



OVERTIME

ANALYZING TRENDS AND COST IMPACT

BUDGET/FISCAL AFFAIRS COMMITTEE

April 1, 2025

OFFICE OF CITY CONTROLLER CHRIS HOLLINS

Contents

- **Approach and Overview**

- Solid Waste Overtime
- Police Overtime
- Fire Overtime
- Summary and Next Steps

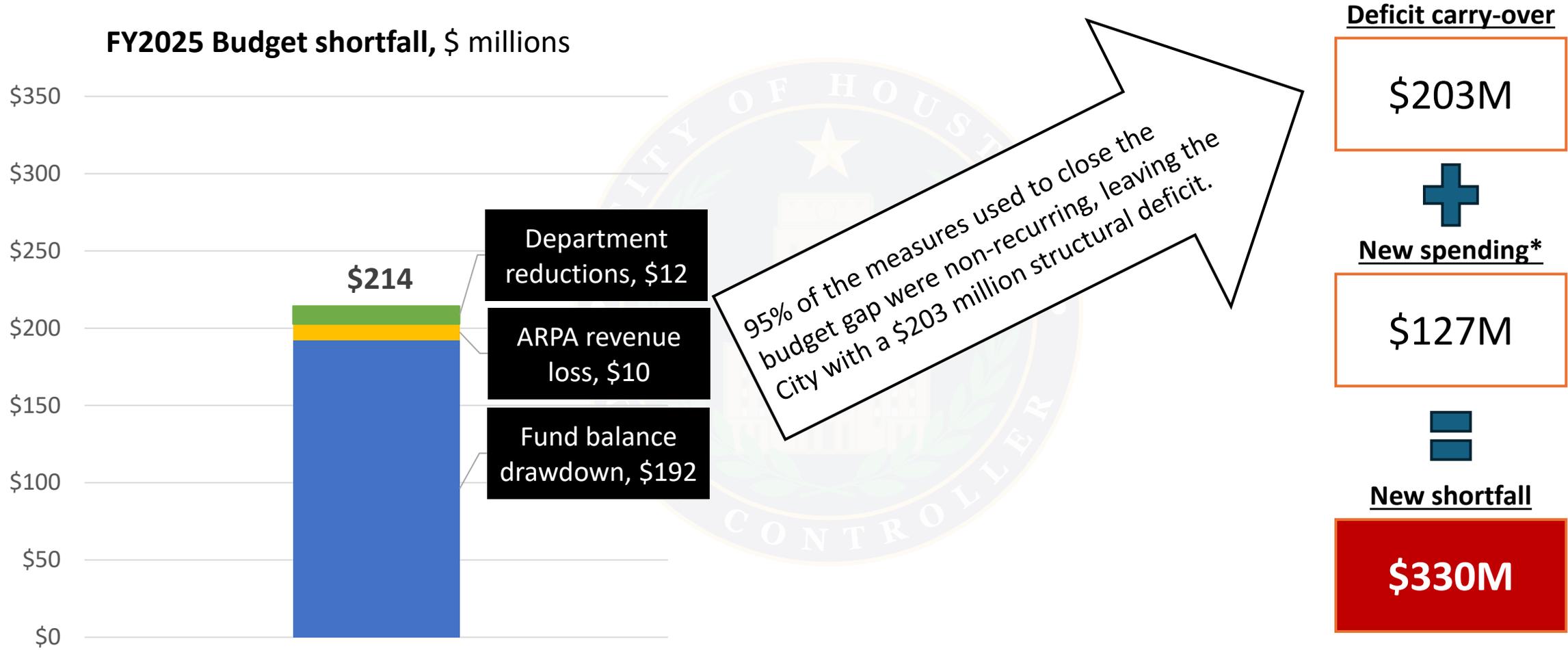


This review focuses on key aspects of overtime related to the General Fund deficit

- **This review focuses exclusively on General Fund overtime**
 - Given the significant budget shortfall, maintaining awareness, transparency, and control over spending is essential
- **Primary focus areas for overtime:**
 - **Civilian:** Solid Waste – the largest overtime spender among civilian departments
 - **Classified:** Police and Fire – both significant drivers of overtime
- **Key areas of analysis:**
 - Examining historical overtime trends;
 - Identifying key drivers of overtime; and
 - Understanding payroll impact



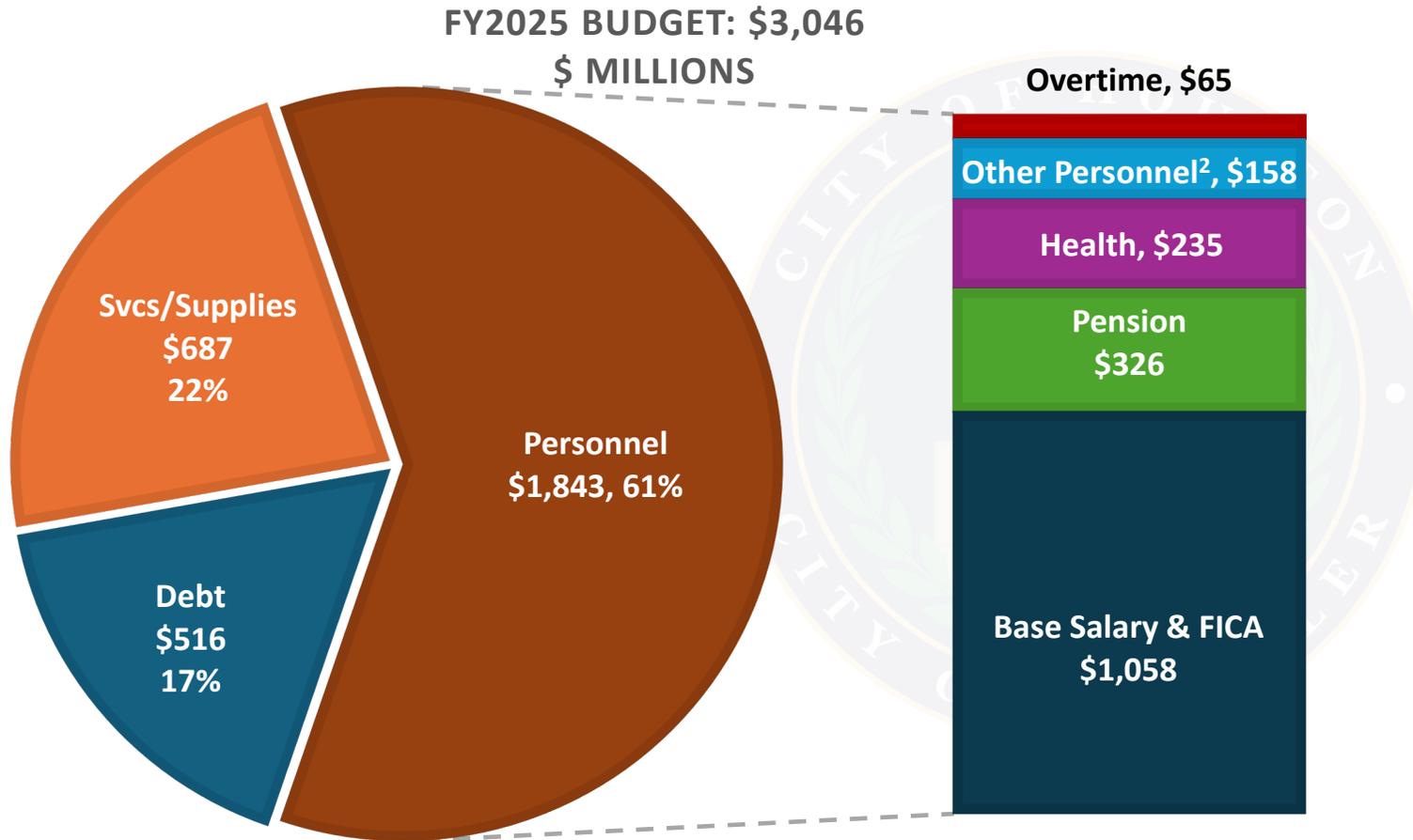
The FY25 Budget is operating on a \$330M structural deficit



* Includes adjustments for pay increases and other contractual obligations + \$100M for RBH to comply with 11.8 cent full contribution



Overtime represents \$65M of the FY25 General Fund Budget¹



- **Total personnel cost represents \$1.8 billion, or 61% of the budget**
 - Classified personnel represent $\frac{3}{4}$ of personnel budget
 - Civilian personnel represent $\frac{1}{4}$
- **Overtime represents \$65 million, or 4% of personnel budget**

1. All references to the budget going forward will refer to the FY25 General Fund Budget.
 2. Other personnel cost include items such as special pays, phasedown, and other fringe costs.



What is overtime?

- Overtime for civilian and classified employees is established in the City's Code of Ordinances
- For non-exempt municipal and police classified employees, overtime is time actually worked in excess of 40 hours in a workweek
- Dependent upon the duty assignment and work cycle of a firefighter, overtime is time actually worked in excess of either:
 - a. 40 hours in a workweek; or
 - b. An average of 46.7 hours as authorized by the provisions of Article 1269(p)
- **“Time actually worked”** typically includes the time the employee is on duty, holidays, authorized sick leave, vacation leave, or other leave types which may vary for each employee group
- For more details on overtime compensation, please refer to relevant ordinances:
 - [Civilian: Sec.14-168](#)
 - [Police: Sec.34-35](#)
 - [Fire: Sec.34-59](#)



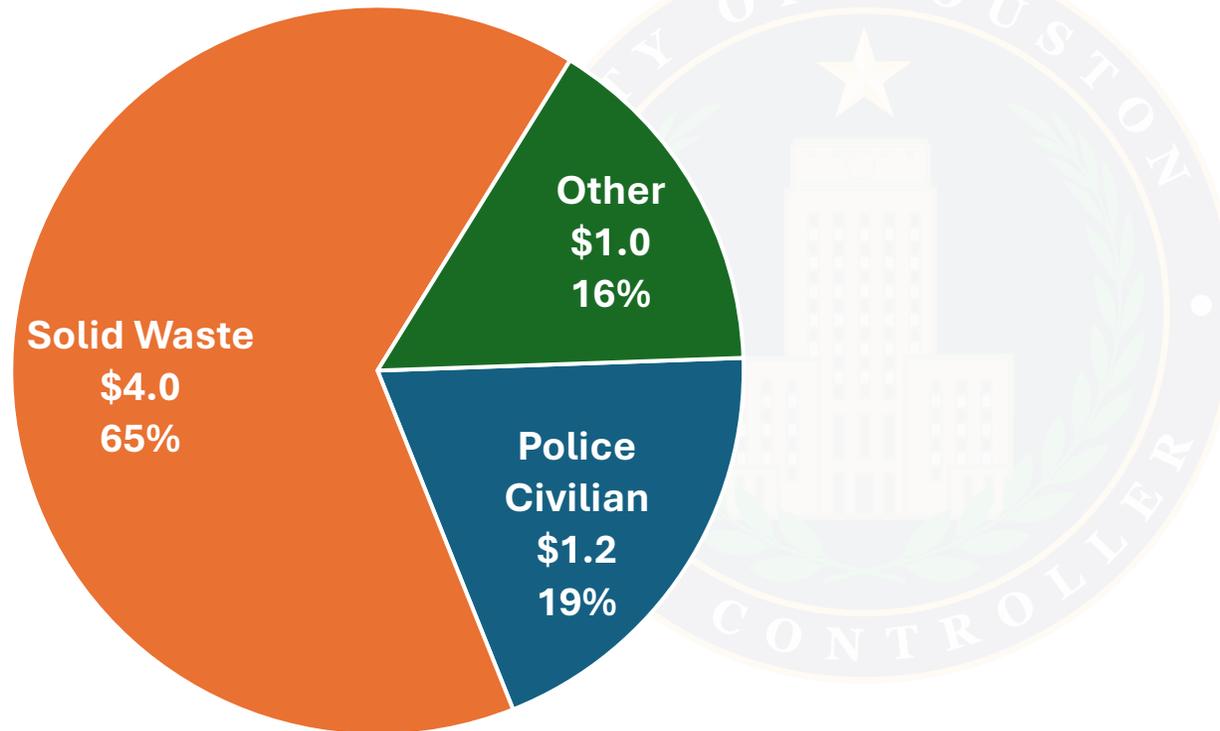
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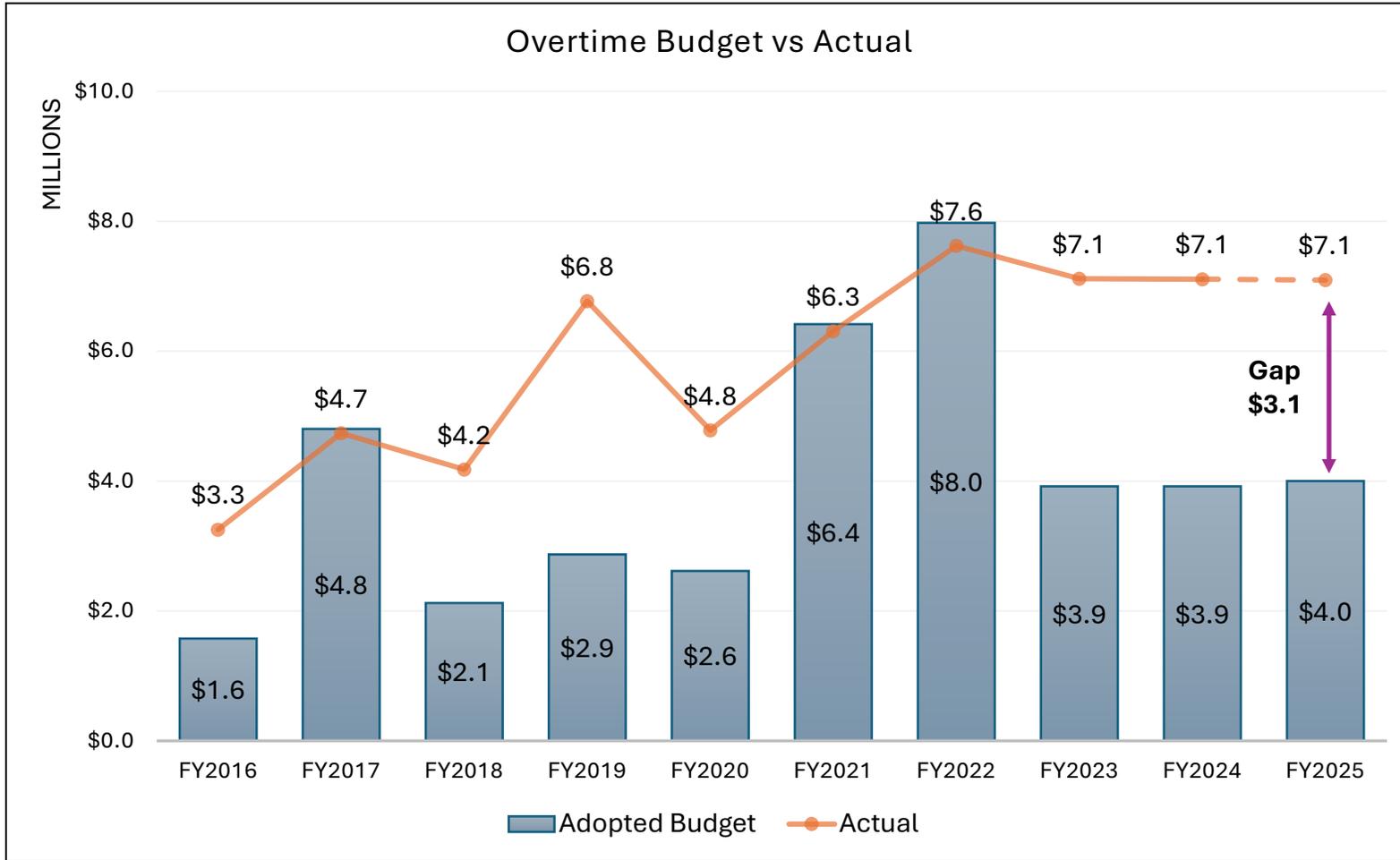
Solid Waste makes up 65% of the civilian overtime budget

FY2025 Civilian Overtime Budget = \$6.2 Million



- **Solid Waste** makes up \$4M of the \$6.2M civilian overtime budget (65%)
- **Police Civilian** makes up an additional \$1.2M (19%)
- **Seven other departments** make up the remaining \$1M (16%)

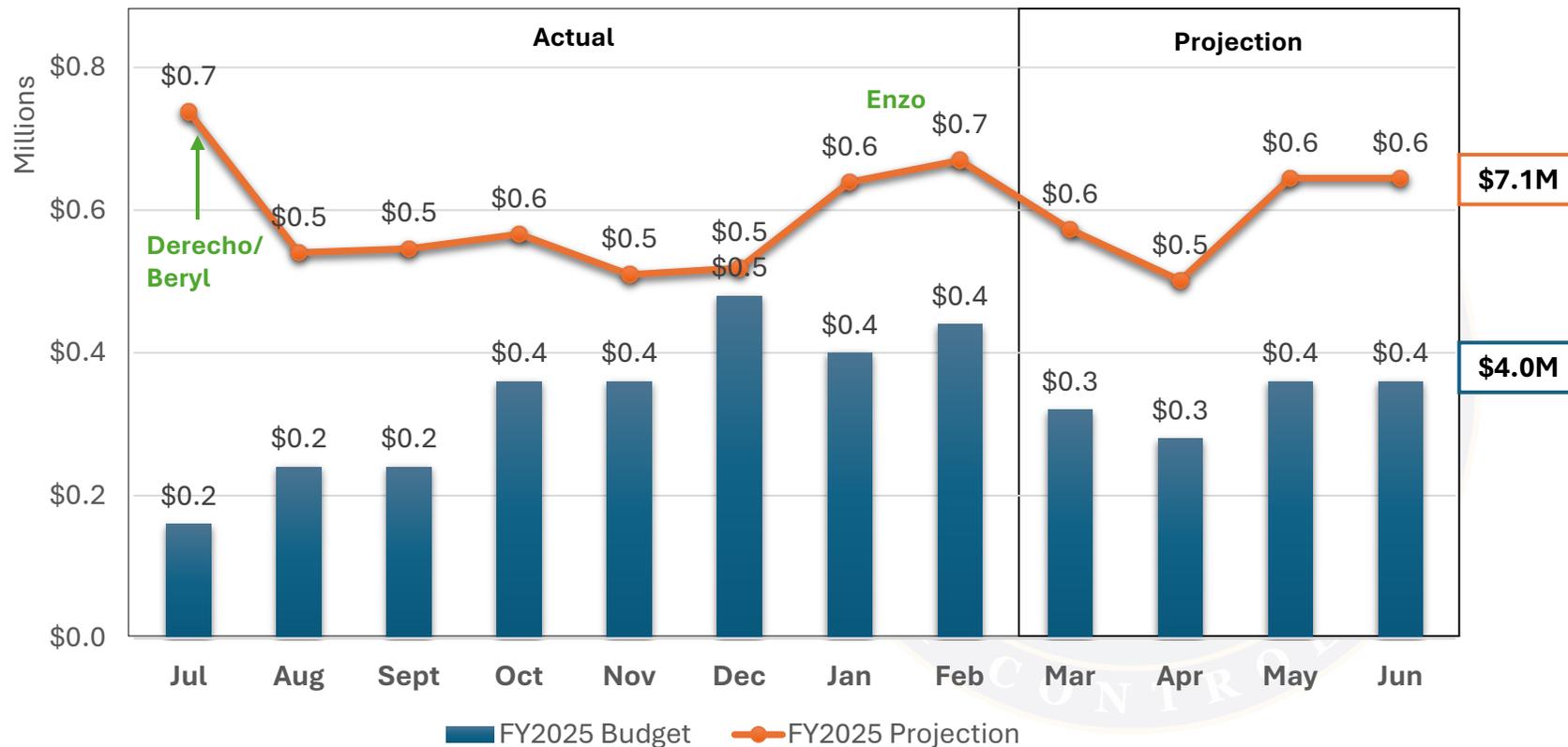
Solid Waste overtime has significantly exceeded its budget for 7 of the last 10 years



- Solid waste overtime expenditures have **risen nearly 120%** compared to FY2016
- The FY2025 projection of \$7.1M is expected to **surpass the current budget by \$3.1M (75%)**
- **Vacancy savings may not be sufficient to cover the overage**, as Solid Waste is trending over budget in refuse disposal and temporary personnel services



FY2025 monthly spend is consistently outpacing budget



- Overtime spend has exceeded budget every month this fiscal year
- YTD spend exceeded the annual budget (\$4.0M) in January
- Some of the overage in July and Jan/Feb may be due to impacts from the Derecho Storm, Hurricane Beryl, and Winter Storm Enzo

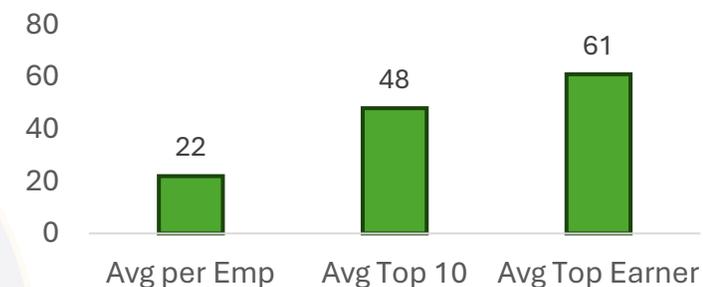


The average Solid Waste overtime worker has already received over \$13K in overtime pay*

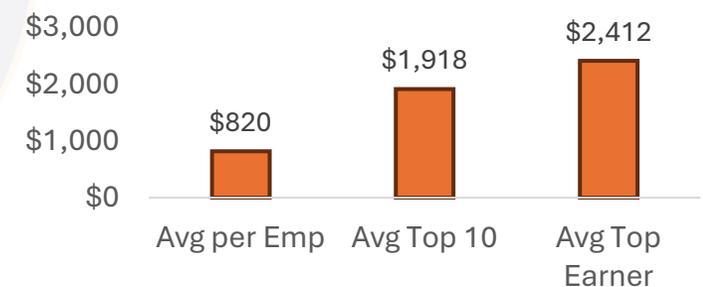
Job Classification	Through Pay period 03/21				
	Head Count	OT Hrs	OT Paid	% of Total	Avg Amount Paid
SENIOR SIDELOADER OPERATOR	180	68,726	\$2,478,372	49%	\$13,769
SENIOR REFUSE TRUCK DRIVER	77	29,982	\$1,060,189	21%	\$13,769
EQUIPMENT OPERATOR III	33	12,820	\$477,796	9%	\$14,479
SIDELOADER OPERATOR	29	7,644	\$261,841	5%	\$9,029
OTHER	65	22,122	\$779,712	15%	\$11,996
Total	384	141,293	\$5,057,909	100%	\$13,172

Note: The headcount reflects only employees who received overtime, not the department's total headcount.

Average Hours Per Pay Cycle



Average \$ Paid Per Pay Cycle



Based on 80 hour pay cycle for 19 pay periods, excluding off cycle check days

* As of 3/21/25 check date.

Final pay estimates are subject to change due to accruals and adjustments.



The 10 highest Solid Waste overtime earners are projected to earn an additional ~90% in income this year on average

#	Job Title	OT Hrs as of 03/21	OT Paid as of 03/21	OT Annualized*	Annual Salary	OT as a % of Salary
1	SENIOR SIDELOADER OPERATOR	1,160	\$45,824	\$62,707	\$55,973	112%
2	SENIOR REFUSE TRUCK DRIVER	989	\$33,664	\$46,067	\$44,387	104%
3	SENIOR SIDELOADER OPERATOR	896	\$41,389	\$56,638	\$55,432	102%
4	SENIOR SIDELOADER OPERATOR	888	\$36,704	\$50,226	\$56,763	88%
5	SENIOR SIDELOADER OPERATOR	878	\$31,186	\$42,676	\$49,317	87%
6	SENIOR SIDELOADER OPERATOR	878	\$35,702	\$48,856	\$56,763	86%
7	SENIOR SIDELOADER OPERATOR	858	\$32,064	\$43,877	\$53,934	81%
8	SENIOR SIDELOADER OPERATOR	843	\$30,083	\$41,167	\$47,819	86%
9	EQUIPMENT OPERATOR III	834	\$29,163	\$39,907	\$50,128	80%
10	SENIOR SIDELOADER OPERATOR	827	\$29,055	\$39,760	\$47,819	83%
Total		9,049	344,836	\$471,881	\$518,335	91%

* The annualized amount represents the average OT pay through 19 pay periods (03/21) x 26 total pay periods.



Actions taken to address Solid Waste overtime have not had the desired impact

Stated causes

- Staffing shortages
- Challenges recruiting

-
- Age of fleet

-
- Growing city
 - Expanded neighborhood depository hours

Mitigating actions

- Up to **6% market rate pay adjustments** for critical positions in FY2023
- **\$5K sign-on incentive pay** for Solid Waste drivers began in FY2022 and continues today
- **80 new vehicles** added to the fleet in FY2024
- **Contract services** brought in to supplement SWD heavy trash pickup services

Current status

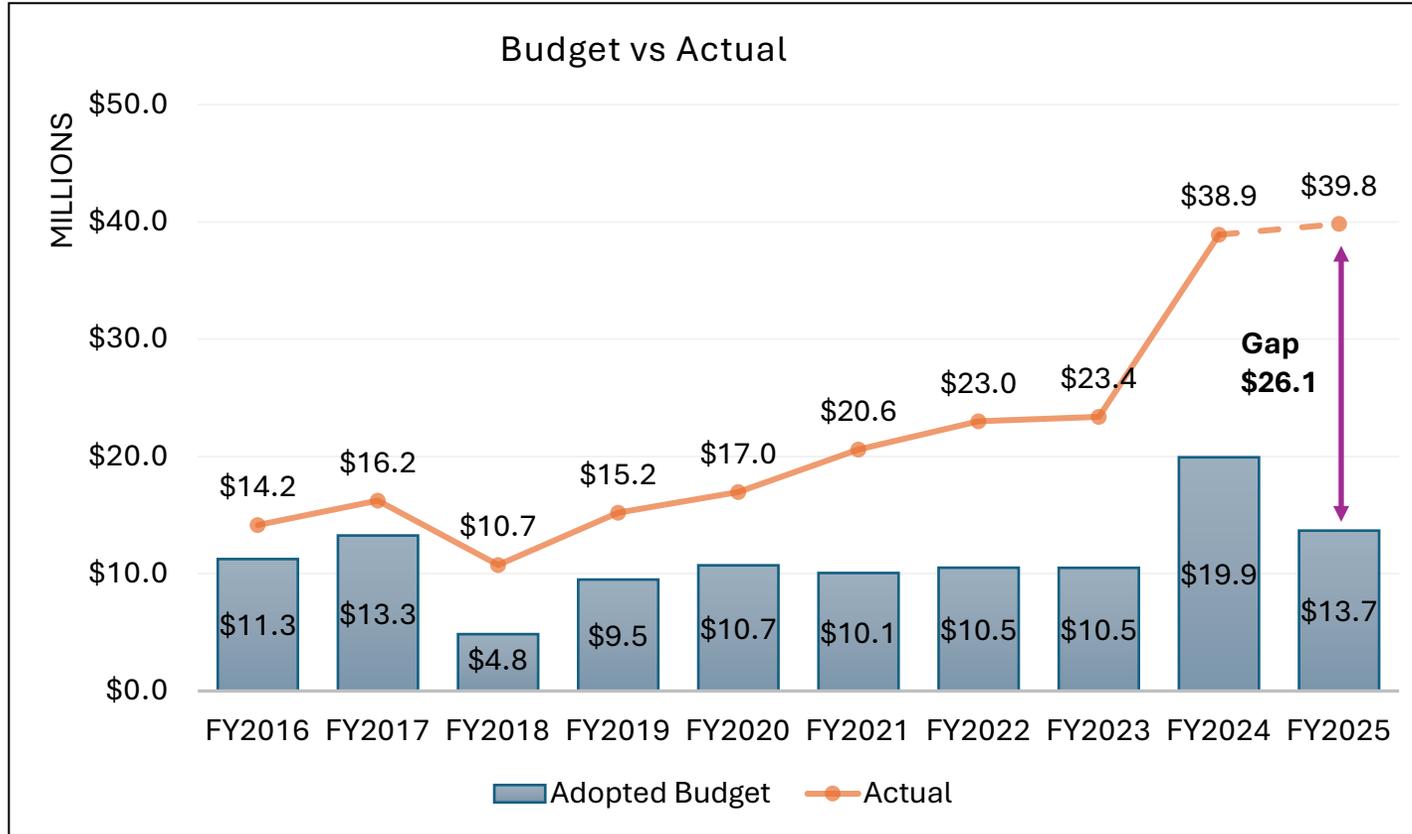
- **Overtime continues to exceed the budget and shows no signs of slowing down**
- **Spending on contract services has increased, with no offsetting reduction in overtime cost**
- **Missed trash pickup remains a top 311 complaint**

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Police overtime has exceeded budget for the last 10 years, with the gap reaching record highs since FY2024

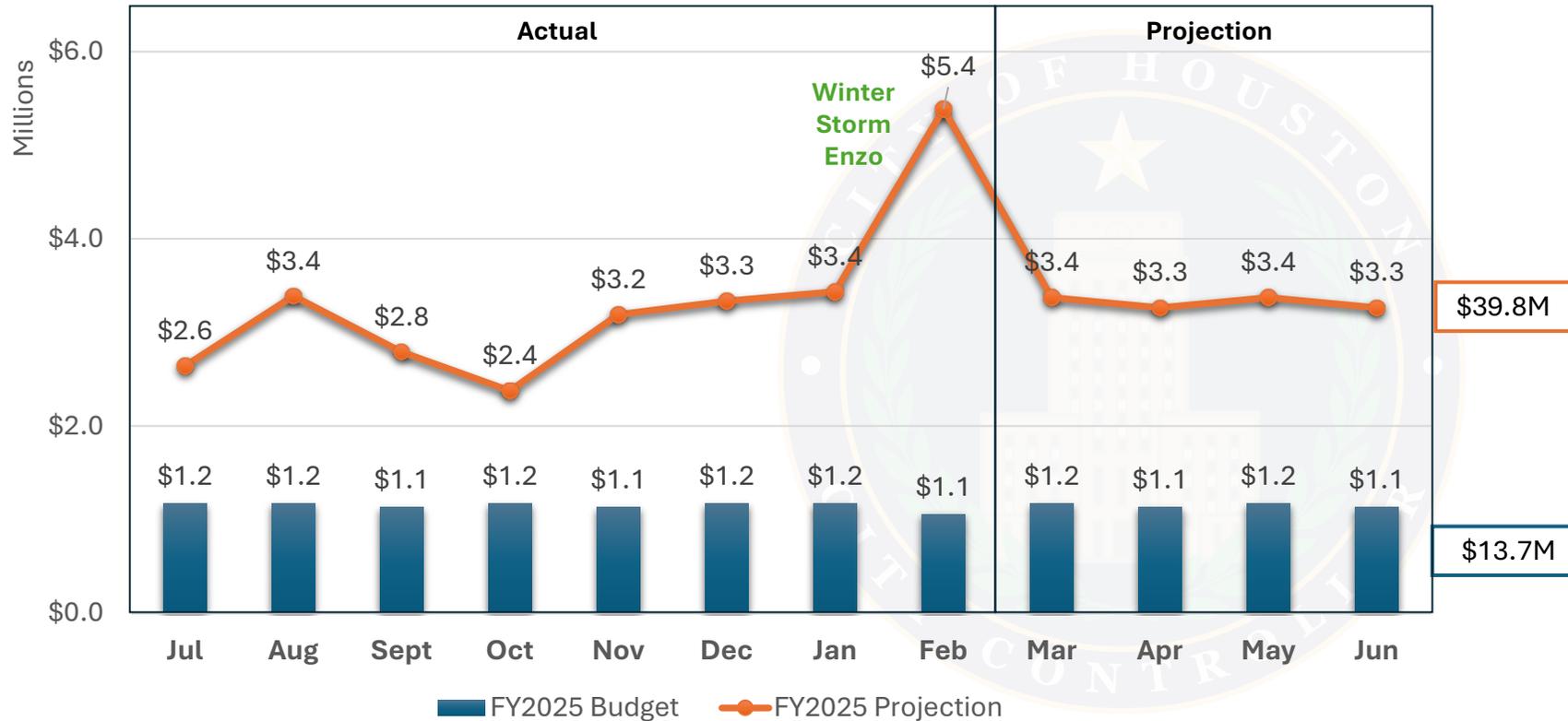


- Police overtime expenditures have **risen more than 180%** compared to FY2016
- The FY2025 projection of \$39.8M* is expected to **surpass the current budget by \$26.1M (190%)**
- HPD has previously offset overtime overages using vacancy savings; however, **FY2025 may present greater challenges due to the rise in violent crime** and uncertainty surrounding federal funding for disaster-related overtime

* FY2025 excludes disaster overtime for the windstorm and Beryl. If these costs remain in the General Fund, an additional \$12 million will need to be added to the projected total, bringing it to roughly \$52 million.



FY2025 monthly spend is outpacing the budget every month



- Overtime spend has exceeded budget every month this fiscal year
- YTD spend exceeded the annual budget (\$13.7M) in November
- February spike includes the impact of Winter Storm Enzo. These cost are not eligible for reimbursement and will have to be absorbed in the General Fund



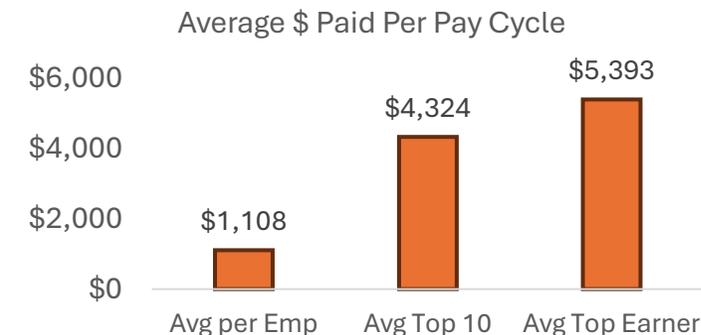
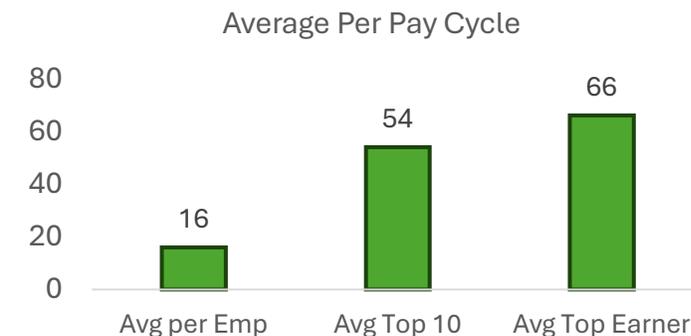
The average Police overtime worker has already received over \$8K in overtime pay*

Job Classification	Through Pay period 03/21				
	Head Count	OT Hrs	OT Paid as of 03/21	% of Total	Avg Amount Paid
SENIOR POLICE OFFICER	1,652	210,843	\$15,865,269	37.2%	\$9,604
POLICE OFFICER	2,287	264,636	\$15,402,895	36.2%	\$6,735
POLICE SERGEANT	949	117,650	\$10,240,047	24.0%	\$10,790
POLICE LIEUTENANT	183	11,441	\$703,453	1.7%	\$3,844
POLICE CAPTAIN	42	2,722	\$190,276	0.4%	\$4,530
POLICE TRAINEE	50	881	\$56,216	0.1%	\$1,124
POLICE OFFICER, PROBATIONARY	92	1,114	\$64,865	0.2%	\$705
ASSISTANT POLICE CHIEF	8	473	\$39,159	0.1%	\$4,895
EXECUTIVE ASSISTANT POLICE CHIEF	4	258	\$26,134	0.1%	\$6,534
DEPUTY EXECUTIVE ASSISTANT POLICE CHIEF	1	67	\$6,288	0.0%	\$6,288
Total	5,268	610,084	\$42,594,603	100%	\$8,086

Note: The headcount reflects only employees who received overtime, not the department's total headcount.

* As of 3/21/25 check date.

Final pay estimates are subject to change due to accruals and adjustments.



Based on 80 hour pay cycle for 19 pay periods, excluding off cycle check days



The 10 highest Police overtime earners are projected to earn an additional ~120% in income this year on average

#	Job Title	OT Hrs	OT Paid as of 03/21	OT Annualized*	Annual Salary	OT as a % of Salary
1	SENIOR POLICE OFFICER	1,252	\$102,459	\$140,207	\$91,995	152%
2	POLICE SERGEANT	1,033	\$92,310	\$126,320	\$106,051	119%
3	POLICE SERGEANT	1,023	\$89,448	\$122,402	\$106,051	115%
4	SENIOR POLICE OFFICER	1,161	\$87,151	\$119,260	\$84,016	142%
5	SENIOR POLICE OFFICER	984	\$77,432	\$105,960	\$91,995	115%
6	SENIOR POLICE OFFICER	959	\$74,110	\$101,414	\$91,995	110%
7	SENIOR POLICE OFFICER	963	\$73,174	\$100,133	\$91,995	109%
8	SENIOR POLICE OFFICER	900	\$71,823	\$98,284	\$91,995	107%
9	SENIOR POLICE OFFICER	938	\$71,200	\$97,432	\$91,995	106%
10	SENIOR POLICE OFFICER	872	\$69,443	\$95,027	\$91,995	103%
Total		10,084	\$808,550	\$1,106,437	\$940,083	118%

* The annualized amount represents the average OT pay through 19 pay periods (03/21) x 26 total pay periods.



Actions taken to address Police overtime have not had the desired impact

Stated causes

- Staffing shortages
- Challenges recruiting

Mitigating actions

- **\$10K limited sign-on incentive for cadets** in FY2023 until ARPA funds are expended
- **\$10K increase in cadet salary and one-time \$5K incentive** for completing academy and TCOLE certification in FY2025
- **Increased number of cadet classes** offered and number of cadets in each class

Current status

- **Overtime continues to exceed the budget and shows no signs of slowing down, reaching an all-time high budget overage each of the last two years**

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- Increase in violent crime
 - Some disaster costs not eligible for federal reimbursement

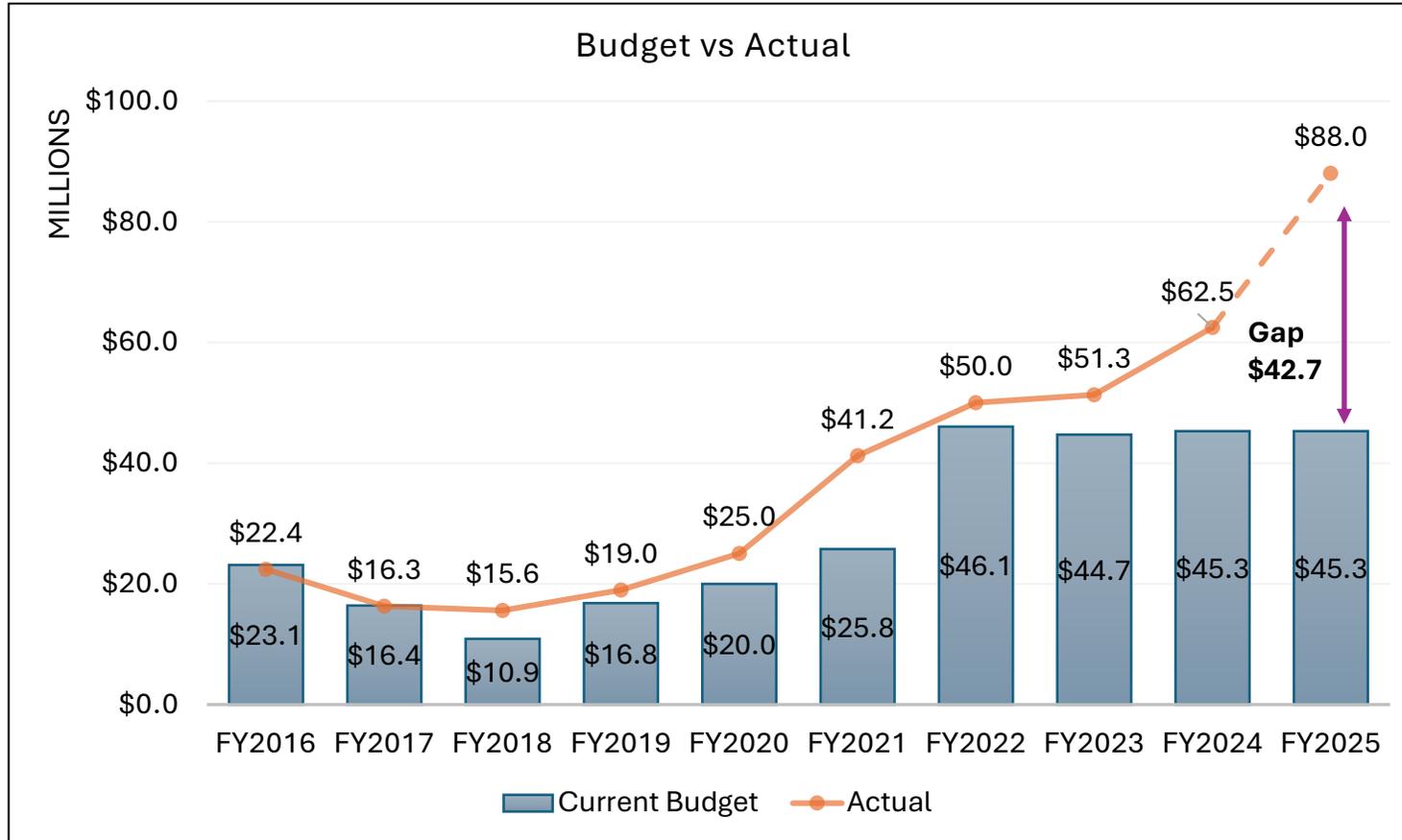
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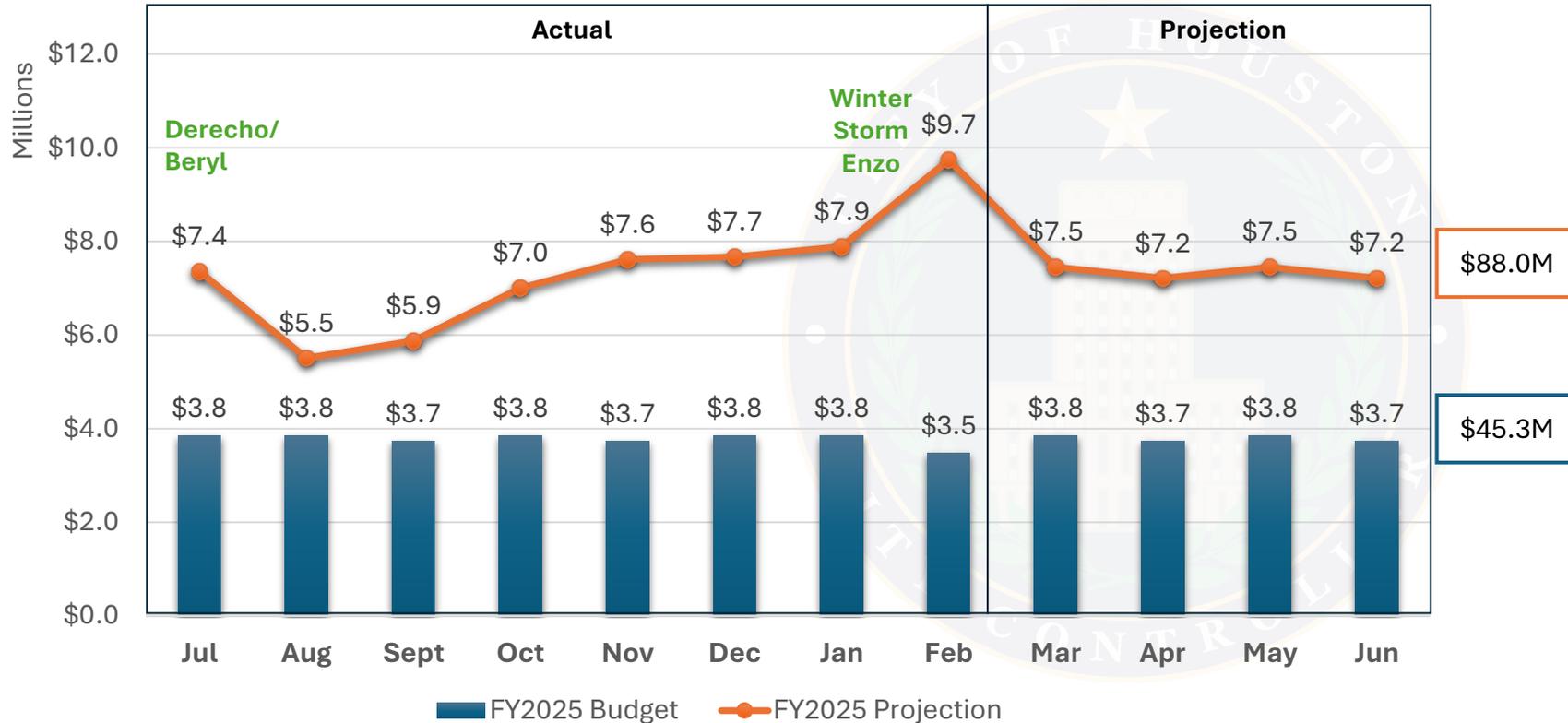
Fire overtime remained roughly in line with budget until the last two years, reaching record high gaps



- Fire overtime expenditures have **risen more than 290%** compared to FY2016
- The FY2025 projection of \$88.0M* is expected to **surpass the current budget by \$42.7M (94%)**
- **In the past, excess overtime costs could be offset by salary savings; however, that will not be the case this year with additional overages expected in special pays and phasedown**

*FY2025 excludes the \$650 million back pay settlement agreement for overtime

FY2025 monthly spend is outpacing the budget every month



- Overtime spend has exceeded budget every month this fiscal year
- YTD spend exceeded the annual budget (\$45.3M) in January
- July may reflect the impact of the Derecho Storm and Hurricane Beryl
- February spike includes the impact of Winter Storm Enzo. These costs are not eligible for reimbursement and will have to be absorbed in the General Fund



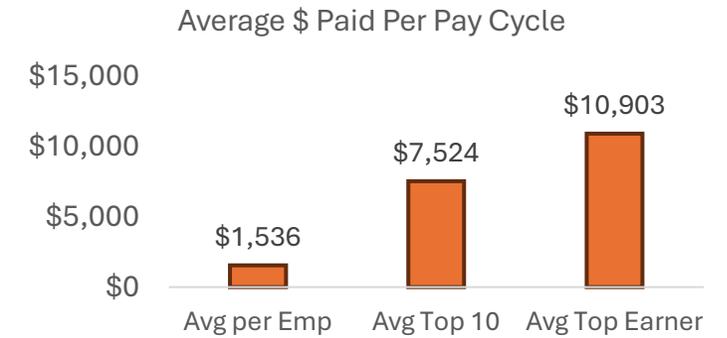
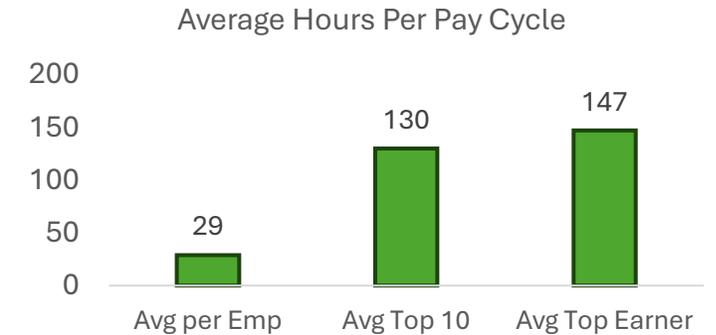
The average Fire overtime worker has already received over \$17K in overtime pay*

Job Classification	Through Pay period 03/21				
	Head Count	OT Hrs	OT Paid as of 03/21	% of Total	Avg Amount Paid
FIRE FIGHTER	1,476	572,380	\$26,480,738	41.2%	\$17,941
ENGINEER/OPERATOR	1,108	328,597	\$17,723,696	27.6%	\$15,996
CAPTAIN	429	137,461	\$8,369,987	13.0%	\$19,510
SENIOR CAPTAIN	200	57,219	\$3,953,550	6.2%	\$19,768
DISTRICT CHIEF	107	32,012	\$2,486,454	3.9%	\$23,238
INSPECTOR FIRE	102	35,360	\$2,438,246	3.8%	\$23,904
COMMUNICATIONS CAPTAIN	60	11,908	\$781,509	1.2%	\$13,025
OTHER CLASSIFICATIONS	190	27,359	\$1,964,610	3.1%	\$10,340
Total	3,672	1,202,296	\$64,198,789	100%	\$17,483

Note: The headcount reflects only employees who received overtime, not the department's total headcount.

* As of 3/21/25 check date.

Final pay estimates are subject to change due to accruals and adjustments.



Based on 93.4 hour pay cycle for 19 pay periods, excluding off cycle check days



The 10 highest Fire overtime earners are projected to earn an additional ~230% in income this year on average

#	Job Title	OT Hrs	OT Paid as of 03/21	OT Annualized*	Annual Salary	OT as a % of Salary
1	SENIOR CAPTAIN	2,799	\$207,161	\$283,484	\$102,655	276%
2	FIRE FIGHTER	2,598	\$159,720	\$218,564	\$80,214	272%
3	CAPTAIN	2,570	\$157,689	\$215,785	\$92,519	233%
4	FIRE FIGHTER	2,591	\$146,145	\$199,987	\$80,214	249%
5	ENGINEER/OPERATOR	2,387	\$134,007	\$183,378	\$82,755	222%
6	CAPTAIN	1,689	\$133,428	\$182,586	\$92,519	197%
7	FIRE FIGHTER	2,630	\$133,418	\$182,572	\$75,744	241%
8	FIRE FIGHTER	2,594	\$126,477	\$173,074	\$68,970	251%
9	ENGINEER/OPERATOR	1,959	\$111,971	\$153,224	\$82,755	185%
10	ENGINEER/OPERATOR	1,851	\$111,932	\$153,171	\$82,755	185%
Total		23,667	\$1,421,949	\$1,945,825	\$841,100	231%

* The annualized amount represents the average OT pay through 19 pay periods (03/21) x 26 total pay periods.

Actions taken to address Fire overtime have not had the desired impact

Stated causes

- Staffing shortages
- Challenges recruiting

Mitigating actions

- **6% annual raises** in FY2022, FY2023, and FY2024
- **\$5K limited sign-on incentive for cadets** starting in FY2023 until ARPA funds are expended
- **\$650 million in backpay (~\$150K to median firefighter)** as part of historic settlement
- **10% raise in FY2025, with raises of up to 6% for the four following years**

Current status

- **Overtime continues to exceed the budget and shows no signs of slowing down, reaching an all-time high budget overage each of the last two years**

-
- Disaster cost not eligible for federal reimbursement

- n/a

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Summary of overtime trends and cost impact

- With a **\$330 million budget shortfall**, a thorough analysis of all budget areas is essential
- Combined overtime for Solid Waste, Police, and Fire **could exceed the FY2025 budget by \$72 million**
- **Monthly overtime spending in FY2025 is surpassing budgeted levels each month and is projected to reach record highs**
- It remains uncertain whether salary savings, if any, can help offset these overtime expenses, **leaving the fund balance as the only solution to cover budget overages**

The Audit Division plans to complete audit engagements that will provide further insight into overtime across these three areas

Excerpt from FY2025 Audit Plan

Project	COH Department	Summary
Payroll: Uniformed Overtime	Houston Fire Department	The ERA identified Payroll as a key business process with a “High” risk ranking. The audit will assess whether internal controls are adequate to ensure appropriate use and accurate payment of overtime, and whether procedures and practices are following City policies. Key objectives of the audit include assessing the management of overtime to minimize financial and operational risks, as well as identifying instances of waste or misuse. The scope of the audit will cover the past four years and will also include a review of backpay to ensure compliance and accountability.
	Houston Police Department	
Payroll: Civilian Overtime (In-Progress Engagement)	City-Wide	The City of Houston has spent an average of \$40 million per year on civilian overtime costs in recent fiscal years. The audit will assess whether internal controls are adequate to ensure appropriate use and accurate payment of overtime, and whether procedures and practices follow City policies. The audit will evaluate how overtime is managed, limit financial and operational impact, and identify waste or abuse.

THANK YOU!

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