



**Date:** 5/15/2026  
**To:** Council Member Alejandra Salinas  
**Attention:** Mr. Chris Chu de Leon, Deputy Assistant Director, Council Member Salinas' Office  
**From:** Houston Public Works  
**Subject:** FY 27 HPW Budget Workshop Questions

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#### SWMD Restructuring

- In FY26, SWMD was allocated \$22,598 for Heavy Trash Collections. The FY27 budget reflects HPW only being allocated \$8,558 for Heavy Trash Collection. What's the reason for this decrease and is this expected to result in a reduction in heavy trash collection services?
  - *HPW Reference: FY27 Proposed Budget, p. IV-52*
  - *SWMD Reference: FY27 Proposed Budget, p. IV-75*

The decrease is mainly due to separating Administrative (Admin) costs into their own standalone program beginning in FY27. In prior years, Admin costs were allocated across all programs, with Heavy Trash Collections absorbing about 30.12% of those costs (approximately \$17.5M). Now that Admin is budgeted separately, the Heavy Trash Collection program no longer carries its share of those allocated Admin costs, which results in a lower FY27 budget amount compared to FY26.

This change is a program adjustment rather than a service reduction. It is not expected to result in any decrease in heavy trash collection services.

- In FY26, SWMD was allocated \$1,234 and 14.1 FTEs for Illegal Dumping. The FY27 budget reflects that HPW has no specific budgeted program for illegal dumping. Is the illegal dumping program being reallocated in another program, and if so, which one? Is this expected to result in a reduction in illegal dumping clean up services?
  - *HPW Reference: FY27 Proposed Budget, p. IV-52*
  - *SWMD Reference: FY27 Proposed Budget, p. IV-75*

# memo

Beginning in FY27, the enforcement and inspection activities related to Illegal Dumping were realigned into the Admin Services program. Previously, these costs and FTEs were shown under a separate Illegal Dumping program within SWM.

This is only a program adjustment; there is no reduction in staffing or resources dedicated to illegal dumping, cleanup or enforcement. This change is not expected to result in any decrease in illegal dumping cleanup services.

- What are the performance targets and KPIs for investigation of illegal dumping cases? These seem to be no longer included in FY27.

The previously reported KPI's, "Average days to resolve cases", "Illegal dumping cases investigated", and "Illegal dumping cases resolved", are no longer published in the FY27 budget. These metrics continue to be tracked internally to monitor performance.

- In FY25, SWMD resolved 64% of illegal dumping investigations (5,576 or 8,646 cases), but in FY26, resolved cases dropped to 42% (3,619 of 8,517 cases). What is the reason for this decrease and how does the department intend to improve illegal dumping case resolution?
  - *SWMD Reference: FY27 Proposed Budget, p. IV-81*

The department lost 3 inspectors during the fiscal year and is expecting to rehire the vacant positions to ensure investigation efforts get back on track.

- What monetary commitments did we previously make as a result of the DOJ lawsuit related to illegal dumping? Is this commitment reflected in the current FY27 budget?

The city committed to spending \$17.8M from 2024-2025 as part of the One Clean Houston plan which is now completed. No commitments related to the DOJ lawsuit are reflected in the FY27 budget.

- In FY26, SWMD was allocated \$11,311 for Recycling Collection. The FY27 budget reflects HPW only being allocated \$4,642, for Recycling Collection. What's the reason for this decrease and is this expected to result in a reduction in recycling collection services?
  - *HPW Reference: FY27 Proposed Budget, p. IV-52*
  - *SWMD Reference: FY27 Proposed Budget, p. IV-75*



The decrease is mainly due to separating Admin costs into their own standalone program beginning in FY27. In prior years, Admin costs were allocated across all programs, with Recycling Collection absorbing about 12.07% of those costs (approximately \$7.2M). Now that Admin is budgeted separately, the Recycling Collection program no longer carries its share of those allocated Admin costs, which results in a lower FY27 budget amount compared to FY26.

This change is a program adjustment rather than a service reduction. It is not expected to result in any decrease in recycling collection services.

- In FY26, SWMD was allocated a collective \$36,359 for Residential Drop-Off Collections and Residential Waste Collections. The FY27 budget reflects HPW only being allocated \$8,960 for Residential Drop Off Collection, and no specific budgeted program for Residential Waste Collections. What's the reason for this decrease and is this expected to result in a reduction in waste collection services?
  - *HPW Reference: FY27 Proposed Budget, p. IV-52*
  - *SWMD Reference: FY27 Proposed Budget, p. IV-75*

The decrease is mainly due to separating Admin costs into their own standalone program beginning in FY27. In prior years, Admin costs were allocated across all programs, with Residential Waste Collections absorbing about 33.17% of those costs (approximately \$19.7M). Now that Admin is budgeted separately, these programs no longer carry their share of those allocated Admin costs, which results in a lower FY27 budget amount compared to FY26.

This change is a program adjustment and is not expected to result in any decrease in collection services.

- Is there any budget allocation directed toward repairing air conditioning within the SWMD truck fleet? If not, have there been any efforts to estimate what those costs may be? We have heard from both Director Hassen and workers that many trucks do not have functional air conditioning or have open work orders related to A/C. We have serious concerns for the safety of solid waste workers, especially as we approach the summer months.

The budget for A/C and other vehicle repair costs is included in the interfund vehicle services budget.

FMD has ensured that all vehicles with A/C issues will be taken out of service for repairs.

#### HPW Operations



- How much is being allocated toward the Ditch Re-Establishment Program?
  - In a previous email from HPW, dated April 8, HPW noted that the estimated budget to for the Roadside Ditch Re-Establishment Program in the FY27 budget would be \$25M plus a smaller rollover amount of \$2-3M remaining from the FY26 budget. However, Page IV – 43 indicates the Storm Water Fund only “Includes \$9 million funding for the implementation of the Roadside Ditch Re-establishment program.”

The Roadside Ditch re-establishment program is gradually moving to Capital Fund 4042. For FY27, the total budget is \$25 M; the “Transfer to Capital project” from DDSRF Drainage Fund 2310 includes \$16M for this program, and \$9M is budgeted in F2302 to finish the existing contracts. Moving forward, the whole program will be moved to Capital Fund 4042.

- At the same time, the collective budget allocation for Cost Centers “HPW - SWO-Major Ditch” and “HPW - SWO-Ditch Maint” is significantly reduced from \$49,702,793 in FY26 to \$32,644,465 in FY27, which seems to be incongruent with the above.  
This is consistent with moving \$16m of the ditch re-establishment budget to Capital Fund 4042 in FY27.
- Page XI – 10 indicates “In FY2027, \$76.3 million is expected to be spent on the maintenance of rights-of-way and drainage infrastructure such as storm sewers and roadside ditches (\$74.5 million).” What is the breakdown between budget allocation for storm sewers vs. roadside ditches?
  - Roadside ditch: 32,644,265 (cc10010)
  - Storm Sewer: 41,813,122



Cost Center	CC Name	Sum of FY2027 Budget	Maintenance of rights-of-way and drainage infrastructure	Storm sewers and roadside ditches
2000010001	HPW - SS-Support Service	7,335,314	7,335,314	7,335,314
2000010009	HPW - SWO-Vegetation Management	8,524,626	8,524,626	8,524,626
2000010010	HPW - SWO-Ditch Maint	32,644,265	32,644,265	32,644,265
2000010011	HPW - SWO-Storm Sewer	16,195,339	16,195,339	16,195,339
2000010013	HPW - SWO-Major Ditch	100	100	100
2000010017	HPW - SBT-Street Sweep	2,870,982	2,870,982	2,870,982
2000010018	HPW - SS-Special Project	600,000	600,000	600,000
2000010019	HPW - SWO-Technical Services	0	0	0
2000010021	HPW - SWO-Drainage Mitigation	0	0	0
2000020013	HPW - SS-311 Investigation Team	681,961	681,961	681,961
2000050002	HPW - Financial Management	27,983,300		
2000050027	HPW - Grants Management	0		
	HPW - Stormwater Quality			
2000060028	Enforcement	1,843,000	1,843,000	
2000060045	HPW - Dangerous Bldgs	19,150,000		
	HPW - OCE - SWO - Technical			
2000070019	Services	5,604,800	5,604,800	5,604,800
2000080001	HPW - IT Ops Mgmt	2,277,900		
	HPW - Safety & Environmental			
2000090003	Monitoring	267,600		
	HPW - Payroll, Time & Attendance.			
2000090005	Sal Cost	58,600		
	HPW - Storm Water Quality			
2000010012	Enforcement	0		
2000050032	HPW - ReBuild Houston	0		
<b>Grand Total</b>		<b>126,037,787</b>	<b>76,300,387</b>	<b>74,457,387</b>

- How many inspectors does HPW currently have employed and how many inspector vacancies are there?

# memo

**Active inspectors:**

Title	Average of Salary	Count
ASSISTANT CHIEF INSPECTOR	95,030.09	11
CHIEF INSPECTOR	98,692.67	3
COMMUNITY SERVICE INSPECTOR	49,534.40	60
INSPECTOR	71,132.44	217
PUBLIC INFR. INSPECTOR	65,023.54	85
PUBLIC INFR. INSPECTOR SUPV	88,566.00	6
SENIOR INSPECTOR	80,594.09	76
SENIOR PUBLIC INFR. INSPECTOR	76,711.25	8
Grand Total	69,842.17	466

- **Vacant positions:**

Title	Average of Salary	Count
ASSISTANT CHIEF INSPECTOR	93,908.00	2
COMMUNITY SERVICE INSPECTOR	48,774.09	23
INSPECTOR	66,501.29	41
PUBLIC INFR. INSPECTOR	64,701.78	18
PUBLIC INFR. INSPECTOR SUPV	83,729.00	1
PUBLIC INFR. INSPECTOR TRAINEE	41,760.00	1
SENIOR INSPECTOR	75,149.71	7
SENIOR PUBLIC INFR. INSPECTOR	76,003.00	2
Grand Total	63,203.66	95

- o How many inspectors are allocated toward addressing illegal dumping and similar 311 calls?

4 inspectors in total (in Solid Waste).



- o How many inspectors, if any, are allocated toward worksite safety inspections during city contractor-led construction projects? What are their primary duties?

The following applies to all of the service lines within Houston Public Works: Operations construction inspectors spend a portion of their work (about 5-10%) ensuring that the contractor is complying with safety related regulation (trench safety, ppe, etc). However, these construction inspectors are not the actual safety inspectors you would see from organizations such as OSHA, HR, etc. Safety inspectors would be the ones that show up on a job site and have the ability to fine our contractors should they fail to comply with safety regulations.

In other words, the operations groups within Houston Public Works does not have any dedicated safety inspector per se, but our construction inspectors do perform safety inspections as part of their job duties.

If there is a work-site safety concern, the inspector will notify the contractor foreman to make immediate corrections and/or contact Mobility to issue a citation or a ticket.

- o What is the average salary of an inspector?

Please see the table above for the average salary per category of inspector classes.

- How will the \$145M reduction in Pay-As-You-Go CIP funds impact maintenance? Is the plan to further defer maintenance or issue more debt? If deferred maintenance, what projects are expected to be cut and why?

The \$145 M reduction in paygo within the CUS should not impact maintenance. The paygo funding is applied to water and sewer CIP projects. Instead of using cash to pay for these projects, CUS will issue more debt.

#### HPW GL Category “Management Consulting”

In FY27, HPW has budgeted \$37,597,040 under “Management Consultin” [sic] line items, as defined by the GL Description, which is \$11M+ increase from FY26 estimated. What is the basis for this increase?

An \$11 M increase is not typically considered a huge increase considering the size of the department. There are always various contracts, studies and consultants in place.

- Further, what is the specific basis for the increase in HPW – CEC -> HPW - Management Support-> Management Consultin from \$809K in FY25, to \$521K estimated in FY26, to \$2.1M budgeted for FY27?



The year-to-year changes are driven by the timing and scope of various consultant vendor projects. Below is a summary of the primary cost drivers for each fiscal year:

- FY25: Alvarez & Marsal were engaged to continue work from prior years that would improve customer experience and process work flows as well as develop a plan review dashboard tool, which improved and streamlined the plan review process. **(\$809K)**
- FY26: The FY26 estimate includes:
  - the re-engagement of Alvarez & Marsal to enhance the plan review dashboard **(\$121K)**,
  - a portion of the cost for the EY study conducted for the HPW Department **(\$295K)**, and
  - An initial allocation for the upcoming Cost of Service Study to support financial and operational improvements. The remaining funding for the Cost of Service Study is being carried forward into FY27. **(\$100K)**
- FY27: The \$2.1M budget reflects the funding for the Cost of Service Study.
- Within all the line items under the GL description. Which functions currently supported by consultants could reasonably be performed by full-time City employees if staffing capacity, recruitment, or retention challenges were addressed?

The decision for the department to partner with contractors is an intentional strategy, driven by efficiency, expertise and operational flexibility, giving us the ability to scale up during emergencies and other unforeseen incidents.

Outside consultants are used primarily to provide specialized expertise, operational support, and project specific services that support the City's ongoing programs and initiatives. Consultant support currently includes management support, project coordination, financial and operational support, technical services, compliance activities, and administrative functions. While many of these functions could also be performed by full time City employees, outside consultants continue to provide flexibility, specialized knowledge, and additional capacity for complex or temporary assignments.

For Code Enforcement & Compliance (CEC) - The \$2.1M for Management Consultant Services funds the multi-department Cost of Service Study. This type of analysis is best performed by an independent third-party consultant to ensure objectivity, specialized expertise, and comprehensive evaluation across all participating departments and service functions.

For Office of City Engineer, all consulting services included in the budget are for specialized services that can't be reasonably performed by full-time City employees.



- Can the department provide a detailed breakdown of what services are included under the “Management Consulting” GL category, including the share attributable to engineering support, operational support, regulatory compliance, project management, strategic consulting, and temporary staffing?

The combined response to this question and the following question are included below.

- What portion of these expenditures are tied to one-time infrastructure delivery needs or federally mandated compliance obligations vs ongoing operational support that may continue year after year?

The GL is broken down by the major funds and cost centers within the HPW budget:

**Building Inspection Fund/Code Enforcement & Compliance (CEC)** - The \$2.1M for Management Consultant Services is fully dedicated to the multi-department Cost of Service Study. The work primarily consists of strategic consulting and analytical support related to operational assessments, regulatory compliance considerations, and evaluation of engineering and service delivery functions. No portion of the funding is allocated toward temporary staffing.

This is associated with a one-time, multi-department Cost of Service Study intended to support evaluation of private and public development-related city service delivery and cost structures. The expenditure is not intended to support ongoing annual operational consulting services.

**Project Cost Recovery Fund/Office of City Engineer** - The \$200K budgeted in 1001-70009 is for a one-time training program to certify 50 inspectors and is not expected to continue year after year, but the rest are expected to re occur. None are for any federally mandated compliance obligations.

**Water and Sewer Operating Funds/Financial Management Services:** CUS is conducting a cost-of-service water and sewer rate study, which is a consulting item and is a periodic expense every few years.

**For the remaining categories in the Water and Sewer Operating Funds/Regulatory Compliance and Utility Development/Drinking Water Operations/Wastewater Operations:**

Please see the attachment for a complete list.



Fund Name	Department	Division Name	Cost Center Name	GL Description	Previous Year E	Budget Amt
Building Inspection Spec	Houston P	HPW - CEC	HPW - Management Support	Managem	521,000	2,100,000
Combined Utility System	Houston P	HPW - Financial Manage	HPW - Financial Management	Managem	375,000	430,340
DDSRF - Drainage Charge	Houston P	HPW - Financial Manage	HPW - ReBuild Houston	Managem	1,500,000	1,500,000
Houston TranStar Center	Houston P	HPW - Management Support	HPW - Houston Transtar	Managem	5,000	16,500
Project Cost Recovery F	Houston P	HPW - OCE	HPW - OCE - CP Technical Support	Managem	-	200,000
Project Cost Recovery F	Houston P	HPW - OCE	HPW - OCE - OCE - Management	Managem	153,000	133,000
Project Cost Recovery F	Houston P	HPW - OCE	HPW - OCE - Real Estate Services	Managem	90,000	90,000
Project Cost Recovery F	Houston P	HPW - OCE	HPW - OCE - Project Support Services	Managem	10,000	30,000
Storm Water Fund	Houston P	HPW - Transportation & Dra	HPW - SWO-Storm Sewer	Managem	3,000	3,000
Storm Water Fund	Houston P	HPW - OCE	HPW - OCE - SWO - Technical Services	Managem	-	1,000
Water and Sewer Operat	Houston P	Houston Water	HPW - Houston Water Operations Support	Managem	10,900,000	12,850,000
Water and Sewer Operat	Houston P	Houston Water	HPW - DWO WP	Managem	4,950,000	5,850,000
Water and Sewer Operat	Houston P	Houston Water	HPW - NEWPP Expansion Operations and M	Managem	-	5,770,200
Water and Sewer Operat	Houston P	HPW - Financial Manage	HPW - Financial Management	Managem	2,195,000	1,700,000
Water and Sewer Operat	Houston P	Houston Water	HPW - Regulatory Compliance - Drink Water	Managem	1,500,000	1,550,000
Water and Sewer Operat	Houston P	Houston Water	HPW - DWO Technical Services	Managem	500,000	1,500,000
Water and Sewer Operat	Houston P	Houston Water	HPW - Planning	Managem	1,634,300	1,409,800
Water and Sewer Operat	Houston P	Houston Water	HPW - DWO East Water Purification Plant	Managem	-	880,100
Water and Sewer Operat	Houston P	HPW - Financial Manage	HPW - Grants Management	Managem	650,000	650,000
Water and Sewer Operat	Houston P	Houston Water	HPW - WWO WWIP	Managem	248,500	248,500
Water and Sewer Operat	Houston P	Houston Water	HPW - WWO Collection System Analysis	Managem	130,000	130,000
Water and Sewer Operat	Houston P	Houston Water	HPW - Regulatory Compliance - Wastewater	Managem	112,000	120,000
Water and Sewer Operat	Houston P	HPW - Office of the Director	HPW - MORR	Managem	80,000	80,000
Water and Sewer Operat	Houston P	HPW - Financial Manage	HPW - ERM	Managem	62,000	62,000
Water and Sewer Operat	Houston P	HPW - Management Support	HPW - Emergency Mgmt	Managem	10,900	50,000
Water and Sewer Operat	Houston P	Houston Water	HPW - DWO Executive Support	Managem	50,000	50,000
Water and Sewer Operat	Houston P	Houston Water	HPW - DWO System Maintenance - North	Managem	50,000	50,000
Water and Sewer Operat	Houston P	Houston Water	HPW - DWO System Maintenance -South	Managem	50,000	50,000
Water and Sewer Operat	Houston P	HPW - Financial Manage	HPW - OBO	Managem	45,600	45,600
Water and Sewer Operat	Houston P	Houston Water	HPW - HW Executive Support	Managem	35,000	35,000
Water and Sewer Operat	Houston P	HPW - Office of the Director	HPW - Chief Operating Officer	Managem	-	12,000