding to fill existing vacancies to perform efforts in its core services – plan review, building inspections, and community code investigations and abatements.

13. Water and Sewer Operating ITOP – Explain the increase in other rental from $2.0 million (FY26 estimate) to $4.1 million (FY27 proposed).

The main reason for the increase are the Cloud Computing and Cloud Services contracts. The Cloud Services contract is now consolidated under Fund 8300, along with an increase due to usage and growth.

These two contracts totaled $1.6 million in FY26 and is now $3.5 million in FY27.

14. Water and Sewer Operating Houston Water – Explain the increase in building maintenance services from $14.3 million (FY26 estimate) to $26.5 million (FY27 proposed).

$9.5 million for replacement of perimeter fences at EWPP and NEWPP and Groundwater sites. $3.6 million increase for facility maintenance contracts.

15. Water and Sewer Operating Houston Water – Explain the $4 million in consent decree stipulated penalties and expenses.

The FY27 proposed budget includes approximately $4 million for potential Consent Decree stipulated penalties associated with wastewater system regulatory compliance matters. These penalties may be assessed by the EPA and TCEQ under the City's federal Consent Decree related to sanitary sewer overflows and wastewater system performance. Including this amount in the budget is intended to provide for potential regulatory obligations and reflects HPW's ongoing efforts to address compliance requirements through continued operational improvements and capital investments.

16. Water and Sewer Operating Houston Water – Explain the increase in management consulting from $20 million (FY26 estimate) to $30 million (FY27 proposed).

Increase of $7.6 million for Carollo project management services for NEWPP expansion tasks, water line leaks and water loss project, and EWPP expansion. $2.3 million across several other professional service contracts.

17. Water and Sewer Operating Houston Water – Will subsidizing solid waste and paying right-of-way costs with CUS reserves have any impact on the current rate study and future water rates?

The current rate study will not take into account the Solid Waste budget and the right of way fee. Currently, CUS has sufficient reserves to support these items. The next rate study will account for the solid waste operations, along with the right of way fee.

18. Stormwater Fund CEC – How many dangerous buildings fit the established criteria for demolition, and how many of these will be demolished in FY2027 with the $19.2 million budgeted? Provide a list of properties scheduled for demolition with these funds.

The Dangerous Building inventory is a dynamic enforcement list that changes frequently as properties are reported, investigated, brought into compliance, approved for demolition, or removed from the process. Because HPW prioritizes voluntary compliance whenever possible, any static list would quickly become outdated and may not accurately reflect current enforcement status. Stormwater eligibility is ultimately determined as cases progress through the hearing process and as demolition orders are issued.

Additionally, this level of information shared internally with management, Council Members and the Administration for operational purposes differs from information released publicly, particularly where active enforcement cases involving privately owned properties are concerned. Below is a snapshot of current inventory of cases that are moving through the demolition process for city abatement, this snapshot excludes the number of cases that are still under investigation or pending owner compliance. As of this snapshot, 94 cases have been identified for stormwater eligibility, 671 are still pending assessment. We have included a list as of now; please be aware that this is a list that is always changing.

Council District	Pending Hearing	Orders Issued	Grand Total
A	14	16	30
B	122	128	250
C	16	10	26
D	104	73	177
E	8	5	13
F	4	1	5
G	5	2	7
H	82	45	127
I	55	38	93
J	1	1	2
K	17	18	35

19. Stormwater Fund CEC – Explain the increase in engineering services from $1.1 (FY 26 estimate) to $3.7 million (FY27 proposed).

The increase reflects the full scope of pre-demolition assessments required for safe and compliant demolition. These include structural evaluations, historical reviews, and environmental testing for asbestos and other hazards. FY26 was the first full year of HPW's demolition function, so activity was limited. In FY27, costs rise with higher demolition volume—especially commercial structures, which require more extensive assessment work.

20. Project Cost Recovery – FTEs are increasing from 344.8 to 406. Briefly describe the types of functions these additional staff will perform.

The lower estimated FTEs for FY26 reflects some vacant positions not anticipated to be filled in FY26. FY27 FTE includes vacant positions.

In FY27, 42 FTEs were moved from Fund 1001 to Fund 8300 to better align costs for positions not primarily working on CIP projects.

21. CUS General Purpose – What comprises the $17 million in solid waste-related debt? What is the annual debt service on this?

$16.5 million of the debt is for Solid Waste's portion of General Obligation debt that was formerly paid out of General Fund. The remaining $0.5 million is debt related to vehicle purchases formerly paid out of the Recycling Revenue Fund 2305. The annual debt service for both in FY27 combined totals $17 million.

22. CUS General Purpose – There is $89 million budgeted for the purchase and buildout of 1600 Smith. What is the timeline for buildout and the projected move date?

The conceptual building stack and space usage has a projected completion date of June 30, 2026. Afterwards, the space usage design and layout will begin. Move-in dates will depend on so many factors, including material availability and lead time. At this point, it is very difficult to project an exact move-in date, however, the first moves are anticipated in early summer 2027 and additional move in dates are anticipated to take place over the next couple of calendar years as buildout progresses.

23. CUS General Purpose – There is $224.4 million transferred for CIP street and drainage projects. This is in addition to the $150 million from DDSRF ad valorem. What additional funding will go toward street and drainage capital improvements?

This question applies to the DDSRF funds, not CUS.

Street and drainage capital improvements funding from:

- Fund 2310 DDSRF Drainage: $149.7M
- From 2311 DDSRF Ad Valorem Tax: $224.4M

As of now, there is no additional funding beyond this for street and drainage capital improvement projects.

24. How will the $100+ million annual payment for right-of-way impact CUS reserves? Should we expect to see commensurate decreases in CUS reserves?

The payment for the right of way fee will be paid out of the CUS reserves. Yes, there will be decreases to CUS reserves. CUS has the responsibility to maintain adequate reserves in the case of catastrophic emergencies and to maintain its current credit rating. CUS is currently looking at different options, including changing the current internal policy for cash reserves while ensuring that adequate reserves are maintained, and implementing efficiencies within the CUS budget.

25. Regarding the drainage settlement, what is the status of the plaintiffs' audit? What is the status of item 10 in the settlement related to project ranking and the delivery process?

We have provided a draft Agreed Upon Procedure (AUP) report to the plaintiffs as provided to us by Weaver.

HPW is actively recruiting a senior executive to lead a consolidation of the Department's infrastructure planning functions, including the processes for prioritization of investments. The Department is also investing in asset management systems and data collection for the Transportation Drainage Operations service line, which will be instrumental in guiding condition- and performance-based decisions for the allocation of funding to capital replacement, rehabilitation and preservation programs. Additional updates on Item 10a will be available over the coming year as these efforts mature.

In line with the Citywide Efficiency Study ("EY Study"), procurement of all construction related services has been consolidated under the Finance Department's Strategic Purchasing Division (SPD) and the Department is evaluating opportunities to reorganize its capital project delivery programs and utilize third-party program/portfolio management. Additional updates on Item 10b/10c will be available over the coming year as these efforts mature.

26. Since HPW owns the assets/esplanades, could staff assist HPARD with the creation of GIS data to create an interactive adopt-an-esplanade map on HPARD’s website?

We are actively exploring opportunities to work with HPARD to improve esplanade mowing and maintenance.

27. Provide modeling for CUS reserves over the next 3 to 5 years. Show projections for total reserves, including the debt coverage ratio and number of days' cash.

We will send an attachment with CUS projections separately to CM Alcorn with projections for the next few years. At this moment, these projections are not finalized.

SOLID WASTE

1. SWM Administration – Explain the decrease in contracts/sponsorships from $4.4 million (FY26 estimate General Fund) to $3.4 million (FY27 proposed water/sewer operating). How many households are currently being covered by the $6 sponsorship fee for private trash?

The decrease is due to right-sizing the budget based on the latest data. There are currently 47.5K households receiving a $6 reimbursement per month, which is projected to be around $3.42 million annually.

2. SWM Administration – Explain the increase in refuse disposal from $18 million (FY26 estimate General Fund) to $23.2 million (FY27 proposed water/sewer).

The FY27 refuse disposal budget was increased to better align with actual disposal cost trends, including landfill disposal costs, tonnage volumes, contract pricing, and other disposal-related expenses. The FY26 estimate was below the level needed to support expected FY27 activity, so the proposed budget reflects a more realistic recurring cost for refuse disposal

3. The $17 million in solid-waste-related debt is now shown in the CUS General-Purpose Fund. What is the FY27 annual debt service attributable to solid waste debt, and where in the budget is this reflected?

The $17 million represents the FY27 annual debt service/transfer amount attributable to Solid Waste Management's share of Citywide General Obligation debt, as calculated by the Finance Department. It is budgeted in Fund 8305, cost center 2100010002, GL 532030 – Transfer to Debt Service. This reflects the debt service obligation associated with Solid Waste-related capital assets and is shown in the CUS General Purpose Fund as part of the FY27 restructuring.

4. Why is SWM moving from two collection sectors - NE ($18.4 million) and South (17.4 million) - in the FY26 budget to three sectors - SW ($3.9 million), NE ($13.5 million), and South ($23 million) – in the FY27 proposed budget?

The FY27 structure reflects the operating model used during FY26, which proved more effective for balancing routes, staffing, and equipment across service areas. Moving to three sectors allows the department to better distribute vehicles and crews, improve daily lineups, reduce service gaps, and respond more efficiently to workload differences across the city. The change is intended to improve operational flexibility and collection reliability.

5. Will the city be exploring charging a Clean City Fee of $2.56/month to all water customer account holders (as recommended in the Burns & McDonnell report)?

Not at this time. The FY27 proposed budget instead includes a $5 monthly solid waste administrative fee, along with the restructuring of Solid Waste as part of Houston Public Works. The City will continue to evaluate long-term funding needs and service levels, but the Burns & McDonnell Clean City Fee recommendation is not currently being proposed for FY27.

6. Please confirm the following changes in Solid Waste FTEs between FY26 and FY27, and explain what comprises the new bulk collections division. Is bulk waste what was previously categorized as residential waste? Also, why are no FTEs assigned to illegal dumping and yard waste collection in FY27? Have these been re-categorized?

Heavy Trash has been renamed Bulk Collection to align with industry terminology and to better describe the service, which includes heavy trash and heavy tree waste. Bulk Collection is not the same as regular residential waste collection; it represents the large-item and heavy-debris collection function that was previously reflected under heavy trash and related service categories.

Illegal dumping does not have a separate FY27 service line because those activities are being handled through heavy trash/bulk collection operations and route-based response rather than as a standalone budgeted division. Yard waste also does not show separate FTEs in FY27 because the related personnel and operational resources are reflected within the broader collection structure rather than as separate, standalone service lines.

For Administrative Services, the 449.1 FTE figure includes non-Solid Waste water/sewer administrative FTEs. Of that amount, 41.8 FTEs are budgeted for Solid Waste administrative services in FY27.

Division	FY26 FTEs	FY26 OT FTEs	FY27 FTEs	FY27 OT FTEs
Administrative services	101.7	5.6	449.1*	11.3*
Residential waste	87.2	34.4		
Curbside recycling	36.6	15	45.2	8.7
Heavy trash collection	53.6	12.1	82.8	15.4
Bulk collection			167.8	33.7
Illegal dumping	14.1	0		
Residential drop off	41.7	3.2	49.2	10.3
Yard waste collection	30.1	11.3		

*Administrative services numbers include water/sewer non-SWM-related FTEs. Provide a breakdown of how many Administrative SWM FTEs are budgeted for in the FY27 proposed budget.

41.8 SWM FTE’s are budgeted in Administrative Services cost centers for FY27.

7. What are the department’s targets for on-time heavy trash collection, recycling collection, yard waste/bulk waste, and residential waste collections in FY27?

The department’s FY27 goal is to reach a 99% on-time collection rate across all major service lines, including residential waste, recycling, bulk collection, and yard waste/request-based services. This target aligns with industry-standard service reliability goals and will be supported by improved staffing, equipment availability, routing, and operational oversight.

8. The Burns and McDonnell report states that in order to achieve an industry-standard 99% collection rate across all services, additional vehicles and staff are needed to service 114 additional weekly routes. What specific changes will the department be making to improve on-time collections?

The department will focus on several operational improvements in FY27, including deploying additional vehicles, filling critical vacancies, improving daily crew lineups, better balancing collection routes, using the three-sector model to share resources more effectively, and strengthening route monitoring and service performance reporting. As additional trucks and staff come online, the department expects to reduce missed collections, improve route completion, and move closer to the 99% on-time collection goal.

9. How will the department work to improve recycling contamination rates?

Educational outreach efforts and enforcement strategies will be evaluated and discussed to reduce contamination rates in the green bin program.

10. Describe plans in FY27 for its three transfer stations – Northwest, Southeast, and Southwest. These are not currently operated by the city. Is the city considering taking over operations in order to increase its revenue share as suggested in the Burns and McDonnell report?

In FY27, Republic will still manage Southeast and Southwest. Northwest will be under construction. The department will manage the new Northeast Transfer Station that has a scheduled completion date of September 2026.

11. Is the city planning to explore expanding roll-off services and potentially generating additional revenue?

Yes.

12. How is the city planning to mitigate long drives to the FCC recycling center? Are additional transfer stations for recycling being contemplated?

The department is contemplating adding an additional transfer station dedicated to recycling.

13. Will the city be increasing efforts to obtain more grant funds for recycling and composting?

The department actively reviews opportunities for grants.

14. What are the city's plans to address landfill capacity concerns in the coming years?

The department is working with industry professionals to receive analysis and feedback on the future capacity of landfills in the area.

15. The Burns and McDonnell report also describes issues for consideration (section 2.5), including the transfer of assets (section 2.5.2). How are these assets and liabilities being transferred?

Solid Waste Management assets and liabilities will be transferred in accordance with the City's accounting policies, financial reporting requirements, and applicable legal and operational processes associated with the transition of Solid Waste Management functions into HPW. The City is currently evaluating the appropriate accounting, operational, and financial treatment of assets, liabilities, equipment, facilities, and related obligations as part of the transition process. Any transfers would be reflected in the City's financial records and future budget documents consistent with governmental accounting standards and City policies.

16. What is the status of the Houston Recycling Collaborative? What is the annual cost of service? Will this program continue with the consolidation? Does the steering team meet monthly and review progress as outlined in the MOU? Are there metrics/KPIs being tracked?

The collaboration is currently inactive, no related costs are reflected in the FY27 budget. As we move forward with efficiencies, we will explore the opportunity to restart HRC.