



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/31/2026

ALL

Item Creation Date: 3/28/2025

FIN - FY2026 Budget Ordinance

Agenda Item#: 15.

Summary:

ORDINANCE related to the Fiscal Affairs of the City; approving the Annual Budgets of the City of Houston, Texas, for Fiscal Year 2026, including provisions for future adjustment to certain Fund Balances; making various amendments to the proposed budgets; authorizing certain transfers, re-designating a cash reserve in the Fund Balance; establishing a cost for copies of the Budget; making other provisions related to the subject; making certain findings related thereto; providing a repealing clause; providing for severability; and declaring an emergency

Background:

Beginning May 7, 2025, City Council's Budget and Fiscal Affairs Committee hosted a series of budget workshops to review and discuss the Fiscal Year 2025 operating budget. The budget was distributed to City Council on May 6, 2025, in accordance with the City Charter and the Texas Local Government Code. The expenditure operating budget for all funds totals approximately \$8.7 billion, which includes a General Fund expenditure budget of approximately \$3.0 billion.

The budget ordinance includes the following provisions:

- Approval for budget transfers of up to 5% of a “budget expenditure group” between departments within a fund;
- Approval of the incorporation in the Adopted Budget for FY2026, FY2025, and FY2024 information, and the adjustment of fund balances that may occur as a result;
- Approval to increase the budgets for the Aviation Revenue Fund, but only for transfer to the Airport Improvement Fund, in the event, and to the extent, of unanticipated revenue increases in the Fund as certified by the City Controller;
- Approval to increase the budgets for the Water and Sewer Operating Fund and the Combined Utility System Operating Fund, but only for transfer to the Combined Utility System General Purpose Fund in the event, and to the extent, of unanticipated revenue increases in the Fund as certified by the City Controller;
- Approval to increase the budgets in various Funds to the extent of unanticipated revenue increases in the Fund as certified by the City Controller;
- Approval to charge \$35.00 plus tax and postage per set for the purchase of the budget document.

The budget totals include maintenance and operation expenditures, interfund transfers, and operating and capital reserves, as well as planned ending fund balances. The budget does not include the budgets for the Tax Increment Reinvestment Zones, which will be brought before City Council in a separate action. The Budget is available for review on the Internet, accessible through the City's home page located at <https://www.houstontx.gov/budget/26budprop/index.html>.

The Fiscal Year 2026 Annual Operating Budget is recommended for approval as follows:

Fund	Proposed Budget FY2026
General Fund, Enterprise & Special Revenue Funds*	
General Fund	3,034,049,134
HAS-Revenue Fund	738,703,286
C&E - Facility Operating Fund	133,596,940
Water and Sewer Operating Fund	1,379,546,700
Combined Utility System Operating Fund	553,261,200
DDSRF - Drainage Charge	131,426,971
DDSRF - Ad Valorem Tax	170,464,000
DDSRF - Metro ET AL	160,292,250
Storm Water Fund	146,371,865
Asset Forfeiture Fund	10,000,000

Auto Dealers Special Revenue Fund	13,360,641
BARC Special Revenue Fund	15,549,444
Bayou Greenway 2020 Fund	1,266,908
Building Inspection Special Fund	122,831,864
Cable Television Fund	4,866,214
Child Safety Fund	3,124,332
Container Lease Fund	3,973,356
Contractor Responsibility Fund	939,578
Essential Public Health Services Fund	23,504,079
Forensic Transition Special Fund	300,344
Health Special Revenue Fund	10,203,348
Historic Preservation Fund	438,675
Houston Emergency Center	32,098,376
Houston Opioid Abatement Fund	2,362,214
Houston TranStar Center Fund	3,596,021
Local Youth Diversion Fund	785,394
Laboratory Operations and Maintenance Fund	600,246
Maintenance Renewal and Replacement Fund	43,925,253
Municipal Court Building Security Fund	513,530
Municipal Court Technology Fee Fund	1,562,522
Municipal Jury Fund	-
ParkHouston Special Revenue Fund	19,860,146
Parks Golf Special Revenue Fund	9,208,912
Park Special Revenue Fund	4,287,726
Planning and Development Special Revenue Fund	12,116,744
Police Special Services Fund	32,176,523
Recycling Revenue Fund	3,653,470
Special Waste Transportation and Inspection Fund	7,159,427
Swimming Pool Safety Fund	1,553,522
Tourism Promotion Special Revenue Fund	26,636,997
Total	6,860,168,152
Enterprise Related Funds	
HAS-AIF Capital Outlay	20,282,100
Combined Utility System Gen Pur Fund	695,115,600
Total	715,397,700
Service Chargeback Funds	
Central Service Revolving Fund	386,380,118
Fleet Management Fund	109,927,879
Project Cost Recovery Fund	84,835,158
Property & Casualty Fund	61,744,991
Workers' Compensation	41,353,237
Total	684,241,383
Internal Service Funds	
Health Benefits	441,801,816
Long Term Disability	1,160,130
Total	442,961,946

* Attached are redlined pages of the budget providing adjustments and corrections.

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