

# **CITY OF HOUSTON FISCAL YEAR 2026 BUDGET DEPARTMENT QUESTIONS**

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HOUSTON CITY COUNCIL MEMBER, AT-LARGE POSTION 5

## A NOTE

When the budget was released on May 6, 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](mailto:atlarge5@houstontx.gov) or call us at (832) 393-3017.

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# ADMINISTRATION & REGULATORY AFFAIRS

## 1. Which vacancies due to voluntary retirements will need to be backfilled? Please list by department division.

ARA will need to backfill all frontline positions that are public-facing and directly serve Houstonians. ARA will also be requesting permission to backfill positions that directly impact General Fund revenues or without which City-wide operations will be impacted – such as Payroll processing positions.

Classification	ARA Division	Reason for Backfill Request
311 Telecommunicators (4)	311	Frontline positions
Administrative Specialists (3)	Payroll	City-wide operational impact
Animal Enforcement Officer	BARC	Frontline position
Customer Service Representative I	311/Water	Frontline position
Customer Service Representative II	311/Water	Frontline position
Customer Service Representative III	311/Water	Frontline position
Customer Service Section Chief	311/Water	Frontline position supervisor
Division Manager	BARC	Frontline position (enforcement)
Inventory Management Clerks (2)	Asset Disposition	General Fund revenue impact
Maintenance Mechanic III	ParkHouston	General Fund revenue impact
Senior 311 Telecommunicator	311	Frontline position
Staff Analyst/Data/GIS	ParkHouston	General Fund revenue impact
Staff Analyst	Risk Management	City-wide operational impact
Systems Support Analyst	311	City-wide operational impact

## 2. Describe plans and timeline to have non-profits perform some non-enforcement BARC functions.

BARC has drafted an RFP to engage a non-profit partner. The RFP scope, as currently written, would allow a respondent to propose a smaller scope – such as operating a retail adoption center – or a larger scope that would include all the non-enforcement functions. The idea is to allow flexibility in responses as this is BARC’s first foray into a formal partnership arrangement.

At this time, the RFP is in DRAFT form. Over the coming weeks we will work with SPD to get the RFP finalized and published. The time to award will depend on the complexity, scope, and proposed pricing in the responses received. Our goal is to have at least a store-front adoption outlet operating before the end of FY2026, but that will be contingent on funding.

## 3. What is the “all in” average salary plus benefits for animal enforcement trainees and animal enforcement officers?

The “all in” average salary, including pension and FICA, for the combined animal enforcement trainees and animal enforcement officers is \$62,883. The average base salary for an animal enforcement trainee is \$45,631 while the average based salary for an animal enforcement officer is \$49,175.

In addition to the salary, these positions require a laptop, field equipment, uniforms, a City phone, and a vehicle. The cost of the required equipment, without a vehicle, is \$4,100, of which \$2,100 is an annual, recurring cost.

#### **4. How many additional animal enforcement trainees are needed in FY26?**

BARC currently has 17 Animal Enforcement Officer Trainees, 4 Animal Enforcement Officers, 6 Senior Animal Enforcement Officers, 3 Animal Enforcement Supervisors, and 1 Animal Enforcement Manager for a total enforcement force of 31 employees. BARC estimates that responding to 100% of all calls for field enforcement would require us to double the size of this enforcement force, since BARC is currently responding to just over 50% of its calls for service. This means that we would need to hire at least 17 more Animal Enforcement Officer trainees.

It is important to keep in mind that adding staff includes purchasing vehicles, laptops, uniforms and all the other additional items listed in the response to Question 3.

BARC currently responds to more than 97% of its Priority 1, 2, and 3 calls. BARC does not have the capacity to respond to Priority 4 and 5 calls, where our response rate is currently about 14%. Priority 1 and 2 calls are most important because they involve imminent danger to human beings, and these calls have increased by 10% and 40%, respectively, over the past two years. Significantly, if BARC could hire an additional 6 officers and purchase 3 additional vehicles and the related supplies, BARC believes they could substantially improve call response capabilities

#### **5. What is the timeline for developing a strategic plan for BARC which is needed to secure foundation and other private funding?**

We have tentatively identified a consultant and are awaiting a revised and more detailed list of deliverables before presenting the proposal and our recommendation to the Administration for approval. We expect the plan to be completed during the FY2026 budget year.

#### **6. How has BARC's return to owner rate improved since mandatory microchipping was instituted?**

BARC began enforcing the mandatory microchipping requirement in 2023. However, with only 24 enforcement officers in the field, pet owners know the City is unlikely to identify their non-microchipped pet unless the pet is running loose and collected by an animal enforcement officer. Further, the economic fallout post-COVID has resulted in many owners refusing to reclaim their animals – even though BARC offers to waive the fee for first-time offenders. Thus, although the mandatory microchipping requirement has driven a small increase in the return to owner (RTO) rate, greater enforcement and greater community education would improve the RTO and keep owned animals out of the shelter. The change in RTO is shown below.

Year Return to Owner Rate:

- 2022 3.54%
- 2023 4.23%
- 2024 4.37%

**7. Although insurance costs decrease by \$4.4 million from the FY25 Adopted Budget (plus adjustments), the proposed insurance cost actually increases from \$26.6 million (FY25 estimate) to \$32.8 million (FY26 proposed). Please explain this increase.**

The FY2025 estimate includes part of the savings from our favorable renewal this year. The City's insurance is renewed by April 1 of each year. Our most recent policy renewal was April 1, 2025, and the City's loss history at the time of the renewal negotiations in January included only one significant claim for the prior three-year period. Further, the City was able to show substantial improvement in our flood mitigation measures. Thus, the policy renewal was favorable for the City and resulted in a substantial decrease in premium.

However, our next renewal will be April 1, 2026. The City already has a Derecho claim, as well as at least two other non-storm losses. We anticipate these claims will affect our renewal premium. The City's brokers have advised that we should budget for at least a \$3 million - \$4 million property insurance increase, as well as changes for inflation and known new construction additions (IAH) which can drive insured values up by more than 5%, greatly affecting our renewal premium.

Other contributors to the higher FY2026 budget amount include a \$1.6 million allowance for FEMA obligations to purchase NFIP insurance. This amount is not in the FY2025 year-end estimate, but it was in the FY2025 budget, and we must budget for it again in FY2026 as FEMA may require the purchase in the event of catastrophic loss.

**8. What is schedule for cross training 311 call takers and water customer service call takers?**

We are implementing a cross-training initiative designed to strengthen our operational flexibility without compromising day-to-day performance. The process will begin with our supervisory staff.

Our first supervisor is currently undergoing cross-training. She is already fully trained in handling 311 calls and is now receiving training in Water Customer Service calls. She is expected to complete her training within the next two weeks. This will make her our first fully cross-trained employee.

Once the summer call service surge subsides – which is typically July and August if there are no extreme weather events – we will begin training two supervisors at a time. Each supervisor will train for four days a week over a six-week period. At this pace, we expect the majority of our supervisors to be fully cross-trained by the end of calendar year 2025.

After the supervisors are trained, we will extend cross-training to CSR II and CSR III agents. Our goal is to have a sufficient number of these agents cross-trained ahead of the 2026 hurricane season. We anticipate completing the full cross-training program by the end of 2026.

CSR I agents will not be included in cross-training; instead, they will be designated exclusively to either 311 or Water Customer Service calls.

One of the key challenges during this period will be managing the ongoing training needs for both new hires and current staff. HPW's dedicated training team, along with 311's full-time trainer, will play a critical role in balancing these responsibilities throughout the cross-training rollout.

## **9. What are the four process improvements ARA will be initiating in FY26?**

Below are the proposed process improvements ARA will be initiating in FY2026.

- BARC Non-Profit Partnership launch: the goal is to have a partner in place before the end of the fiscal year, operating at least one retail adoption facility.
- BARC Strategic Fund-Raising Plan: the goal is to have the plan completed during the fiscal year.
- Business License Compliance: For FY2026, ARA will be focused on even greater compliance efforts to mitigate revenues losses. For example, mini-warehouses require City of Houston permits. However, our enforcement officers are civilians. When they visit these facilities to cite them for not having permits, the property managers lock the gates and our officers cannot enter. For FY2026, we plan to request HPD's assistance in assigning an officer to visit these facilities with our enforcement officers to allow our officers to cite the managers.
- 311 Parent/Child Upgrade: To enhance transparency, improve the customer experience, and provide more meaningful information to the public about the status of a service request, ARA and HITS conceived the parent/child project to identify the "offspring" of a service request and tie it back to the original SR for better tracking. ARA has successfully trained 234 employees on the Parent/Child enhancements including all 311 agents in preparation to go live on (or possibly even before) July 1.

# AVIATION

## **1. Which vacancies due to voluntary retirements will need to be backfilled? Please list by section.**

There are some front-line and critical positions that will be necessary to backfill to manage airport operations and expected growth. On the front-line, custodial (21), landside operations (10) and maintenance (14) positions will need to be refilled to protect the integrity of the operations, and keep the facilities maintained and clean. As we reorganize into the Terminal Operations structure, with Airport General Managers, it may be necessary to refill certain other critical positions. These will be addressed and justified on a position-by-position basis and reviewed with the administration, prior to replacement.

## **2. Does the \$135.6 million HAS pays for city services (HPD, HFD, HR, IT, Legal, Water/Sewer and others) all go into the General Fund as stated in budget presentation? Even funding for water/sewer?**

The HAS interfund payments go to the general fund; however, the water and sewer passes through to HPW

## **3. Describe key Spaceport activities anticipated for FY26. How is the city incentivizing more companies to locate at the Spaceport?**

HAS Spaceport is actively promoting incentives offered by the State of Texas to businesses within a spaceport. Tangible personal property, including spacecraft and essential launch related assets are exempt from ad valorem taxation, providing significant financial advantages for aerospace companies.

Axiom Space and Intuitive Machines are expanding their presence at the Houston Spaceport. In the near term we are finalizing an agreement with Intuitive Machines that will provide an additional three acres of land along with specialized facilities essential for supporting the company's new contracts and its pursuit of potential opportunities with NASA and the Department of Defense.

The City of Houston, through HAS, has commenced construction on the first phase of Taxiway Lima. This phase will connect the Spaceport with the airfield.

## **4. HAS-Hobby Airport: Explain the increase in the parking services contract from \$114 (FY25 estimate) to \$1.8 million (FY26 proposed).**

To improve the clarity and transparency of financial reporting, the Houston Airport System (HAS) will implement an accounting and reporting change for Fiscal Year 2026. This adjustment will involve reallocating the costs associated with Skyway and Parking expenses from Fund 8011 back to Fund 8001. These reallocations will involve multiple cost centers, including parking services at Hobby Airport.

**5. HAS-Hobby Airport: Explain the decrease in signatory landings from \$27.5 million (FY25 estimate) to \$25.9 million (FY26 proposed).**

The landing fees recover overall costs of the airfield at the respective airport. Those costs include various project costs that are amortized over the life of the asset and operational costs. Over time, project costs are fully amortized and removed from the calculation. Some of the airfield costs may have been captured in the terminal cost center, see the response below

**6. HAS-Hobby Airport: Explain the increase in terminal space rental fees from \$46.6 million (FY25 estimate) to \$71 million (FY26 proposed).**

Terminal space rental fees recover overall costs of operating and maintaining the terminal buildings. Those costs include HAS O&M costs and capital project costs. Additional 8010 (Renewal and Replacement) spending in previous years will drive up the rate some for rental fees. We also may have captured some airfield costs in the Terminal cost center at Hobby. We will reconcile and correct. Overall revenue remains on target.

**7. HAS – George Bush Airport: Explain the increase in parking services contract from \$44 (FY25 estimate) to \$4,655,115 (FY26 proposed).**

To improve the clarity and transparency of financial reporting, the Houston Airport System (HAS) will implement an accounting and reporting change for Fiscal Year 2026. This adjustment will involve reallocating the costs associated with Skyway and Parking expenses from Fund 8011 back to Fund 8001. These reallocations will involve multiple cost centers, including parking services at IAH Airport.

**8. HAS – George Bush Airport: Explain the increase in building maintenance services from \$32.3 million to \$49.8 million.**

The building maintenance services budget increased by \$16M in Fund 8001 because of the following: the \$12M Skyway Budget was moved from Fund 8011 to Fund 8001; a new \$1.6M Rubber Removal contract has been implemented to clean up the runways; another \$3M increase was attributed to maintenance yearly contractual increases including additional services required by the new D West Pier and the ICP; and lastly there was a \$600K decrease in the Terminal D ICP screening equipment budget

**9. HAS – Finance and Administration: Describe pay for performance – municipal and explain increase from \$105,200 (FY25 estimate) to \$555,200 (FY26 proposed).**

FY25 Budget was \$345,000 the actual amount paid is \$524,800 for 1,312 employees due to achievement of more incentive goals and higher headcount than budgeted. The FY25 estimate was adjusted by COH FIN prior to the payment of performance incentives in May 2025.



**10. HAS – Finance and Administration: What is renewal and replacement transfer and explain decrease from \$35 million (FY25 estimate) to \$15 million (FY26 proposed).**

Fund 8010 – Renewal and Replacement (R&R) is a construction fund similar to fund 8011 - Airport Improvement Fund (AIF). R&R is used for large rehabilitation or repair projects that are deemed too large for O&M and are not new assets. FY25 included a more than usual increase in projects, and FY26 is forecasted to have significantly less projects.

# CITY COUNCIL

**1. At the end of FY25, what is anticipated in council office budget surplus amount? I am referring to office budgets, not council district service funds.**

The total surplus as of today is \$672,442, but keep in mind that expenses average around \$35k in May and June. Please note that a couple of offices had big savings because of vacancies for several months.

Also, some offices have decided not to make purchases or give salary increases because they want to transfer their surplus to a department for a specific project.

# FINANCE

## **1. FTEs increase from 60 to 89 in Citywide Procurement and Contract Management and from 19 to 93 in Financial Management Services. Which departments' FTEs are being absorbed into Finance? Provide a breakdown of these FTEs by prior department.**

Procurement and Contract Management has 3 FTEs transferred from HHD, 2 FTEs from HPD, 24 FTEs from HPW, 1 FTE from HR, 2 FTEs from PRD, and 1 FTE from SWM.

Financial Management Services has 6 FTEs transferred from GSD, 50 FTEs transferred from HPD, 9 FTEs transferred from HPL, 1 FTE transferred from MYR, 1 FTE transferred from OBO, 3 FTEs transferred from PD, and 8 FTEs transferred from SWM.

The FY25 Estimate carries a reduction of vacancy savings, VMERPO and Finance's efficiency reduction. Vacant positions were not included in the FY25 Estimate but those not given up in the budget reduction were accounted for in the FY26 Budget.

## **2. Citywide Procurement and Contract Management: If we are currently at 36 days for average days to complete direct award procurements from project acceptance to council award, why are we increasing the target to 45 days?**

We looked at reducing this measure to 30-days, but chose to wait so that we could see if any of the consolidations or restructuring to a category management would have any effect on the timeline for direct awards. We plan to adjust this next fiscal year.

## **3. Citywide Procurement and Contract Management: How does FIN plan to get the average days to complete formal RFPs, RFQs, and RFIs from 253 days to 180 days?**

We are working on three efforts that will reduce the number of days for our RFQ/RFPs. The first and most significant is the category management restructuring. This will significantly reduce the number of solicitations that SPD is responsible for managing by significantly reducing the number of duplicative contracts. SPD's volume of solicitations is significantly higher than other comparable public agencies. By reducing the number of solicitations, we will not only realize savings, but we'll be able to reduce the number of days to complete.

The other two efforts are related to the process time-study SPD completed of our RFQ/RFP process. The three most significant areas of time are: 1) Scope and Specification development and review, 2) Evaluation process and 3) Contract negotiations.

For the Scope and specification development and review, we have invested in a public procurement specific agentic AI tool that helps write and identify strengths and weakness of a scope. The use of this tool is already showing time savings and improved communications between SPD and client departments.

For the evaluation process, we are working on a new process which will require evaluators and their managers to sign-off and agree to the full evaluation schedule up front, rather than setting meeting as the committee goes. Managing multiple calendars leads to significant delays. We are also looking at automation tools that would evaluation committee members better complete their evaluations.

**4. Energy Management: What is the \$250,000 Demand Response Program target? Please describe.**

The City of Houston has the opportunity to participate in a Demand Response Program, an initiative developed by our current retail electricity provider. This voluntary program incentivizes customers to reduce energy consumption during peak demand periods, particularly during the hot summer months. By doing so, participants help alleviate strain on the electrical grid and contribute to overall energy efficiency.

For FY2026, an estimated \$250,000 in savings could be generated through participation in this program. However, actual savings may vary depending on factors such as the size and energy usage patterns of the enrolled facility. Participation is entirely voluntary. In support of this goal, departments are encouraged to identify and implement operational strategies that allow for the temporary reduction of non-essential electricity consumption during designated demand response periods.

**5. Performance Improvement: Describe the in-house consulting engagements expected in FY26. Are costs savings anticipated from this work?**

The Division's project pipeline for FY2026 will include a mix of planned and unplanned engagements, all aimed at enhancing city operations and service delivery.

Planned projects for FY26 directly support the Mayor's priorities and the Efficiency Study recommendations, specifically in city reorganization, retooling the City's performance management program, and optimizing citywide spending. These efforts are expected to yield both streamlined processes and significant direct cost savings.

Unplanned engagements, by their nature are reactive and address emergent needs or challenges identified by City Departments or the Administration throughout the year. Ultimately, our goal across all engagements is to empower City departments to operate more efficiently, leverage their resources effectively, and deliver enhanced services to our residents, which translates to the City doing more with less.

**6. General Government: Transfers to Special Revenues \$52.4 million. Does this entire amount go to the Maintenance Renewal and Replacement Special Revenue Fund?**

The majority, but not all, of the amount goes to the Maintenance Renewal and Replacement Special Revenue Fund (\$50M).

**7. General Government: Why is the Transfers to Capital Projects line zeroed out in FY26? It was \$8.9 million in FY25. Was that the additional drainage project money?**

The \$8.9 million in FY25 was for the approved FY2025 Budget Amendments for additional drainage project and Kashmere generator

**8. General Government: Management Savings of \$17.1 million – is this the money anticipated to be saved through EY strategic procurement activities/contract negotiations?**

Yes.

**9. Additional question: Does Finance anticipate the revenue cap calculations will be similar to last year when taxable values called for a slight raise in tax rate (which was not done)?**

The revenue cap calculations will begin on July 25 after the receipt of the certified estimate.

**10. The March 31, 2025, monthly financial report shows a \$1.9 billion OPEB liability. The city pays retiree health care costs as they are incurred on a pay-as-you-go basis, meeting short-term obligations but not addressing the growing long-term liability. How much is the city projected to pay in these costs in FY26 and by what amount will the OPEB liability grow this year?**

The City is projected to pay \$64.3M in OPEB related costs for FY26. The change in OPEB liability is determined by the Actuary consultant, and it is influenced by service cost, interest, benefit changes, differences between expected and actual experience, changes in assumptions, and benefit payments. The next report will be issued after the fiscal year-end close.

**11. Does Finance anticipate the revenue cap calculations will be similar to last year when taxable values called for a slight raise in tax rate (which was not done)?**

The revenue cap calculations will begin on July 25 after the receipt of the certified estimate.

12. Please list the 42 “essential” job classifications to be backfilled, related to the VMERPO discussion.

#### SEA Exempt Positions

JOB CODE	JOB CLASSIFICATION	Department
643.5	3-1-1 TELECOMMUNICATOR	ARA
644.2	9-1-1 TELECOMMUNICATOR	HEC
937.1	AIRPORT SERVICES REPRESENTATIVE I	HAS
672.0	ANIMAL CARE TECHNICIAN	ARA
671.1	ANIMAL ENFORCEMENT OFFICER TRAINEE	ARA
547.1	AUTOMOTIVE SERVICE WRITER	FMD
675.1	BARC CUSTOMER SERVICE REPRESENTATIVE	ARA
721.5	CLINIC ASSISTANT	HHD
795.2	CODE ENFORCEMENT OFFICER I	DoN, SWM
511.1	CUSTODIAN	HAS, GSD, HHD, PRD
523.2	ELECTRICIAN	HAS, PRD, GSD, HPW
531.1	EQUIPMENT OPERATOR I	HPW, SWM, HAS
531.2	EQUIPMENT OPERATOR II	HPW, SWM, HAS
531.3	EQUIPMENT OPERATOR III	HPW, SWM, HAS
531.8	EQUIPMENT TECHNICIAN	HPW
531.6	EQUIPMENT WORKER	PRD, HAS
662.1	FIRE FIGHTER TRAINEE	HFD
974.3	HEAD LIFEGUARD	PRD
802.5	HW OPERATIONS TECHNICIAN I	HPW
796.2	INSPECTOR	HPW, HAS,
513.3	LABORER	HPW, HAS, SWM, PRD
925.1	LANDSIDE AGENT	ARA
974.2	LIFEGUARD	PRD
974.1	LIFEGUARD (Seasonal Temporary)	PRD
546.1	MECHANIC HELPER	FMD
546.2	MECHANIC I	FMD
546.3	MECHANIC II	FMD
546.4	MECHANIC III	FMD
546.5	MECHANIC IV	FMD
522.2	PAINTER	GSD, HAS, PRD
511.9	PARK MAINTENANCE AIDE	PRD
890.2	PERMIT TECHNICIAN	HPW
524.2	PLUMBER	GSD, PRD, HAS
641.8	POLICE TELECOMMUNICATOR	HPD
642.0	POLICE TELECOMMUNICATOR SUPERVISOR	HPD
649.4	POLICE TRAINEE	HPD
976.1	RECREATION ASSISTANT	PRD
976.4	RECREATION ASSISTANT (Seasonal Temporary)	PRD
391.5	REGULATORY INVESTIGATOR	ARA
513.4	SEMI-SKILLED LABORER	HPW, HAS, SWM, PRD,
643.6	SENIOR 3-1-1 TELECOMMUNICATOR	ARA
644.3	SENIOR 9-1-1 TELECOMMUNICATOR	HEC
644.5	SENIOR 9-1-1 TELECOMMUNICATOR (CTO)	HEC
885.2	SENIOR CUSTOMER SERVICE CLERK	HPD
641.9	SENIOR POLICE TELECOMMUNICATOR	HPD
533.2	SENIOR SIDELOADER OPERATOR	SWM
533.1	SIDELOADER OPERATOR	SWM
533.3	SIDELOADER OPERATOR TRAINEE	SWM
514.2	UTILITY TECHNICIAN	HPW
803.0	WATER SERVICE TECHNICIAN I	HPW

### 13. Please list the federal grant funding losses and impacts to city departments.

The list of terminated grants from January 2025 to last week, summarized in the table below. The list represents the total grants for which we have been made aware by city departments. The total impact of grants that are not eligible for further/additional drawdown is \$59 million.

Termination of Grants  
Reports as of May 13, 2025

Department	Grant Number	Grant Name	Grantor Agency	Valid From Date	Expiration Date	Cancellation Date	Date Return <sup>2</sup>	Grant Award Amount	SAP Expenditures as of May 13, 2025	Remaining Available Balance	De-obligated Funds <sup>1</sup>	FTE	Comments
Library	34000010-2025	Analog to Digital: Preserving Houston's Black Voices	Institute of Museum and Library Services	7/1/2024	6/30/2026	4/8/2025	N/A	\$100,000	\$0	\$100,000	\$100,000	0	De-obligated full award amount.
Houston Health Department	38000004-2025	Environmental & Climate Justice Community Change Grants Program	U.S. Environmental Protection Agency	3/1/2025	2/29/2028	5/1/2025	120 Days (08/30/2025)	\$19,999,998	\$6,208	\$19,993,790	\$19,993,790	10	
Houston Health Department	38000040-2021	Childhood Immunization	Centers For Disease Control And Prevention	7/1/2020	6/30/2025	3/24/2025	30 days (04/24/2025)	\$50,049,540	\$40,170,032	\$9,879,508	\$4,545,913	9	The grant comprises 12 components, of which only 4 components were terminated.
Houston Health Department	380000102-2021	COVID-19 Health Disparities Among Populations High-Risk and Underserved	Centers For Disease Control And Prevention	6/1/2021	5/31/2026	3/24/2025	3 days (03/27/2025)	\$30,677,985	\$26,529,295	\$4,148,690	\$4,148,690	10	
Houston Health Department	38000110-2025	Strategies to Achieve Climate Resiliency in an Environmental Justice Community	U.S. Environmental Protection Agency	9/1/2024	8/30/2027	3/24/2025	120 Days (07/24/2025)	\$999,960	\$30,109	\$969,851	\$969,851	N/A	These are not City of Houston grant funded employees. HHHD needs personnel to quickly on-board and operate grants, they use temporary agencies to bring on temporary employees.
Houston Health Department	38000128-2020	Epidemiology & Lab Capacity 128	Centers For Disease Control And Prevention	8/1/2019	7/31/2026	3/24/2025	120 Days (07/24/2025)	\$70,482,029	\$63,530,396	\$6,951,633	\$7,424,090	8	The grant consists of 22 components, of which only 7 were terminated due to the cancellation of a Notice of Award received on March 24, 2025. Due to the City's layoff policy, HHHD is not currently able to remove the employees charged to the terminated internal order until the layoff process is complete. Once the affected employees are permanently removed, HHHD will reconcile the grant and reallocate the excess costs out of the General Fund. Once it does, the Remaining Available Balance column will reflect \$7.4M.
Houston Health Department	38000128-2021	Epidemiology & Lab Capacity 128	Centers For Disease Control And Prevention	8/1/2020	7/31/2026	3/24/2025	120 Days (07/24/2025)	\$156,765,733	\$133,940,458	\$22,825,275	\$22,108,272	50	The grant comprises 39 components, of which only 16 components were terminated.
Houston Health Department	38000128-2022	Epidemiology & Lab Capacity 128	Centers For Disease Control And Prevention	8/1/2021	7/31/2026	3/24/2025	120 Days (07/24/2025)	\$27,809,397	\$13,334,004	\$14,475,393	\$167,731	N/A	The grant comprises 24 programs, of which only 2 were terminated.

<sup>1</sup> Ineligible for further additional drawdown

<sup>2</sup> Refers to the date when the city needs to submit the Final Federal Financial Report, final draw down, and de-obligation amount.

**TOTAL** **\$356,884,642** **\$277,540,503** **\$79,344,139** **\$59,458,337** **87**

# FIRE

## **1. Emergency Response: Explain decrease in ambulance fee revenues from \$81.8 million (FY25 estimate) to \$68.5 million (FY26 proposed).**

The revenue decrease of \$13.3 million is related to the expiration of Senate Bill 2476 that will have an adverse impact on the amounts collected from commercial insurance carriers.

## **2. Operational Services: Explain decrease in miscellaneous revenues from \$1 million (FY25 estimate) to \$500K (FY26 proposed).**

The decrease of \$500K is a decrease in miscellaneous revenue related to reimbursements for natural disaster deployments. The \$500K is the amount historically budgeted for this activity as this revenue stream is highly volatile.

## **3. Prevention: Explain decrease in special fire permit revenues from \$8.2 million (FY25 estimate) to \$7.6 million (FY26 proposed).**

There was an intensive effort during FY2025 to collect on expired special fire permits. Businesses that were found to be operating without a valid permit were required to purchase not only the past due permits but a current permit.

## **4. Emergency Response: Explain decrease in termination pay-classified expenditure from \$7.4 million (FY25 estimate) to \$5.5 million (FY26 proposed).**

The proposed decrease in termination pay-classified expenditure from \$7.4 million (FY25 estimate) to \$5.5 million (FY26 proposed) is related to an expected decrease in the average annual cost per separating employee and a more accurate assessment of termination costs based on recent data and projected trends. 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.

## **5. Emergency Response: Explain how HFD plans to decrease overtime-classified spending from \$78.5 million (FY25 estimate) to \$39.2 million (FY26 proposed).**

We have implemented several initiatives to increase cadet retention and have been seeing improvement in our cadet class attrition rates. The FY2024 attrition average was almost 45% for the cadet program. For this fiscal year we are anticipating an attrition rate of 34% for our cadet classes and for classes graduating in FY2026 an average 12% attrition rate.

From FY2022 to FY2024, the department experienced a net loss of 5 in classified personnel. For FY2025 we are estimating a net increase of 107 classified personnel and for FY2026 an estimated net increase of 200 in classified personnel. These much-needed infusions into our classified headcount should reduce our reliance on staffing on overtime.



**6. Administration/Support: Explain increase in Interfund Other – HITS expenditure from \$2.4 million (FY25 estimate) to \$4 million (FY26 proposed).**

The increase in Interfund Other –HITS expenditure is related to an increase in headcount of the number of civilian personnel supporting HFD applications; 8 additional FTEs will support HFD in FY26.

**7. Operational Services: Explain decrease in billing and collection services expenditure from \$4.3 million (FY25 estimate) to \$3.6 million (FY26 proposed).**

HFD outsources revenue collections to a third-party vendor, Digitech. The decrease in billing and collection expenditure is directly related to the anticipated decrease in ambulance revenue that will be collected and the fees due to Digitech.

**8. Operational Services: Explain increase in transfers to component unit expenditure from \$2.4 million (FY25 estimate) to \$3.6 million (FY26 proposed).**

This increase is directly related to financial support for the Ethan Health Local Government Corporation.

**9. Prevention: How does HFD plan to decrease overtime-classified expenditure from \$5.3 million (FY25 estimate) to \$3.3 million (FY26 proposed).**

HFD is conducting audits to identify the root causes of overtime spending and to develop long-term solutions for managing the budget. This includes finding ways to improve efficiency and ensure that resources are allocated appropriately. The goal is to find a balance that allows HFD to provide adequate service without incurring excessive overtime costs.

**10. How many ambulances are planned for purchase in FY26 capital budget? What is the staffing and operational costs associated with each ambulance?**

The planned purchase is for 10 transport units based on current vendor pricing. There is 2-man staffing on either a basic life support unit or an advanced life support unit. The current fee charged for a transport is \$2,128.55. Operational costs, including fuel and maintenance, are calculated and managed by the Fleet Management Division and charged back to HFD.

# GENERAL SERVICES

**1. Which vacancies due to voluntary retirements will need to be backfilled? Please list by department section.**

- 10 – Custodians-Property Management
- 1 – Building Maintenance Supervisor- Property Management
- 2 – Customer Service Rep- Property Management
- 1 – Electrician- Property Management
- 1 – Deputy Assistant Director- Property Management
- 1 – Managing Engineer- Design and Construction

**2. What was the total replacement value of city facilities used to calculate increase in Maintenance Renewal and Replacement Fund?**

Row Labels	Sum of 2025BuildingValue
Administration & Regulatory Affairs, BARC	\$ 13,837,883
Fire	\$ 250,672,984
Fleet Management	\$ 34,597,545
General Services	\$ 222,791,528
Housing & Community Development	\$ 12,214,600
Houston Emergency Center	\$ 77,842,153
Houston Health	\$ 376,401,952
Houston Public Library	\$ 247,246,433
Municipal Courts	\$ 23,878,322
Parks & Recreation	\$ 533,560,452
Parks & Recreation, GC	\$ 24,034,212
Parks & Recreation, TC	\$ 2,499,942
Police	\$ 442,256,259
Police/HPW,BDS	\$ 15,276,245
Solid Waste Management	\$ 104,224,124
<b>Grand Total</b>	<b>\$ 2,381,334,634</b>

**3. Facilities Design and Construction: Explain the decrease in target number of projects from 12 to 8.**

In our initial estimate of how many projects should be assigned per Project Manager, GSD estimated 12 per Project Manager. We later realized that 12 projects per Project Manager creates an overload of projects, leading to mistakes that affect the project timelines. Assigning 8 projects per Project Manager is more sustainable.

**4. Will the current level of deferred maintenance of city facilities (\$760 million) projected to come down in FY26? If so, by how much?**

No. There are a limited amount of funds to address deferred maintenance costs. Simultaneously, the cost of deferred maintenance projects that we are not addressing is rising, due to cost escalation and tariffs.

**5. I note a decrease in frequency of pest control services. How frequently will city facilities be treated in FY26?**

FY25- HFD- Bi-monthly/All other Departments-Monthly

FY26- HFD-Quarterly/All other Departments- Bi-monthly

**6. I note plans to lessen the percentage of managers/supervisors with less than 4 direct reports from 42% to 3.3%. How does GSD plan to address span of control issue?**

GSD is reclassifying supervisory positions to non-supervisor positions and moving employees around to ensure supervisors have a minimum of 4 to 8 director reports. Most supervisors will have five or more direct reports.

**7. General Fund, Property Management: Explain the increase in miscellaneous support services from \$1 million (FY25 estimate) to \$1.7 million (FY26 proposed).**

The variance in this budget line (520114) is due to an additional \$700,000 for Environmental Oil and Water Separators and Environmental Lead Remediations for FY26.

Fund	Dept	Division	Cost Center	CC Name	Acct	Description	FY2024 Actual	FY2025 Adopted	FY2025 Current Budget	FY2025 Estimate	FY2026 Budget
1000	2500	250002	2500030004	GSD - Environment Mgmt	520114	Miscellaneous Support	1,062,595	1,700,000	1,075,212	1,075,212	1,700,000

# HEALTH

1. Which vacancies due to voluntary retirements will need to be backfilled? Please list by division.

PROGRAM	FUND	POSITION NEEDED	FTE	PROGRAM AREA
<b>Disease Prevention &amp; Control</b>	1000	Clinic Assistant	2	Health Centers
	1000	LVN	1	Family Planning/TB
	1000	PHN IV	3	TB/STD/FHS
	1000	X-Ray Tech, PT	1	TB
	1000	Customer Service Clerk	3	Health Centers
	1000	Micro II	1	STD Stat Lab
	1000	Community Liaison	1	MSC
	2010	PH Investigator Supervisor	1	TB
	1000	MA III	1	EPIC
	1000	Staff Analyst	1	EPIC
<b>Chronic Disease Health Educati</b>	1000	Chief Pharmacist, PT	1	Pharmacy
	1000	Staff Pharmacist, FT	1.5	Pharmacy
<b>Environmental Health</b>	1000	Micro II	1	Laboratory
	1000	Laboratory Tech	1	Laboratory
	1000	Administrative Specialist	1	Laboratory
	1000	Sanitarian I	6	Consumer Health
	1000	Sanitarian III	1	Consumer Health
	2002	CUSTOMER SERVICE REP II	2	Vital Statistics
	2002	CUSTOMER SERVICE SUPERVISOR	1	Vital Statistics
<b>Administrative Services</b>	1000	Records Administrator	1	HIM
	1000	Buyer	1	Administration
	1000	FA IV	1	Grants Accounting
	1000	Admin Coordinator	1	Business Mgmt
<b>Total FTEs</b>			<b>34.5</b>	

## **2. Describe efforts to collaborate and share services with Harris County Public Health.**

Currently the Harris County AAA and ADRC service seniors and veterans living in both the City of Houston and Harris County.

Other Human Service programs have potential for collaboration, specifically those in our Bureau of Adolescent Health and Violence Prevention but these opportunities would need to be explored in more detail.

We recently put a Data Use Agreement in place that will allow us to share deidentified infectious disease data for the entire county. This will allow both organizations to better coordinate our response efforts and more effectively allocate resources.

### **HIV/STI:**

- Provide partner services/public health follow-up to Houston/Harris County.
- Collaborate with Harris County to increase the capacity of local community-based organizations, through joint HIV prevention and care trainings held twice a year.
- In collaboration with Harris County Public Health, Ryan White Planning Council, and the Houston HIV Prevention Community Planning Group, develop and implement an integrated HIV prevention and care plan.

Immunization coordinates mobile vaccine clinic for schools to avoid service duplication, and we partner when joint resources are needed such as a large back to school event that requires more resources.

### **TB:**

- On follow-up investigations and TB education for Harris County residents working or attending school in Houston
- HHD Provides on-site testing for workplace/school contacts when necessary (and vice versa).
- Provides TB Directly Observed Therapy at workplaces for Harris County patients employed in Houston, ensuring medication adherence.

## **3. General Fund, Environmental Health: Explain increase in non-subrecipient grant from \$348,000 (FY25 estimate) to \$603,000 (FY26 proposed).**

The increase from \$348,000 in FY25 to \$603,000 in FY26 under the non-Subrecipient Grant line is due to the planned implementation of a new application software business process for permitting. This initiative is designed to modernize and streamline the department's permitting operations, resulting in improved service delivery and greater operational efficiency. The increase reflects anticipated costs associated with software development, implementation, and associated business process improvements.

**4. General Fund, Administrative Services: Explain increase in temporary personnel from \$55,200 (FY25 estimate) to \$110,500 (FY26 proposed).**

The overall allocation for temporary services for the department decreased from \$273,400 in FY25 to \$198,300 in FY26. This increase in this cost center was just a reallocation to the cost center from which the funds will be managed departmentwide and does not reflect an increase in temp services for the department overall.

**5. General Fund, Community Health Services: Explain increase in drugs and medical chemicals from \$15,000 (FY25 estimate) to \$100,000 (FY26 proposed).**

The \$15K FY25 Estimate was an error. The annual spending and FY26 Proposed should be around \$100K.

**6. Special Revenue Fund, Ambulance Permits: Explain increase in revenue from \$526,000 (FY25 estimate) to \$731,000 (FY26 proposed).**

The \$731K FY26 Proposed was an error. The correct FY26 Proposed should be around \$510K.

**7. Special Revenue Fund, Environmental Health: Explain decrease in transferred General Fund revenues from \$2.1 million (FY25 estimate) to \$0 (FY26 proposed).**

The \$2.1 million Special Revenue Fund received in FY25 estimate was a transfer from General Fund for Community Environmental Health and Community Health Programs that will no longer be funded in FY26.

**8. How will cuts in federal health-related grants impact the city's health department?**

See below for a recap of the impact of the federal funding cuts. In addition to the information listed below HHD lost a \$20,000,000 EPA grant.

Impact of COVID-19 Funding Losses

The COVID-19 pandemic highlighted the lack of sustained investment in public health over the years. This lack of investment resulted in decreased staffing and services for local public health departments such as the Houston Health Department. The COVID-19 funding from the CDC enabled HHD to enhance capacity across several core public health functional areas.

The following is a summary of the service areas that HHD was able to enhance with this funding and that will be significantly impacted by the loss of the COVID-19 related funding:

	<b>Personnel Budget</b>	<b># FTEs</b>	<b>Total Funding</b>
Data Sciences & Services	\$172,174	1	\$610,494
Planning	\$336,934	2	\$1,057,428
Disease Intervention	\$2,551,249	15	\$2,267,071
Health Services	\$5,974,154	34	\$8,586,503
Laboratory	\$1,529,655	9	\$11,813,330
Community Outreach & Engagement	\$342,912	7	\$1,939,275
Health Education & Promotion & Information Access	\$1,345,723	12	\$1,888,450
Communications	\$96,333	1	\$1,178,376
Information Technology	\$3,105,937	17	\$8,803,062
Admin & Personnel Support	\$815,504	5	\$3,869,591
<b>TOTAL</b>	<b>\$16,270,575</b>	<b>103</b>	<b>\$42,013,584</b>

HHD successfully responded to the pandemic by enhancing and augmenting services traditionally provided such as clinical services, disease case investigations and interventions, disease case reporting, epidemiology and surveillance, health education and promotion, community outreach and engagement, and the collection and analysis of data and information about health conditions. Additionally, HHD has been able to significantly enhance the administrative and infrastructure functions such as budget and personnel management and information technology services, which are critical to providing the services mentioned above.

The initial funding was slated to end in 2021, but the CDC recognized the need to continue to provide funds to strengthen the public health infrastructure that enables local and state health departments to carry out the functions of public health. Without the infusion of funds from the federal government, local jurisdictions did not have the capacity or resources to adequately respond to the level of threat to human lives that COVID-19 posed. The continuation of the COVID-19 funding after the pandemic phase of the disease ended was intended to help the department continue to build and strengthen its infrastructure so that departments could improve its ongoing functions and be prepared to handle future public health disasters and emergencies.

HHD was able to enhance services and create new infrastructure in the following functional areas and will experience losses as described below:

- Data Sciences and Surveillance: The availability of COVID funds enhanced HHD's ability to collect, process, analyze and disseminate data and increased its ability to electronically receive and report data on over 75 reportable diseases and conditions. The additional staffing and tools acquired enabled complex analysis of data sets to provide information for decision-making. With these funds, HHD established a nationally recognized wastewater surveillance program which detects COVID and other diseases in wastewater. This serves as an early detection system, allowing the health department and community to know how and where to take action.
  - Annual personnel costs: \$172,174
  - 1 FTEs
  - Types of positions funded: Epidemiologists
- Planning: The funds dedicated to this function enhanced HHDS's ability to collect, analyze, and produce reports on health indicators. This function was important in helping HHD pinpoint where to concentrate response efforts and deploy staff and services in communities at greater risk for poor health outcomes. These activities were vital during the pandemic, and the same processes have been applied in subsequent responses to handling the Mpox outbreak, meningitis cases and preventing the spread of measles. These efforts are essential for community response and emergencies that require precise geographic information for staff deployment.
- The loss of the funding will reduce HHD's ability to provide access to population health data such as The Houston State of Health, a population health data portal and critical source of population and community health information for the Houston/Harris County area in Texas.
  - Annual personnel costs: \$336,934
  - 2 FTEs
  - Types of positions: Microbiologists
- Disease Intervention: Services including Epidemiology and Outbreak Management - HHD receives over 83,000 cases of reportable diseases a year. High priority disease cases require case investigations and disease intervention services such as follow up of contacts, preventive treatment and vaccinations. These services are provided by epidemiologists, public health investigators and disease intervention specialist. HHD was able to increase the number of people available to investigate and prevent the spread of disease with this funding. The staff have been key to responding to other disease outbreaks such as Mpox and meningitis and would be vital in preventing a measles outbreak in Houston.
  - Annual personnel costs: \$2,551,249
  - 15 FTEs
  - Types of positions: Epidemiologists, Disease Intervention Specialists, Public Health Investigators, and Data Analysts



- Health Services: Mobile and Fixed Sites and Call Center - This funding enhanced HHD's ability to provide targeted community-based services by creating a mobile vaccination and testing services unit, which was deployed in high priority zip codes identified through data analysis. The mobile team has subsequently been used to provide vaccinations in response to the Mpox outbreak, meningitis cases, and to provide vaccinations in community locations, including schools. Prior to this resource, HHD relied on community partners for mobile vaccinations. Many of those providers no longer offer mobile services at a significant level, so the loss of this capacity is a threat to the most vulnerable communities. The mobile testing and immunization clinical staffing were redeployed to support fixed-site health centers after the COVID vaccination demand subsided. These resources enabled HHD to augment regular services while providing staff who could be pulled to staff special outreach clinics as well as emergency responses such as the warming centers. Additionally, the funding supported a key clinical staff position, which was instrumental in working with school nurses to identify and bring students up to date who were behind on vaccinations. High vaccination coverage rates are a key strategy in preventing outbreaks such as measles.
- These cuts will result in reduced capacity in health centers and limited staff for mobile vaccine clinics, thereby decreasing access for vulnerable communities. Schools with low vaccination rates, where students already face barriers to access, may experience further delays or go without necessary vaccines.
- HHD was able to stand up a call center which provided vital information to the public and linked them to care. The call center has since transformed into a mechanism that not only provides information to callers but also offers screening services to link residents to insurance and to make appointments for clinical services. This service has been a vital part of the response to disease outbreaks such as Mpox and meningitis.
  - Annual personnel costs: \$5,974,154
  - 34 FTEs
  - Types of positions lost: Nurses, Clinic Assistants, Data Analysts, Customer Service Representatives, Pharmacists, and Public Health Educators
- Laboratory Services: The availability of COVID-19 funding significantly expanded HHD's diagnostic testing capacity and ability to conduct surveillance through the wastewater sampling program. The funding supported lab equipment, lab testing supplies, and laboratory personnel that would not otherwise have been available. The following will be lost due to the loss of this funding: a new laboratory building, a testing program for pathogen surveillance in wastewater and funds for general testing and lab supplies, which was an ongoing problem prior to COVID.
  - Annual personnel costs: \$ 1,529,655
  - 9 FTEs
  - Types of positions lost: Microbiologists, Laboratory Technicians

- Community Outreach and Engagement: Effectively engaging with impacted communities is vital to improving the health of communities and responding to and managing disease outbreaks. The funding enabled HHD to increase partnerships with community-based organizations and to implement community-based outreach events, neighborhood canvassing, townhalls and to train and deploy navigators to priority zip codes to inform and education residents and link them to services.
  - Annual personnel costs: \$342,912
  - 7 FTE
  - Types of positions lost: Community Outreach Workers
- Health Education and Promotion: Misinformation and lack of awareness emerged as a significant challenge during the pandemic. Prior to the pandemic, HHD had very limited resources to perform health education and promotion services. COVID funding has significantly enhanced HHD's ability to inform and educate Houston's diverse community with vital information such as the importance of vaccinations and access to care.
  - Annual personnel costs: \$1,093,805.76
  - 12 FTEs (7 FTEs and 5 temps)
  - Types of positions lost: Public Health Educators, Senior Public Health Educators, Human Service Program Managers, Community Outreach Coordinators
- Communications: Prior to COVID-19, HHD had a very limited capacity in its communications area and was able to enhance its capacity to effectively deliver public messaging through additional personnel and other tools. The loss of funding reduces HHD's ability to provide timely updates, educational content, and outreach across various platforms. This impacts marginalized communities the most, as they rely on accessible, multilingual, and culturally relevant health communications. With fewer resources, outreach on social media, radio, and community platforms may decline, restricting access to important updates on vaccines, testing, and public health guidelines.
  - Annual personnel costs: \$96,333
  - 1 FTEs
  - Types of positions lost: Communications Specialist
- Information Technology (IT): IT infrastructure was significantly enhanced with the COVID-19 funding. The loss of funding reduces IT's capacity to provide basic support and potentially lower the service level to that prior to COVID. Needed security updates will be canceled (network closet security and cooling) and the reduction in application and PMO staff will reduce IT's ability to meet the needs of a modern health department. In desktop/field service support, 6 positions have been removed. These 6 account for 53% of all ticket closures over the past year. The remaining staff will not be able to double their capacity and meet the needs of the department.
  - Annual personnel costs: \$3,105,937
  - 17 FTEs
  - Types of positions: IT Specialists, IT Business Analyst, IT Infrastructure, IT Project Managers, IT Applications Professionals

- Administrative and Personnel Support: HHD was able to significantly enhance the level of administrative support needed for the operations units to provide services. These services include budget management and reporting, purchasing and contract administration, personnel maintenance and development activities such as hiring payroll and training, facility space and facility management, inventory management and logistical support. Prior to the pandemic, HHD was facing a shortage of space for staff and was able to expand available space with the funding to accommodate the additional personnel. The loss of this funding will significantly reduce administrative support. Funding for the Kirby administration people will be lost as well as a new laboratory facility.
  - Annual personnel costs: \$815,504
  - 5 FTEs
  - Types of positions lost: Administrative Managers, Coordinators, Specialists, and Assistants
- The loss of COVID-19 funding will have a profound impact on HHD's ability to effectively respond to public health needs, limiting its capacity to provide critical services, conduct surveillance, and deliver timely, accessible communications. From mobile vaccination clinics and disease intervention efforts to laboratory services and IT infrastructure, each area enhanced by this funding has been integral to HHD's success in addressing both the pandemic and ongoing health challenges. The reduction in resources will not only impede the department's ability to respond to future public health emergencies but will disproportionately affect vulnerable communities who rely on these essential services. As HHD faces these challenges, the need for sustained investment in public health infrastructure remains urgent to ensure the health and safety of the community.

# HOUSING

## 1. Which vacancies due to voluntary retirements will need to be backfilled? Please list by division.

One position in Finance was backfilled by an internal employee, and now that vacancy will require a backfill.

## 2. How does HCDD plan to address span of control going from 52% to 36% managers with 4 or fewer direct reports?

HCD continues to review its organizational structure and how consolidation and efficiencies can be gained.

## 3. The estimated federal award amounts shown in the Appendix of the HCDD budget presentation are similar to the estimated awards in last year's presentation. Does HCDD anticipate any cuts to these HUD awards?

HCD continues to monitor communications from the federal government to determine the impact on HCD's programs and operations.

## 4. How was the \$12 million in End Street Homelessness funding spent in FY25? What will the \$31 million in End Street Homelessness funding be spent on in FY26? What performance measures relate to this spending?

The amount spent in FY25 was related to operations of the Housing Navigation Center. The Housing and Community Development Department is in the process of allocating the remaining funds through a Request for Expressions of Interest. This funding will be spent on several activities including permanent housing, outreach, and expanded shelter beds. All projects will be routed through City Council for approval.

Various performance measures are tracked by the Housing and Community Development Department including amount of people housed, permanent housing retention rates, and length of stay in emergency shelter beds.

## 5. Indicate how much to date has been raised in the categories below for the End Street Homelessness initiative.

### **\$70M FOR THE FIRST YEAR**

*The Annual Cost: The strategy requires \$70M to effectively fund its first year.*

SOURCES	AMOUNT	STATUS
City of Houston General Fund	\$3,500,000	Obligated
Repurposed City HHSP	\$700,000	Obligated
City of Houston (Federal Funds)	\$14,000,000	Identified
Houston First	\$2,600,000	Identified
Harris County	\$8,000,000 - \$16,000,000	In Discussion
TIRZ & Management Districts	\$5,000,000 - \$8,000,000	In Discussion
METRO	\$10,000,000	In Discussion
Philanthropy & Corporations	Up to \$20,000,000	Needed
<b>Total</b>	<b>\$63,800,000 - \$74,800,000</b>	<b>\$70,000,000 Needed</b>

The below table summarizes the amounts raised to-date for each of the sources listed.

Sources	Amount	Status	Amount Raised To-Date
City of Houston General Fund	\$3,500,000	Obligated	<u>\$3,500,000</u> Ordinance 24-80
Repurposed City HHSP	\$700,000	Obligated	<u>\$1,135,331.00</u> Coalition for the Homeless for Navigation Center operations Ordinances 24-197 and 24-911
City of Houston (Federal Funds)	\$14,000,000	Received	Identified several funding sources; working to put on contract
Houston First	\$2,600,000	Received	<u>\$2,660,000</u> Funds received in Fund 2012 as discussed in FY26 Budget Presentation
Harris County	\$8,000,000 - \$16,000,000	In Discussion	\$0
TIRZ & Management Districts	\$5,000,000 - \$8,000,000	In Discussion	<u>\$1,000,000</u> Downtown Management District funds went directly to Coalition
METRO	\$10,000,000	Received	<u>\$10,000,000</u> Funds received are in Fund 2012 as discussed in FY26 Budget Presentation
Philanthropy & Corporations	Up to \$20,000,000	In Discussion	\$0
<b>Total</b>	<b>\$63,000,000 - \$74,000,000</b>	<b>\$70,000,000 Needed</b>	<b>\$18,295,331.00</b>

# HUMAN RESOURCES

## **1. Health Benefits, Benefit Finance and Reporting: Explain increase in active health award account expenditures from \$513,000 (FY25 estimate) to \$1.08 million (FY26 proposed).**

The increase in this account is due to a delay in issuing Healthy Awards in FY2025, which resulted in underutilization during the fiscal year.

## **2. Health Benefits, Benefit Finance and Reporting: Explain increase in retiree premium expenditures from \$30.7 million to \$33.3 million.**

The rise in costs is attributed to higher projected Medicare Advantage plan rates, increases in Vision and Dental rates effective May 1, 2025, and adjustments in Voluntary Life Insurance coverage levels due to across the boarding salary increases in compliance with the current HOPE Meet and Confer Agreement.

## **3. Health Benefits, Benefit Finance and Reporting: Explain increase in active employee-city insurance contributions revenues from \$254 million to \$260 million.**

The FY2025 estimate reflects a decrease of \$8.4 million due to credits issued back to departments (GASB 10 return) in compliance with financial policies. The FY2026 budget does not include the GASB return, which contributes to the increase in revenues for the upcoming year. Offset by a slight rate increase, effective July 1, 2025.

## **4. Central Service Revolving Fund, HR-Ops Classified: Explain increase in management consulting expenditures from \$247,000 (FY25 estimate) to \$520,000 (FY26 proposed).**

The FY2025 estimate only includes integrity assessments and psych evaluations cost, while the FY2026 budget adds promotional testing assessments contributing to the increase in the budget year

## **5. Central Service Revolving Fund, Talent and Org Development: Explain increase in management consulting expenditures from \$449,000 (FY25 estimate) to \$971,000 (FY26 proposed).**

The increase in the management consulting account includes funding for citywide learning initiatives aligned with the mayor's priorities, as well as funding for the consolidation of learning and development functions from Houston Public Works.

**6. Central Service Revolving Fund, Contingent Workforce: Which departments use \$17.6 million in contracts for temporary personnel?**

<b>FY2026 Proposed Budget - Contingent Workforce Svc</b>		
Contractual Allocation	\$17,622,824	98%
Administrative Costs	\$394,381	2.2%
<b>Total Proposed Budget</b>	<b>\$18,017,205</b>	

<b>Department</b>	<b>Allocation</b>	<b>%</b>
Houston Health Department	\$11,007,918	61%
Solid Waste Department	\$3,324,474	18%
Houston Police Department	\$1,743,487	10%
Houston Public Works	\$1,134,225	6%
Mayor's Office	\$260,914	1%
Department of Neighborhood	\$141,795	1%
Admin. & Regulatory Affairs	\$124,377	1%
Houston Airport System	\$107,681	1%
Parks & Recreation Department	\$97,697	1%
Other Departments	\$74,637	0%
<b>FY2026 Proposed Budget</b>	<b>\$18,017,205</b>	

**7. What is the average “all in” salary plus benefits and pension cost of civilian employees? What is the average “all in” salary plus benefits and pension cost of classified employees?**

<b>Average</b>	<b>Employer Cost</b>	
	<b>Municipal</b>	<b>Classified</b>
Base Pay <sup>1</sup>	\$68,864	\$84,157
Pension	5,519	22,762
Benefits <sup>2</sup>	15,378	14,884
<b>Total</b>	<b>\$89,761</b>	<b>\$121,802</b>

<sup>1</sup> Includes Full Time and Part Time employees.

<sup>2</sup> Includes FICA, Health Insurance, Long-Term Disability, Workers' Compensation, and Life Insurance

**8. How will HR work with client departments to shorten overall time to hire employees?**

In FY 2025, HR successfully piloted and with the Administration's support, subsequently launched an accelerated recruiting process aimed to support our new hiring initiative, "45-day Time-to-Fill." As a part of HR goal to increase efficiencies in our processes, department hiring managers will receive additional support from their designed Client Relations Managers, who will take on the integral role of ensuring hiring managers are reviewing their referred candidates, scheduling their interviews timely, and sending their selections for hire to HR. The added support is specifically targeted to assist the hiring managers to operate within the 14-day calendars allotted for this portion of the hiring process.



## **9. Describe HR consolidations and related savings in FY26.**

The FY2026 HR Consolidations include:

- The learning & development functions from the Houston Public Works (9 positions).
- The human resources functions from the Houston Police Department (17 positions).
- The safety function from the Houston Library department (1 position), and Parks & Recreations department (2 positions).

In the first year, the focus will be on assessing skills, technology, workflows, and making necessary adjustments to ensure a smooth transition. The financial benefits are expected to become more evident in the following years, once the consolidation is fully implemented and stabilized.

## **10. Are the Benefits Pulse and City Savvy publications printed? If so, how many copies are printed and what is associated printing cost?**

The Human Resources department prints the Savvy publication (\$13,000/ 3,500 copies) and the Pulse publication (\$27,050/ 13,000 copies) twice per year.

## **11. How does HR come up with the number of copies of City Savvy and Benefits Pulse to print, 3,500 and 13,000 respectively? Are these copies all mailed or how are they otherwise distributed? What is the associated cost of mailing and distributing? Is all of the information contained in these documents online? Describe the purpose of printing the copies.**

While the publications are sent electronically, there are still employees that cannot access the digital version; therefore, HR continues to print for those without immediate access to digital copies. The SAVVY are divided by departments and distributed accordingly. A portion of the Pulse copies (13,000) are mailed out to retirees (9,500), and the remainder copies (3,500) are distributed evenly among departments.

## **12. Central Service Revolving Fund, Talent and Org Development: Describe the \$814,509 real estate lease/office rental expenditure.**

This amount represents the estimated relocation expense for the Office of Talent & organizational Development team which includes assets, technology, annual lease, and moving costs

## **13. Central Service Revolving Fund, Salary Base Pay – Civilian: Explain the increase from \$1.48 million (FY25 estimate) to \$2.35 million (FY26 proposed).**

The FY25 estimate includes vacancy savings, the FY26 proposed budget includes increases in personnel for HOPE contract mandates, consolidation expenses for HPD human resources, and HPW learning & development functions, and the removal of vacancy factor contributing to the increase in the budget year.



**14. Reference to question 5 above: Please provide more details/specifics on this. Who are we contracting with to provide these services? What are the scopes of work for these funds? How much of this Central Services Revolving Fund money is coming from General Fund departments? How much from enterprise funds like HPW?**

Management Consulting includes the procurement for the next phase of the Involve & Evolve Citywide Employee Engagement Survey which was contracted with CPSHR in 2023. To ensure data integrity and consistency in methodology, OT&OD has budgeted to work with the same vendor in FY26. Previous vendors that we have partnered with include Gallup for our Gallup Strengths-Based Leadership Assessments & Coaching. We have budgeted to continue this partnership in the next fiscal year.

Additionally, in FY26, we will be working with SPD to create a vendor pool and procure services to meet the diverse and expansive learning & development needs for the City.

In February of 2025, City Council approved the Citywide Training Needs Assessment. In alignment with the recommendations of the E&Y City Efficiency Study, not only will the focus be on improving leadership and supervision skills, but on the Training Needs Assessment that will allow HR to create greater efficiency in developing and delivering outcomes-based training tailored to the needs of each department and at each classification level. The results will be available in September. Upon receiving the results, HR will be able to create specific scopes of work for these funds. Scopes of work will be based on key city priorities to include customized leadership development programming, strengths-based leadership coaching, customer service, performance management, enhancing service delivery, project management, expanding technology skills, and workplace and public safety, etc.

HPW consolidation funds \$1.6M or 30%, and General Government Fund budgets for \$3.8M or 70%.

# LEGAL

## **1. Which vacancies due to voluntary retirements will need to be backfilled? Please list by section.**

The following positions were vacated due to VMERPO. These positions are considered critical to the functions of the Legal Department.

- Administrative/Staff – Administrative Supervisor
- Real Estate – Sr. Assistant City Attorney III
- Municipal Courts – Sr. Assistant City Attorney III

In addition, the need to backfill positions due to normal attrition is just as vital for the Legal Department. As of January 1, 2025, the following 16 positions/classifications were vacated:

- 12 Attorneys (4 Sr. Assistant City Attorney III, 2 Sr. Assistant City Attorney II, 2 Sr. Assistant City Attorney I, 2 Assistant City Attorney II, 2 Assistant City Attorney I)
- 3 Paralegals (1 Senior Paralegal & 2 Paralegals)
- 1 Senior Title Examiner

## **2. Property and Casualty Fund Expenses, Litigation Support Services: In the raw budget data, there is an increase in the Miscellaneous Support Services line item from \$339,250 (FY25 estimate) to \$550,000 (FY26 proposed). Please describe this increase.**

Increase due to higher than anticipated payments of contracted services in FY2026 than FY2025 due to timing of initiated contracts

## **3. Property and Casualty Fund Expenses, Litigation Support Services: In the raw budget data, there is a decrease in Legal Svcs-Settlements from \$8,380,000 (FY25 estimate) to \$7,148,635 (FY26 proposed). Please describe this decrease.**

The decrease was due to the 10% budget reduction initiative

# LIBRARIES

## **1. Which vacancies due to voluntary retirements will need to be backfilled? Please list by department division.**

The following positions are critical to HPL operations and would need to be backfilled.

- Library Operations
  - Sr. Division Manager
  - Library Services Manager
  - Library Service Specialist
  - Sr. Library Service Specialist
  - Sr. Customer Service Clerk
  - Customer Service Clerk
- Digital Strategies
  - Division Manager (TECHLink)
  - IT Professional Client Support
- MOAL - Administrative Manager (EXE)

## **2. Provide information on the increase in security incidents HPL has experienced over the past year.**

Incidents, especially those infractions that result in long or indefinite suspensions from the library, have doubled from approximately 1,000 in FY24 to 2,000 in FY25 (with 2 months left in the year).

## **3. The proposed FY26 budget reflects \$50,000 for security services, a \$25,000 decrease from FY25. Please describe how this \$50,000 will be spent and how HPL works with HPD to provide security to Houston libraries.**

HPL contracts with HPD to provide necessary security support primarily at the Central Library campus daily. Their presence enhances the security posture provided by contract guards.

## **4. Provide an update on the mayor's office of adult literacy. What are this year's program goals? How many people are reached through this program each year. How many FTEs are under this program and how much private funding is left? Describe further fundraising efforts.**

Goals:

- Workforce training support for providers in the areas of digital literacy, integrated education and training, language acquisitions, health, financial, and environmental literacy.
- Build partnerships between adult education providers and businesses to offer internships and upskilling for current and future employees.
- Support adult education and family literacy providers through identifying in-kind resources and pilot programming opportunities and training.
- Support the Houston Community need for foundational literacy through basic literacy resources funded by grants.

Number of people served: So far in FY25, MOAL has indirectly served thousands of learners through the provider network.

FTE and private funding remaining: MOAL has 3 FTEs through Special Grant Funding and 4 FTEs with ARPA funding. ARPA funding will end in December 2026.

Fundraising Efforts: MOAL just received a \$26,000 grant from the Centerpoint Foundation to supply literacy kits to the community through the Digital Lab locations.

**5. Describe ways in which HPL plans to share services with Harris County Public Library in FY26.**

HPL and Harris County entered into a reciprocal borrowing agreement for the Overdrive digital books platform starting in February 2025. An average of 5,000 additional digital books per month are being checked out due to this program.

In April 2025, HPL added three additional holds pick up location (Robinson, Collier and Scenic Woods) to provide four locations where Harris County customers can now pick up holds at HPL locations. Central Library has been a Harris County pick up location for many years. Harris County also offers four locations for HPL customers to pick up holds. These locations are Spring Branch, Kingwood, Clear Lake and West University.

Coordination is ongoing to sync the Integrated Library Systems of the two library organizations to make it possible to more seamlessly have a one-library card solution for area residents to be able to access resources from both Harris County and HPL.

# MAYOR'S OFFICE

**1. Tourism Promotion Fund: Explain decrease in Cultural Affairs from \$360,000 (FY25 estimate) to \$250,000 (FY26 proposed). Describe the restructuring of the Mayor's Office of Cultural Affairs and how this division will work with the Houston Arts Alliance to promote and support the arts in Houston.**

The decrease in Cultural Affairs' budget from \$360K in FY2025 to \$250K in FY2026 is attributable to the reduction in budgeted FTEs. In FY2025, the proposed budget included funding for four FTEs – one Administrative Associate, one Administrative Assistant, one Executive Level Administrative Coordinator, and one Executive Level Division Manager. The FY2026 proposed budget includes funding for only two FTEs – one Administrative Associate and one Staff Analyst. The Staff Analyst position is currently vacant. The decrease in personnel expenses is offset by a net increase in various line items in supplies and services.

The Office of Cultural Affairs is restructuring to include a Staff Analyst position that will carry the working title of Arts Administrator. The job is currently posted. The expectation is that this role will serve as the primary contract manager and point person for arts questions. Additionally, the Curator of Arts for the Houston Airport System will serve in a part-time capacity to guide the day-to-day operations of the office.

# NEIGHBORHOODS

## **1. Which vacancies due to voluntary retirements will need to be backfilled? Please list by division.**

Office of Gang Prevention and Intervention  
Division Manager- vacated by V. Gonzalez  
Counselor- vacated by U. Beasley

## **2. How many active Super Neighborhoods are there currently in Houston?**

51 SNCs are currently active

## **3. How does the Department of Neighborhoods plan to support and engage Super Neighborhoods throughout the city in FY26?**

Funding for administrative and small project costs.

Enhanced Community Collaboration: The department will work closely with Super Neighborhood organizations to identify local priorities and develop tailored solutions.

Capacity-Building Programs: Training sessions and leadership development opportunities will be provided to empower neighborhood representatives.

Grant & Funding Support: Continued access to funding opportunities will help Super Neighborhoods implement community-driven projects.

Improved Communication Channels: The department aims to streamline information-sharing through digital platforms and regular meetings.

Resilience & Sustainability Efforts: Aligning with citywide plans, Super Neighborhoods will receive guidance on climate resilience and disaster preparedness strategies.

# PARKS & RECREATION

**1. Which vacancies due to voluntary retirements will need to be backfilled? Please list by division.**

CLASSIFICATION	DIVISION
CUSTODIAN	FACILITIES MAINTENANCE
EQUIPMENT WORKER	FACILITIES MAINTENANCE
MAINTENANCE MECHANIC II	FACILITIES MAINTENANCE
MAINTENANCE MECHANIC III	FACILITIES MAINTENANCE
MAINTENANCE MECHANIC III	FACILITIES MAINTENANCE
MAINTENANCE MECHANIC III	FACILITIES MAINTENANCE
PLUMBER	FACILITIES MAINTENANCE
SEMI-SKILLED LABORER	FACILITIES MAINTENANCE
EQUIPMENT WORKER	GOLF OPERATIONS
GROUNDSKEEPER	GOLF OPERATIONS
LABORER	GOLF OPERATIONS
MAINTENANCE MECHANIC III	GOLF OPERATIONS
MAINTENANCE MECHANIC III	GOLF OPERATIONS
EQUIPMENT WORKER	GREENSPACE MANAGEMENT
EQUIPMENT WORKER	GREENSPACE MANAGEMENT
EQUIPMENT WORKER	GREENSPACE MANAGEMENT
EQUIPMENT WORKER	GREENSPACE MANAGEMENT
FIELD SUPERVISOR	GREENSPACE MANAGEMENT
FIELD SUPERVISOR	GREENSPACE MANAGEMENT
FIELD SUPERVISOR	GREENSPACE MANAGEMENT
FIELD SUPERVISOR	GREENSPACE MANAGEMENT
FIELD SUPERVISOR	GREENSPACE MANAGEMENT
FIELD SUPERVISOR	GREENSPACE MANAGEMENT
CUSTODIAN	RECREATION AND WELLNESS
RECREATION SPECIALIST	RECREATION AND WELLNESS
CUSTODIAN	RECREATION AND WELLNESS - COMMUNITY CENTER OPERATIONS
CUSTODIAN	RECREATION AND WELLNESS - COMMUNITY CENTER OPERATIONS
RECREATION SPECIALIST	RECREATION AND WELLNESS - COMMUNITY CENTER OPERATIONS
LABORER	RECREATION AND WELLNESS - TENNIS OPERATIONS
RECREATION ASSISTANT	RECREATION AND WELLNESS - TENNIS OPERATIONS
URBAN PARK RANGER	URBAN PARK RANGERS
URBAN PARK RANGER	URBAN PARK RANGERS

**2. Facilities Maintenance: Describe how HPARD plans to increase playground inspections from 900 (FY25 estimate) to 1,200 (FY26 proposed).**

HPARD will increase playground inspections through a team-based approach. 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.

**3. Grounds Maintenance: Targets for average days between mowing cycles for hike and bike trails, esplanades, and parks and plazas are increasing. Is this due to retirements in grounds maintenance personnel?**

Yes, this is due to retirements as well as division turnovers, budget reductions, and vacancies.

**4. How will HPARD more aggressively market Adopt-an-Esplanade?**

HPARD is launching a refreshed, citywide marketing campaign to increase awareness and participation in the Adopt-an-Esplanade program. Our outreach efforts will be amplified through targeted social media strategies and by highlighting the positive impact of current adoption partnerships, particularly the sense of community pride they foster.

By showcasing these success stories, we aim to inspire civic clubs, management districts, and other local organizations to view esplanade adoptions not only as beautification projects, but as meaningful community investments. These efforts also enable us to redirect valuable resources back into our parks, maximizing their benefit to the public.

#### **5. Can Houston Public Works assist with mowing cycles?**

HPW could certainly assist by maintaining the properties they own, such as esplanades. Doing so would allow Parks to reallocate resources and increase the frequency of mowing in our parks.

#### **6. When is the next bond package to potentially fund park improvements expected?**

At this time, the department does not have information on when the next bond package for park improvement projects will be proposed. Determining the timing and scope of a future bond would require coordination with the current administration, as well as the Finance and Controller's Offices. These entities would need to evaluate the remaining bonding capacity following the 2022 bond package and assess whether taking on additional debt could impact the City's credit rating or long-term financial flexibility.

#### **7. Park Development and Renovations: Explain why there are no funds available for park renovation in FY26. How many park renovations will take place under the mayor's Let's Play Houston Program?**

As part of the FY2026 budget reductions, funding for Park Development and Renovations has been decreased. In prior years, this funding supported initiatives such as the Love Our Parks projects. Given the reduced budget, the Houston Parks and Recreation Department (HPARD) will prioritize the beautification of select pocket parks to continue enhancing community green spaces within the limits of available resources. Additionally, under the Mayor's newly launched Let's Play Houston initiative, HPARD will partner with the Houston Parks Board and other stakeholders to renovate 25 parks across the city, reaffirming our commitment to accessible and improved recreational spaces for all Houstonians.

#### **8. Park Safety and Security: Targets are going down in number of citations written and number of miles patrolled. Please explain.**

The number of citations issued and miles patrolled have declined due to a reduction in staffing levels. The expiration of ARPA funding in March of this year resulted in the loss of 15 additional ranger positions that were previously supported through that funding. Additionally, retirements and ongoing budget reductions have decreased the number of Urban Park Rangers (UPRs) available to patrol park areas and issue citations, impacting overall enforcement capacity.



**9. General Fund, Recreation and Wellness: Please explain the reduction in premium pay – civilian from \$629,000 (FY25 estimate) to \$109,000 (FY26 proposed).**

The FY25 estimate reflects the additional hours worked by Recreation and Wellness employees who staffed the Warming Centers—sometimes in 24-hour shifts—during this year's disasters, including the Derecho and Hurricane Beryl. The Meet and Confer agreement increased the hourly rate for Premium pay. The FY2026 Proposed Budget represents a more realistic projection under normal operating conditions.

**10. General Fund, Recreation and Wellness: Explain the increase in temporary employees from \$390,000 (FY25 estimate) to \$1.18 million (FY26 proposed).**

The FY25 estimate is low due to staffing challenges, especially for the Aquatic Staff for the summer, which affected the pool operations. However HPARD is optimistic about filling these positions by FY26, anticipating more pools opening and additional staff being brought on board for the tennis program in neighborhood courts.

**11. General Fund, Urban Park Rangers: Explain the decrease in overtime-civilian from \$631,000 (FY25 estimate) to \$100,000 (FY26 proposed).**

The FY25 estimate reflects the additional hours worked by Urban Park Ranger employees who staffed the Warming Centers—sometimes in 24-hour shifts—during this year's disasters, including the Derecho and Hurricane Beryl. The FY2026 Proposed Budget represents a more realistic projection under normal operating conditions.

**12. Golf Special Revenue Fund, Golf Course Operations: Explain the decrease in overtime-civilian from \$458,000 (FY25 estimate) to \$167,000 (FY26 proposed).**

The FY25 estimate reflects the additional hours worked by the Golf team to restore the courses following the impact of natural disasters, including the Derecho and Hurricane Beryl. Due to critical vacant positions remaining unfilled, additional workload was shouldered by the existing team members. The FY2026 Proposed Budget, however, presents a more realistic outlook, assuming that all vacant positions are filled, ensuring a more balanced workload and effective course management moving forward.

**13. At this week's council meeting, Mayor Whitmire announced county commissioners would be stepping up to help pay for mowing. Please provide more information.**

HPARD is working on an agreement with HCP4 to take over maintenance and operations at several city parks. This will help fill gaps in HPARD greenspace maintenance as a result of the budget reduction. The agreement will serve as a model to dialogue with all County Commissioners for maintenance support in city parks that serve our shared constituents.

**14. Greenspace Management: Explain decrease in overtime expenditures from \$943,000 (FY25 estimate) to \$149,000 (FY26 proposed).**

The FY25 estimate reflects the additional overtime hours worked by the Greenspace Management employees who assisted with park maintenance during this year's disasters, including the Derecho and Hurricane Beryl. The FY2026 Proposed Budget represents a more realistic projection under normal operating conditions.

**15. How would HPARD prioritize spending if the department was to receive an additional \$500,000? \$1 million?**

Additional funding would be prioritized toward increasing mowing frequency.

**16. How will HPARD be working with private developers and commercial building owners to adopt adjacent esplanades?**

HPARD recently launched a targeted social media marketing campaign to promote the esplanade adoption program. Additionally, we proactively reach out to developers and commercial property owners when new construction begins, educating them on the benefits of adopting adjacent esplanades. Many developers are eager to enhance green space, recognizing that well-maintained esplanades improve community aesthetics and foster neighborhood pride.

**17. Of HPARD's \$5.6 million annual mowing costs (from November 2024 Government Operations Committee), how much of this cost could be attributed to just mowing esplanades, not other green spaces?**

The entire \$5.6 million annual mowing expenditure is dedicated to esplanade maintenance and does not include other green spaces.

# PLANNING & DEVELOPMENT

## **1. Which vacancies due to voluntary retirements will need to be backfilled? Please list by division.**

None of the 5 positions will need to be back filled as they are non-critical after restructuring.

## **2. How does PD plan to address span of control issue and bring down the percentage of managers with less than 4 direct reports from 52% to 0%.**

Four managers left the department through attrition and retirement. We are not refilling those positions. Instead, we reassigned staff under them to other managers, thereby increasing the number of direct reports of those managers.

## **3. Describe efforts to improve departmental performance measures and targets.**

This is an ongoing process where we will continue to refine. As an example, previously, we were measuring only outputs – the number of applications we review. Then we started measuring the percentage of time we review within our target days (7 days). Now we are working on measuring outcomes and reducing the time to review and approve an application

## **4. Is the city discontinuing implementation of the Vision Zero Action Plan? How will activities aimed at reducing crashes and injuries be measured?**

We are updating our high injury network database annually instead of every few years. The High Injury Network database is the key component and the heart of Vision Zero. This data set helps us identify streets with high crashes and injuries. From there we choose where to place our investment dollars.

## **5. Development Services, Design Review and Support Services: Describe decrease in target number of commercial applications reviewed annually – 6,500 (FY25 estimate) to 3,800 (FY26 proposed).**

We were over-projecting in previous years. This is a correction to our projection to be more in line with the actuals. For example, in 2024 our projection was almost double the actual.

## **6. Development Services, Design Review and Support Services: Describe decrease in number of residential applications received annually from 15,000 (FY25 estimate) to 11,500 (FY26 proposed).**

We were over-projecting in previous years. This is a correction to our projection to be more in line with the actuals

**7. Development Services, Design Review and Support Services: Is PD adequately staffed to handle number of commercial and residential reviews within 7 business days?**

Yes.

**8. How will potential reductions in federal transportation grants affect transportation planning activities?**

We are not expecting any new federal grants. We have one awarded grant, the Gulfton Reconnecting Community Grant, and are working with METRO on an interlocal agreement as they have projects in the area.

**9. What is the status of the truck route neighborhood plan?**

At this time, the administration is not moving forward with creating a citywide truck route plan.

# POLICE

## **1. Which vacancies due to voluntary retirements will need to be backfilled? Please list by department division.**

Following the acceptance of the Voluntary Municipal Employee Retirement Payout Option (VMERPO) by 109 civilian employees at the Houston Police Department, significant operational adjustments are underway. A Mayoral Memorandum from March 2025 directed that these resulting vacancies would not be backfilled or funded in the FY2026 budget. Consequently, and to maintain continuity, HPD Leadership has initiated efforts to reassign duties and consolidate responsibilities to ensure ongoing operations. Please note that Police Telecommunicators (Dispatchers) are except from the hiring freeze.

## **2. Field Operations: Is \$4.3 million a realistic figure to budget for overtime-classified expenditures? The FY25 estimate in this category is \$16.3 million.**

General: The overtime budget appears small compared to 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 context, the overtime budget was significantly reduced in FY2018 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: overtime spending is monitored periodically throughout the year, and requests for additional funding are submitted as needed. These requests typically support specific initiatives such as violent crime reduction efforts, special events, protests, or other operational demands.

Given limited budget flexibility, HPD first evaluates whether attrition savings can cover projected overtime costs. If not, HPD submits a formal request to the Finance Department for supplemental funding. As a result, the overtime budget at the start of the year often does not reflect the actual year-end spending, creating a variance between the adopted and actual amounts. While a traditional budgeting approach would fund the full overtime cost up front, the current practice accounts for anticipated savings from attrition and reflects the City's broader strategy to maintain flexibility within constrained financial conditions.

Specific Division: Field Operations Command's portion of the FY2026 total General Fund Proposed Budget is \$4,316,222 out of a total of \$14,777,383, or ~30%.

Field Operations Command's FY25 Estimate of \$16,316,909 was based on the YTD expenditure running rate. To begin the process of gradually increasing the Houston Police Department's classified overtime budget in FY2026, HPD submitted a Project Budget and Justification Request (PBJ) for \$15,000,000 to fund the below operations. Please note that the requested PBJ was not considered for the FY2026 proposed budget.

Prior Fiscal Year Actuals (FY20 – FY24) – Exceeds FY26 Proposed Budget of \$14,777,383

- Classified Overtime – G/L 500070
  - FY2020 - \$16,966,862
  - FY2021 - \$20,581,454
  - FY2022 - \$23,002,144
  - FY2023 - \$25,379,838
  - FY2024 - \$38,909,139
- Operations i.e. – Field Training; Late Calls; SWAT; Dignitary Assignments; Manpower Shortage
- Unscheduled Special Events – Protests; Harris County Election Task Force
- Special Overtime Programs / Special Events – Parades; Festivals

**3. Field Operations: Explain the decrease in pension-police expenditures from \$87.2 million to \$79.5 million.**

The decrease from \$87,219,184 in the FY2025 Estimate to ~79.5M in the FY2026 Adopted Budget is related to the overall decrease in the classified pension rate from 32.07% to 27.1%.

As background, pension costs decreased in FY2026 due to the 2017 pension reform, which implemented a "cost corridor" mechanism. This framework established upper and lower limits on the City's pension contribution rates, providing greater predictability and control over pension funding. Because the Houston Police pension is now over 90% funded, the City's contribution rate is reduced from 32% to 27% in FY2026—resulting in a lower overall pension cost for the year.

**4. Investigative Operations: Is \$1.4 million a realistic figure to budget for overtime-classified expenditures? The FY25 estimate in this category is \$6.1 million.**

General: The overtime budget appears small compared to 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 context, the overtime budget was significantly reduced in FY2018 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: overtime spending is monitored periodically throughout the year, and requests for additional funding are submitted as needed. These requests typically support specific initiatives such as violent crime reduction efforts, special events, protests, or other operational demands. Given limited budget flexibility, HPD first evaluates whether attrition savings can cover projected overtime costs. If not, HPD submits a formal request to the Finance Department for supplemental funding. As a result, the overtime budget at the start of the year often does not reflect the actual year-end spending, creating a variance between the adopted and actual amounts.

While a traditional budgeting approach would fund the full overtime cost up front, the current practice accounts for anticipated savings from attrition and reflects the City's broader strategy to maintain flexibility within constrained financial conditions.

Specific Division: Investigative Operations Command's portion of the FY2026 total General Fund Proposed Budget is \$1,410,824 out of a total of \$14,777,383, or ~10%.

Investigative Operations Command's FY25 Estimate of \$6,113,957 was based on the YTD expenditure running rate. To begin the process of gradually increasing the Houston Police Department's classified overtime budget in FY2026, HPD submitted a Project Budget and Justification Request (PBJ) for \$15,000,000 to fund the below operations. Please note that the requested PBJ was not considered for the FY26 proposed budget.

Prior Fiscal Year Actuals (FY20 – FY24) – Exceeds FY26 Proposed Budget of \$14,777,383

- Classified Overtime – G/L 500070
  - FY2020 - \$16,966,862
  - FY2021 - \$20,581,454
  - FY2022 - \$23,002,144
  - FY2023 - \$25,379,838
  - FY2024 - \$38,909,139
- Operations i.e. – Field Training; Late Calls; SWAT; Dignitary Assignments; Manpower Shortage
- Unscheduled Special Events – Protests; Harris County Election Task Force
- Special Overtime Programs / Special Events – Parades; Festivals

**5. Strategic Operations: Is \$8.8 million a realistic figure to budget for overtime-classified expenditures? The FY25 estimate in this category is \$11.3 million.**

General: The overtime budget appears small compared to 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 context, the overtime budget was significantly reduced in FY2018 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: overtime spending is monitored periodically throughout the year, and requests for additional funding are submitted as needed. These requests typically support specific initiatives such as violent crime reduction efforts, special events, protests, or other operational demands.

Given limited budget flexibility, HPD first evaluates whether attrition savings can cover projected overtime costs. If not, HPD submits a formal request to the Finance Department for supplemental funding. As a result, the overtime budget at the start of the year often does not reflect the actual year-end spending, creating a variance between the adopted and actual amounts. While a traditional budgeting approach would fund the full overtime cost up front, the current practice accounts for anticipated savings from attrition and reflects the City's broader strategy to maintain flexibility within constrained financial conditions.

Specific Division: Strategic Operations Command's portion of the FY2026 total General Fund Proposed Budget is \$8,783,270 out of a total of \$14,777,383, or ~60%. Strategic Operations Command's FY25 Estimate of \$11,392,740 was based on the YTD expenditure running rate. To begin the process of gradually increasing the Houston Police Department's classified overtime budget in FY2026, HPD submitted a Project Budget and Justification Request (PBJ) for \$15,000,000 to fund the below operations. Please note that the requested PBJ was not considered for the FY2026 proposed budget.

Prior Fiscal Year Actuals (FY20 – FY24) – Exceeds FY26 Proposed Budget of \$14,777,383

- Classified Overtime – G/L 500070
  - FY2020 - \$16,966,862
  - FY2021 - \$20,581,454
  - FY2022 - \$23,002,144
  - FY2023 - \$25,379,838
  - FY2024 - \$38,909,139
- Operations i.e. – Field Training; Late Calls; SWAT; Dignitary Assignments; Manpower Shortage
- Unscheduled Special Events – Protests; Harris County Election Task Force
- Special Overtime Programs / Special Events – Parades; Festivals

**6. Strategic Operations: Explain the decrease in premium pay – civilian from \$2.1 million to \$200,000.**

The decrease from \$2,102,207 in the FY2025 Estimate to \$200,793 in the FY2026 Adopted Budget is related to the one-time incentive payout for the Voluntary Municipal Employee Retirement Payout Option (VMERPO) taking place in FY2025.



**7. Describe the staffing, budget, and responsibilities of the newly formed family violence unit.**

HPD currently employs 40 investigators, 13 investigative sergeants, 3 investigative lieutenants, and an admin staff within the Family Violence Division. We are currently filling out an Interference with Child Custody squad within the division as well. The responsibilities of our division are to investigate all criminal incidents with a family violence nexus and interfering with child custody cases as well. The FY2026 budget for the Family Violence Division is ~\$8.5M.

**8. Describe the staffing, budget, and responsibilities of the newly formed club unit.**

The South Central Division's, Crime Suppression Team - Club Unit, will consist of one sergeant and six officers. Their duty hours will be 6pm to 4am and their work days will be Wednesday through Saturday. They will sometimes be required to adjust days off to address issues on other days of the week, Sunday fun day, Monday, etc.

The duties and responsibilities of this unit will be to conduct proactive and reactive investigations to address loud noise complaints, crime trends and citizen complaints within the South Central Division's entertainment areas, as well as other nuisance locations. This unit will also proactively reach out to business owners and citizens of the community to reduce the frequency of these noise violations and other crime matters. Additionally, the Club Unit will work alongside our patrol division, crime suppression team, differential response team, and other concerned divisions within the department, i.e. Vice and Narcotics. They will also partner with TABC and other law enforcement entities, i.e. Harris County Pct 7, ParkHouston.

As for the budget for the club unit (one sergeant and six officers) they will all be utilized as on duty resources. These are resources that have been allocated to the South Central Division.

**9. Explain the increase in paper-print expenses from \$153,000 to \$302,000.**

The General Fund's Adopted Budget for Paper and Printing expenditures remains consistent at \$221.6K for both FY2025 and FY2026. The FY2025 Estimate has been revised to \$58.3K, which is significantly lower than the full budget due to underutilization, efficiency gains, and timing of expenditures. HPD anticipates stable spending levels in this category.

# PUBLIC WORKS

## **1. Which vacancies due to voluntary retirements will need to be backfilled? Please list by division and fund.**

Due to the Department's large number of departures along with its prior extensive list of existing vacancies, the evaluation of how many and which positions to backfill is a top-priority work-in-progress action item currently being evaluated. We estimate the need to hire more than 200 individuals in FY26, but the specific positions are still being determined at this time. With that in mind, we anticipate that positions to-be-filled will come from nearly all non-administrative classifications in every service line throughout the department.

## **2. What is the timeline for the \$700,000 cost of service study? Will the study analyze all permit-related fees?**

The Houston Permitting Center (HPC) is initiating a comprehensive Permitting Cost of Service Study to evaluate cost recovery for existing fees across all programs. Programs in scope include Commercial and Residential Plan Review & Inspections, Commercial and Residential Regulatory Operations, and Commercial and Residential Nuisances & Demolitions. The proposed scope has been submitted to HPW Leadership for review and refinement prior to soliciting proposals. The study is expected to take approximately 18 months, as it will assess not only HPW program costs and fees but also those of participating departments, including Houston Planning, Houston Fire, Houston Health, etc.

## **3. What additional performance measures are being considered for Houston Permitting Center activities?**

The Houston Permitting Center will adopt additional performance measures following a series of outcome-based training workshops led by Ernst & Young. These sessions are intended to help the City develop meaningful, results-driven metrics. Any new measures identified will be updated and published as applicable.

## **4. How many linear feet of sidewalks are projected to be constructed or improved in FY26 (in addition to the 22,694 targeted for the Pedestrian Accessibility Review Program). What is the current backlog of applications in the city's three sidewalk programs?**

The current backlog is approximately 82,000 feet of sidewalks (all programs). We are reviewing our current contract capacity and FY26 funding to see how much of that we can construct and how many additional contracts are necessary to complete the backlog in FY26. Also, we continue to receive new requests. A comprehensive and ambitious city-wide sidewalk construction plan is currently in development with the Administration wherein we anticipate constructing more sidewalks (in linear miles) in FY26 than in any year in the past.

**5. DDSRF – METRO Revenue: Explain the increase in revenue from \$119 million (FY25 estimate) to \$131 million (FY26 proposed).**

Metro GMP revenues are projected to increase from estimate mainly due to rebudgeting for \$5.4M in personnel previously shown as savings due to delays in filling vacant positions, \$3.1M higher electricity costs in FY6, as well as \$0.9M for moving the Mayor's Office for People with Disabilities into this fund from fund 2301.

**6. DDSRF – METRO Expenditures: HPW Office of the Director's budget for FY26 is \$876,000. In which fund were these expenses budgeted in previous years?**

This budget is for the Mayor's Office for People with Disabilities was in Fund 2301 in previous years.

**7. DDSRF – METRO Expenditures: Explain the increase in construction site services from \$509,000 (FY25 estimate) to \$1 million (FY26 proposed).**

Construction site work services are increasing back to the adopted budget level of \$1M due to transferring \$510K of budget to cover spending on the unbudgeted street and signal electricity costs moved from General Fund.

**8. DDSRF – METRO Expenditures: Is the \$26 million in Financial Management Services transfer to General Fund the amount to pay for streetlights or traffic enforcement?**

The \$26 M is for Traffic Enforcement. There is a separate \$29 M for electricity for streetlights and freeway lighting in the DDSRF-Metro fund.

**9. DDSRF – Drainage Charge Revenue: Explain the decrease in revenue from drainage fee penalties from \$1.8 million (FY25 estimate) to \$200K (FY26 proposed).**

The drainage fee penalties budget is decreasing due to a temporary hold on charging drainage fee penalties to customers. Upon completion of the Water Bill Improvement Plan this calendar year, we anticipate resuming normal collection practices.

**10. DDSRF – Ad Valorem Revenue: Transfer from General Fund goes from \$144 million (FY25 estimate) to \$184 million (FY 26 proposed). How much of this \$40 million in additional funding is attributable to the lawsuit settlement and how much is result of increased revenue due to reduced debt?**

The additional FY26 increase attributed to the drainage lawsuit is \$16M. The remaining is due to the reduced debt service for prior debt incurred.

**11. DDSRF – Ad Valorem Expenditures: Transfer to capital projects increases from \$119 million (FY25 estimate) to \$149 million (FY26 proposed). Does HPW currently have the capacity to put that additional \$30 million to work on capital projects?**

Yes, HPW has the financial and operational capacity to utilize the additional \$30 million on capital projects.

**12. Building Inspection Fund: Explain the increase in management consulting expenses from \$961,000 (FY25 estimate) to \$2.3 million (FY26 proposed).**

The FY25 Estimate is primarily for the Alvarez & Marsal study which delayed the Cost of Service Study to FY26. The total expected cost of the Cost of Service Study is \$2.2M.

**13. Building Inspection Fund: HPW-OCE cost is \$14.9 million in FY26. In which fund were these expenses budgeted in previous years?**

Office of the City Engineer was budgeted under Building Inspection Fund (Fund 2301) in FY25 and prior years. A portion of the OCE expenses are expected to be funded by the Building Inspection Fund under new cost centers. Some OCE expenses previously funded by the Building Inspection Fund are moving to the Project Cost Recover Fund (Fund 1001) in FY26 as part of the HPW re-organization.

Please see the table below:

<b>Fund</b>	<b>FY 25</b>	<b>FY 26</b>
Fund 1001 Project Cost Recovery Fund	\$360 K	\$2.5 M
Fund 2301 Building Inspection Fund	\$16 M	\$15 M

**14. Where is the city with regard to the 25% limitation on DDSRF maintenance and operations spending? At what percentage are we currently? Does esplanade mowing qualify as maintenance expense under DDSRF?**

As of FY 24, the DDSRF O&M test was 24.88%. The current calculations for FY 25 have not been calculated, as we are awaiting final numbers, and should be finalized in the next couple of months.

Yes, esplanade mowing qualifies as maintenance expense.

# SOLID WASTE

## **1. Which vacancies due to voluntary retirements will need to be backfilled? Please list by division.**

Only critical positions, such as driver positions and 3-4 in the administrative roles will be requested for rehire. The administrative ones will create a Quality Control team to handle backlog of service requests and customer concerns. In addition, the Deputy Director of Operations will need to be filled.

## **2. Describe efforts to bring span of control from 46% of managers having 4 or fewer direct reports to 0%.**

All supervisor/manager positions in the department will have 4 or more direct reports in the new fiscal year, therefore bringing 4 or less to zero.

## **3. Besides adding the transfer station, explain how SWMD will reach its target of 100% on-time recycling collection rate.**

Utilizing two service centers, instead of four, allows efficiency in maximizing the number of trucks deployed daily and managing crews to cover routes daily. A pilot route optimization plan is being tested now to gauge the level of participation to adjust routes.

## **4. Describe efforts to improve on-time yard waste collection target from 26% (FY25 estimate) to 75% (FY26 proposed).**

Utilizing two service centers, instead of four, allows efficiency in managing crews to cover routes daily. A pilot route optimization plan is being tested now to gauge the level of participation to adjust routes.

## **5. Describe efforts to improve on-time heavy waste collection target from 75% (FY25 estimate) to 90% (FY26 proposed).**

Utilizing two service centers, instead of four, allows efficiency in managing crews to cover routes daily. A pilot route optimization is being tested now to gauge the level of participation to adjust routes.

## **6. Describe efforts to improve wait times at neighborhood depositories from 30 minutes to 15.**

Management of staff and personnel to be able to streamline processes.

## **7. Describe efforts to increase illegal dumping cases investigated from 9,189 (FY25 estimate) to 19,776 (FY26 proposed).**

This number was a typo, unfortunately, the correct number is 9,776.

**8. Recycling Revenue Fund: What makes up miscellaneous revenue and explain the variations in this fund from \$150,000 in FY24 to \$1.1 million in FY25 and \$830,000 proposed in FY26?**

Miscellaneous revenue in recycling is made up of an endowment from FCC for recycling education, Household Hazardous Waste Vouchers for City of Pasadena, West University, Bellaire, and commodities being sold.

**9. Recycling Revenue Fund: Explain increase from \$34,000 (FY25 estimate) to \$105,000 (FY26 proposed).**

Conservative estimate to account for volatility in commodity market.

**10. Recycling Revenue Fund: Explain increase in refuse disposal expenditures from \$1.8 million (FY25 estimate) to \$2.3 million (FY26 proposed).**

This increase accounts for up to a 5% CPI increase in two separate contracts – FCC and Compucycle that process our recyclable material and electronic waste. In addition, any household garbage that residents put in their green bins, which makes its way to the materials recovery facility, will be then taken to the landfill for disposal.

**11. General Fund, NE Collections: Explain decrease in overtime expenditures from \$2.9 million to \$1.7 million. Do you anticipate going over this budgeted overtime amount in order to meet collection targets?**

Our goal in changing the work hours was to reduce overtime in half. Additionally, we will need to restaff driver positions in order to meet collection targets.

**12. General Fund, South Collections DEP: Explain decrease in overtime expenditures from \$3.6 million to \$2.1 million. Do you anticipate going over this budgeted overtime amount in order to meet collection targets?**

Our goal in changing the work hours was to reduce overtime in half. Additionally, we will need to restaff driver positions in order to meet collection targets.

**13. Describe efforts to increase composting and diverting food waste from municipal landfills.**

The department will continue to apply for composting grants, in order to fund additional composting programs. The department's pumpkin collection during October and November is currently the only program funded in the department.

**14. Will the results of the Burns & McDonnell report help the department determine realistic staff and resource needs? If so, when will this information become available? If not, how will staffing and resource needs be assessed and determined?**

Director Hassen is evaluating all opportunities to operate more efficiently, therefore as additional resources are needed, the department will be communicating with the Finance Director and the Mayor.

**15. How are recycling collection personnel funded? Can you break out in general fund and special revenue?**

The curbside recycling operations has 44 employees and the special revenue fund has 3 employees. The 44 employees in operations also provide additional support to the residential garbage program.