



FY 2027 BUDGET

RANDY MACCHI
DIRECTOR

SAMIR SOLANKI, CPA
CHIEF FINANCIAL OFFICER

EXECUTIVE TEAM



**RANDALL (RANDY)
MACCHI**
DIRECTOR



**KEVIN
BERRY**
CHIEF TECHNOLOGY
OFFICER



**CHRISTON (CHRIS)
BUTLER**
CHIEF OPERATING
OFFICER



**LARIUS
HASSEN**
CHIEF SOLID WASTE
OFFICER



**BRIAN
MASON**
DIRECTOR, OFFICE OF
EMERGENCY MANAGEMENT
EXECUTIVE DIRECTOR,
HOUSTON TRANSTAR



**OLUWOLE (OJ)
MCFOY**
CITY ENGINEER



**ANDREW (DREW)
MOLLY**
CHIEF WATER
OFFICER



**SAMIR
SOLANKI**
CHIEF FINANCIAL
OFFICER



**REENA
VARGHESE**
CHIEF OF STAFF



RANDALL V. MACCHI, JD
DEPARTMENT DIRECTOR



OPERATIONS

Utility Billing
Code Enforcement & Compliance
Transportation & Drainage
Operations



ENGINEERING

Infrastructure Rehabilitation
Engineering Standards & Review
Engineering Facilities & Infrastructure
Design Development



WATER UTILITY

Drinking Water
Wastewater
Regulatory Compliance
& Utility Development



**FINANCIAL MANAGEMENT
SERVICES**

Grants Management, CIP Planning
Accounting & Reporting,
Fiscal Services
Budget & Treasury
Internal Review
Warehousing



ADMINISTRATION

Communications
City Council Liaison
Strategic Initiatives
HR & Administrative Services,
Continuous Improvement & Change
Management
Policy Management &
Legislative Affairs



TECHNOLOGY

Platforms
Infrastructure
PMO & Strategy
Business Operations
GIS & OT Data



**EMERGENCY
MANAGEMENT**

Office of Emergency Management
Facilities
TranStar



**SOLID WASTE
MANAGEMENT**

Recycling
Heavy Trash
Regular Trash

ORGANIZATIONAL EFFICIENCY

★ Context: 388 Public Works employees retired in FY26 through the Voluntary Incentive Retirement (VIR) program. Despite rebuilding from 3,901 to 3,513 staff, the department reduced supervision (managers with 1–3 direct reports) from 38.6% to 18.4%, representing a 20.2-percentage-point improvement.

Service Line	FY2026			FY2027			Improvement
	Total Managers	Managers with 1-3 Direct Reports	Percentage Improved %	Total Managers	Managers with 1-3 Direct Reports	Percentage Improved %	
Management Services Branch	4	0	0.0%	5	1	20.0%	-20.0%
Information Technology	13	0	0.0%	28	4	14.3%	-14.3%
Transportation & Drainage Operations	122	26	21.3%	124	18	14.5%	+6.8%
Utility Billing	35	15	42.9%	48	9	18.8%	+24.1%
Capital Projects	84	64	76.2%	106	28	26.4%	+49.8%
Houston Water	286	113	39.5%	357	62	17.4%	+22.1%
Financial Management Services	23	10	43.5%	43	8	18.6%	+24.9%
Director's Office	14	6	42.9%	16	4	25.0%	+17.9%
Houston Permitting Center	98	28	28.6%	114	21	18.4%	+10.2%
TOTAL	679	262	38.6%	841	155	18.4%	+20.2%

FY2026 Departmental Highlights

Houston Public Works



FY2026

YEAR IN REVIEW



01

Organizational Efficiencies

Continued reduction of 1–3 direct-report supervisor structures across HPW, building on the EY Efficiency Study recommendations and strengthening the department's leadership span of control.



02

Operational Streamlining

Partnered with the Strategic Procurement Division to improve solicitation and award processes across all HPW projects, increasing speed, compliance, and overall departmental effectiveness.



03

30-Day Permit Pilot

Mayor-led initiative redesigning the single-family home permitting process. Of 700+ pilot projects, 79% were approved within 30 days, 100% finished in 3 or fewer cycles, and 50%+ in just 2 cycles. All delays were applicant-related.



04

Water Main Leak Backlog

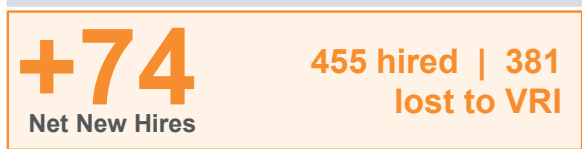


Deployed additional resources and contractors to eliminate the backlog, shifting long-term focus to proactive pipe replacement.



05

Workforce Replenishment



Recruitment exceeded the 2025 VRI hiring gap, restoring and growing frontline capacity for HPW.

**FY2027
PERFORMANCE-
BASED MEASURES**



MAYOR'S PRIORITY ALIGNMENTS

Mayor's Priority Alignment ensures that all departmental efforts contribute directly to the administration's key objectives for citywide improvement. Each Key Performance Indicator (KPI) reflects measurable goals that support Houston's infrastructure, quality of life, and government efficiency, aligning city services with strategic priorities to enhance community impact.



Infrastructure - Focuses on maintaining and improving essential public systems, including water, drainage, roads, and utilities. KPIs under this category ensure the timely repair, replacement, and enhancement of city infrastructure to promote resilience, safety, and sustainability.



Government That Works - Aims to improve efficiency, accountability, and service delivery in city operations. KPIs under this priority ensure timely permit reviews, inspections, and project completions, promoting economic growth, public safety, and operational effectiveness.



Quality of Life - Prioritizes public health, environmental sustainability, and service responsiveness to enhance residents' everyday experiences. KPIs in this category target wastewater management, sanitary sewer overflows, and service request resolutions to safeguard community well-being.

KEY PERFORMANCE INDICATORS (KPIs)



Mayor's Priority Alignment: Infrastructure

KPI	DIVISION
Annual Replacement of 3% of 7,199 miles of transmission and distribution lines	Houston Water
Rehabilitate 1,000 lane miles of roads annually	Engineering and Construction
Re-establish 500 miles of roadside ditches annually	Transportation & Drainage Operations
Stripe 6,000,000 linear feet of new or re-stripe existing transverse pavement markings	Transportation & Drainage Operations
Replace 25,000 meters with smart meters annually	Utility Billing

KEY PERFORMANCE INDICATORS (KPIs)



Mayor's Priority Alignment: Government That Works

KPI	DIVISION
Achieve and maintain a target of reviewing at least 80% of construction plans within 7 business days	Houston Permitting Center
Award Notice to Proceeds (NTPs) within 30 Days	Engineering and Construction
Complete at least 90% of construction projects within the approved work authorization timeframe	Engineering and Construction
Complete 90% of Floodplain Inspections within 7 days	Engineering and Construction
Respond to 100% of 311 cases within 7 days	Houston Permitting Center

KEY PERFORMANCE INDICATORS (KPIs)



Mayor's Priority Alignment: Government That Works (cont'd)

KPI	DIVISION
Resolve 99% of customer requests for utility bill relief within 30 days	Utility Billing
Maintain 99% accuracy on monthly water bills	Utility Billing

KEY PERFORMANCE INDICATORS (KPIs)



Mayor's Priority Alignment: Quality of Life

KPI	DIVISION
Percentage of water line repairs completed within 7-days	Houston Water
Resolve 95% of SSO service requests within 48-hours of initiation	Houston Water
Assess 10% of wastewater lines annually	Houston Water
Repair 90% of traffic signal malfunctions within 6 hours	Transportation & Drainage Operations
Tons of tree and yard waste collected	Solid Waste Management
Total number of containers replaced or repaired	Solid Waste Management

KEY PERFORMANCE INDICATORS (KPIs)



Mayor's Priority Alignment: Quality of Life (cont'd)

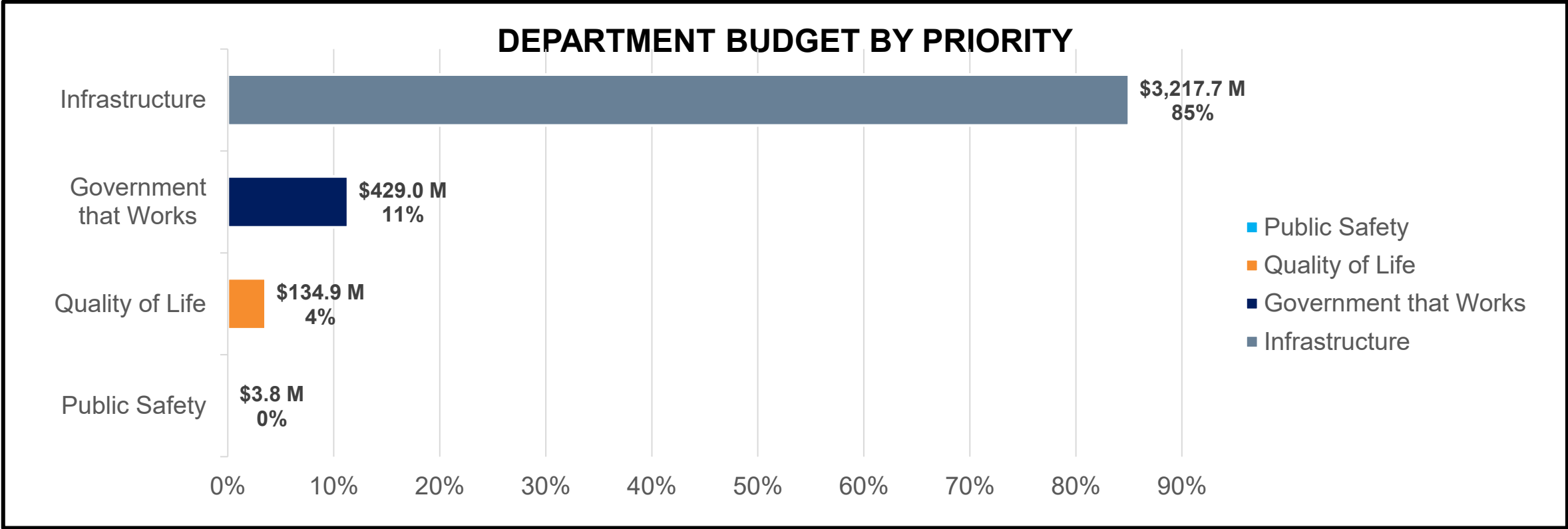
KPI	DIVISION
Total tons of heavy trash collected	Solid Waste Management
Average number of curbside recycling stops completed weekly	Solid Waste Management
Total drop-offs (by count) at waste collection sites	Solid Waste Management

OUTCOME BASED BUDGET



STRATEGIC GUIDANCE ALIGNMENT

Government that Works	Quality of Life	Infrastructure		Public Safety
Administrative & Support Services	Mayor's Office for People with Disabilities	Engineering and Construction	Transportation & Drainage Operations	Houston TranStar
	Solid Waste	Houston Water	Houston Permitting Center	
		Utility Billing	Debt Services and Interfund Transfers	



EXPENDITURE BY PROGRAM

Program	FY25 Actual	FY26 Budget	FY26 Estimate	FY27 Proposed	Variance FY27 Proposed/ FY26 Budget	% Change
Administrative Services	\$ 217,675	\$ 229,220	\$ 214,000	\$ 429,040	\$ 199,819	87%
Debt Service and Interfund Transfers	1,613,783	1,961,707	1,860,838	1,899,438	(62,269)	-3%
Engineering and Construction	43,674	66,331	56,962	87,691	21,360	32%
Houston Permitting Center	99,857	106,073	97,013	124,374	18,301	17%
Houston TranStar	2,736	3,596	3,230	3,750	154	4%
Houston Water	555,789	791,917	747,024	846,249	54,332	7%
Mayor's Office for People with Disabilities	886	1,005	766	870	(136)	-13%
Solid Waste Management	0	0	0	134,028	134,028	N/A
Transportation & Drainage Operations	200,021	212,096	198,587	192,173	(19,923)	-9%
Utility Billing	65,010	68,784	65,435	67,775	(1,010)	-1%
Total	\$ 2,799,429	\$ 3,440,730	\$ 3,243,855	\$ 3,785,387	\$344,657	10%

(\$ in thousands)

ADMINISTRATION AND SUPPORT SERVICES

Priority:	Government that Works
FY2027 FTE Count:	407.3

Program Description

- Provides support to HPW
- Financial services
- Debt and asset administration
- Information technology services
- Administrative and payroll services
- Emergency management
- Internal audit
- Facility management

Significant Budget Items

- Purchase and buildout of 1600 Smith building
- Includes new Right of Way Fee

FY26 Proposed Budget by Fund

1000	\$1,202,224
1001	\$16,185,090
2301	\$4,991,100
2302	\$2,604,100
2310	\$3,200
2312	\$32,846,400
8300	\$147,543,563
8305	\$223,664,000
Total	\$429,039,677

HOUSTON WATER

Priority:	Infrastructure
FY2027 FTE Count:	1,534.5

Program Description

- Ensures safe drinking water and effective wastewater management through rigorous treatment processes and environmental safeguards.
- Maintains critical infrastructure, monitors water sources, educates residents on conservation, and collaborates with agencies to protect public health and the environment.

Significant Budget Items

- Includes additional funding for operational needs
- Includes funding for additional capital equipment

FY27 Proposed Budget by Fund

1001	\$6,001,300
8300	\$736,904,900
8305	\$103,342,500
Total	\$846,248,700

Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target
Annual Replacement of 3% of 7,199 miles of transmission and distribution lines	0.3%	3%	0.3%	3%
Assess 10% of wastewater lines annually	14.7%	10%	10%	10%
Percentage of water line repairs completed within 7-days	50%	100%	65%	100%
Resolve 95% of SSO service requests within 48-hours of initiation	94%	100%	100%	100%

UTILITY BILLING

Priority:	Infrastructure
FY2027 FTE Count:	279.8

Program Description

- Manages billing, payments, credits, and collections for Houston’s water services, ensuring accurate, transparent charges.
- Oversees meter services, automated readings, and billing improvements for efficiency and customer satisfaction.
- Installs, maintains, and repairs water meters for accurate usage tracking and reliable billing.

Significant Budget Items

FY27 Prop Budget by Fund

2310	\$1,852,000
8300	\$47,927,900
8305	\$17,994,600
Total	\$67,774,500

Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target
Replace 25,000 meters with smart meters annually	N/A	25,000	25,000	25,000
*Maintain 99% accuracy on monthly water bills	N/A	N/A	N/A	99%
*Resolve 99% of customer requests for utility bill relief within 30 days	N/A	N/A	N/A	99%

*New in FY27

TRANSPORTATION & DRAINAGE OPERATIONS

Priority:	Infrastructure
FY2027 FTE Count:	786.0

Program Description

- Maintains and improves the city's transportation and drainage infrastructure.
- Includes the Build Houston Forward program.

Significant Budget Items

- Includes additional funding for ditch re-establishment program.

FY27 Proposed Budget by Fund

2302	\$69,009,499
2310	\$5,594,500
2311	\$18,425,000
2312	\$99,144,500
Total	\$192,173,499

Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target
Re-establish 500 miles of roadside ditches annually	541	500	500	500
*Repair 90% of traffic signal malfunctions within 6 hours	N/A	N/A	N/A	90%
*Stripe 6,000,000 linear feet of new or re-stripe existing transverse pavement markings	N/A	N/A	N/A	6,000,000

*New in FY27

ENGINEERING AND CONSTRUCTION

Priority:	Infrastructure
FY2027 FTE Count:	488.3

FY27 Proposed Budget by Fund

Program Description

Manages and delivers large scale reconstruction and new construction CIP projects of City of Houston’s existing roadways, drainage, water and wastewater infrastructure.

Significant Budget Items

1001	\$51,212,310
2301	\$15,330,500
2302	\$5,604,800
2311	\$55,800
2312	\$4,705,800
8300	\$8,573,011
8305	\$2,208,500
Total	\$87,690,721

Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target
Award Notice to Proceed (NTP) in 30 Days	N/A	30	30	30
Complete at least 90% of construction projects within the approved work authorization timeframe	83%	90%	90%	90%
Rehabilitate 1,000 lane miles of roads annually	N/A	1,000	1,000	1,000
*Complete 90% of Floodplain Inspections within 7 days	N/A	N/A	N/A	90%

*New in FY27

HOUSTON PERMITTING CENTER

Priority:	Infrastructure
FY2027 FTE Count:	593.7

Program Description

- Facilitates efficient processing of permits and licenses, ensuring compliance with building codes, safety regulations, and environmental standards.
- Supports construction, business operations, and infrastructure development through streamlined approvals, digital tools, and customer-focused services.

Significant Budget Items

FY27 Proposed Budget by Fund

2301	\$99,695,100
2302	\$20,993,000
2310	\$1,133,700
8300	\$1,500,500
8305	\$1,051,400
Total	\$124,373,700

Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target
Achieve and maintain a target of reviewing at least 80% of commercial plans within 7 business days	N/A	80%	55%	80%
*Respond to 100% of 311 cases within 7 days	N/A	N/A	N/A	100%

*New in FY27

HOUSTON TRANSTAR

Priority:	Public Safety
FY2027 FTE Count:	9.0

Program Description

- Provides coordinated, innovative transportation and emergency management services to the region.

Significant Budget Items

--

FY27 Prop Budget by Fund

2402	\$3,750,000
Total	\$3,750,000

MAYOR'S OFFICE FOR PEOPLE WITH DISABILITIES

Priority:	Quality of Life
FY2027 FTE Count:	0.0

Program Description

- Serves as the primary advocate for needs and rights of residents and visitors with disabilities by providing constituent services, accessible program support, accessible infrastructure development and communications.

Significant Budget Items

- Includes funding for ADA Transition Plan.

FY27 Proposed Budget by Fund

2312	\$869,700
Total	\$869,700

Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target
Linear feet of sidewalks improved through the Pedestrian Accessibility Review (PAR) program	18,494	22,694	22,694	22,694

SOLID WASTE MANAGEMENT

Priority:	Quality of Life
FY2027 FTE Count:	393.1

Program Description

- Delivers essential citywide garbage, recycling, yard waste, and bulky waste collection; operates depositories and recycling centers; responds to illegal dumping; and maintains critical container and operational support services to keep Houston clean, healthy, and safe.

Significant Budget Items

- Solid Waste Management will be funded out of Combined Utility System starting in FY27

FY27 Prop Budget by Fund

8300	\$117,005,647
8305	\$17,022,807
Total	\$134,028,454

**Performance

Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target
*Tons of tree and yard waste collected	N/A	N/A	N/A	18,300
*Total number of containers replaced or repaired	N/A	N/A	N/A	19,200
*Total tons of heavy trash collected	N/A	N/A	N/A	230,000
*Average number of curbside recycling stops completed weekly	N/A	N/A	N/A	165,500
*Total drop-offs (by count) at waste collection sites	N/A	N/A	N/A	67,000

*New in FY27

**We will return within 60 days to present more detailed KPIs and historical data.

DEBT SERVICE & INTERFUND TRANSFERS

Priority:	Infrastructure
FY2026 FTE Count:	0.0

Program Description

- Debt service payments and interfund transfers.
- Major transfers include internal transfers between Combined Utility System funds to pay for debt service and consent decree obligations, Transfers to CIP funds to pay for infrastructure projects, and Transfers to Stormwater fund to cover O&M costs for maintenance of the City's drainage system.

Significant Budget Items

- Transfers to CIP for street and drainage projects.
- Debt service payments for all of HPW.
- Internal transfers for CUS.

FY27 Proposed Budget by Fund

2301	\$4,785,700
2302	\$27,826,388
2310	\$150,220,000
2311	\$227,801,900
2312	\$29,686,065
8300	\$518,640,200
8301	\$547,954,000
8305	\$392,524,000
Total	\$1,899,438,253

REVENUE BY PROGRAM

Program	FY25 Actual	FY26 Budget	FY26 Estimate	FY27 Proposed	Variance FY27 Proposed/ FY26 Budget	% Change
Administrative Services	\$643,173	\$722,972	\$737,710	\$726,776	\$3,805	1%
Engineering and Construction	\$49,992	\$77,402	\$63,128	\$76,137	(\$1,265)	-2%
Houston Permitting Center	\$104,026	\$134,234	\$111,067	\$129,246	(\$4,988)	-4%
Houston TranStar	\$3,291	\$3,248	\$3,248	\$3,273	\$25	1%
Houston Water	\$1,660,637	\$1,955,461	\$1,867,457	\$1,940,458	(\$15,003)	-1%
Mayor's Office for People with Disabilities	\$0	\$0	\$0	\$0	\$0	N/A
Solid Waste Management	\$0	\$0	\$0	\$35,161	\$35,161	N/A
Transportation & Drainage Operations	\$481,038	\$578,420	\$548,003	\$581,106	\$2,686	0%
Utility Billing	\$7	\$0	\$0	\$0	\$0	N/A
Total	\$2,942,165	\$3,471,737	\$3,330,612	\$3,492,157	\$20,420	1%

(\$ in thousands)

BUDGET SUMMARY BY FUND



BUDGET SUMMARY | ALL FUNDS

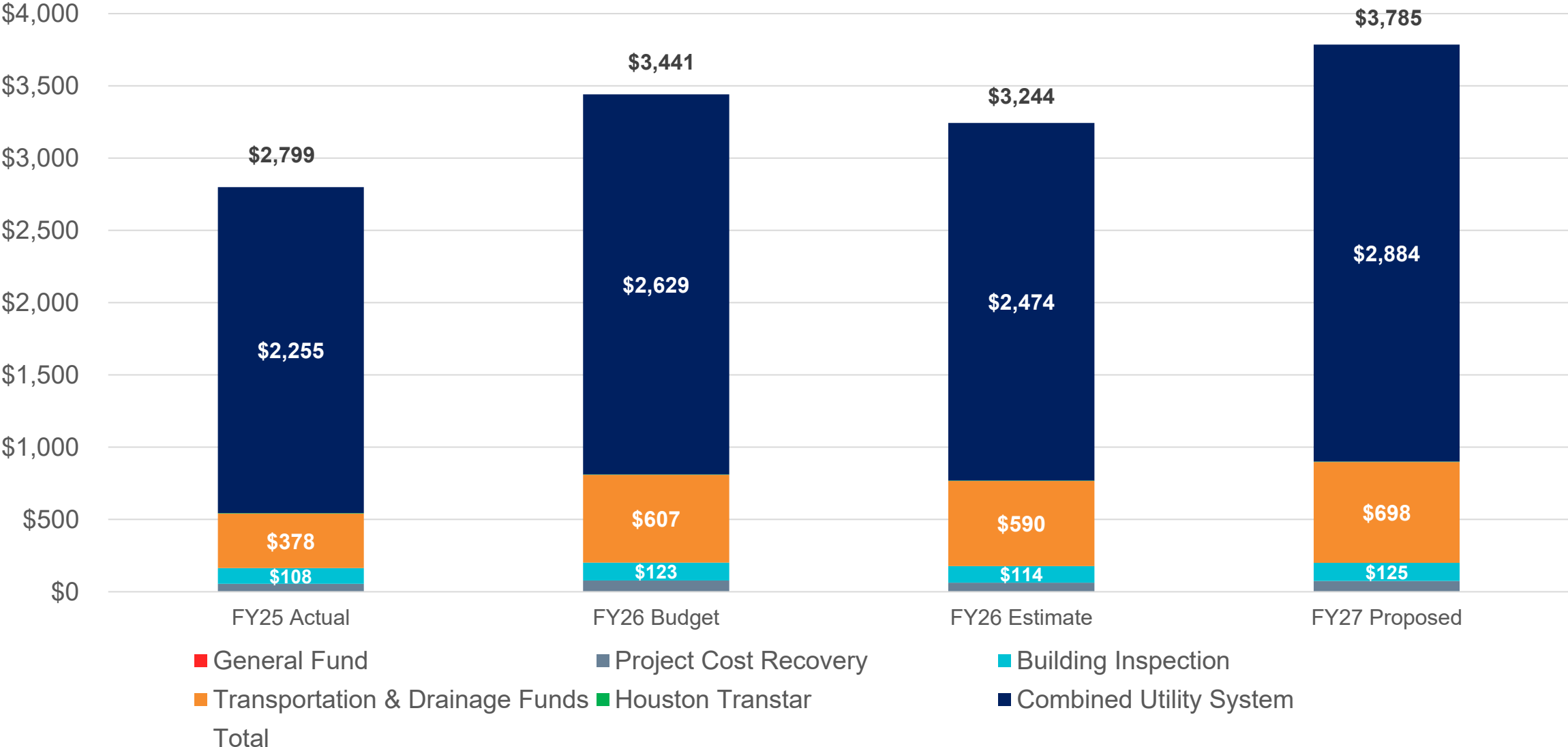
FUND	NAME	REVENUES				EXPENDITURES			
		FY26 Budget ¹	FY27 Proposed	Variance	Change	FY26 Budget ¹	FY27 Proposed	Variance	Change
1000	General Fund	\$2.9	\$3.0	\$0.1	3.4%	\$1.2	\$1.2	\$0.0	0.0%
1001	Project Cost Recovery	\$76.9	\$73.4	(\$3.5)	(4.6%)	\$76.9	\$73.4	(\$3.5)	(4.6%)
2301	Building Inspection	\$118.6	\$119.5	\$0.9	0.8%	\$123.0	\$124.8	\$1.8	1.5%
2302	Stormwater Fund	\$164.6	\$123.6	(\$41.0)	(24.9%)	\$125.1	\$126.0	\$0.9	0.7%
2310	DDSRF-Drainage Charge ²	\$121.0	\$120.2	(\$0.8)	(0.7%)	\$151.4	\$158.8	\$7.4	4.9%
2311	DDSRF-Ad Valorem Tax	\$184.8	\$219.0	\$34.2	18.5%	\$170.5	\$246.3	\$75.8	44.5%
2312	DDSRF-Metro Et Al	\$160.4	\$167.3	\$6.9	4.3%	\$160.4	\$167.3	\$6.9	4.3%
2402	Houston TranStar	\$3.2	\$3.3	\$0.1	3.1%	\$3.6	\$3.8	\$0.2	5.6%
8300	Water & Sewer	\$2,077.9	\$2,107.5	\$29.6	1.4%	\$1,380.3	\$1,578.1	\$197.8	14.3%
8301	CUS Operating	\$553.3	\$548.0	(\$5.3)	(1.0%)	\$553.3	\$548.0	(\$5.3)	(1.0%)
8305	CUS General Purpose	\$8.2	\$7.6	(\$0.6)	(7.3%)	\$695.1	\$757.8	\$62.7	9.0%
TOTAL		\$3,471.8	\$3,492.4	\$20.6	0.6%	\$3,440.8	\$3,785.5	\$344.7	10.0%

1) FY26 Budget refers to Current Budget.

2) Fund 2310 was split into 3 funds in FY21 per ordinance 2020-0284.

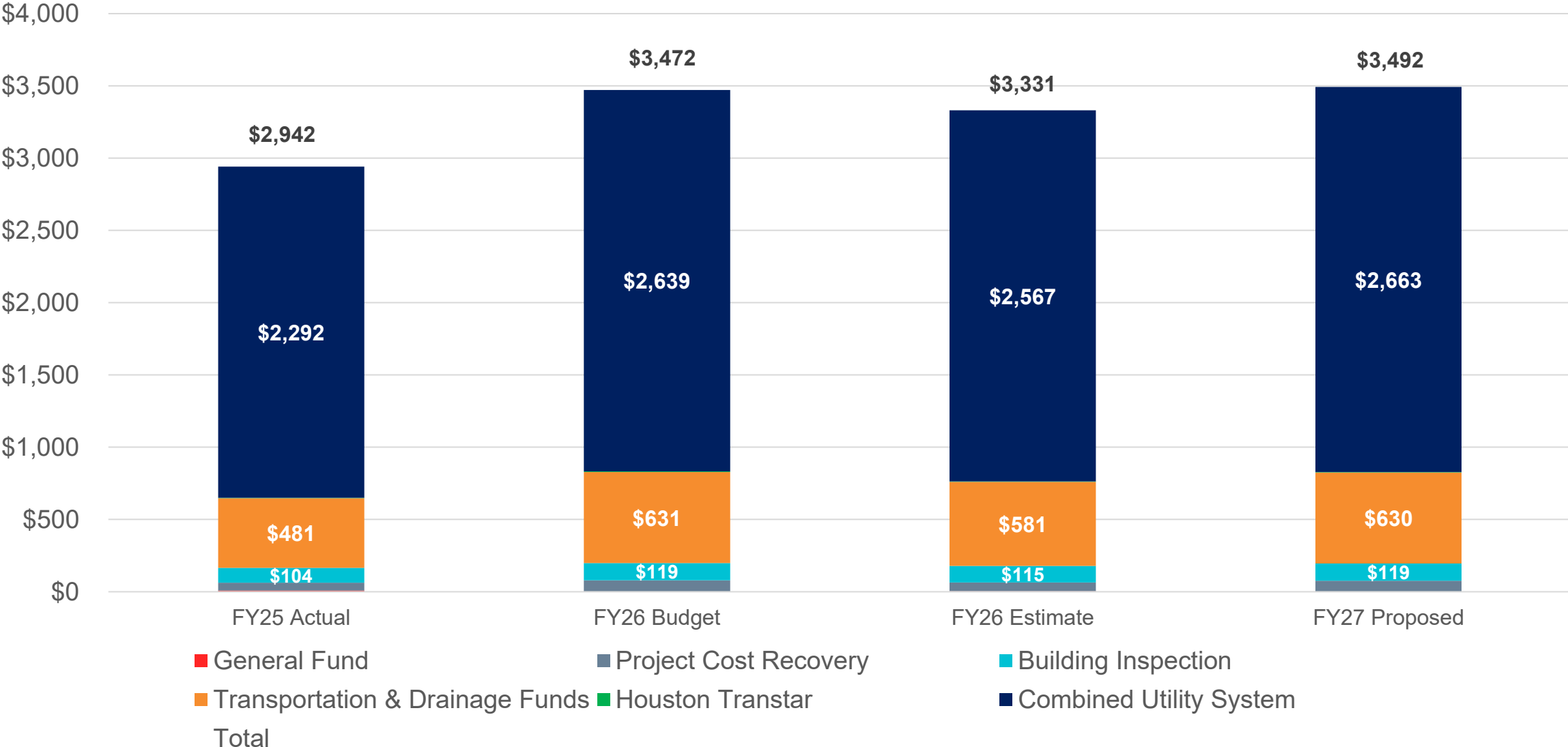
(\$ in millions)

EXPENDITURES BY FUND



(\$ in millions)

REVENUES BY FUND



(\$ in millions)

GENERAL FUND

1000



GENERAL FUND | EXPENDITURES BY CATEGORY

CATEGORY	FY25 ACTUAL	FY26 CURRENT BUDGET	FY26 ESTIMATES	FY27 PROPOSED	VARIANCE FY27 PROJECTED BUDGET/FY26 CURRENT BUDGET	%CHANGE
Personnel	\$1,056.2	\$1,022.2	\$1,022.2	\$1,069.5	\$47.3	4.6%
Supplies	\$0.0	\$2.5	\$0.0	\$2.5	\$0.0	0.0%
Restricted Accounts	\$47.6	\$40.7	\$40.7	\$42.2	\$1.6	3.9%
Services	\$91.2	\$87.7	\$90.2	\$88.0	\$0.3	0.3%
TOTAL	\$1,195.0	\$1,153.0	\$1,153.0	\$1,202.2	\$49.2	4.3%

(\$ in thousands)

GENERAL FUND | REVENUES OVERVIEW

CATEGORY	FY25 ACTUAL	FY26 CURRENT BUDGET	FY26 ESTIMATES	FY27 PROPOSED	VARIANCE FY27 PROPOSED BUDGET/FY26 CURRENT BUDGET	%CHANGE
Recoveries & Refunds	\$24.5	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Sale of Capital Assets - Land/Streets	\$7,613.2	\$2,500.0	\$2,910.0	\$2,500.0	\$0.0	0.0%
Interfund Land Disposition	\$331.7	\$431.2	\$431.2	\$453.5	\$22.3	4.9%
Miscellaneous	\$0.4	\$0.5	\$6.0	\$0.5	\$0.0	0.0%
TOTAL	\$7,969.8	\$2,931.7	\$3,347.2	\$2,954.0	\$22.3	0.76%

(\$ in thousands)

PROJECT COST RECOVERY

1001



PROJECT COST RECOVERY | 1001

FUND	FUND NAME	FY25 ACTUAL	FY26 CURRENT BUDGET	FY26 ESTIMATE	FY27 PROPOSED	VARIANCE TO FY26 BUDGET	CHANGE
REVENUES							
1001	Project Cost Recovery	\$54,038.5	\$76,900.2	\$61,540.8	\$73,398.7	(\$3,501.5)	-4.6%
EXPENDITURES							
1001	Project Cost Recovery	\$54,038.5	\$76,900.2	\$61,540.8	\$73,398.7	(\$3,501.5)	-4.6%

(\$ in thousands)

BUILDING INSPECTION FUND

2301



BUILDING INSPECTION FUND | 2301

FUND	FUND NAME	FY25 ACTUAL	FY26 CURRENT BUDGET	FY26 ESTIMATE	FY27 PROPOSED	VARIANCE TO FY26 BUDGET	CHANGE
REVENUES							
2301	Building Inspection	\$104,026.4	\$118,607.9	\$114,525.4	\$119,469.4	\$861.5	0.7%
EXPENDITURES							
2301	Building Inspection	\$108,451.4	\$123,022.0	\$114,252.1	\$124,802.4	\$1,780.4	1.4%

(\$ in thousands)

TRANSPORTATION & DRAINAGE

2302, 2310, 2311, 2312



TRANSPORTATION & DRAINAGE | 2302, 2310, 2311, 2312

FUND	FUND NAME	FY25 ACTUAL	FY26 CURRENT BUDGET	FY26 ESTIMATE	FY27 PROPOSED	VARIANCE TO FY26 BUDGET	CHANGE
REVENUES							
2302	Stormwater	\$103,422.5	\$164,553.5	\$112,817.5	\$123,576.6	(\$40,976.9)	(24.9%)
2310	DDSRF-Drainage Charge	\$118,833.6	\$121,019.8	\$125,019.8	\$120,169.8	(\$850.0)	(0.7%)
2311	DDSRF-Ad Valorem Tax	\$146,754.8	\$184,834.7	\$188,834.7	\$219,031.7	\$34,197.0	18.5%
2312	DDSRF-Metro Et Al	\$112,014.7	\$160,363.1	\$154,705.5	\$167,252.5	\$6,889.4	4.3%
TOTAL		\$481,025.6	\$630,771.1	\$581,377.6	\$630,030.6	(\$740.5)	(0.1%)

TRANSPORTATION & DRAINAGE | 2302, 2310, 2311, 2312

FUND	FUND NAME	FY25 ACTUAL	FY26 CURRENT BUDGET	FY26 ESTIMATE	FY27 PROPOSED	VARIANCE TO FY26 BUDGET	CHANGE
EXPENDITURES							
2302	Stormwater	\$91,100.1	\$125,139.9	\$119,678.7	\$126,037.8	\$897.9	0.7%
2310	DDSRF-Drainage Charge	\$88,198.5	\$151,428.9	\$151,039.8	\$158,803.4	\$7,374.5	4.9%
2311	DDSRF-Ad Valorem Tax	\$88,126.1	\$170,464.0	\$164,607.4	\$246,282.7	\$75,818.7	44.5%
2312	DDSRF-Metro Et Al	\$110,891.5	\$160,363.0	\$154,404.0	\$167,252.5	\$6,889.5	4.3%
TOTAL		\$378,316.1	\$607,395.8	\$589,729.9	\$698,376.4	\$90,980.6	15.0%

(\$ in thousands)



HOUSTON TRANSTAR | 2402

TRANSTAR | 2402

FUND	FUND NAME	FY25 ACTUAL	FY26 CURRENT BUDGET	FY26 ESTIMATE	FY27 PROPOSED	VARIANCE TO FY26 BUDGET	CHANGE
REVENUES							
2402	Houston TranStar	\$3,291.1	\$3,247.8	\$3,247.8	\$3,272.8	\$25.0	0.8%
EXPENDITURES							
2402	Houston TranStar	\$2,735.6	\$3,596.0	\$3,230.2	\$3,750.0	\$154.0	4.3%

(\$ in thousands)

COMBINED UTILITY SYSTEM

8300, 8301, 8305



COMBINED UTILITY SYSTEM | 8300, 8301, 8305

FUND	FUND NAME	FY25 ACTUAL	FY26 CURRENT BUDGET	FY26 ESTIMATE	FY27 PROPOSED	VARIANCE TO FY26 BUDGET	CHANGE
REVENUES							
8300	Water & Sewer	\$1,758,047.2	\$2,077,861.5	\$2,021,618.6	\$2,107,505.3	\$29,643.8	1.4%
8301	CUS Operating	\$518,482.5	\$553,261.2	\$537,367.0	\$547,954.0	(\$5,307.2)	(1.0%)
8305	CUS General Purpose	\$15,283.4	\$8,155.0	\$7,593.8	\$7,571.9	(\$583.1)	(7.2%)

(\$ in thousands)

COMBINED UTILITY SYSTEM | 8300, 8301, 8305

FUND	FUND NAME	FY25 ACTUAL	FY26 CURRENT BUDGET	FY26 ESTIMATE	FY27 PROPOSED	VARIANCE TO FY26 BUDGET	CHANGE
EXPENDITURES							
8300	Water & Sewer	\$1,151,944.4	\$1,380,286.2	\$1,319,983.5	\$1,578,095.7	\$197,809.5	14.3%
8301	CUS Operating	\$518,919.2	\$553,261.2	\$537,712.4	\$547,954.0	(\$5,307.2)	(1.0%)
8305	CUS General Purpose	\$583,829.1	\$695,115.6	\$616,253.2	\$757,807.8	\$62,692.2	9.0%

(\$ in thousands)

COMBINED UTILITY SYSTEM | 8300, 8301, 8305

(Net of Internal Transfers)

FUND	FY26 CURRENT BUDGET	FY27 PROPOSED	VARIANCE TO FY26 BUDGET	CHANGE
REVENUES				
Combined Utility System Funds Group	\$2,078,406,126	\$2,107,259,205	\$28,853,079	1.39%
EXPENDITURES				
Combined Utility System Funds Group	\$2,067,791,377	\$2,328,085,528	\$260,294,151	12.59%
NET Operating Funds				
Combined Utility System Funds Group	\$10,614,749	(\$220,826,323)		

SOLID WASTE MANAGEMENT



SOLID WASTE MANAGEMENT HIGHLIGHTS

- **Solid Waste Management merging with Houston Public Works**
 - Container Lease and Recycling Revenue Funds to be closed and merged into Combined Utility System
- **New Solid Waste Administration Fee**
 - To be included in Water & Sewer bills
 - \$5/Month per residential account
- **The Solid Waste Management budget is increasing by \$25M from FY26**

SOLID WASTE MANAGEMENT DETAIL

FUND	CATEGORY	FY26 CURRENT BUDGET	FY27 PROPOSED	VARIANCE TO FY26 BUDGET
REVENUES				
8300	Administrative Fee	\$0	\$24,000	\$24,000
	Container Lease Fee	\$5,600	\$5,396	(\$204)
	Other Operating Revenue	\$3,747	\$3,443	(\$303)
	Dumpster Permits	\$2,330	\$2,060	(\$270)
	Non-Operating Revenue	\$1,765	\$261	(\$1,503)
N/A	Transfers from General Fund	\$3,863	\$0	(\$3,863)
	Total	\$17,304	\$35,161	\$17,856

(\$ in thousands)

SOLID WASTE MANAGEMENT DETAIL

FUND	CATEGORY	FY26 CURRENT BUDGET	FY27 PROPOSED	VARIANCE TO FY26 BUDGET
EXPENDITURES				
8300	Personnel	\$43,952	\$44,501	\$549
	Refuse Disposal	\$17,275	\$26,687	\$9,412
	Vehicle Services	\$22,150	\$23,167	\$1,017
	Fuel	\$4,243	\$4,543	\$300
	Other Services	\$10,891	\$11,690	\$799
	Supplies	\$378	\$401	\$22
	Sponsorships	\$3,166	\$3,451	\$285
	Non-Capital	\$2,592	\$2,566	(\$26)
8305	Debt Service	\$489	\$17,023	\$16,534
N/A	Capital	\$29	\$0	(\$29)
	Transfers to Recycling Revenue Fund	\$3,863	\$0	(\$3,863)
Total		\$109,028	\$134,028	\$25,001

(\$ in thousands)

Thank you!



HOUSTON PUBLIC WORKS

houstonpublicworks.org

  @houpublicworks



APPENDIX

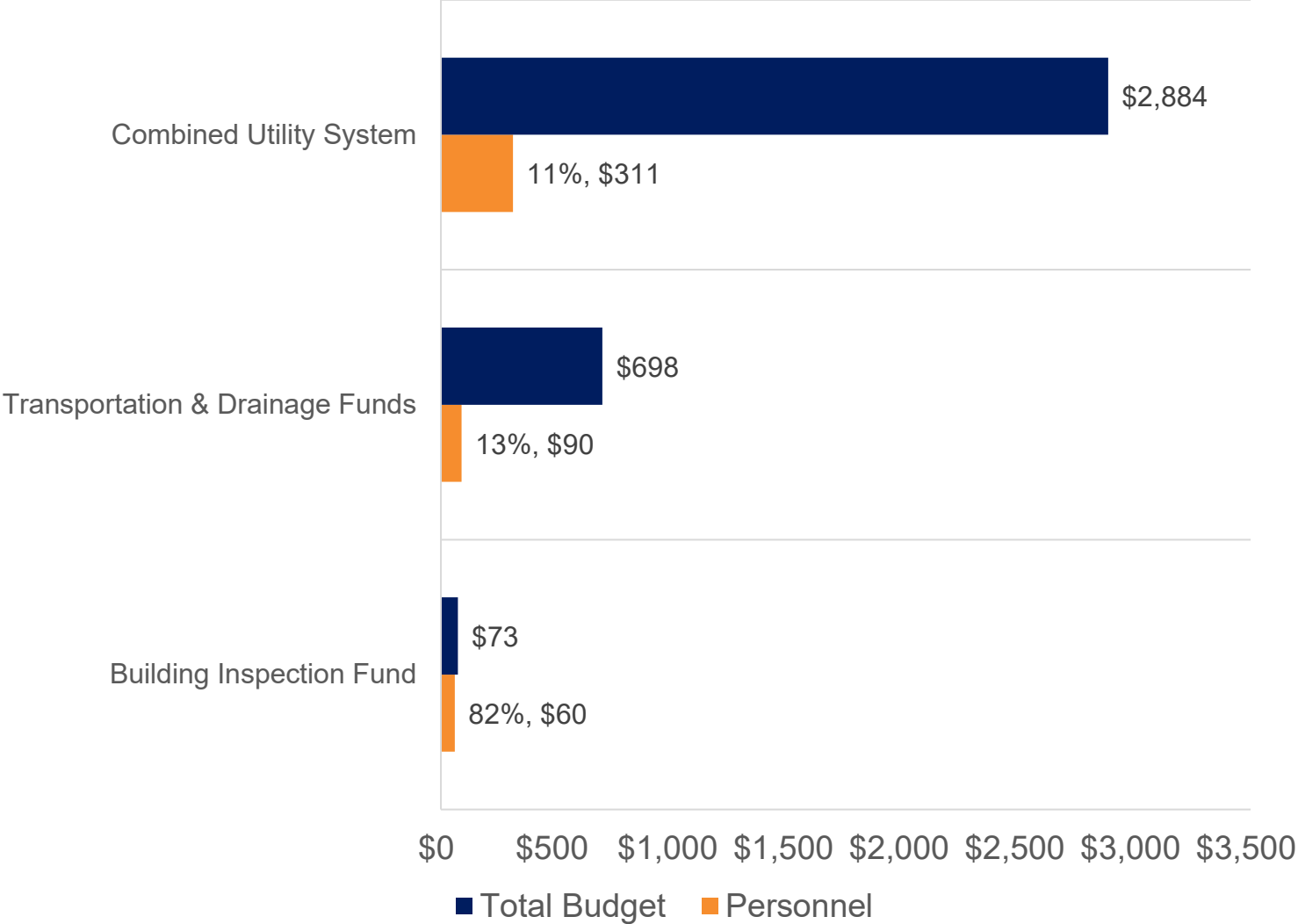
RESTRICTED ACCOUNT DETAILS

GL DESCRIPTION	JUSTIFICATION AND COST DRIVERS
Interfund Vehicle Fuel	Fuel Program operates and manages all City owned fuel sites. Expense explanation - Fuel services are driven primarily by market pricing
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 (Court System Management & Resource Technology) (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department, eSignature
Insurance Fees	Cost increase for property insurance premium.
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 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 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.

RESTRICTED ACCOUNT DETAILS

GL DESCRIPTION	JUSTIFICATION & COST DRIVERS
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 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 GIS Services	Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS)
Interfund Wireless-Services	Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets.
Interfund HR Client Services	Include HR operation cost reflecting health benefits and restricted accounts increase.
Interfund KRONOS Service Chargeback	Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS)
Drainage Fee Service Chargeback	Fee is based on impervious service.
Interfund Permit Center Rent Chargeback	The cost include the lease cost increase.
Interfund Permit Ctr Point of Sale Chargeback	The cost include the HPC Point of Sale cost increase for credit card merchant fee.
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 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.

FY27 PERSONNEL VS NON-PERSONNEL



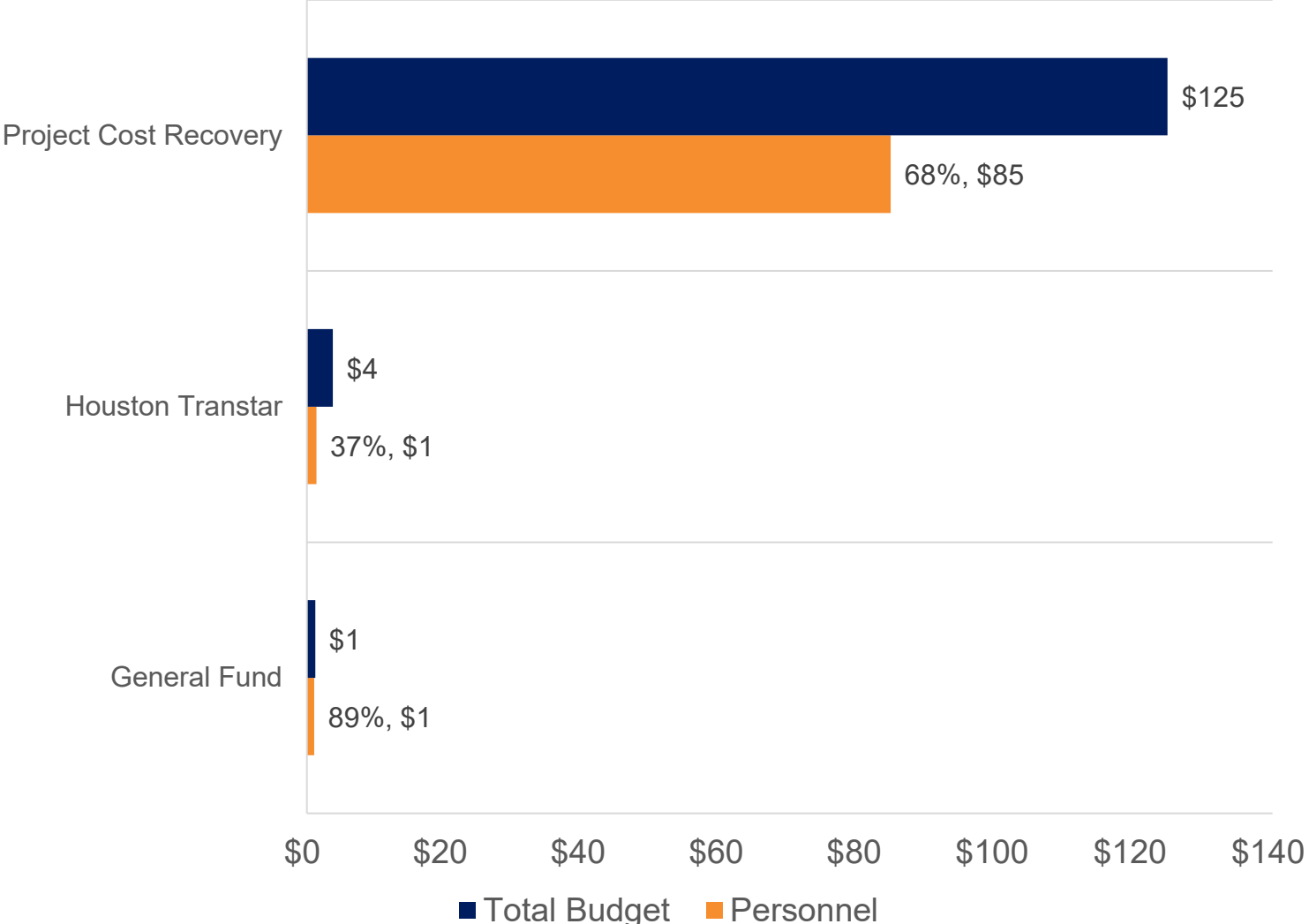
Supplies	\$ 107	4%
Services	\$ 645	22%
Restricted	\$ 163	6%
Debt Service	\$ 631	22%
Transfers	\$ 846	29%
Non-Capital	\$ 7	0%
Capital	\$ 176	6%
Total	\$ 2,573	89%

Supplies	\$ 14	2%
Services	\$ 85	12%
Restricted	\$ 53	8%
Debt Service	\$ 17	2%
Transfers	\$ 419	60%
Non-Capital	\$ 1	0%
Capital	\$ 20	3%
Total	\$ 609	87%

Services	\$ 21	17%
Restricted	\$ 11	9%
Transfers	\$ 5	4%
Non-Capital	\$ 1	1%
Capital	\$ 2	2%
Total	\$ 40	32%

(\$ in millions)

FY27 PERSONNEL VS NON-PERSONNEL (CONT.)



Services	\$	6	9%
Restricted	\$	5	7%
Non-Capital	\$	1	1%
Capital	\$	1	1%
Total	\$	13	18%

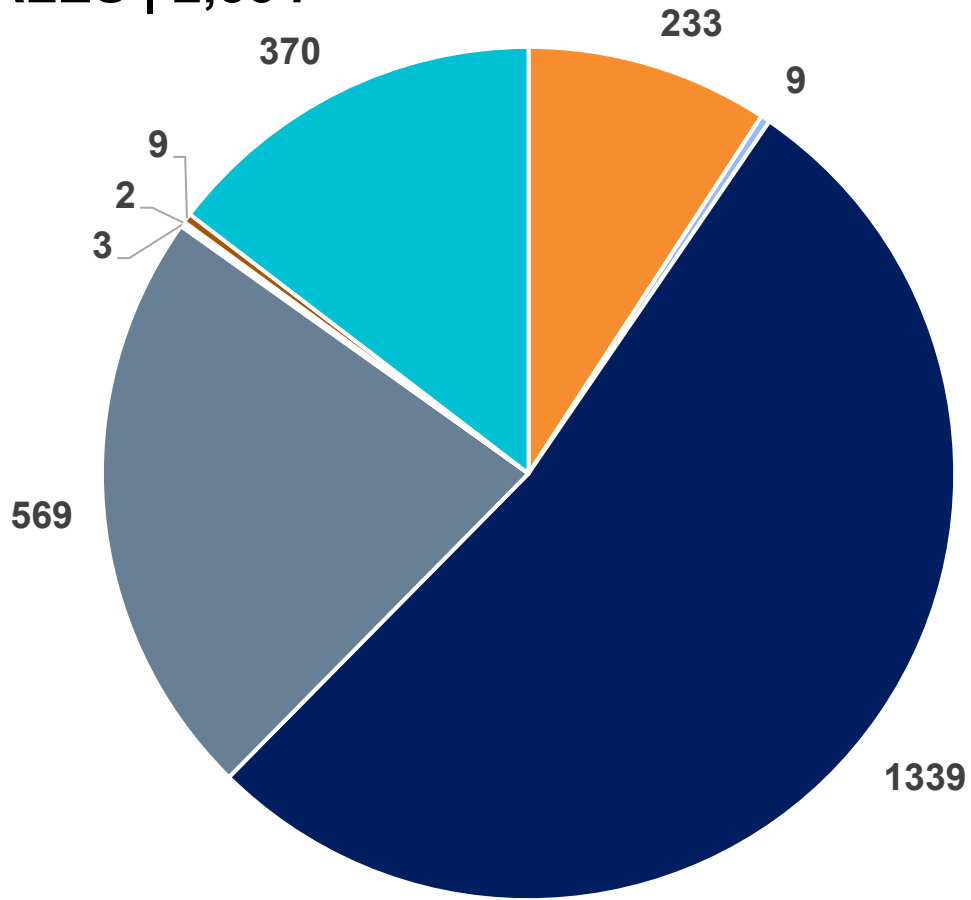
Supplies	\$	0.1	2%
Services	\$	1.7	46%
Restricted	\$	0.5	13%
Non-Capital	\$	0.1	2%
Total	\$	2.4	63%

Services	\$	0.1	8%
Restricted	\$	0.04	4%
Total	\$	0.1	11%

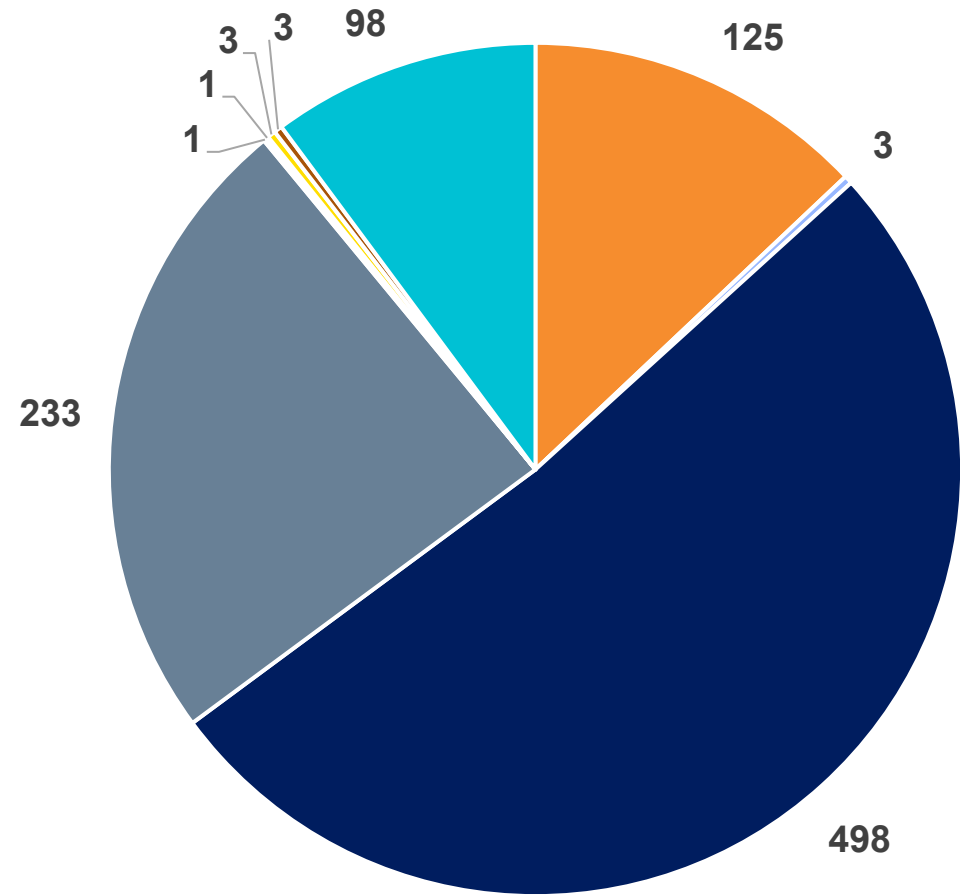
(\$ in millions)

ETHNICITY

MALES | 2,534



FEMALES | 965

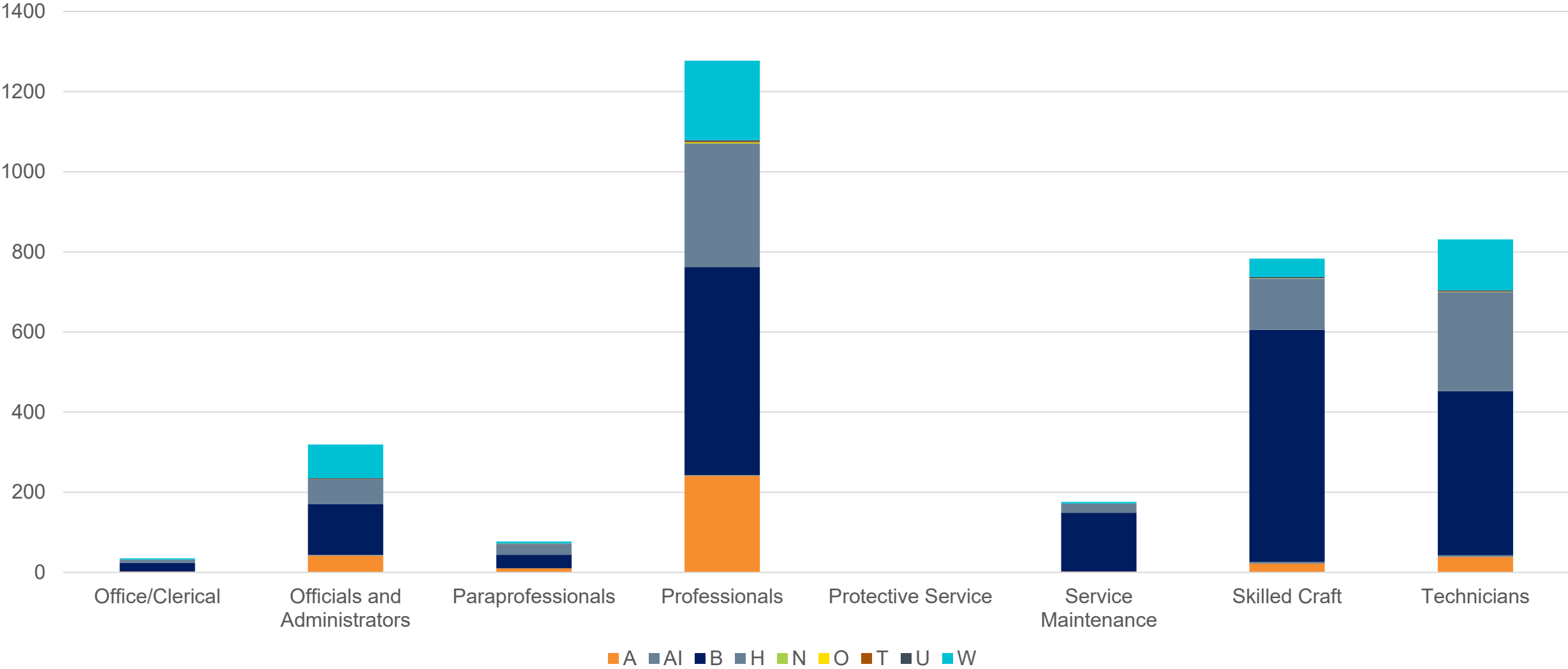


■ A ■ AI ■ B ■ H ■ N ■ T ■ U ■ W

■ A ■ AI ■ B ■ H ■ N ■ O ■ T ■ U ■ W

AI – American Indian, A – Asian, B – Black, H – Hispanic, NH – Native Hawaiian, O – Other Pacific Islander, T – Two or More Races, U – Unlisted, W – White

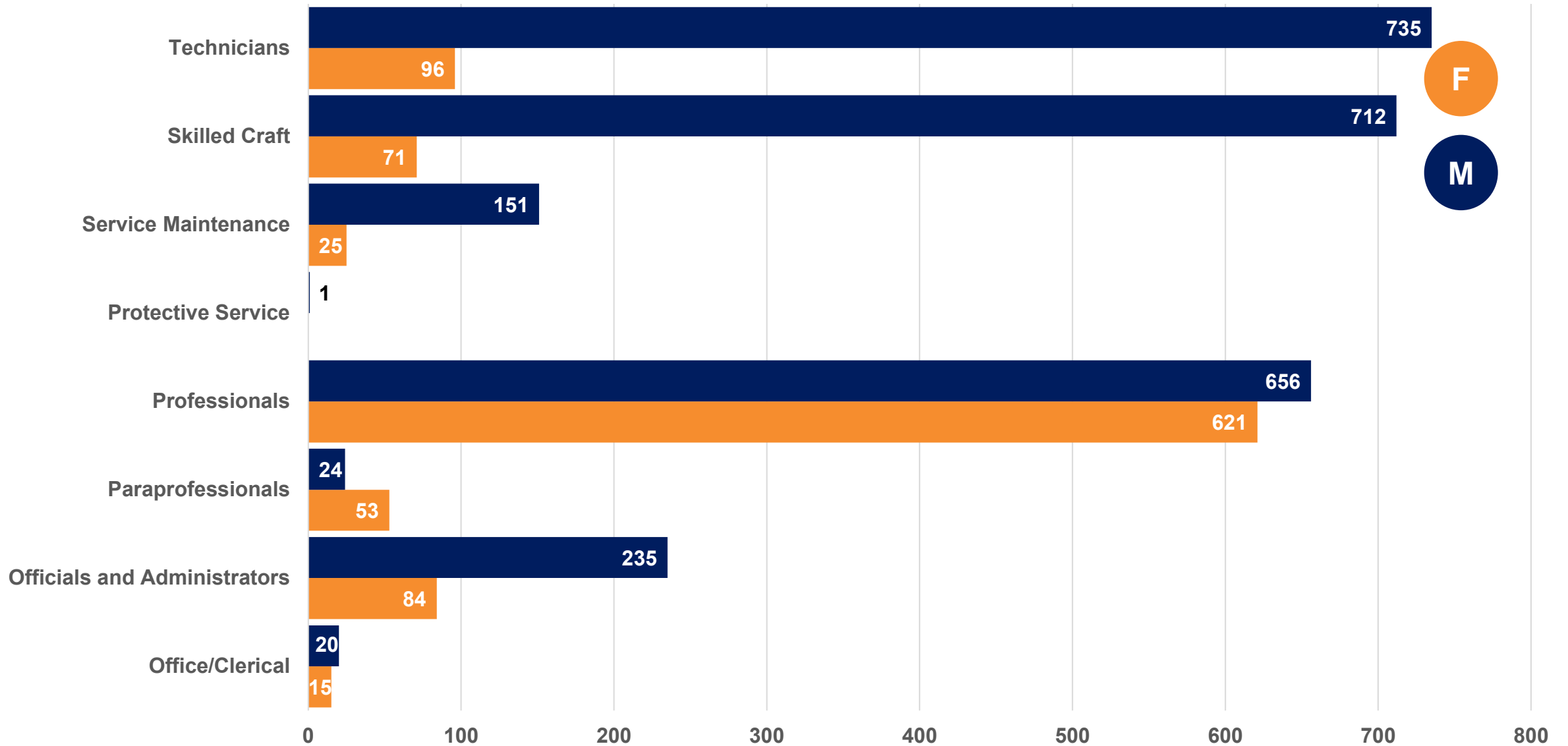
ETHNICITY BY JOB



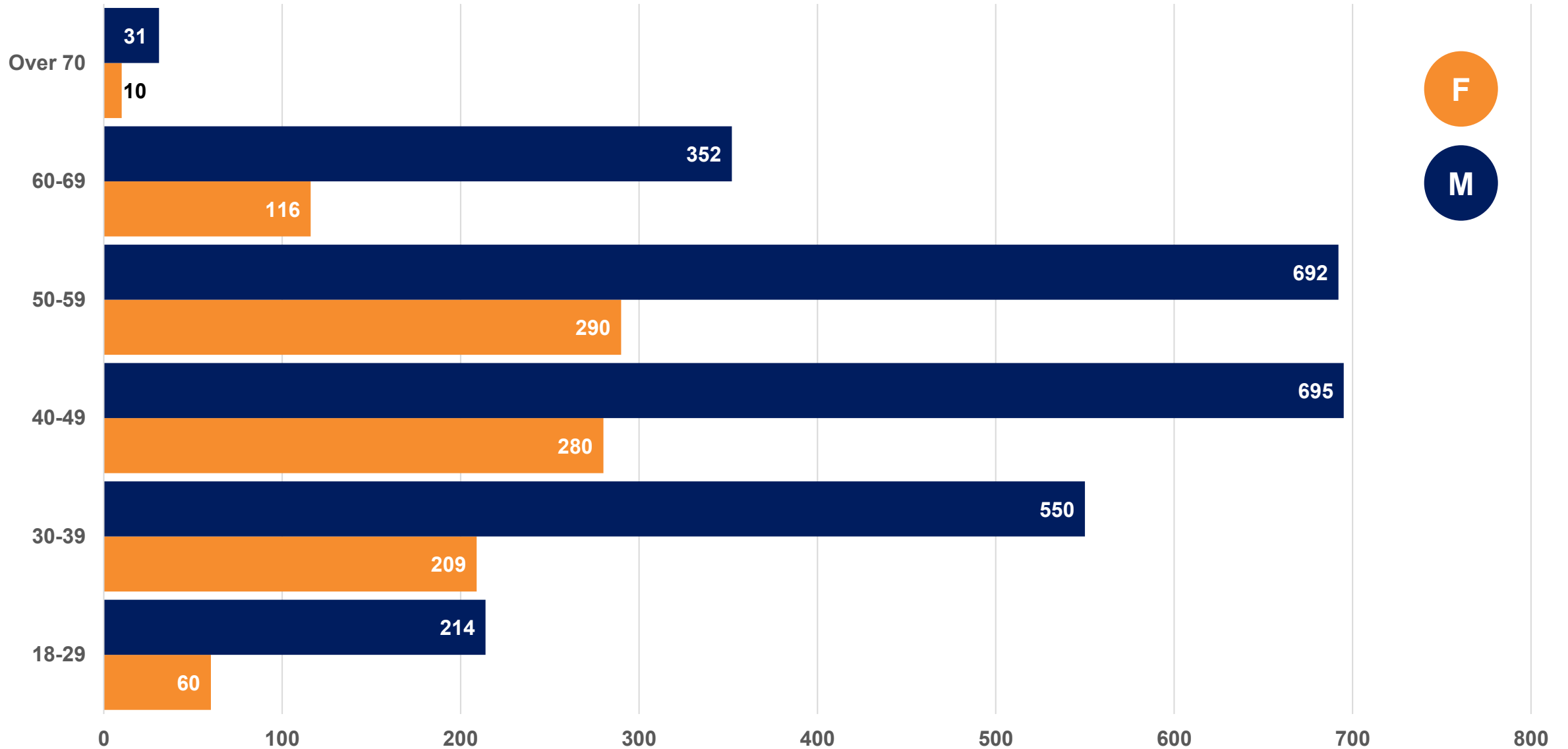
AI – American Indian, **A** – Asian, **B** – Black, **H** – Hispanic, **NH** – Native Hawaiian, **O** – Other Pacific Islander, **T** – Two or More Races, **W** – White

As of 4/21/26

GENDER

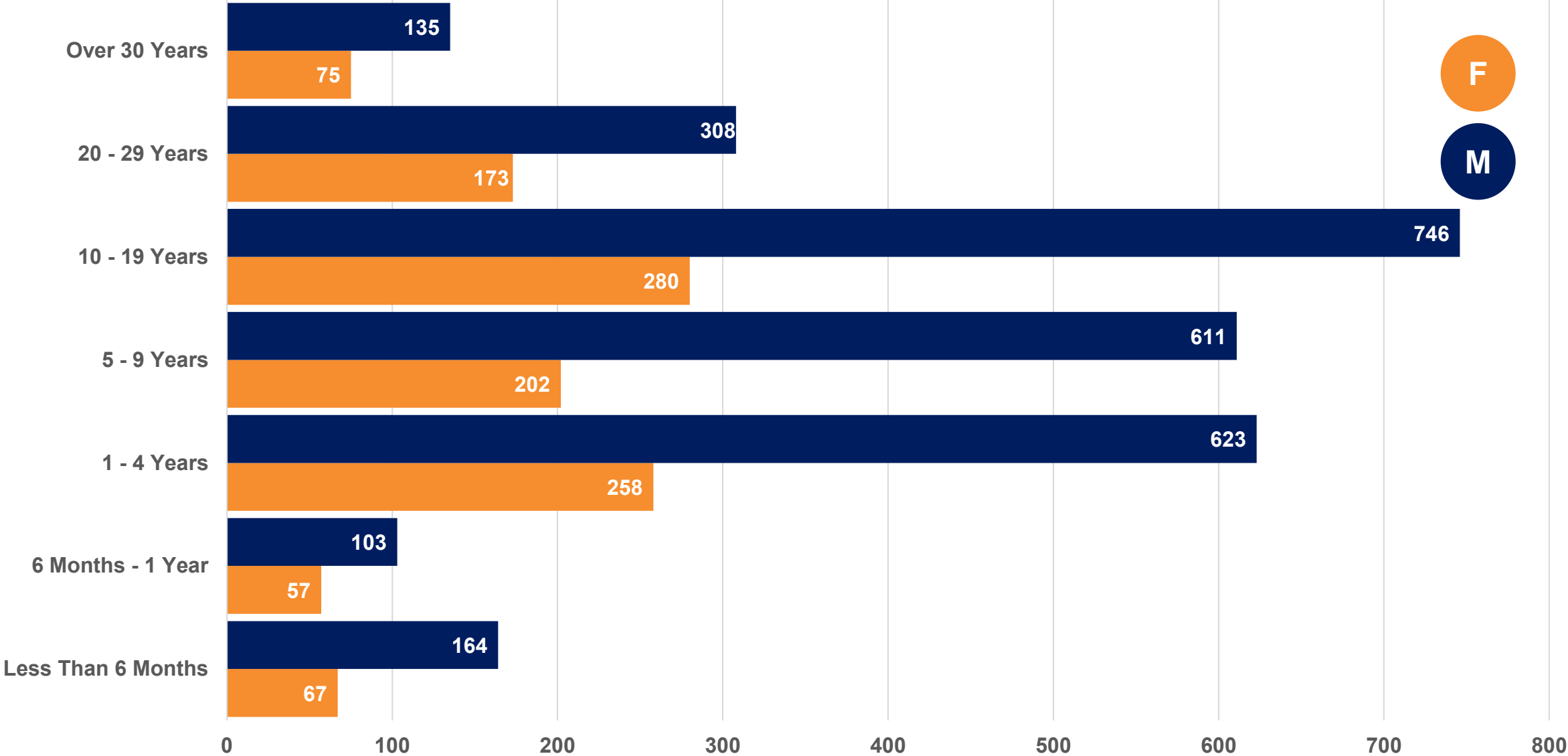


AGE



As of 4/21/26

TENURE



OTHER KPIs

Program	Measure Name	FY25 Actual	FY26 Target	FY26 Estimate	FY27 Target
Houston Transtar	Number of stalled vehicles towed for free under the Tow and Go Program	40,500	39,415	39,415	39,415
Houston Transtar	Number of Website/Map views per year	244,910,311	150,000,000	150,000,000	150,000,000