

About Houston

Year of Incorporation	1837
Area of City*	672 square miles
Population*	2,328,285
Police Stations & Store Fronts	21
Fire Stations	103
Library Facilities	41
City Parks	382
Community Recreation Centers	60
Multi-Service Centers	12

*Source: U.S. Census Bureau Housing Unit Methodology, July 1, 2023

General Fund FTEs

Department	FTEs	% Total
Admin. & Regulatory Affairs	177	1.3%
City Controller	63	0.5%
City Council	85	0.6%
City Secretary	9	0.1%
Dept. of Neighborhoods	84	0.6%
Finance Dept.	130	1.0%
Fire Dept.*	3,943	29.8%
General Services	155	1.2%
Houston Health Dept.	345	2.6%
Houston Public Works	9	0.1%
Human Resources	38	0.3%
Legal	99	0.8%
Library	474	3.6%
Mayor's Office	36	0.3%
Municipal Courts Dept.	238	1.8%
Business Opportunity	40	0.3%
Parks and Recreation	668	5.0%
Planning & Development	25	0.2%
Police Dept.*	6,223	47.0%
Solid Waste Management	406	3.1%
Total	13,247	100%

*Includes Classified FTEs

Elected Officials

District A	Amy Peck
District B	Tarsha Jackson
District C	Abbie Kamin
District D	Carolyn Evans-Shabazz
District E	Fred Flickinger
District F	Tiffany D. Thomas
District G	Mary Nan Huffman
District H	Mario Castillo
District I	Joaquin Martinez
District J	Edward Pollard
District K	Martha Castex-Tatum
At Large, Position 1	Julian Ramirez
At Large, Position 2	Willie Davis
At Large, Position 3	Twila Carter
At Large, Position 4	Letitia Plummer
At Large, Position 5	Sallie Alcorn



311



Library



Emergency



PARK HOUSTON
Parking



Pets

The complete budget document is available at the
City of Houston Official Website
www.houstontx.gov/budget

City of Houston
901 Bagby
Houston, TX 77002



www.houstontx.gov

2025
FISCAL YEAR
PROPOSED BUDGET

JOHN WHITMIRE
MAYOR

CHRIS HOLLINS
CITY CONTROLLER

City of Houston Texas

General Fund
Proposed
Budget-in-Brief
Fiscal Year 2025

John Whitmire
Mayor

Chris Hollins
City Controller

Mayor's Message

To the people of Houston, Honorable Members of City Council, and the Honorable City Controller:

I am pleased to present the proposed budget for Fiscal Year (FY) 2025, which begins July 1, 2024, and ends June 30, 2025. The FY2025 Proposed Budget for all funds excluding transfers totals \$6.7 billion, an increase of \$441.9 million, or 7 percent compared to the FY2024 Current Budget of \$6.3 billion.

The Fiscal Year 2025 Proposed Budget is my first budget and there is a large financial challenge ahead. While we were able to close the budgetary gap using a combination of recurring expenditure reductions and a draw on fund balance, we know there is much more work to do ahead of us. We are actively working on implementing new recurring revenues and further cost saving initiatives that will be implemented during the fiscal year. This Proposed Budget takes a conservative approach by not yet incorporating those revenue increases and expenditure reductions, which will be reflected as we progress through the year. My administration has already started working with stakeholders to ensure TIRZs are supporting priority services and facilities used to deliver them, implement sharing costs, expanding and collaborating the use of the city's law enforcement agencies while continuing to deliver and improve services, focus on public safety, and improve infrastructure for the City.

Together with implementing recurring revenues going forward, we will continue to look across the city to realize efficiencies in operations. We will also invest in technology so that we can work smarter, not harder, and use our resources in the most efficient way possible by reducing duplication and eliminating waste.

I recognize and highlight three revenue constraints Houston confronts that do not exist in other large cities in Texas: a locally imposed revenue cap on top of the state cap, no dedicated revenues to support solid waste operations, and no support from a city owned utility. I look forward to the discussion with City Council on whether these constraints should be modified to allow Houston to be as competitive as we can be as a place where people want to work, live, and thrive.

The FY2025 Proposed General Fund budget of \$3.03 billion reflects an increase in spending of \$62.3 million or 2.1 percent from the FY2024 Current Budget of \$2.97 billion. This increase is primarily attributable to pay increases of 3.5 percent for police and increases associated with the draft Collective Bargaining Agreement (CBA) for fire. Related to the draft CBA for fire, this budget includes an increase to budgeted base pay of 10 percent. Additionally, this budget includes \$30.6 million for debt service related to firefighter settlement and \$10 million firefighter increase in assignment and educational pay. Public safety remains a top priority representing \$1.7 billion, or 68.3 percent of the total General Fund spend excluding debt service and PAYGO. This includes funding for five (5) police cadet classes and five (5) fire cadet classes. Negotiations have begun on a new contract that could provide pay increases for civilian employees in FY2025 and beyond.

Additionally, this budget incorporates \$11.7 million of the departmental General Fund budget reductions to achieve cost savings and efficiencies.

The City of Houston operates under one of the country's most restrictive property tax revenue caps – in addition to complying with the State of Texas revenue cap. The revenue cap continues to limit the city's ability to generate additional property tax revenue that is needed to provide essential services such as public safety. The city is considering options that will address the revenue cap including but not limited to additional public safety measures and repealing the cap. Property tax revenue is the largest funding source for the City's General Fund, representing 49.9 percent of General Fund revenue. The FY2025 Proposed Budget is \$1.42 billion, representing an increase of 3.2 percent when compared to the FY2024 Estimate of \$1.38 billion.

Sales Tax is the second largest funding source for the City's General Fund, representing 31.4 percent of General Fund revenue. The FY2025 Proposed Budget of \$893.4 million, represents a 1.4 percent increase compared to the FY2024

Estimate of \$880.7 million. The budget reflects a conservative approach with slow growth with the sales tax collection remaining nearly flat compared to the previous year.

This proposed budget includes an ending fund balance of \$280 million, which is 11.1 percent of expenditures less debt service and pay-as-you go (PAYGO) and \$91 million above the minimum of 7.5 percent established in the City's financial policies. This budget fully funds the Budget Stabilization Fund representing more than \$20 million.

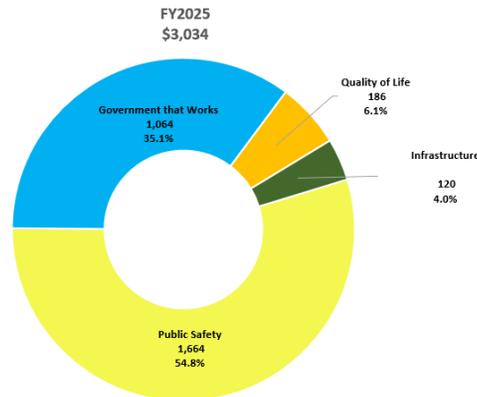
Despite the financial challenges we will confront in Fiscal Year 2025, I remain encouraged regarding our outlook. Houston is a great city with a bright future. We will seek to partner in new ways with other levels of government, we will adjust how we deliver services and the costs required to do so, and will discuss reasonable potential modifications to our revenue model.

Together we can get the job done. Let's get to work.

Sincerely,

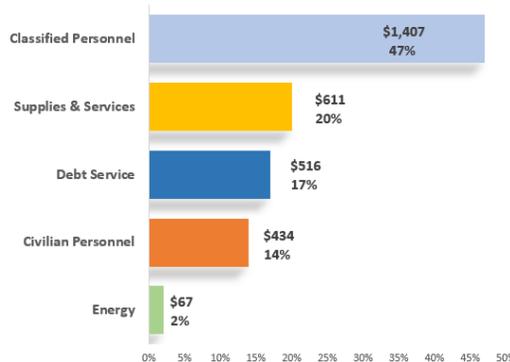
 John Whitmire
 Mayor

FY2025 General Fund Expenditures by Mayor's Priority (\$ in millions)



Key Budget Drivers

Key Budget Drivers reflect FY2025 dollar amount and percentage of total budget (\$ in millions)



REVENUE BREAKDOWN

Revenues (\$ millions)	FY2025 Budget
Property Taxes	1,421
Sales Taxes	893
Franchise Fees	151
Other Revenues	382
Total General Fund	\$ 2,847

EXPENDITURE BREAKDOWN (by function groups)

Expenditures (\$ millions)	FY2025 Budget
Police Department	1,044
Fire Department	636
Municipal Courts Department	30
Houston Emergency Center	10
Public Safety	\$ 1,720
General Services	47
Planning & Development	3
Houston Public Works	23
Solid Waste Management	100
Development & Maintenance Services	\$ 173
Department of Neighborhoods	14
Housing & Community Development	2
Houston Health Department	54
Library	52
Parks and Recreation	89
Human & Cultural Services	\$ 211
Administration and Regulatory Affairs	35
City Secretary	1
Finance Department	24
Human Resources	1
Legal	19
Office of Business Opportunity	6
Administrative Services	\$ 86
City Controller	11
City Council	15
Mayor's Office	9
Elected Officials	\$ 35
General Debt Service	516
General Government	293
Total General Fund	\$ 3,034