

SUMMARY OF FY2027 CITY COUNCIL ACTIONS

ORDINANCE NUMBER	DATE ADOPTED	SUMMARY
Ord. #2026-0516	Jun 10, 2026	Ordinance approving annual Budget for Fiscal Year 2027 (July 1, 2026 – June 30, 2027).
Ord. #2026-0517	Jun 10, 2026	Adoption of Interim Spending Plan Appropriation Ordinance for the Fiscal Year beginning July 1, 2026.
Motion #2026-0338	Jun 10, 2026	Substitute: To fund the operation of the Crisis Call Diversion Center and three additional crisis call diversion call taker positions at the Houston Emergency Center (HEC), \$216,000 shall be moved out of a fund to be determined by the Administration and into the Health Department's budget. This will allow for activation of a fourth crisis call diversion call taker position funded with matching funds from the awarded States of Texas's Community Mental Health Grant.
Motion #2026-0339	Jun 10, 2026	Substitute: To fund one additional Licensed Therapist (LPHA) position as part of a Crisis Intervention Response Team (CIRT), \$115,000 shall be moved out of a fund to be determined by the Administration and into the Health Department's budget.
Motion #2026-0340	Jun 10, 2026	Referred to the Budget and Fiscal Affairs Committee: For the FY 2027 budget, each department director and the finance director must report quarterly to the Budget and Finance Committee on projected overages above council-approved expenditure amounts for overtime, travel, office supplies, and food.
Motion #2026-0341	Jun 10, 2026	Referred to the Housing and Affordability Committee: As part of the FY 2027 budget process, the Housing and Community Development (HCD) shall submit to the council a line-item accounting of how TIRZ affordable housing fund out of Fund 2409 has been spent in the prior year. The report shall include, at a minimum, dates, vendors, amounts, and the purpose of each expenditure. In addition, HCD shall report to council no later than September 1st, 2026, how it plans to spend the TIRZ affordable housing funds out of Fund 2409.
Motion #2026-0342	Jun 10, 2026	Referred to the Economic Development Committee: As part of the FY 2027 budget process, the Mayor's Office of Economic Development shall report to the Economic Development Committee on all current economic development agreements, including 380's, IDAs, 313s, and tax abatements. The report shall contain information on the benefits realized by the city, the amount of the abatement, the amount of revenue foregone (if any) per agreement, and the expiration date of each agreement.

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Motion #2026-0343	Jun 10, 2026	Substitute: Transfer \$3,000,000 from GL 520124, Fund 8300, to address illegal dumping through efforts including hiring additional solid waste workers; purchasing more equipment such as roll-off services; expanding accessibility and hours of legal disposal sites; purchasing of CCTV cameras for surveillance of chronic dumping sites; anti-illegal dumping signage; support increased enforcement actions under Houston Code of Ordinances § 10-482 and Texas Health and Safety Code Chapter 365; the clean-up of reported chronic dump sites; clearing of overgrowth at chronic dump sites; and education materials informing residents and business owners of legal disposal options. The transfer shall not delay or impair essential repairs, maintenance, emergency response or utility operations. HPW should submit quarterly reports to City Council on expenditures and KPIs, including the number of workers hired, sites cleaned, cameras and signs installed, average days to resolve cases, number of cases investigated and resolved and enforcement referrals. Note: The Burns McDonnell Solid Waste Cost of Service and Enterprise Fund Study (Table 3-6) cited the FY27 revenue requirement to address illegal dumping as \$2,884,000. Chronic dump sites should prioritize neighborhoods with the most frequent illegal dumping cases, per Houston's illegal dumping heat map, to include Acres Homes, East End, Fifth Ward, Independence Heights, OST, Pleasantville, Settegast, South Union, Sunnyside, Third Ward, Trinity/Houston Gardens and other impacted neighborhoods identified through city 311 data and community input.
Motion #2026-0344	Jun 10, 2026	Section 20. That the administrative fee set forth in Section 18 in the amount of five dollars (\$5.00) for Fiscal Years 2027 and 2028 shall remain in effect at that amount thereafter unless City Council approves a change to the administrative fee amount; provided however, the fee amount shall not exceed twenty-five dollars (\$25.00) per residential unit customer, which represents the cost to the City at the time of this Ordinance of providing garbage collection and disposal services. Prior to the FY29 budget, and potential increase of the administrative fee, the Administration shall provide City Council a written analysis evaluating whether there is sufficient available fund balance within the cost centers within the utility fund related to solid waste to reduce, offset, or eliminate the administrative fee for the upcoming fiscal year for those who are disabled, qualified veterans, or senior citizens.

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Motion #2026-0345	Jun 10, 2026	Sec. 39-62. - General specifications. (a) The following specifications and service conditions shall apply to residential unit customers who receive basic garbage collection service and extra capacity service: (1) Container and administrative fees. a. The division shall provide one automated service container and one automated recycling container to each residential unit customer. The monthly fee for the provision, management, and use of the containers for basic garbage collection service is stated in the city fee schedule. The fee shall be paid annually in advance by the residential unit customer in accordance with billing procedures established by the director; provided that upon presentation of a city water account number, the city may bill the basic garbage collection service fee to the residential unit customer's city water account on a monthly basis. 1. The fee shall be sunset by the end of Fiscal Year 2027 unless City Council votes to continue the fee. Before a vote shall take place, a committee presentation shall be conducted that includes an analysis of the fee. b. The division shall charge an administrative fee for garbage collection and disposal services in the amount listed in the city fee schedule. The fee shall be paid monthly in advance by the residential unit customer in accordance with billing procedures established by the director; provided that upon presentation of a city water account number, the city may bill the administrative fee to the residential unit customer's city water account on a monthly basis. c. The fees set forth in subitems (a)(1)a. and (a)(1)b. of this subsection may not be combined or listed in a single line on customer water bills. Fiscal note: None in FY2027.
Motion #2026-0346	Jun 10, 2026	If the Fiscal Year 2027 General Fund actual fund balance is higher than expected in the proposed budget, 1% of the difference shall be moved to the Budget Stabilization Fund. Fiscal Note: General Fund decrease, but it is a decrease in unexpected funds. Increase to the Budget Stabilization Fund.
Motion #2026-0347	Jun 10, 2026	Referred to the Budget and Fiscal Affairs Committee: Within six months of the affirmative passage of the Fiscal Year 2027 budget, a presentation by the Public Works Director and the Finance Director shall be made to the Budget and Fiscal Affairs Committee about the progress and financial health of the Combined Utility System. Fiscal note: No impact anticipated.

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Motion #2026-0348	Jun 10, 2026	LGBTQ+ Economic Empowerment Coordinator: Allocate \$75,000 from the General Fund Ending Balance to continue the LGBTQ+ Economic Empowerment Coordinator position within the Office of Business Opportunity. The position will support inclusive economic mobility by connecting LGBTQ+ Houstonians, with a focus on youth and seniors, to workforce programs, small business resources, City services, and LGBTQ+ designation. In its first six months, the LGBTQ Economic Empowerment Coordinator pilot has already delivered measurable impact by supporting 30 job seekers, helping secure employment and career advancement opportunities, and providing ongoing workforce support to residents. The initiative has also strengthened connections between LGBTQ+ entrepreneurs and City resources, resulting in businesses pursuing LGBTBE certification and expanded engagement with chambers, nonprofits, and community partners across Houston. Fully funding this position would allow the City to build on this early momentum, expand economic opportunity for LGBTQ+ residents and small businesses, and continue developing partnerships that contribute to safe, strong, and healthy communities.
Motion #2026-0349	Jun 10, 2026	BARC Operations Funding: Allocate \$500,000 from the General Fund Ending Balance to support critical operational needs at BARC, including professional kennel cleaning services, animal care support, and other operational functions that improve service delivery and shelter outcomes. As BARC continues to face high intake volumes and resource constraints, this funding would provide flexibility to address operational gaps, allowing staff to focus more time on direct animal care, enrichment, behavioral interventions, adoption efforts, and community response activities. Strengthening BARC's operational capacity will improve quality of life for animals, support shelter staff, and enhance the department's ability to meet the needs of Houston residents.
Motion #2026-0350	Jun 10, 2026	Referred to the Government Operations Committee: Solid Waste Fee Affordability Bridge Program: Allocate \$500,000 from the General Fund Ending Balance to the City of Houston's W.A.T.E.R. Fund to establish a dedicated funding source specifically to provide financial assistance to low-income residents, seniors, and individuals with disabilities who may experience hardship as a result of the proposed solid waste administration fee. The W.A.T.E.R. Fund currently provides direct assistance to eligible Houstonians struggling to pay utility bills and serves as an established mechanism for delivering aid to residents in need. As the City considers implementing a new \$5 monthly solid waste administration fee, residents have expressed concerns about the cumulative impact of rising household costs. This one-time investment would create a bridge fund to help offset those impacts for financially vulnerable households while the City evaluates the long-term implementation of the fee. The amendment balances fiscal responsibility with compassion, ensuring that Houston's most vulnerable residents are not disproportionately burdened as the City works to address its budget challenges.

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ORDINANCE NUMBER	DATE ADOPTED	SUMMARY
Motion #2026-0351	Jun 10, 2026	Houston Public Works – Solid Waste Management Allocating \$250,000 of the Administrative Fee towards the decreasing of the City of Houston's recycling contamination rates through audits, education and outreach. Fiscal Note: SWM 8300 Combined Utility System Fund.

Mayor's Office

To the Honorable City Council of the City of Houston:

In accordance with the provisions of Article VII, Section 7 of the Charter of the City of Houston, I submit and introduce to you the Ordinance set out below with the request that it be passed finally on the date of its introduction. There exists a public emergency requiring such action and I accordingly request that you pass the same if it meets with your approval.

Date: JUNE 10, 2026

Mayor of the City of Houston

City of Houston, Texas Ordinance No. 2026-0516

AN ORDINANCE RELATED TO THE FISCAL AFFAIRS OF THE CITY; APPROVING THE ANNUAL BUDGETS OF THE CITY OF HOUSTON, TEXAS, FOR FISCAL YEAR 2027, INCLUDING PROVISIONS FOR FUTURE ADJUSTMENT TO CERTAIN FUND BALANCES; PROVIDING FOR THE REORGANIZATION OF THE SOLID WASTE MANAGEMENT DEPARTMENT AS A DIVISION WITHIN HOUSTON PUBLIC WORKS; AMENDING CHAPTER 39 OF THE CODE OF ORDINANCES, HOUSTON, TEXAS RELATING TO THE SOLID WASTE MANAGEMENT DEPARTMENT; AMENDING CHAPTER 2 OF THE CODE OF ORDINANCES, HOUSTON, TEXAS, RELATING TO HOUSTON PUBLIC WORKS; ESTABLISHING AN ADMINISTRATIVE FEE FOR SOLID WASTE MANAGEMENT COLLECTION AND DISPOSAL SERVICES; AUTHORIZING THE IMPOSITION AND TRANSFER OF A RIGHT-OF-WAY FEE FROM THE COMBINED UTILITY SYSTEM OF THE CITY OF HOUSTON, TEXAS, TO THE GENERAL FUND; 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.

* * * *

WHEREAS, the City of Houston (the "City") is a home-rule municipality pursuant to Article XI, Section 5 of the Texas Constitution; and

WHEREAS, each year, the Mayor of the City is required to prepare a municipal budget to cover the proposed expenditures for the succeeding year pursuant to Chapter 102 of the Texas Local Government Code and Section 2, Article VI-a of the City Charter; and

WHEREAS, the City's Financial Policies, as amended and restated by Ordinance No. 2026-350: (1) require the City to adopt a balanced budget annually with each fiscal year's budget presented to and passed by City Council before the beginning of that fiscal year and in accordance with state law, the City Charter, and local ordinances, and (2) establish that the City's desired minimum unassigned fund balance for any given fiscal year is 7.5 percent of general fund expenditures for that fiscal year, excluding debt service payments and transfers for pay-as-you-go ("PAYGO") capital expenditures; and

WHEREAS, the City's Financial Policies require that City Council and the City of Houston Budget and Fiscal Affairs ("BFA") Council Committee, receive, in conjunction with the proposed budget, a five-year general fund financial forecast that includes (a) an in-depth analysis of economic conditions, revenues, expenditures, and all long-term obligations, (b) a plan for eliminating any funding shortfalls that would prevent adoption of a balanced budget in any year covered by the five-year forecast, and (c) identification of requirements for achieving a structural balanced budget, as defined in the Financial Policies, in the upcoming fiscal year and the subsequent fiscal year, including a list of options for eliminating any funding shortfalls preventing achievement of a structural balanced budget for the upcoming fiscal year and the subsequent fiscal year; and

WHEREAS, on May 4, 2026, the Mayor filed with the City Secretary's Office the City's Proposed Budget for Fiscal Year 2027 ("Proposed Budget"); and

WHEREAS, as presented to the BFA Committee on May 6, 2026, the initial budgetary shortfall between revenues and expenditures in the general fund for Fiscal Year 2027 was \$209 million, and the five-year general fund forecast for fiscal years 2027 through 2031 estimated future budgetary shortfalls of \$334 million in Fiscal Year 2028, \$381 million in Fiscal Year 2029, \$446 million in Fiscal Year 2030, and \$522 million in Fiscal Year 2031; and

WHEREAS, it is necessary for the City to implement budgetary reforms that would lower expenditures and increase revenues in the general fund in order to comply with state law and the City's Financial Policies requiring the City to adopt a balanced budget for Fiscal Year 2027, and to maintain the fund balance of the general fund in upcoming fiscal years at or above the desired minimum of 7.5 percent of general fund expenditures, excluding debt service payments and PAYGO; and

WHEREAS, the Combined Utility System ("CUS"), established pursuant to the CUS Master Ordinance adopted on April 21, 2004 ("Master Ordinance"), (1) is an enterprise fund in which revenues and expenditures are budgeted separately from the general fund, (2) consists of the City's groundwater and surface water sources, conveyance, treatment, distribution and wastewater facilities, and wastewater collection and treatment facilities, and (3) provides water and sewer service to Houston residents and other governmental and private entities pursuant to Chapter 1502 of the Texas Government Code, the City Charter, and the City Code of Ordinances ("City Code"); and

WHEREAS, the Master Ordinance provides that all revenue and income derived or received by the City from the operation and ownership of the CUS are "Gross Revenues" and provides for the use of Gross Revenues to pay the cost of operating, maintaining, and repairing the CUS, debt service on the CUS bonds, and other obligations of the CUS in accordance with a flow of funds; and

WHEREAS, the Master Ordinance defines the CUS to include, in addition to the City's water and sewer systems, other utility systems provided under Chapter 1502 of the Texas Government Code which the City may from time to time elect to combine with the CUS so long as the revenues of such other utility systems are included in Gross Revenues under the Master Ordinance; and

WHEREAS, Section 7.14 of the Master Ordinance allows the City, without the consent of or notice to any bondholder, to amend the Master Ordinance for the purpose of permitting other utility systems provided for in Chapter 1502 of the Texas Government Code to be combined with the CUS; and

WHEREAS, Section 1502.001 of the Texas Government Code defines "combined system" to mean any combination of one or more of the following: electric system, water system, sewer system, solid waste disposal system, drainage utility system, and natural gas system, and further defines "utility system" to mean an electric, water, sewer, solid waste disposal, drainage utility, or natural gas system; and

WHEREAS, Section 1502.003 of the Texas Government Code provides that, notwithstanding any law or municipal charter provision to the contrary, the governing body of a municipality may create and maintain one or more combined systems on a finding by the governing body that it is in the best interests of the municipality to create and maintain the combined system, and that a finding by a governing body under Section 1502.003 is conclusive and incontestable; and

WHEREAS, the City's Solid Waste Management Department operates a solid waste disposal system within the definition of Chapter 1502 of the Texas Government

Code and is governed by Chapter 39 of the City Code, which requires the department to (1) supervise and be responsible for the collection, transportation and disposal of solid waste; (2) carry out the policies of the Mayor and City Council in the overall planning effort to develop a reliable and efficient method for solid waste disposal; (3) administer and enforce Chapter 39 and related laws; and (4) have such other duties and responsibilities as may be assigned by the Mayor and City Council; and

WHEREAS, reorganizing the Solid Waste Management Department by establishing it as a division within Houston Public Works as part of the CUS and transferring its administration, personnel, services, functions, revenues, and expenditures into Houston Public Works and as part of the CUS is a prudent organizational restructuring that promotes operational efficiency, improves coordination amongst municipal services, reduces administrative duplication, and achieves cost savings for the City; and

WHEREAS, the City has conducted a comprehensive study and analysis assessing the actual cost of providing solid waste management (trash disposal) services to City of Houston residents currently receiving such services from the City; and

WHEREAS, the results of the study establish that the current level of funding and resources is insufficient to sustain the continued provision of solid waste management services at existing service levels without securing additional resources necessary to support both the ongoing operational costs and the required investments in infrastructure, equipment, and personnel essential to maintaining reliable and effective solid waste management service delivery; and

WHEREAS, Section 364.034 of the Texas Health and Safety Code authorizes a municipality to offer solid waste disposal service to persons in its territory, require the use of the service by those persons, charge fees for the service, and establish the service as a utility separate from other utilities in its territory; and

WHEREAS, pursuant to Section 364.034 of the Texas Health and Safety Code, and to comply with Section 7.16 of the Master Ordinance which states that the City shall not grant or permit any free service from the CUS, it is in the best interests of the City to impose an administrative fee to residential unit customers, as defined under Chapter 39 of the City Code, who receive garbage collection and disposal services provided by the City; and

WHEREAS, the imposition of a monthly fee is necessary to sustain (1) the provision of reliable and effective residential garbage collection and disposal services,

and (2) the operation, maintenance, and delivery of such services to current and future residents of the City receiving those services; and

WHEREAS, Section 1502.059 of the Texas Government Code further authorizes a municipality to transfer to the municipality's general fund, and may use for general or special purposes, revenue of any municipally owned utility system in the amount and to the extent authorized in the indenture, deed of trust, or ordinance providing for and securing payment of public securities issued under Chapter 1509 of the Texas Government Code or similar law; and

WHEREAS, pursuant to Section 1502.059 of the Texas Government Code, the Master Ordinance pertains to the issuance of CUS obligations under statutes governing public securities, including Chapter 1207 and Chapter 1371 of the Texas Government Code, and governs the transfer of funds from the CUS; and

WHEREAS, several statutes and City ordinances, including Section 283.002 and Section 284.002 of the Texas Local Government Code, Section 66.002 of the Texas Utility Code, and Section 40-481 of the City Code, define the public right-of-way as the area on, below, or above the City's streets, alleys, sidewalks, bridges, highways, utility easements, waterways, and roadways; and

WHEREAS, Section 311.001 of the Texas Transportation Code provides that the City, as a home-rule municipality, has exclusive control and power over its streets, alleys, sidewalks, bridges, and highways; and

WHEREAS, the City exercises its statutory authority over the public right-of-way by imposing right-of-way fees on private entities for use of the City's property, including property in the public right-of-way; and

WHEREAS, Article V of the Master Ordinance allows for transfers from the CUS's General Purpose Fund for any other lawful purposes of the System as the City may determine; and

WHEREAS, similar to private entities that use the public right-of-way, the CUS owns, operates, maintains, and constructs the water and sewer systems within the public right-of-way; and

WHEREAS, it is in the best interests of the City to assess a right-of-way fee upon the CUS for the privilege of using the public right-of-way and for such fee to be authorized and included with the adoption of the Proposed Budget; and

WHEREAS, pursuant to a resolution of the City Council of the City, and after notice was provided as required by law, a public hearing on the Proposed Budget was held on Wednesday, June 3, 2026, at which hearing all residents and all taxpayers had the right to be present and to be heard, and those who requested to be heard were heard; and

WHEREAS, the City Council has considered the Proposed Budget and has made those changes to the Proposed Budget that in the City Council's judgment are warranted by law and demanded by the best interest of the taxpayers of the City; and

WHEREAS, the City Council desires to approve and adopt the final Budget as set out herein; **NOW, THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the findings contained in the preamble of this Ordinance are determined to be true and correct and are adopted as a part of this Ordinance.

Section 2. That in accordance with the City Charter and Sections 102.001 through 102.011, Tex. Loc. Gov't Code (Vernon's), the City Council hereby approves and adopts the Proposed Budget as amended herein as the Fiscal Year 2027 City of Houston, Texas, Budget, the same being contained in the budget document on file with the City Secretary in a volume entitled "Proposed Budget For Fiscal Year 2027," as amended and supplemented herein, but specifically not including as part of the Budget, the Overview, the description of the General Fund other than the Fund Summary, data relative to any Fiscal Years prior to 2027, the General Obligation Debt Service Fund, the Internal Service and Service Chargeback Fund budgets, the Capital Improvement Plan Summary, and the Appendices or information concerning Full-Time Equivalents, all of which is provided for background, accounting convenience and reference purposes only (the "Budget"). The City Secretary is hereby directed to attach to the Budget a copy of this ordinance, any motions amending the Proposed Budget and an endorsement reading "The Official Budget of the City of Houston, for the General, Enterprise and Special Revenue Funds for the Fiscal Year Beginning July 1, 2026 and ending June 30, 2027" and to keep the Budget on file in the City Secretary's office as a public record. In addition, in accordance with Section 102.009(d), Tex. Loc. Gov't Code (Vernon's), the City Secretary is hereby

directed to file a true copy of the approved Budget in the offices of the county clerks of the counties in which the City is located.

Section 3. That the City Council hereby incorporates into the final approved Budget the revisions to the Proposed Budget contained in Exhibit A, attached hereto and incorporated herein for all purposes. Further, this ordinance is amended by the Motions or Amendments approved by City Council, if any, which shall be attached as Exhibit B and become a part of this ordinance for all purposes. Any non-substantive changes necessitated by adoption of these amendments, such as changed page numbers, are also approved.

Section 4. That the Beginning Fund Balance reflected in the Budget for each fund for which a budget is adopted hereby automatically shall be adjusted to be the amount of the Ending Fund Balance for Fiscal Year 2026 included in the final Annual Comprehensive Financial Report for Fiscal Year 2026 for each respective fund, when released. The revised Beginning Fund Balance shall thereafter be used to calculate the Fiscal Year 2027 Ending Fund Balance for each such fund, which also shall be adjusted automatically. No adjustment to the expenditure budgets is authorized by this Section.

Section 5. That the City Council hereby re-designates a cash reserve of up to \$26,194,559 in the General Fund fund balance for the Budget Stabilization Fund to be available for unforeseen contingencies consistent with City of Houston Ordinance No. 2003-0474, as amended and restated by Ordinance No. 2014-1078, as further amended. Each use of this designated portion of the fund balance must be approved and funds appropriated therefor by City Council.

Section 6. That the City Council hereby authorizes for each City Department the necessary Full-Time Equivalents (FTE) included in the budget for that Department, including as applicable personnel staffing authorized in connection with Internal Service and Service Chargeback Funds over which the Department has control. In addition, the City Council previously has authorized classified Full-Time Equivalents subject to Chapter 143, Tex. Loc. Gov't Code, through individual personnel ordinances, which shall continue to regulate those positions. The City Council further authorizes the currently existing grant funded positions. In the future, additional grant funded positions will be authorized by acceptance or modification of a grant whether by City Council or administratively. The City Council takes cognizance of the fact that in order to facilitate the operations of the various City departments the numbers and types of positions needed to carry out the functions of the departments may vary through the year. Accordingly, the Mayor is hereby authorized to alter the numbers and types of positions authorized herein (classified positions subject to Chapter 143, Tex. Loc. Gov't Code not being authorized herein, but by separate personnel ordinances) in order to accomplish the program goals of each department; provided, however, that in so doing, all such positions must have been established by City Council in the Master Classification Ordinance and the total departmental expenditures for the affected department must remain within authorized budgetary limits, or in the case of grant funded positions, within the funding levels of the grant. The Full-Time Equivalents adopted by this Section are not to be considered part of

the Budget adopted by this Ordinance for purposes of amendments to the Budget.

Section 7. That all expenditures heretofore made for Fiscal Year 2027, if any, are hereby approved, ratified and confirmed and because it is the intention of the City Council that the Budget hereby approved be inclusive of previous expenditures and commitments for Fiscal Year 2027, the City Controller is hereby directed to apply the amounts thereof to the appropriate accounts in the Budget.

Section 8. That the City Council takes cognizance of the fact that in order to facilitate operations of the various City departments established in the Code of Ordinances of the City of Houston (singularly "department"), and to make adjustments occasioned by events transpiring during the year, some transfers will be necessary to and from some of the accounts contained in the Budget as adopted herein. Accordingly, the Mayor shall have authority to transfer funds to and from the Budget accounts within any department without limitation. In addition, for transfers among departments within a Fund, the Mayor shall have authority to transfer funds from any Budget account (whether one or more) in one department to any other account or accounts in any other department within the Fund, but for each department, such aggregate interdepartmental transfers from any Budget Expenditure Account Group in that department's budget shall not exceed 5% of the total amount shown for such Budget Expenditure Account group in the adopted budget for such department. Provided, however, that any such transfers shall not be subjected to or be included within the foregoing 5% limit if such transfers are approved by City Council through this ordinance or, subsequent to adoption, in compliance with Section 102.001 through 102.011, Local Government Code (Vernon's).

As used in this Section the term "Budget Expenditure Account Group" means a group of accounts within a department or a group of nondepartmental accounts which have similar purposes (for example, the Budget Expenditure Account Group for "Personnel Services" within a given department might include all of the following accounts: 500010, 500030, 500090, 500060, 501120, 501070, 502010, 503010, 501010, 501160, 500020, 500040, 500050, 500190, 500070, 501040, 501130, 501090, 501080, 503070, 502020, 503020, 501020, 501170, 503090, 503080, 504030, 503060).

Section 9. That the City Council approves the increase, during FY2027, of the adopted budget for the Aviation Revenue Fund (Fund 8001) by the amount of any increase in revenue over that projected for the Fund as certified by the City Controller, but only for the purpose of transfer of such increased revenue, if any, to the HAS-Airports Improvement Fund, and hereby approves and authorizes any such transfer.

Section 10. That the City Council approves the increase, during FY2027, of the adopted budget for the Water & Sewer Operating Fund (Fund 8300) by the amount of any increase in revenue over that projected for the Fund as certified by the City Controller, but only for the purpose of transfer of such increase, if any, to the Combined Utility Systems Operating Fund (Fund 8301), which must subsequently transfer such increase, if any, to the Combined Utility System General Purpose Fund (Fund 8305). The City Council approves the increase, during FY2027, of the adopted budget for the Combined

Utility Systems Operating Fund (Fund 8301) by the amount of increased revenue transferred from the Water & Sewer Operating Fund (Fund 8300) pursuant to this section, but only for the purpose of transfer of such increase, if any, to the Combined Utility Systems General Purpose Fund (Fund 8305).

Section 11. That the City Council hereby directs and authorizes that the ending Fund Balance of any Fund that receives revenue during FY2027 over and above that projected for the Fund as certified by the City Controller, shall be increased by an amount equal to the additional revenue received and that such fund balance shall be available for appropriation and transfer for any lawful purpose of the Fund.

Section 12. That the City Council approves the payment of the City's general debt service obligations created elsewhere by separate Council action from funds in the General Obligation Debt Service Fund.

Section 13. That City Council hereby declares that the City's solid waste management system and services for the collection, transportation, processing, and disposal of solid waste, including all related facilities, equipment, infrastructure, and operations associated therewith and subsequently acquired, constructed, expanded, or improved, constitute a utility system pursuant to Chapter 1502 of the Texas Government Code.

Section 14. That effective July 1, 2026, the Solid Waste Management Department will hereby be abolished as a City department and shall be established as the Solid Waste Management Division, or by any other name or designation as may be determined by the Mayor or the Mayor's designee, within Houston Public Works, and all powers, duties, functions, responsibilities, programs, contracts, assets, liabilities, expenses, debt, funds, fund balances, vehicles and equipment, facilities, capital items, appropriations, books and records, permits, and personnel of the Solid Waste Management Department shall be transferred to and vested in Houston Public Works.

Section 15. That the Solid Waste Management Division shall remain responsible for the administration, operation, and delivery of all solid waste management services, programs, and functions previously performed by the Solid Waste Management Department, including but not limited to, collection, disposal, recycling, and related services. The Solid Waste Management Division shall operate under the supervision and direction of the Houston Public Works Director.

Section 16. That effective July 1, 2026, the Chief Solid Waste Officer shall oversee and be responsible for the continued administration and performance of all solid waste management services for the Solid Waste Management Division.

Section 17. That the Mayor is authorized to take all actions necessary to implement the transfer and consolidation of the Solid Waste Management Department

into Houston Public Works authorized by this ordinance, including administrative reorganization, execution of amendments to existing agreements, and adoption of transitional policies and procedures.

Section 18. That City Council hereby establishes and approves a monthly administrative fee for residential garbage collection and disposal services provided by the City of Houston. Beginning on July 1, 2026, each residential unit customer receiving garbage collection and disposal services shall be assessed a monthly garbage collection and disposal administrative fee established in Section 39-62(a)(1)b of the Code of Ordinances, Houston, Texas, in the amount shown below:

Description	Statutory Authority	Amount
Administrative Fee - Garbage collection and disposal services (Monthly fee before sales tax)	§39-62(a)(1)b	\$5.00

The Director of Houston Public Works shall ensure that this new fee is provided to the Director of Finance for incorporation into the City Fee Schedule as soon as possible.

Section 19. That the administrative fee set forth in Section 18 of this Ordinance is excepted from the annual CPI adjustment set forth in section 1-13 of the Code of Ordinances, Houston, Texas.

Section 20. That the administrative fee set forth in Section 18 in the amount of five dollars (\$5.00) for Fiscal Years 2027 and 2028 shall remain in effect at that amount thereafter unless City Council approves a change to the administrative fee amount; provided however, the fee amount shall not exceed twenty-five dollars (\$25.00) per residential unit customer, which represents the cost to the City at the time of this Ordinance of providing garbage collection and disposal services. Prior to the FY29 budget, and potential increase of the administrative fee, the Administration shall provide City Council a written analysis evaluating whether there is sufficient available fund balance within the cost centers within the utility fund related to solid waste to reduce, offset, or eliminate the administrative fee for the upcoming fiscal year for those who are disabled, qualified veterans, or senior citizens.

Section 21. That section 2-278 of the Code of Ordinances, Houston, Texas is hereby amended to read as follows:

“Sec. 2-278. - Duties.

(a) The duties of the department shall include the following:

(1) Construction, maintenance and operation of the city’s water system, sewer system, drainage utility system, and any combination of those

systems.

- (2) Design, construction, repair and maintenance of streets, bridges, structures and capital projects of all natures as required for the infrastructure of the city.
 - (3) Acquisition of real property for capital projects and maintenance of real property records; disposal of surplus real property.
 - (4) Operation and maintenance of city buildings and structures that are assigned to the department.
 - (5) Design, installation and maintenance of traffic control signals and devices and related duties.
 - (6) Administration and enforcement of the Construction Code and related laws.
 - (7) Administration of the building official's functions assigned to the department in chapter 10 of this Code.
 - (8) Administration of the solid waste management division's duties and functions, including maintenance and operation of the city's solid waste management system, assigned to the department in chapter 39 of this Code.
 - (9) Any other duties as assigned by the mayor or city council pursuant to law.
- (b) To the extent that this Code or any other ordinance or any motion, resolution, or other document devolves duties relating to the enforcement of the Construction Code upon the department of planning and development or the director thereof, then such references shall be construed to mean Houston Public Works and the director thereof.
- (c) To the extent that this Code or any other ordinance or any motion, resolution, or other document devolves duties upon the department of public works and engineering or the director thereof, then such references shall be construed to mean Houston Public Works and the director thereof."

Section 22. That Chapter 39 of the Code of Ordinances, Houston, Texas, is hereby amended in its entirety to read as set forth in **Exhibit C**, attached hereto and incorporated herein.

Section 23. That the provisions of Chapter 39 of the Code of Ordinances,

Houston, Texas, as they read prior to their amendments in Section 22 of this Ordinance, shall continue to apply to collection services provided by the former Solid Waste Management Department before the effective date of this Ordinance and until such time thereafter that the City's preparation for administering the provisions of this Ordinance are complete, as determined by the director, and the said former provisions are saved for that limited purpose.

Section 24. That, to the extent that the Code of Ordinances, Houston, Texas, or any other ordinance or any motion, resolution, or other document devolves duties relating to the maintenance and operation of solid waste management services in the City upon the Solid Waste Management Department or the Director thereof, then such references shall be construed to mean Houston Public Works and the Director thereof.

Section 25. There is hereby imposed a right-of-way utility fee upon the Combined Utility System for the privilege of owning, operating, and maintaining water and sewer transmission and distribution facilities within the public rights-of-way of the City. The right-of-way utility fee shall be equal to an amount of up to five percent of the Fiscal Year 2027 gross revenues of the Combined Utility System. The right-of-way utility fee shall be paid from lawfully available revenues of the Combined Utility System through quarterly payments to the general fund. The right-of-way utility fee imposed herein is a proprietary fee for the use and occupancy of public rights-of-way by the Combined Utility System and is not a tax.

Section 26. That the City Council hereby establishes the price to purchase for the Budget documents by the public at \$35.00 plus tax and postage, if any.

Section 27. That all ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict only. The Budget adopted by this ordinance replaces the FY2026 Budget.

Section 28. That the City Council officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Sec. 551.001 et. seq. Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 29. That if any provision, section, subsection, sentence, clause or phrase of this ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this

ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this ordinance are declared to be severable for that purpose.

Section 30. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor or July 1, 2026, whichever is later.

PASSED AND ADOPTED this 10th day of JUNE, 2026.

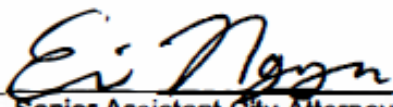
APPROVED this _____ day of _____, 2026.



Mayor of the City of Houston, Texas

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is 6-10-26.

City Secretary

(Prepared by Legal Dept. : )
(ELN/kro 5/29/2026) **Senior Assistant City Attorney**
(Requested by Melissa Dubowski, Director, Finance Department)
L.D. File No. LD-GC-0000000663

CAPTION PUBLISHED IN DAILY COURT
REVIEW
DATE: 6-10-26

Meeting

6/10/2026

Aye	No	
✓		Mayor Whitmire
....		Council Members
✓		Peck
✓		Jackson
✓		Panzarella
✓		Evans-Shabazz
✓		Flickinger
absent on personal business		Thomas
✓		Huffman
✓		Castillo
✓		Martinez
	✓	Pollard
✓		Castex-Tatum
✓		Ramirez
✓		Davis
✓		Carter
✓		Salinas
✓		Alcorn
Caption	Adopted	

Captions Published in DAILY COURT REVIEW

Date: 6/16/2026