

# Budget Town Hall



**This presentation contains materials presented by the city's Finance Department to City Council on May 15, 2024**

# Connecting Budget to Strategy – OBB Elements

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## **1. Houstonian Input**

An increased emphasis on opportunities for public input into the budgeting process better informs the City's funding priorities and ensures that dollars are allocated towards programs and projects desired by the public.

**2. Strategic  
Guidance**

**3. Program  
Budgeting**

**4. Performance  
Measures**



# Connecting Budget to Strategy – Mayor Whitmire’s Priorities

## Public Safety

- Increase the number of police officers and firefighters
- Strengthen Houston’s Community Policing Programs
- Improve police officer and firefighter retention and attrition rates
- Equip first responders with the skill to better address mental health situations
- Provide second chance programs that integrate former offenders back into the community
- Increase the use of technology to enhance crime fighting capabilities
- Collaborate with schools, nonprofits and businesses to increase youth engagement outside of the classroom

## Infrastructure

- Repairing the City’s aging water and wastewater systems
- Reduce traffic congestion and fix City streets
- Ensure that City’s infrastructure accommodates growth and meets community needs
- Ensure the City is equitable, resilient, inclusive, and affordable
- Continue to grow our economy

## Government that Works

- Move towards a structurally balanced budget by identifying expenditure reductions and new recurring revenue sources
- Proactively identifies and addresses service improvement needs
- Continue to reduce long-term liabilities
- Effectively manage and leverage state and federal grant dollars and partnerships
- Maintain a strong credit rating
- Embrace innovation in the delivery of City services

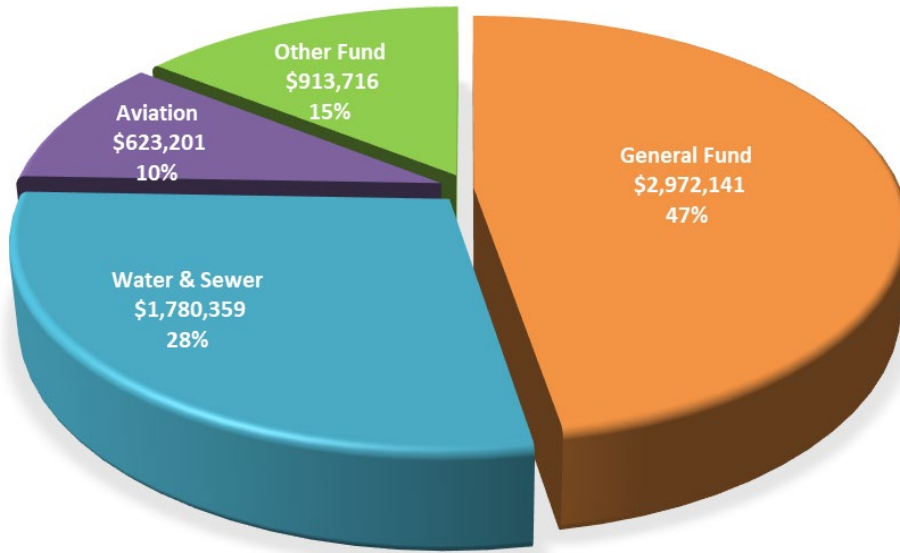
## Quality of Life

- Protecting the laws and ordinances that encourage diversity and equity
- Ensure quality affordable housing options
- Provide vibrant and enjoyable activity, parks, and recreation centers
- Promote healthy, safe, livable, and connected neighborhoods

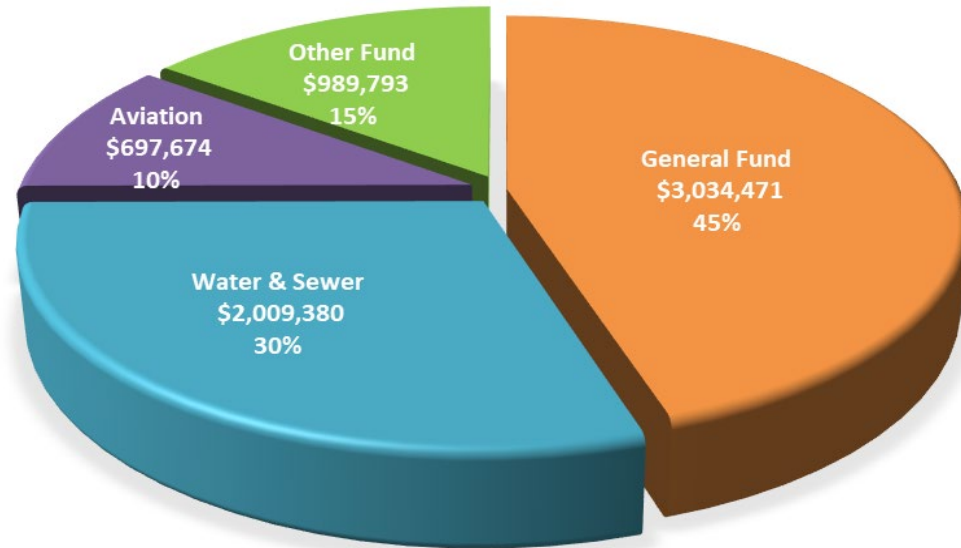
# Citywide Expenditures Including Debt Service & PAYGO (\$ in thousands)



**FY2024 CURRENT BUDGET  
OF \$6,289,417**

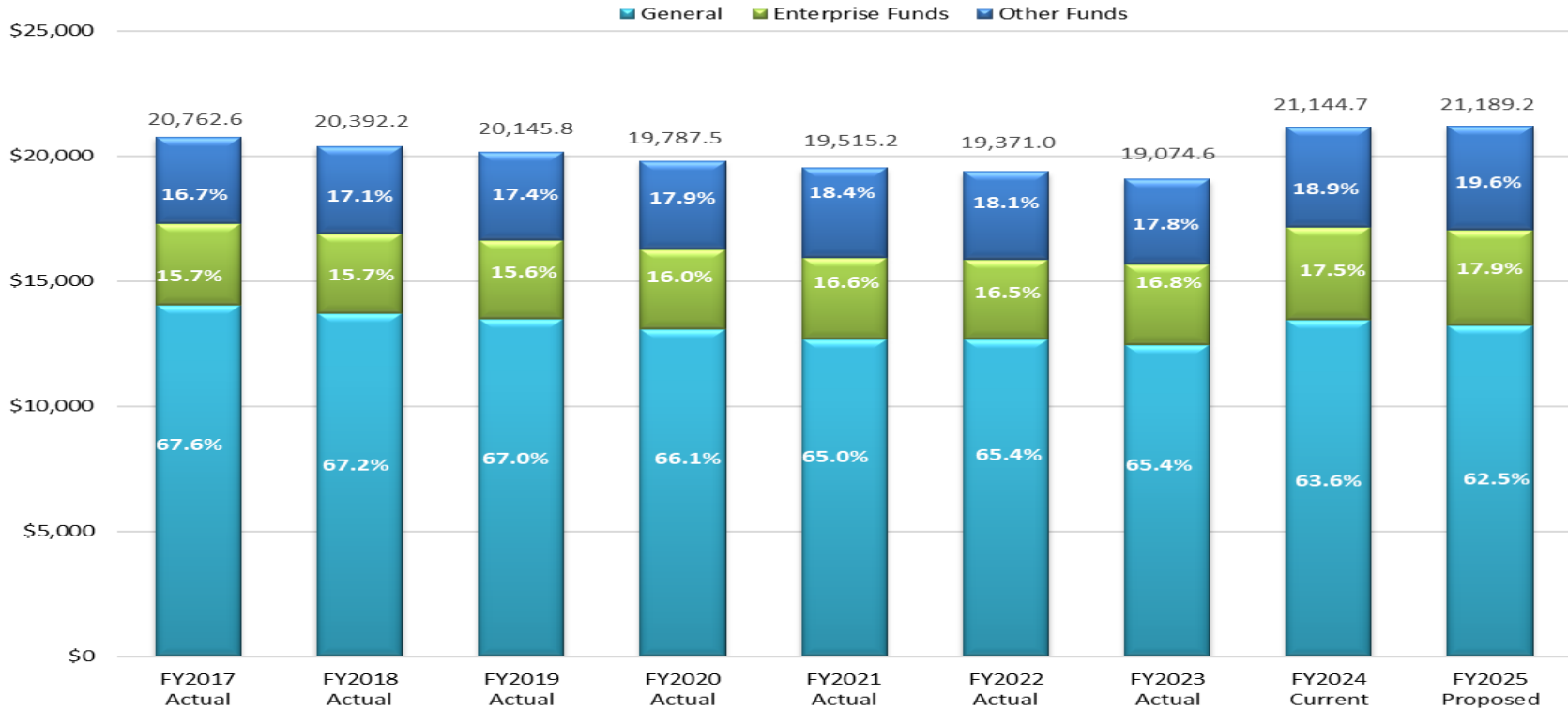


**FY2025 PROPOSED BUDGET  
OF \$6,731,318**



**Net Change  
\$441,901  
7.03%**

# Citywide Full-Time Equivalents Civilian and Classified

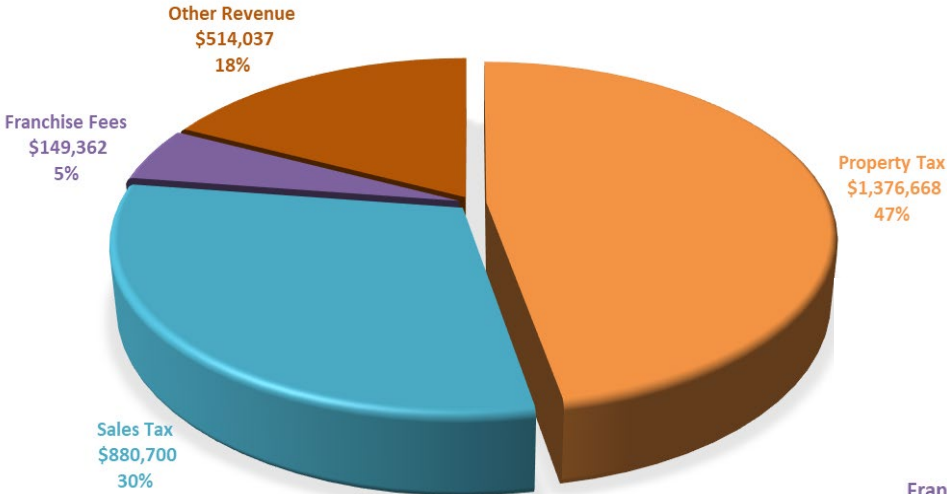


General	14,031.5	13,701.4	13,490.5	13,087.2	12,678.6	12,662.2	12,467.3	13,450.9	13,247.4
Enterprise Funds	3,254.5	3,206.5	3,147.2	3,166.3	3,249.2	3,198.3	3,208.2	3,706.5	3,783.2
Other Funds	3,476.6	3,484.3	3,508.1	3,534.0	3,587.4	3,510.5	3,399.1	3,987.3	4,158.6
<b>Grand Total</b>	<b>20,762.6</b>	<b>20,392.2</b>	<b>20,145.8</b>	<b>19,787.5</b>	<b>19,515.2</b>	<b>19,371.0</b>	<b>19,074.6</b>	<b>21,144.7</b>	<b>21,189.2</b>

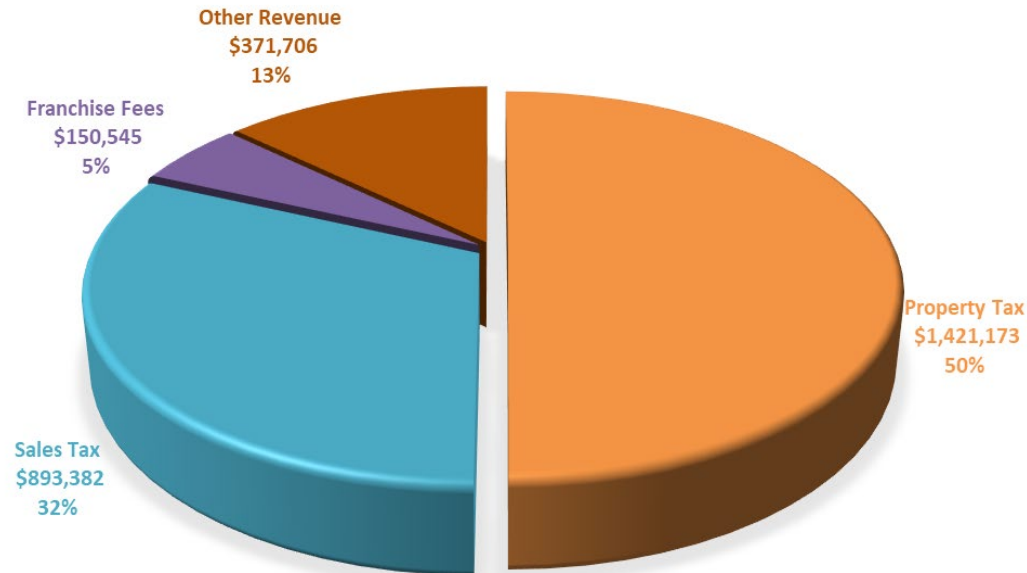
# FY2025 General Fund Revenue Excluding Other Resources (\$ in Thousands)



FY2024 ESTIMATE  
OF \$2,920,767



FY2025 PROPOSED BUDGET  
OF \$2,836,807



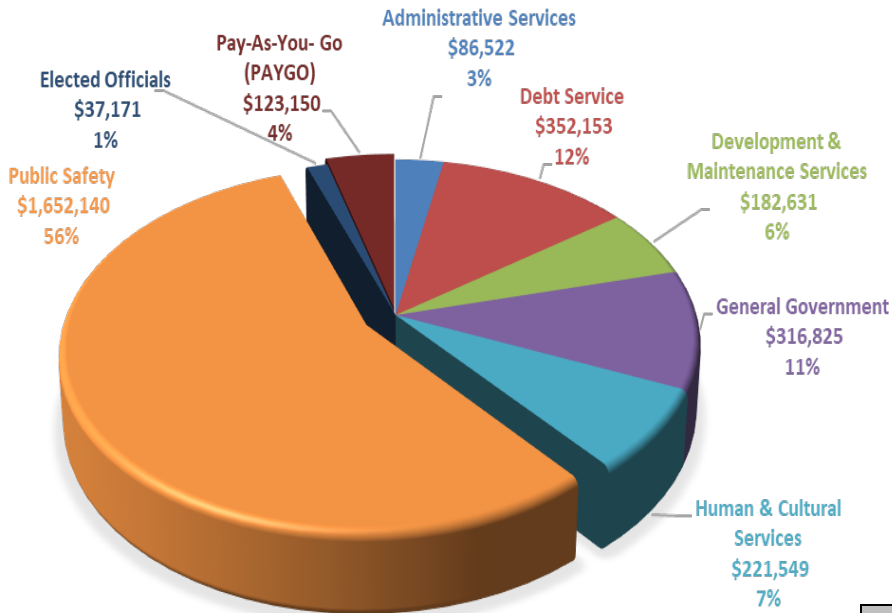
**Net Change**  
**-\$83,960**  
**-2.87%**

# General Fund Expenditures Including Debt Service & PAYGO

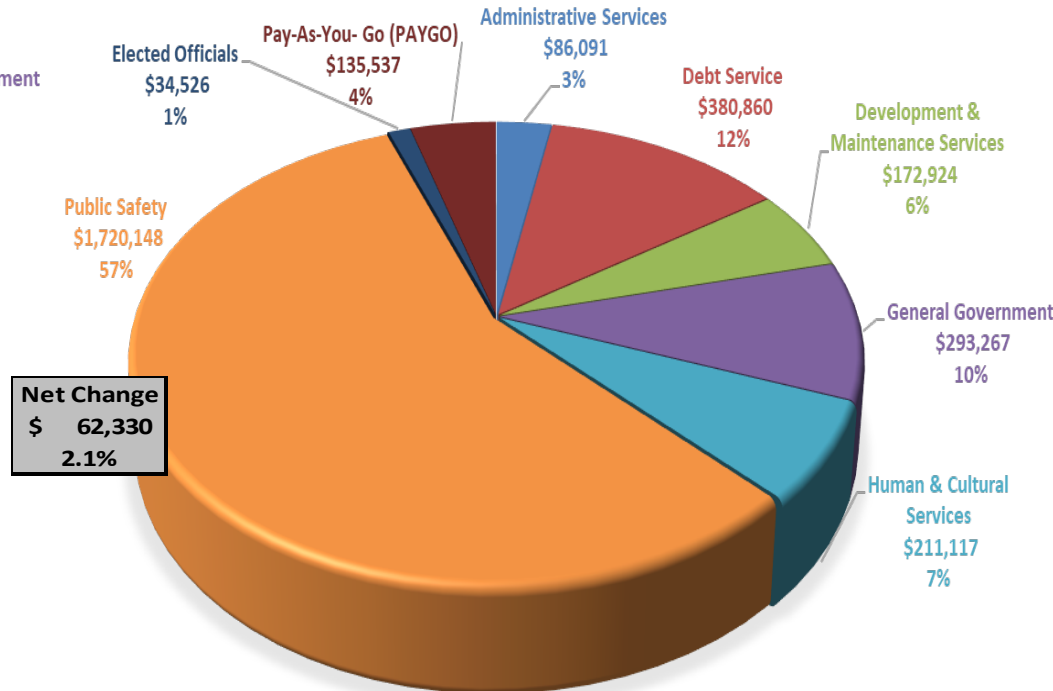
(\$ in Thousands)



**FY2024 CURRENT BUDGET**  
\$2,972,141



**FY2025 PROPOSED BUDGET**  
\$3,034,471



**Net Change**  
\$ 62,330  
2.1%

# DEPARTMENT NUMBERS



**POLICE**  
**\$1B**



**FIRE**  
**\$636M**



**PARKS**  
**\$89M**



**TRASH** **LIBRARIES**  
**\$99M** **\$52M**



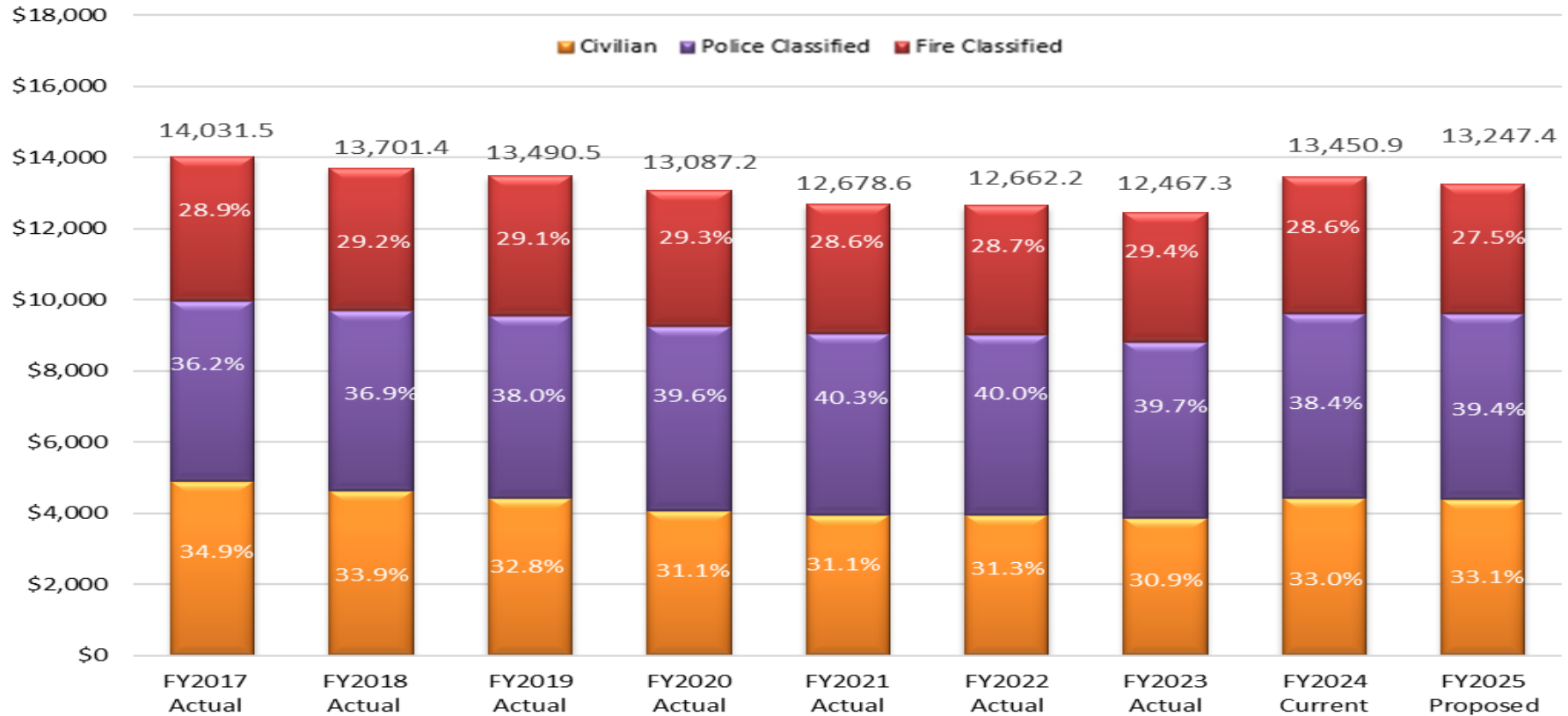
**TOTAL CITY**  
**EMPLOYEES** **21,189**

**GENERAL FUND**  
**EMPLOYEES** **13,247**



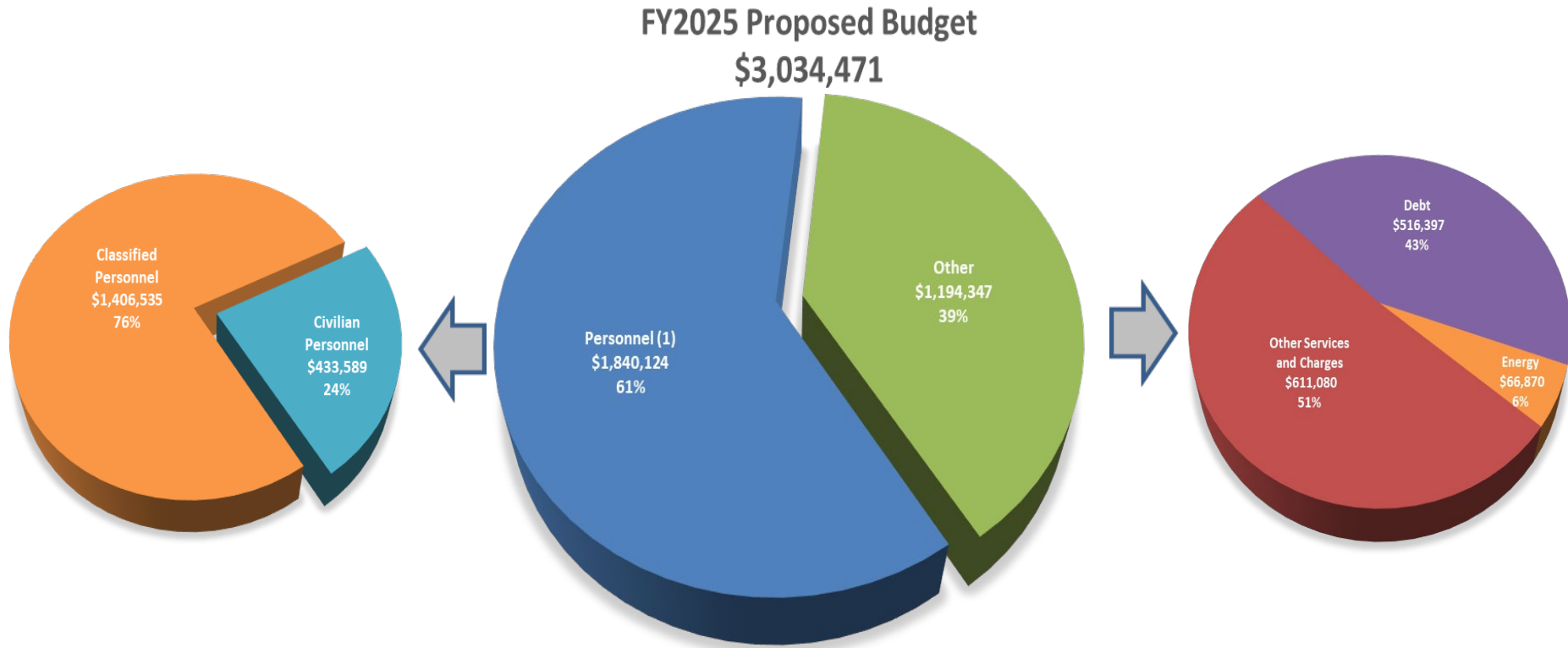


# General Fund Full-Time Equivalents



Civilian	4,896.3	4,646.2	4,430.4	4,071.2	3,940.2	3,967.7	3,849.5	4,432.9	4,389.9
Police Classified	5,081.0	5,059.7	5,128.0	5,177.2	5,111.0	5,064.0	4,955.7	5,166.0	5,213.9
Fire Classified	4,054.2	3,995.5	3,932.1	3,838.8	3,627.4	3,630.5	3,662.1	3,852.0	3,643.6
<b>Grand Total</b>	<b>14,031.5</b>	<b>13,701.4</b>	<b>13,490.5</b>	<b>13,087.2</b>	<b>12,678.6</b>	<b>12,662.2</b>	<b>12,467.3</b>	<b>13,450.9</b>	<b>13,247.4</b>

# FY2025 General Fund Expenditures Personnel vs. Non-Personnel (\$ in Thousands)





# General Fund Budget

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- This budget includes:
  - 11.1% Fund Balance of expenditures less debt service and pay-as-you-go transfers, above the desired minimum of 7.5% (\$91 million above the minimum 7.5%)
  - 10% increase to budgeted base pay for fire fighters (to be allocated based on final contract)
  - 3.5% pay raise for the police classified
  - Fully funded Budget Stabilization Fund (representing more than \$25 million)
  - Funds **for cadet classes**:
    - five (5) police cadet classes and five (5) fire cadet classes
  - Three fully funded pension systems
  - OPEB trust contribution of \$10.7 million (\$12.5 million in total for all funds)
- This budget includes:
  - Fund balance drawdown for FY25 as we prepare for FY26
  - No one-time land sales nor payment deferrals

# Addressing FY2025 Budgetary Gap

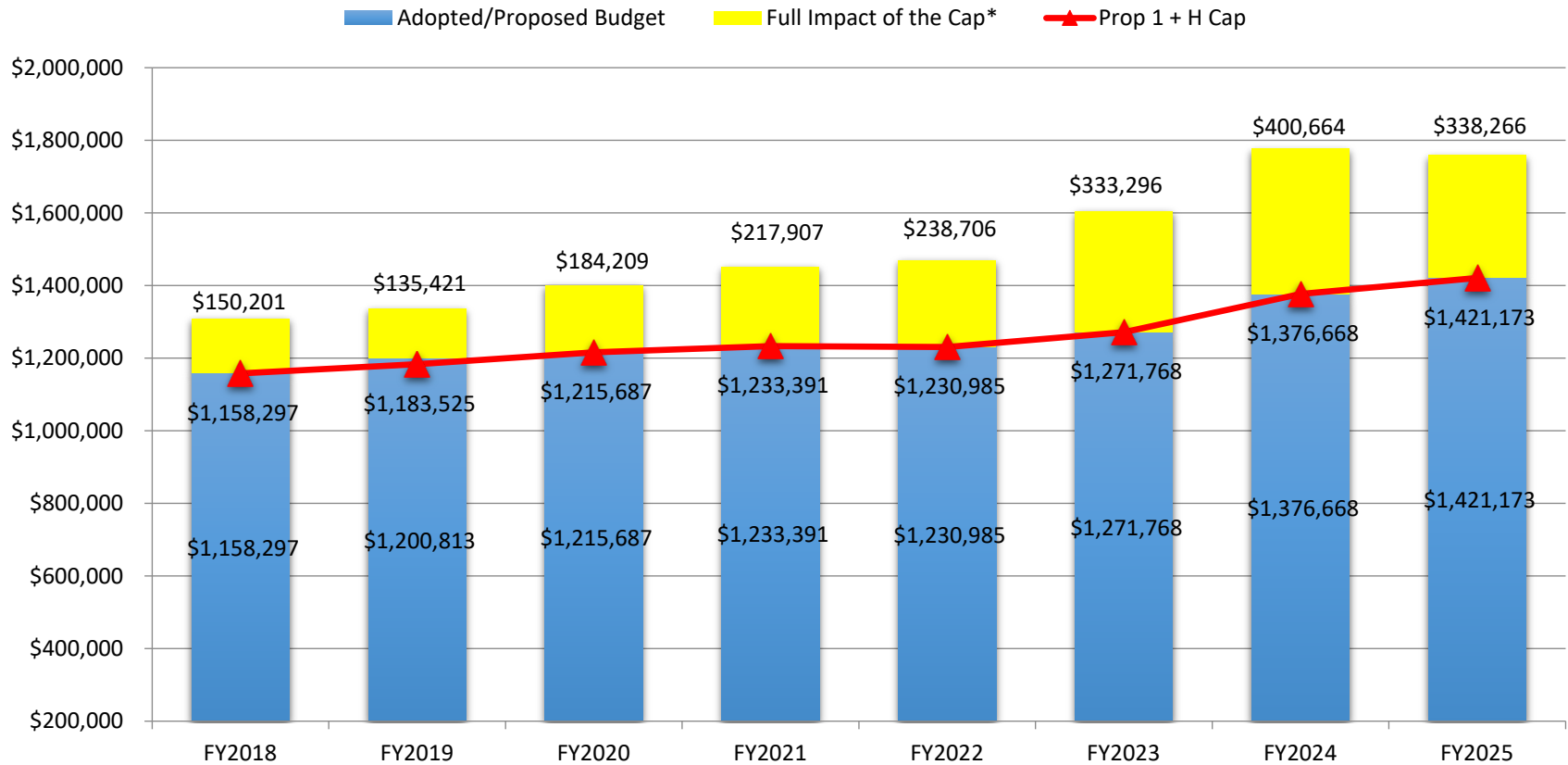


(\$ in thousands)

<b>FY2025 Initial Budgetary GAP</b>	<b>\$ 158,713</b>
<b>Revenue Adjustments</b>	
Property Tax	\$ 2,957
Sales Tax	\$ 19,133
Other Revenues	\$ 24,986
Transfer from ParkHouston	\$ (2,940)
ARPA Revenue Loss	\$ 10,400
Franchise Fees	\$ 1,572
<b>Total Revenue Adjustments</b>	<b>\$ 56,109</b>
<b>Expenditure Adjustments</b>	
Department Budget Reductions	\$ (11,668)
Draft CBA for Firefighter 10% impact to budgeted base pay	\$ 36,000
Firefighter assignment and educational pay	\$ 10,000
Debt Service for firefighter settlement	\$ 30,585
Other Expenditure Adjustments	\$ 19,610
<b>Total Expenditure Adjustments</b>	<b>\$ 84,527</b>
<b>FY2025 Final Budgetary GAP</b>	<b>\$ 187,131</b>

# Adopted Budget vs. Charter Cap

## FY2018 - FY2025 (\$ in Thousands)



Property Tax Revenue	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Adopted/Proposed Budget</b>	\$1,158,297	\$1,200,813	\$1,215,687	\$1,233,391	\$ 1,230,985	\$ 1,271,768	\$ 1,376,668	\$1,421,173
<b>Prop 1 + H Cap</b>	\$1,158,297	\$1,183,525	\$1,215,687	\$1,233,391	\$ 1,230,985	\$ 1,271,768	\$ 1,376,668	\$1,421,173
<b>Full Impact of the Cap*</b>	\$ 150,201	\$ 135,421	\$ 184,209	\$ 217,907	\$ 238,706	\$ 333,296	\$ 400,664	\$ 338,266

\* Since FY2015, the full impact of the property tax revenue cap is \$2.23 billion.

COUNCIL MEMBER SALLIE ALCORN WANTS

YOUR 2¢



• A FISCAL YEAR 2023 HOUSTON BUDGET SURVEY •



City departments are currently analyzing how to spend Houston's \$5 billion operating budget. By completing this survey, you are helping me understand how you want your tax dollars prioritized for spending.

Please, take a moment to give me your two cents!

[atlarge5@houstontx.gov](mailto:atlarge5@houstontx.gov)



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CONCEJAL SALLIE ALCORN QUIERE

TU OPINIÓN

• APORTA TU GRANITO DE ARENA •



THÀNH VIÊN HỘI ĐỒNG SALLIE ALCORN  
MUỐN LẮNG NGHE Ý KIẾN CỦA QUÝ VỊ!

KHẢO SÁT NGÂN  
SÁCH HOUSTON



주민의회 의원 SALLIE ALCORN 씨는  
HOUSTON시 예산에  
관한 귀하의 고견  
을 듣고자 합니다



委员会成员 SALLIE ALCORN 期望您能分享意见!

休斯顿预算  
调查问卷

