



# Legal Department

**FY2027 Proposed Budget  
Workshop Presentation  
May 15, 2026**

**Arturo G. Michel**

**City Attorney**

# Table of Contents

---



Strategic Alignment	3
Proposed FY27 Department Expenditures	4
Outcome Based Budget Programs	7
Proposed FY27 Department Revenues	27
Appendix	31

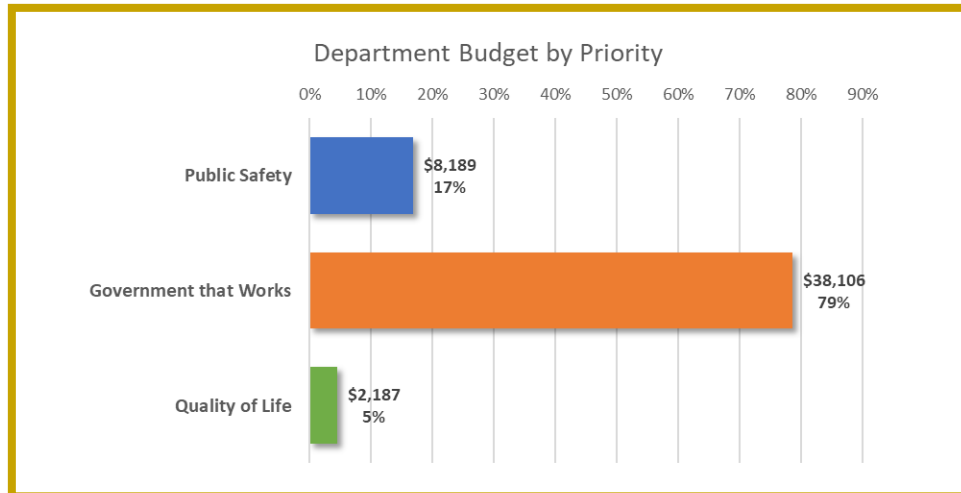


# Strategic Alignment

## Objective

The tables below summarize the Legal Department's alignment to the Mayor's Priorities. All programs align to a mayoral priority, and the overall department budget is broken down as such.

Government That Works	Public Safety	Quality of Life
Administrative Services	Municipal Prosecution	Real Estate
Claims & Subrogation	Neighborhood Services	
Contracts	Office of the Inspector General (OIG)	
General Counsel		
General Litigation		
Labor, Employment & Civil Service		
Torts & Civil Rights		



# Expenditures by Fund (\$ in thousands)



## Objective

The table below lists the total expenditures by fund – FY27 Proposed vs FY26 Current Budget.

Category	FY25 Actual	FY26 Budget	FY26 Estimate	FY27 Proposed	Variance FY27 Proposed/ FY26 Budget	% Change
General Fund	\$ 19,016	\$ 18,587	\$ 17,582	\$ 18,845	\$ 259	1%
Property & Casualty Fund	\$ 22,913	\$ 28,856	\$ 28,856	\$ 29,231	\$ 375	1%
Workers' Compensation Fund	\$ 316	\$ 390	\$ 390	\$ 406	\$ 16	4%
<b>Total</b>	<b>\$ 42,245</b>	<b>\$ 47,832</b>	<b>\$ 46,828</b>	<b>\$ 48,482</b>	<b>\$ 650</b>	<b>1%</b>

*Totals may reflect slight variances due to rounding*

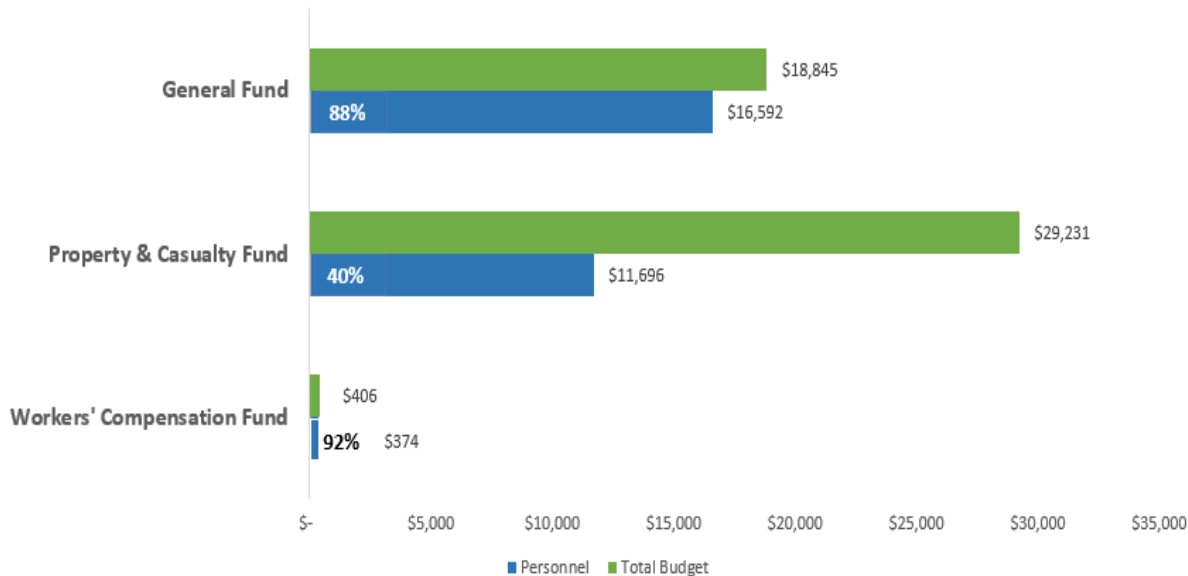
# Personnel vs. Non-Personnel (\$ in thousands)



## Objective

The graphs below illustrate the budget for personnel vs. non-personnel. All non-personnel charges are broken out by primary service function.

### Personnel Breakdown



### Non-Personnel Breakdown

Supplies	\$ 116	1%
Services	\$ 1,319	7%
Restricted Account	\$ 818	4%
<b>Total</b>	<b>\$ 2,253</b>	<b>12%</b>

Supplies	\$ 111	0%
Services	\$ 17,080	58%
Restricted Account	\$ 344	1%
<b>Total</b>	<b>\$ 17,535</b>	<b>60%</b>

Supplies	\$ 10	2%
Services	\$ 10	2%
Restricted Account	\$ 12	3%
<b>Total</b>	<b>\$ 31</b>	<b>8%</b>

# Expenditures by Program (\$ in thousands)



## Objective

Program expenditure budgets for FY27 Proposed vs FY26 Current Budget.

Program	FY25 Actual	FY26 Budget	FY26 Estimate	FY27 Proposed	Variance FY27 Proposed/ FY26 Budget	% Change
Administrative Services	\$ 4,296	\$ 3,986	\$ 3,936	\$ 4,042	\$ 56	1%
Claims & Subrogation	\$ 5,095	\$ 6,531	\$ 6,531	\$ 6,631	\$ 100	2%
Contracts	\$ 2,380	\$ 2,175	\$ 2,175	\$ 2,338	\$ 163	7%
General Counsel	\$ 2,349	\$ 2,545	\$ 2,545	\$ 2,283	\$ (261)	-10%
General Litigation	\$ 6,736	\$ 8,472	\$ 8,472	\$ 8,551	\$ 80	1%
Labor, Employment & Civil Service	\$ 5,071	\$ 6,505	\$ 6,505	\$ 6,592	\$ 87	1%
Municipal Prosecution	\$ 4,132	\$ 4,188	\$ 3,857	\$ 4,367	\$ 178	4%
Neighborhood Services	\$ 1,976	\$ 2,239	\$ 2,215	\$ 2,131	\$ (108)	-5%
Office of the Inspector General (OIG)	\$ 1,905	\$ 1,619	\$ 1,619	\$ 1,692	\$ 73	5%
Real Estate	\$ 2,385	\$ 2,015	\$ 1,415	\$ 2,187	\$ 172	9%
Torts & Civil Rights	\$ 5,920	\$ 7,558	\$ 7,558	\$ 7,668	\$ 110	1%
<b>Total</b>	<b>\$ 42,245</b>	<b>\$ 47,832</b>	<b>\$ 46,828</b>	<b>\$ 48,482</b>	<b>\$ 650</b>	<b>1%</b>

Totals may reflect slight variances due to rounding

# Administrative Services

(\$ in thousands)



<b>Priority:</b>	Government that Works
<b>FY2027 FTE Count:</b>	7.0

## Program Description

Provides the administrative and IT support to the Legal Department by opening case files, assigning subpoenas, supporting procurement actions, handling litigation support, and attending other IT and administrative matters.

## Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.

## FY27 Prop Budget by Fund

General Fund	\$4,042
<b>Total</b>	<b>\$4,042</b>

## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Number of eDiscovery matters handled	66	65	168	N/A	Measure the number of eDiscovery case files handled by the department and IT personnel
Number of subpoenas assigned	171	170	169	N/A	Measure the number of subpoenas assigned to various sections of the department
Number of Torts and Civil Rights cases opened	256	250	288	N/A	Measure the number of torts and civil rights cases staff opens for the Torts & Civil Rights Section



# Claims & Subrogation

(\$ in thousands)

<b>Priority:</b>	Government that Works
<b>FY2027 FTE Count:</b>	13.0

### Program Description

Handles liability tort claims, property and workers' compensation subrogation claims, workers' compensation litigation, and general affirmative collection claims.

### Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.

### FY27 Prop Budget by Fund

Property & Casualty Fund	\$6,225
Workers' Compensation Fund	\$406
<b>Total</b>	<b>\$6,631</b>

### Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Average number of claims resolved per coordinator per month	N/A	N/A	N/A	25	Measure the average number of claims resolved per coordinator per month by the department during the fiscal year
Number of claims processed	1,348	1,300	1,409	1,425	Measure the number of claims processed by the department during the fiscal year
Percentage of claims resolved without payment	N/A	N/A	N/A	81%	Measure the percentage of claims resolved without payment

# Claims & Subrogation (cont'd)

(\$ in thousands)



## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Percentage of claims without litigation after legal review and negotiation	85%	80%	86%	86%	Measure the percentage of liability claims closed without litigation
Number of liability claims with no payment	921	900	1,182	N/A	Measure the number of liability claims closed without the city paying for damages



# Contracts

(\$ in thousands)

<b>Priority:</b>	Government that Works
<b>FY2027 FTE Count:</b>	12.3

## Program Description

Prepares, reviews, and negotiates City contracts. Provides legal opinions when requested related to contracting, procurement, and competitive bidding matters. Drafts and interprets commercial documents, ordinances, and policies and procedures related to procurement and contracting. Represents the City in a variety of matters involving enforcement of and compliance with local, state and federal laws.

## Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.

## FY27 Prop Budget by Fund

General Fund	\$2,338
<b>Total</b>	<b>\$2,338</b>

## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Percentage of client-requested procurement legal reviews completed within designated timeframes	N/A	N/A	N/A	80%	Measure the percentage of client-requested procurement legal reviews completed within designated timeframes
Percentage of infrastructure construction contracts reviewed within the timeframe agreed with the City department	N/A	N/A	N/A	80%	Measure the percentage of infrastructure construction contracts reviewed within designated timeframes

# Contracts (cont'd)

(\$ in thousands)



## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Percentage of legal services contracts and purchase orders reviewed within the timeframe agreed with City department	N/A	N/A	N/A	80%	Measure the percentage legal services contracts and purchase orders reviewed within designated timeframes
Number of contracts handled	1,115	1,100	595	600	Measure the number of professional services, goods, interlocal, construction, and other contracts or agreements handled by the Legal Department
Number of ordinances prepared	166	200	117	115	Measure the number of ordinances prepared related to contracts
Number of opinions issued	121	100	62	N/A	Measure the number of formal or informal opinions issued relating to procurement or contracting

# General Counsel

(\$ in thousands)



<b>Priority:</b>	Government that Works
<b>FY2027 FTE Count:</b>	13.0

## Program Description

Drafts ordinances and opinions, advises City departments and elected officials on a wide variety of topics, including elections, public information requests, the Texas Open Meetings Act, ethics and conflicts of interest, redistricting, public finance, ad valorem taxation and utility regulation and franchising.

## Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.

## FY27 Prop Budget by Fund

General Fund	\$2,283
<b>Total</b>	<b>\$2,283</b>

## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Number of ordinances, resolutions, and/or motions written for City Council's consideration	N/A	N/A	N/A	10	Measure the number of ordinances, resolutions, and/or motions written
Average number of days to provide legal review on the use of council district service funds after receiving all necessary information	N/A	N/A	N/A	3	Measure the length of time necessary to provide a substantive response to a request for legal assistance
Percent of requests for legal opinion on ethics or conflict of interest matters within 7 business days of receiving the necessary information	100%	95%	100%	97%	Measure the length of time necessary to provide a substantive response to a request for legal assistance

# General Counsel (cont'd)

(\$ in thousands)



## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Percent of Texas public information requests processed in conformance with statutory deadlines	99.8%	95%	98%	98%	Measure the success by which General Counsel submits legal briefings to the Attorney General in accordance with the statutory deadline under TPIA
Percent of legal reviews provided on the use of Council District Service Funds within 7 business days of receiving the request and all information and details necessary to evaluate the request	100%	95%	100%	N/A	Measure the length of time necessary to provide a substantive response to a request for legal assistance



# General Litigation

(\$ in thousands)

<b>Priority:</b>	Government that Works
<b>FY2027 FTE Count:</b>	19.9

## Program Description

Defends the City and its officers and employees in litigation involving claims against the City for breach of contract, copyright infringement, inverse condemnation, construction law, election contests, and miscellaneous other cases. This section is also responsible for initiating litigation to recover money owed to the City in actions involving breach of contract and damage to City property, and for acquiring property through eminent domain proceedings.

## Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.

## FY27 Prop Budget by Fund

Property & Casualty Fund	\$8,551
<b>Total</b>	<b>\$8,551</b>

## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Number of appellate briefs prepared and filed	155	40	114	100	Measure the number of appellate briefs filed
Number of condemnation lawsuits prepared and filed –a legal action to acquire private property for public use	13	15	25	20	Measure the number of condemnation cases filed
Number of public convenience and necessity ordinances prepared	9	10	21	20	Measure the number of convenience and necessity ordinances prepared



# Labor, Employment & Civil Service

(\$ in thousands)

<b>Priority:</b>	Government that Works
<b>FY2027 FTE Count:</b>	12.0

## Program Description

Represents the City at Civil Service Commission hearings, pretermination proceedings and arbitrations, and works with all City departments on any issues related to discipline and employee related policies. Responds to Equal Employment Opportunity Commission (EEOC) matters, provides advice and prepares ordinances related to personnel matters, represents the City in litigation arising from federal and state employment related claims such as Chapter 143, Title VII, the American Disabilities Act and defense of Section 1983 claims.

## Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.

## FY27 Prop Budget by Fund

Property & Casualty Fund	\$6,592
<b>Total</b>	<b>\$6,592</b>

## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Number of labor and employment training sessions provided by the Legal Department to City department staff	N/A	N/A	N/A	4	Measure the number of labor and employment training sessions to City department staff within the fiscal year
Percent of Labor, Employment, and Civil Service legal inquiries from City departments addressed within defined business-day targets	N/A	90%	80%	90%	Measure the percentage of legal inquiries from City departments

# Labor, Employment & Civil Service (cont'd)

(\$ in thousands)



## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Number of EEOC and TX Workforce Commission Civil Rights Division matters	20	N/A	N/A	N/A	Measure the number of civil rights matters brought against the city from the Equal Employment Opportunity Commissions (EEOC) and Texas Workforce Commission
Number of indefinite suspension processing	125	N/A	N/A	N/A	Measure the number of indefinite suspensions received from city departments (except HPD classified)
Number of medical separation reviews	25	N/A	N/A	N/A	Measure the number of medical separations received from city departments
Training on Employment & Labor Law Matters	N/A	min. rating of 3	4 / rating of 3	N/A	Measure training sessions on labor & employment topics with an average rating of 3 out of 5 on post-training client surveys which evaluate the (a) training content and delivery; (b) impact on job performance; (c) overall satisfaction



# Municipal Prosecution

(\$ in thousands)

<b>Priority:</b>	Public Safety
<b>FY2027 FTE Count:</b>	22.8

## Program Description

Represents the State and City in most cases filed in the Houston Municipal Courts. Appears in Justice or County Courts on behalf of the State of Texas and/or the City in Cruelly Treated Animal hearings, tow hearings and the appeals from those hearings. Advises, assists, and educates police and City inspectors regarding statutory and code enforcement. Drafts search and arrest warrants. Responds to questions and problems from citizens.

## Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.

## FY27 Prop Budget by Fund

General Fund	\$4,367
<b>Total</b>	<b>\$4,367</b>

## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Percent of dangerous dog cases resulting in court-ordered safety measures or removal	N/A	N/A	N/A	80%	Measure the percent of dangerous dog cases resulting in court-ordered safety measures or removal
Percent of successful cruelly treated animal and tow hearings and appeals handled by City Prosecutors in Harris County Justice and County Courts at Law	N/A	N/A	N/A	80%	Measure the percent of successful cruelly treated animal and tow hearings and appeals handled by City Prosecutors in Harris County Justice and County Courts at Law

# Municipal Prosecution (cont'd)

(\$ in thousands)



## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Percent of trainings provided to enforcement authorities held within 90 days of request	N/A	N/A	N/A	100%	Measure the percent of trainings provided to enforcement authorities per fiscal year
Average number of business days to review warrants and approve them for presentation to the court	N/A	N/A	N/A	10	Measure the average number of business days to review warrants and approve them for presentation to the court
Number of discovery requests analyzed and reviewed related to Municipal prosecution cases pursuant to statutory requirements	2,483	3,000	3,959	3,500	Measure the number of discovery requests received during each fiscal year
Number of adjudications facilitated for the various civil cases handled by City Prosecutors in Houston Municipal Courts and Harris County Courts	64	45	80	N/A	Measure the number of civil cases received each fiscal year, including cases related to dangerous dogs, tow hearings, animal cruelty cases, and administrative hearings; and the appeals of these cases
Number of trainings provided pertaining to criminal law and enforcement in Municipal Courts to various City enforcement officials	10	6	15	N/A	Measure the number of trainings provided per fiscal year



# Neighborhood Services

(\$ in thousands)

<b>Priority:</b>	Public Safety
<b>FY2027 FTE Count:</b>	12.4

## Program Description

Interfaces directly with neighborhood associations and citizens in order to prosecute nuisances and violations that negatively affect the preservation and protection of neighborhoods and the general quality of life in the community. Responsible for crime-based nuisance abatement, deed restriction enforcement, dangerous buildings abatement, T.A.B.C. (Texas Alcohol Beverage Commission) protests, and the supporting title work.

## Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.

## FY27 Prop Budget by Fund

General Fund	\$2,131
<b>Total</b>	<b>\$2,131</b>

## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Number of dangerous building orders and emergency review approvals presented to the Building Standards Commission or hearing official	400	400	275	300	Measure the number of dangerous building orders, emergency review approvals presented to the Building and Standards Commission panels or the hearing official
Number of deed restrictions reviewed and enforced	550	550	530	550	Measure the total number of deed restriction inquiries, complaints, and/or open files handled by the Legal Department

# Neighborhood Services (cont'd)

(\$ in thousands)



## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Number of nuisance lawsuits handled	10	10	15	15	Measure the total number of Chapter 125 Nuisance lawsuits filed by Neighborhood Services. Including Apartment Taskforce matters, HPD Vice Matters, HPD Narcotics matters and other nuisance matters

# Office of Inspector General (OIG)

(\$ in thousands)



<b>Priority:</b>	Public Safety
<b>FY2027 FTE Count:</b>	8.0

**Program Description**

Executive Order 1-39 established OIG to investigate and provide legal advice in connection with allegations of employee misconduct, with special emphasis on violations of the law. The Office of Policing Reform and Accountability is also housed within OIG, acting on executing the plans of the Independent Police Oversight Board in connection with complaints of misconduct against police officers.

- Significant Budget Items**
- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.

**FY27 Prop Budget by Fund**

General Fund	\$1,269
Property & Casualty Fund	\$423
<b>Total</b>	<b>\$1,692</b>

**Performance**

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Percent of misconduct cases fully investigated and closed within 180 days	N/A	N/A	N/A	80%	Measure the percent of misconduct cases fully investigated and closed within 180 days
Percent of misconduct complaints confirmed through investigation that result in corrective action – such as disciplinary measures or required training	N/A	N/A	N/A	85%	Measure the percent of misconduct complaints confirmed through investigation that result in corrective action

# Office of Inspector General (OIG) (cont'd)

(\$ in thousands)



## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Percent of participants who are “satisfied” or “very satisfied” with OPRA’s community outreach efforts	N/A	N/A	N/A	75%	Measure the percent of participants who are “satisfied” or “very satisfied” with OPRA’s community outreach efforts
Average number of business days to acknowledge misconduct claims/complaints and attempt scheduling – acknowledgment includes contacting the complainant to confirm receipt and explain next steps	N/A	N/A	N/A	10	Measure the average number of business days to acknowledge misconduct claims/complaints and attempt scheduling
Number of misconduct cases handled during the fiscal year – includes all cases opened, active, or completed	391	400	400	400	Measure all misconduct cases per fiscal year
Number of citizen-initiated complaints received by the OPRA office	89	100	200	N/A	Measure the number of citizen complaints received by the OPRA office
Number of confirmations for OIG cases received	391	400	400	N/A	Measure the number of cases opened/acknowledged per fiscal year
Percent of citizens who feel safe in their neighborhood	54%	75%	70%	N/A	Measure the percent of citizens who feel safe in their neighborhoods



# Real Estate

(\$ in thousands)

<b>Priority:</b>	Quality of Life
<b>FY2027 FTE Count:</b>	10.5

### Program Description

Provides services related to land sales and acquisitions. Prepares grant and loan agreements for state and federal housing and community development programs. Advises the Housing and Community Development Department on compliance with federal and state regulations. Handles legal matters related to planning and development issues, including land development regulations, historic preservation, tax increment reinvestment zones and economic development agreements negotiated by the City.

### Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.

### FY27 Prop Budget by Fund

General Fund	\$2,187
<b>Total</b>	<b>\$2,187</b>

### Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Number of agreements prepared that support Homeless and Single-Family Housing initiatives	92	92	174	170	Measure the number of agreements prepared that support the Homeless and Single-Family initiatives
Number of development-related easement dedications reviewed and approved	300	300	208	200	Measure the number of development-related easement dedications reviewed and approved

# Real Estate (cont'd)

(\$ in thousands)



## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Number of real estate transactions facilitated	1,000	1,000	324	320	Measure the number of leases, loan agreements, purchase and sale agreements, easements, annexation and other real estate documents prepared



# Torts & Civil Rights

(\$ in thousands)

<b>Priority:</b>	Government that Works
<b>FY2027 FTE Count:</b>	18.9

## Program Description

Defends the City and its employees on a wide variety of lawsuits, including claims brought pursuant to Chapter 101 of Texas Civil Practices and Remedies Code and civil rights claims, including 42 U.S.C. Section 1983, that are filed in state and federal courts. Advises various City departments on legal issues.

## Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.

## FY27 Prop Budget by Fund

General Fund	\$228
Property & Casualty Fund	\$7,440
<b>Total</b>	<b>\$7,668</b>

## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Number of new cases (torts & civil rights) received in the fiscal year	N/A	N/A	N/A	240	Measure the number of new torts & civil rights cases received in the fiscal year
Average number of cases per attorney	N/A	N/A	N/A	35	Measure the average number of cases per attorney
Number of cases resolved without payment	66	45	46	45	Measure the number of cases resolved without payment

# Torts & Civil Rights (cont'd)

(\$ in thousands)



## Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target	Target Context
Conservative estimated revenue savings	N/A	\$1,500,000	\$9,000,000	\$9,000,000	Measures estimated revenue savings for tort cases that are settled, tried to verdict, or won in whole or in part on dispositive motion, computed as the delta between payments made and 2x known actual medicals, which is a conservative potential trial outcome. Comparable estimates for civil rights cases cannot be provided with any measure of confidence because there are no statutory caps and damage models vary wildly depending on the nature of the claim
Number of civil rights cases defended on behalf of the City of Houston	27	28	30	N/A	Measure the number of civil rights cases handled
Number of settlements for torts and civil right cases on behalf of the City of Houston	52	60	60	N/A	Measure the number of cases settled
Number of torts cases	204	390	245	N/A	Measure the number of torts cases handled

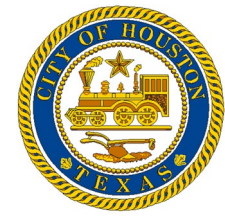


# Revenue Highlights

---

- General Fund revenues are primarily comprised of the recapture of salaries of personnel dedicated to a specific department.
- Property and Casualty revenues matched the expenditures in the fund.

# Revenue by Fund (\$ in thousands)



## Objective

The table below lists the total revenues by fund – FY27 Proposed vs FY26 Estimate.

Category	FY25 Actual	FY26 Budget	FY26 Estimate	FY27 Proposed	Variance FY27 Proposed/ FY26 Estimate	% Change
General Fund	\$ 580	\$ 631	\$ 510	\$ 597	\$ 87	17%
Property & Casualty Fund	\$ 22,913	\$ 28,856	\$ 28,856	\$ 29,231	\$ 375	1%
<b>Total</b>	<b>\$ 23,493</b>	<b>\$ 29,487</b>	<b>\$ 29,366</b>	<b>\$ 29,828</b>	<b>\$ 462</b>	<b>2%</b>

*\*Totals may reflect slight variances due to rounding*

# Revenue by Program (\$ in thousands)



## Objective

Program revenue budgets for FY27 Proposed vs FY26 Estimate

Program	FY25 Actual	FY26 Budget	FY26 Estimate	FY27 Proposed	Variance FY27 Proposed/ FY26 Estimate	% Change
Administrative Services	\$ 36	\$ 27	\$ 250	\$ 42	\$ (208)	-83%
Claims & Subrogation	\$ 4,782	\$ 6,141	\$ 6,141	\$ 6,225	\$ 84	1%
General Litigation	\$ 6,737	\$ 8,472	\$ 8,472	\$ 8,551	\$ 80	1%
Labor, Employment & Civil Service	\$ 5,064	\$ 6,505	\$ 6,505	\$ 6,592	\$ 87	1%
Office of the Inspector General (OIG)	\$ 617	\$ 400	\$ 400	\$ 423	\$ 23	6%
Real Estate	\$ 385	\$ 385	\$ 135	\$ 327	\$ 191	0%
Torts & Civil Rights	\$ 5,872	\$ 7,558	\$ 7,464	\$ 7,668	\$ 204	3%
<b>Total</b>	<b>\$ 23,493</b>	<b>\$ 29,487</b>	<b>\$ 29,366</b>	<b>\$ 29,828</b>	<b>\$ 462</b>	<b>2%</b>

Totals may reflect slight variances due to rounding



---

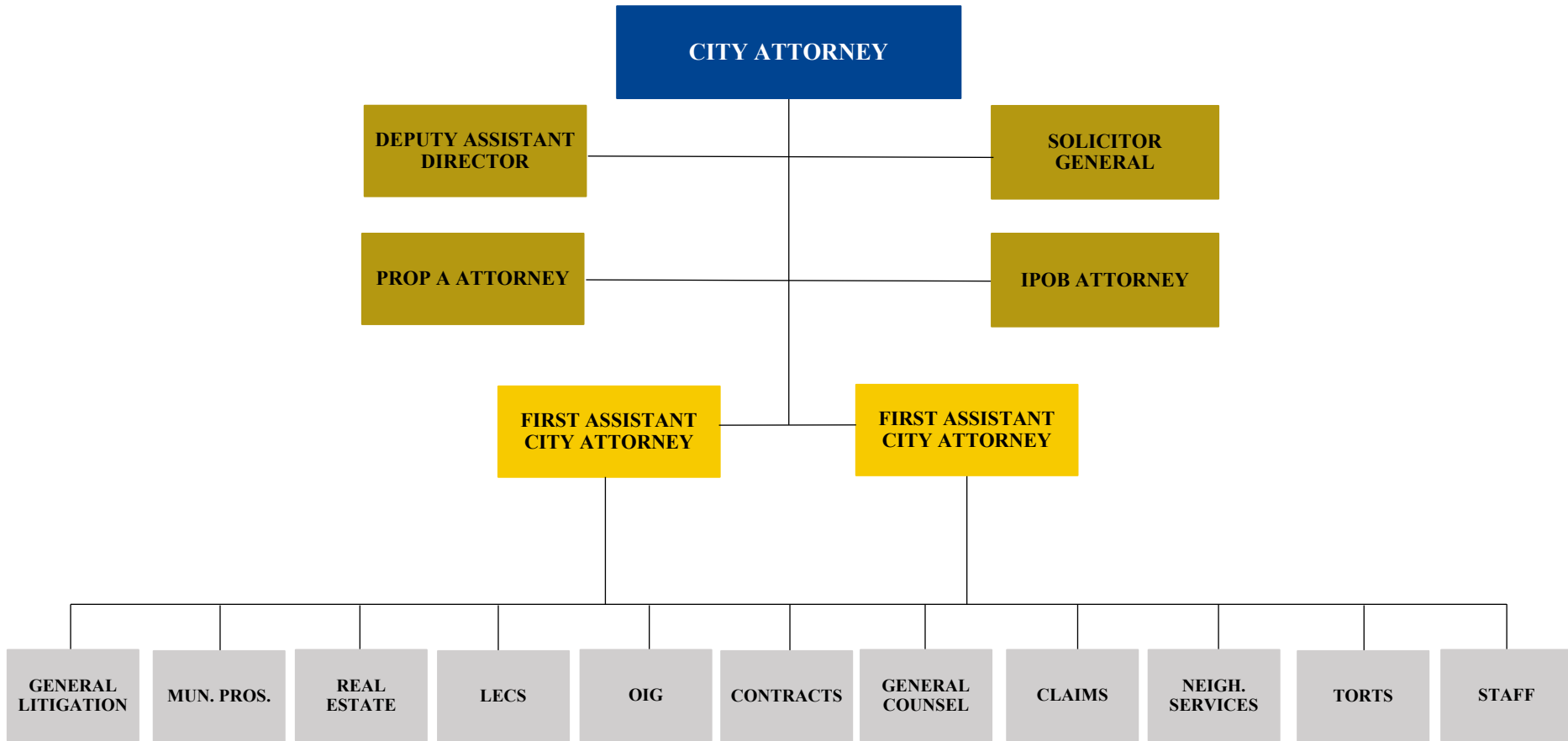
# Questions



---

# Appendix

# Organization Chart

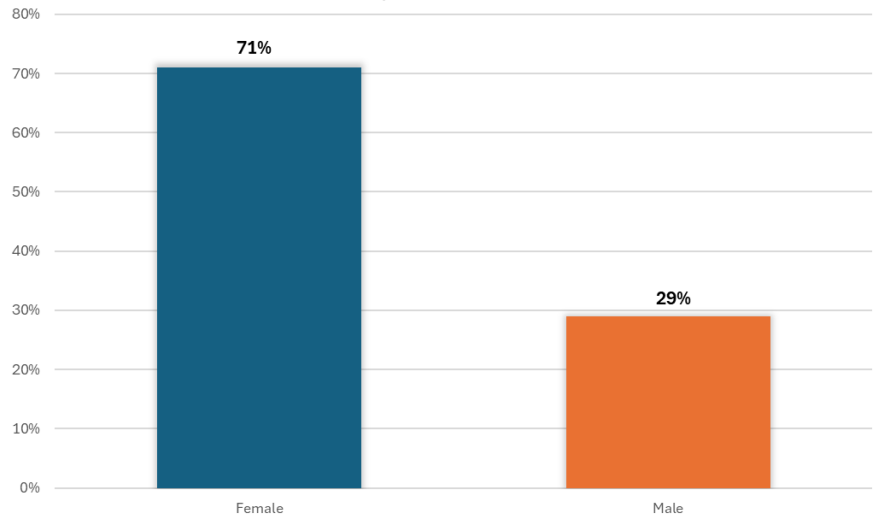


# Demographics

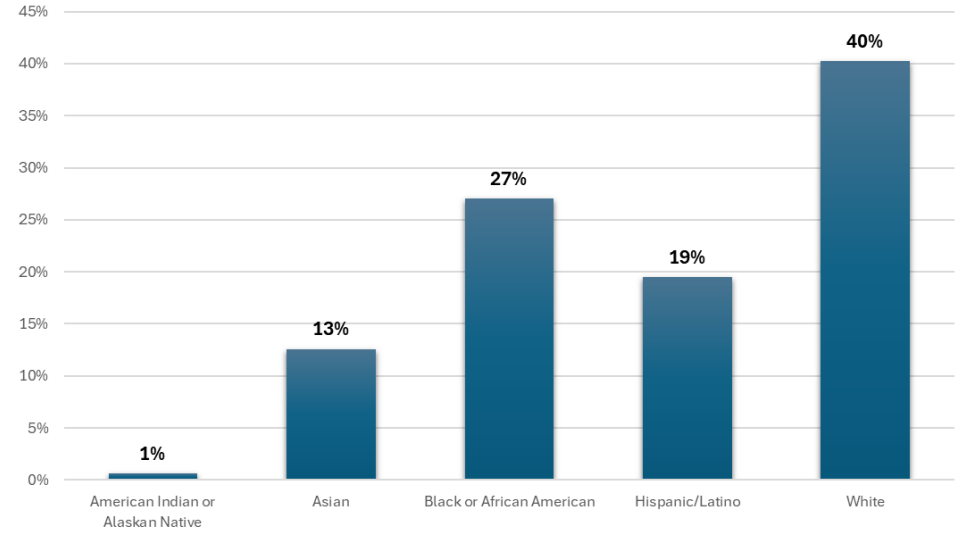
as of May 2026



### GENDER



### ETHNICITY



# Department FY2026 Accomplishments

---



## General Counsel

- Apartment Inspection Ordinance, civility ordinance, and revenue bonds related to George R. Brown Convention Center expansion.
- Timely addressed Texas Public Information Act requests.
- Represent Houston residents on utility rate requests.

## Municipal Prosecution

- Defended noise ordinance.
- Assisted in drafting key elements for ordinances including short-term rentals, micromobility, and Apartment Inspection ordinance.

# Department FY2026 Accomplishments

---



## Real Estate

- Legislative analysis.
- Houston Airport System contracts and economic development agreements.
- Real estate acquisition including park partnerships with Harris County, 1600 Smith, 419 Emancipation, and Hispanic Research Center.
- Housing contracts.
- FIFA World Cup agreements.

# Department FY2026 Accomplishments

---



## General Litigation

- Several successes including Northeast Water Purification Plant, opiate settlement payment, and revenue cap defenses.
- Significant condemnation litigation including GRB center expansion, ongoing Ben Taub negotiations, and Texas Supreme Court challenge.

## Torts and Civil Rights

- Successful tort defense increasing court docket and defense of Harding Street litigation.

## Office of the Inspector General (OIG)

- Resolved increased volume of cases at the same pace.
- Increased Independent Police Oversight Board case reviews by 9%

# Department FY2026 Accomplishments

---



## Labor, Employment and Civil Service

- Continued defense with increased number of appeals, labor matters, litigation, training needs, and negotiated labor contracts.

## Neighborhood Services

- Represented City of Houston in increased number of dangerous building cases, deed restriction violation complaints, deed restriction lawsuits, nuisance lawsuits, and TABC matters.

## Contracts

- Negotiation and development of agreements for the East Water Purification Plant and World Cup Grant Program.

# Restricted Account Details



GL Description	Justification & Cost Drivers
Interfund Electricity	Responsible for administering the electricity accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Electricity expenses are projected to be lower than the previous year as a function of the competitive bidding process.
Interfund HR Client Services	Include HR operation cost reflecting health benefits and restricted accounts increase.
Interfund KRONOS Service Charge	Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS).
Interfund Drainage Charge	Fee is based on impervious service.
Interfund Application Services	Costs include Microsoft Enterprise licenses, 3-1-1 maintenance support and applications, SAP licenses maintenance and support, various Enterprise Application and Server support personnel, CSMART (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department, eSignature.
Interfund Data Services	Costs associated with software and maintenance support contracts required to maintain city networks, applications, desktop devices, servers, payment card industry security, storage devices, cloud services, telephone systems and network equipment including Phonoscope circuits. Contracts cover Antivirus, Firewall and Network backup systems. Also, the Data Center costs are included in the Data Services restricted account.
Interfund Voice Services	Monthly costs for Voice/Communication Services. The services include: Local landlines, voice/data circuits, long distance, 1-800 numbers, calling cards, language lines, Citywide ISP/Internet Access. The major vendors are ATT, Department of Information Resources (DIR), Verizon and Century Link.
Interfund Wireless Services	Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets.
Interfund Voice Labor	Labor costs and parts needed to perform work associated with installation and/or upgrades of telephone systems and cabling. The sole vendor is Selrico.
Interfund Vehicle Accidents	Provides vehicle accidents repairs for all city departments' rolling stock equipment.
Interfund Permit Center Point of Sale	HPC Point of Sale chargeback.
Interfund Insurance Fees	Cost increase for property insurance premium.
Interfund GIS Services	Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS).
Interfund Permit Center Rent Chargeback	HPC lease chargeback.
Interfund Vehicle Services - Tires	Tire purchases and services costs for City's rolling stock equipment.
Interfund Vehicle Services	Provides repair, maintenance, and administrative support for all city departments' rolling stock equipment. Expense explanation - Vehicle Services are projected to increase driven by part cost, contractual increases, and an aging vehicle population.
Interfund Vehicle Fuel	Fuel Program operates and manages all City owned fuel sites. Expense explanation - Fuel services are driven primarily by market pricing.
Interfund Natural Gas	Responsible for administering the natural gas accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Natural gas expenses are projected to be lower than the previous year due to current market conditions and locking in a rate favorable to the City.
Interfund Radio System Access	Due to the consolidation of the radio group in General Fund to revolving fund for HITS. This group is responsible for the operation and maintenance of the City's public safety radio system.