



Legal Department

**FY2026 Proposed Budget
Workshop Presentation
May 13, 2025**

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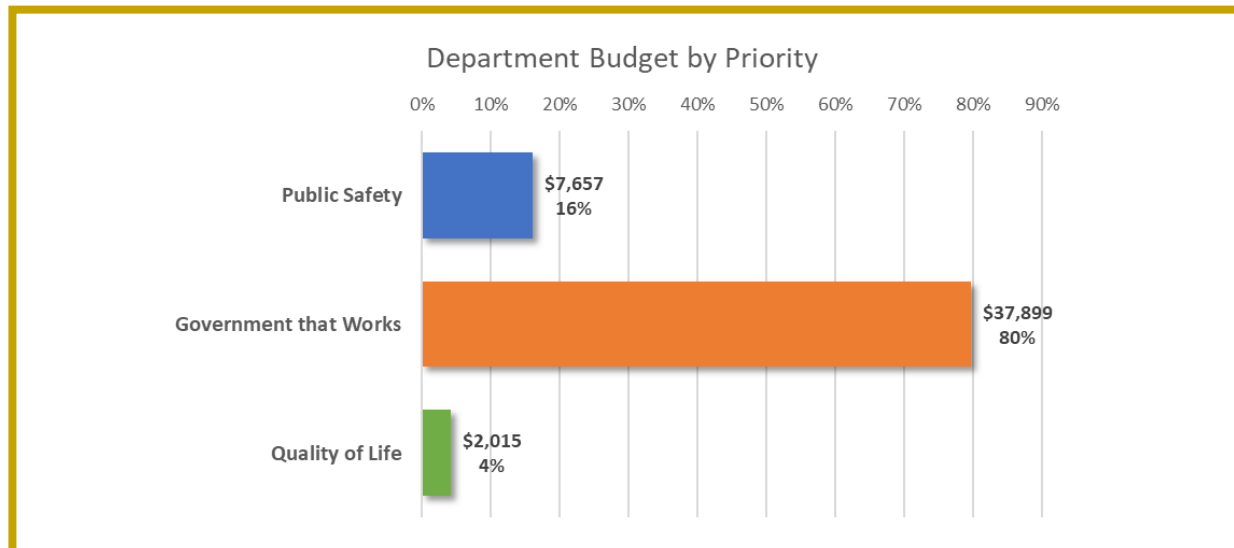


Strategic Alignment

Objective

The tables below summarize the Legal Department's alignment to the Mayor's Priorities. All programs align to a mayoral priority and the overall department budget is broken down as such.

| Government That Works | Public Safety | Quality of Life |
|-----------------------------------|---------------------------------------|-----------------|
| Administrative Services | Municipal Prosecution | Real Estate |
| Claims & Subrogation | Neighborhood Services | |
| Contracts | Office of the Inspector General (OIG) | |
| General Counsel | | |
| General Litigation | | |
| Labor, Employment & Civil Service | | |
| Torts & Civil Rights | | |





Expenditure by Program

(\$ in thousands)

Objective

Program Budgets for FY26 Proposed vs FY25 Current Budget

| Program | FY24* Actual | FY25* Budget | FY25* Estimate | FY26* Proposed | *Variance FY26 Proposed/ FY25 Budget | % Change |
|---------------------------------------|------------------|------------------|-------------------|-------------------|--|-------------|
| Administrative Services | \$ 4,865 | \$ 3,975 | \$ 3,975 | \$ 4,062 | \$ 87 | 2% |
| Claims & Subrogation | \$ 5,445 | \$ 6,578 | \$ 6,727 | \$ 6,540 | \$ (38) | -1% |
| Contracts | \$ 2,079 | \$ 2,464 | \$ 2,464 | \$ 2,175 | \$ (288) | -12% |
| General Counsel | \$ 2,564 | \$ 2,586 | \$ 2,586 | \$ 2,558 | \$ (28) | -1% |
| General Litigation | \$ 6,967 | \$ 8,516 | \$ 8,318 | \$ 8,481 | \$ (35) | 0% |
| Labor, Employment & Civil Service | \$ 5,270 | \$ 6,523 | \$ 6,629 | \$ 6,515 | \$ (8) | 0% |
| Municipal Prosecution | \$ 3,922 | \$ 4,212 | \$ 4,212 | \$ 4,188 | \$ (24) | -1% |
| Neighborhood Services | \$ 1,951 | \$ 1,992 | \$ 1,992 | \$ 1,850 | \$ (142) | -7% |
| Office of the Inspector General (OIG) | \$ 1,904 | \$ 2,028 | \$ 1,971 | \$ 1,619 | \$ (409) | -20% |
| Real Estate | \$ 2,307 | \$ 2,410 | \$ 2,410 | \$ 2,015 | \$ (395) | -16% |
| Torts & Civil Rights | \$ 6,017 | \$ 7,575 | \$ 7,575 | \$ 7,568 | \$ (8) | 0% |
| Total | \$ 43,292 | \$ 48,858 | \$ 48,858 | \$ 47,569 | \$ (1,288) | -3% |

*Totals may reflect slight variances due to rounding

Revenue by Program

(\$ in thousands)



Objective

Program Budgets for FY26 Proposed vs FY25 Estimate

| Program | FY24* Actual | FY25* Budget | FY25* Estimate | FY26* Proposed | *Variance FY26 Proposed/ FY25 Estimate | % Change |
|---------------------------------------|------------------|------------------|-------------------|-------------------|--|-------------|
| Administrative Services | \$ 18 | \$ 27 | \$ 33 | \$ 27 | \$ (6) | -19% |
| Claims & Subrogation | \$ 5,125 | \$ 6,205 | \$ 6,353 | \$ 6,150 | \$ (203) | -3% |
| General Litigation | \$ 6,967 | \$ 8,516 | \$ 8,318 | \$ 8,481 | \$ 163 | 2% |
| Labor, Employment & Civil Service | \$ 5,270 | \$ 6,523 | \$ 6,629 | \$ 6,515 | \$ (114) | -2% |
| Office of the Inspector General (OIG) | \$ 683 | \$ 705 | \$ 648 | \$ 400 | \$ (249) | -38% |
| Real Estate | \$ 385 | \$ 385 | \$ 385 | \$ 385 | \$ - | 0% |
| Torts & Civil Rights | \$ 5,989 | \$ 7,570 | \$ 7,564 | \$ 7,568 | \$ 4 | 0% |
| Total | \$ 24,436 | \$ 29,930 | \$ 29,930 | \$ 29,525 | \$ (405) | -1% |

**Totals may reflect slight variances due to rounding*



Administrative Services

(\$ in thousands)

| | |
|--------------------------|-----------------------|
| Priority: | Government that Works |
| FY2026 FTE Count: | 7.0 |

Program Description

Provides the administrative and IT support to the Legal Department by opening case files, assigning subpoenas, supporting procurement actions, handling litigation support, and attending other IT and administrative matters.

Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.
- Includes a reduction of \$501K for 2 FTEs and supplies/services as part of the department saving initiatives.

FY26 Prop Budget by Fund

| | |
|--------------|----------------|
| General Fund | \$4,062 |
| Total | \$4,062 |

Performance

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|---|-------------|---------------|-------------|-------------|---|
| Number of eDiscovery matters handled | 117 | 66 | 125 | 65 | Measure the number of eDiscovery case files handled by the department and IT personnel |
| Number of subpoenas assigned | 259 | 171 | 175 | 170 | Measure the number of subpoenas assigned to various sections of the department |
| Number of torts and civil rights cases opened | 245 | 256 | 200 | 250 | Measure the number of torts and civil rights cases staff opens for the Torts & Civil Rights Section |



Claims & Subrogation

(\$ in thousands)

| | |
|--------------------------|-----------------------|
| Priority: | Government that Works |
| FY2026 FTE Count: | 13.0 |

Program Description

Handles liability tort claims, property and workers' compensation subrogation claims, workers' compensation litigation, and general affirmative collection claims.

Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.

FY26 Prop Budget by Fund

| | |
|----------------------------|----------------|
| Property & Casualty Fund | \$6,150 |
| Workers' Compensation Fund | \$390 |
| Total | \$6,540 |

Performance

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|---|-------------|---------------|-------------|-------------|---|
| Number of liability claims processed | 1,231 | 1,348 | 950 | 1,300 | Measure the number of liability claims processed by the department during the fiscal year |
| Number of liability claims with no payment | 1,589 | 921 | 750 | 900 | Measure the number of liability claims closed without the city paying for damages |
| Percentage of liability claims with no litigation | 89% | 85% | 75% | 80% | Measure the percentage of liability claims closed without litigation |



Contracts

(\$ in thousands)

| | |
|--------------------------|-----------------------|
| Priority: | Government that Works |
| FY2026 FTE Count: | 12.5 |

Program Description

Prepares, reviews, and negotiates City contracts. Provides legal opinions when requested related to contracting, procurement, and competitive bidding matters. Drafts and interprets commercial documents, ordinances, and policies and procedures related to procurement and contracting. Represents the City in a variety of matters involving enforcement of and compliance with local, state and federal laws.

Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.
- Includes a reduction of \$206K for 1 FTE as part of the department saving initiatives.

FY26 Prop Budget by Fund

| | |
|--------------|----------------|
| General Fund | \$2,175 |
| Total | \$2,175 |

Performance

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|-------------------------------|-------------|---------------|-------------|-------------|---|
| Number of contracts handled | 983 | 1,115 | 1,100 | 1,100 | Measure the number of professional services, goods, interlocal, construction, and other contracts or agreements handled by the Legal Department |
| Number of opinions issued | 95 | 121 | 100 | 100 | Measure the number of formal or informal opinions issued relating to procurement or contracting |
| Number of ordinances prepared | 151 | 166 | 200 | 200 | Measure the number of ordinances prepared related to contracts |

General Counsel

(\$ in thousands)



| | |
|--------------------------|-----------------------|
| Priority: | Government that Works |
| FY2026 FTE Count: | 15.2 |

Program Description

Drafts ordinances and opinions, advises City departments and elected officials on a wide variety of topics, including elections, public information requests, the Texas Open Meetings Act, ethics and conflicts of interest, redistricting, public finance, ad valorem taxation and utility regulation and franchising.

Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.
- Includes a reduction of \$219K for 1 FTE as part of the department saving initiatives.

FY26 Prop Budget by Fund

| | |
|--------------|----------------|
| General Fund | \$2,558 |
| Total | \$2,558 |

Performance (continued on the next slide)

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|--|-------------|---------------|-------------|-------------|---|
| Percent of legal reviews provided on the use of Council District Service Funds within 7 business days of receiving the request and all information and details necessary to evaluate the request | 100% | 100% | 95% | 95% | Measure the length of time necessary to provide a substantive response to a request for legal assistance |
| Percent of requests processed for public information (TPIA) in conformance with statutory deadlines | 100% | 99.8% | 95% | 95% | Measure the success by which General Counsel submits legal briefings to the Attorney General in accordance with the statutory deadline under TPIA |

General Counsel (cont'd)

(\$ in thousands)



Performance

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|--|-------------|---------------|-------------|-------------|--|
| Percent of responses to requests for legal opinion on ethics or conflict of interest matters within 7 business days of receiving the request and all information and details necessary to opine on the request | 100% | 100% | 95% | 95% | Measure the length of time necessary to provide a substantive response to a request for legal assistance |



General Litigation

(\$ in thousands)

| | |
|--------------------------|-----------------------|
| Priority: | Government that Works |
| FY2026 FTE Count: | 20.4 |

| <u>Program Description</u> | <u>Significant Budget Items</u> | <u>FY26 Prop Budget by Fund</u> | |
|--|--|---------------------------------|----------------|
| Defends the City and its officers and employees in litigation involving claims against the City for breach of contract, copyright infringement, inverse condemnation, construction law, election contests, and miscellaneous other cases. This section is also responsible for initiating litigation to recover money owed to the City in actions involving breach of contract and damage to City property, and for acquiring property through eminent domain proceedings. | <ul style="list-style-type: none"> Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases. Includes a reduction of \$528K for 1 FTE and services as part of the department saving initiatives. | Property & Casualty Fund | \$8,480 |
| | | Total | \$8,480 |

| <u>Performance</u> | | | | | |
|--|-------------|---------------|-------------|-------------|---|
| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
| Number of appellate briefs prepared and filed | 105 | 155 | 40 | 40 | Measure the number of appellate briefs filed |
| Number of condemnation lawsuits prepared and filed | 18 | 13 | 15 | 15 | Measure the number of condemnation cases filed |
| Number of public convenience and necessity ordinances prepared | 15 | 9 | 10 | 10 | Measure the number of convenience and necessity ordinances prepared |



Labor, Employment & Civil Service

(\$ in thousands)

| | |
|--------------------------|-----------------------|
| Priority: | Government that Works |
| FY2026 FTE Count: | 12.0 |

| <u>Program Description</u> | <u>Significant Budget Items</u> | <u>FY26 Prop Budget by Fund</u> | |
|--|---|---------------------------------|----------------|
| Represents the City at Civil Service Commission hearings, pretermination proceedings and arbitrations, and works with all City departments on any issues related to discipline and employee related policies. Responds to Equal Employment Opportunity Commission (EEOC) matters, provides advice and prepares ordinances related to personnel matters, represents the City in litigation arising from federal and state employment related claims such as Chapter 143, Title VII, the American Disabilities Act and defense of Section 1983 claims. | <ul style="list-style-type: none">Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases. | Property & Casualty Fund | \$6,515 |
| | | Total | \$6,515 |

Performance (continued on the next slide)

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|--|-------------|---------------|-------------|-------------|---|
| Number of EEOC and TX Workforce Commission Civil Rights Division matters | 21 | 20 | 21 | N/A | Measure the number of civil rights matters brought against the city from the Equal Employment Opportunity Commissions (EEOC) and Texas Workforce Commission |
| Number of indefinite suspension processing | 98 | 125 | 110 | N/A | Measure the number of indefinite suspensions received from city departments (except HPD classified) |

Labor, Employment & Civil Service (cont'd)

(\$ in thousands)



Performance

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|--|-------------|---------------|-------------|---------------------|---|
| Number of medical separation reviews | 38 | 25 | 45 | N/A | Measure the number of medical separations received from city departments |
| Response Time to Client Requests for Employment Law Advice | N/A | N/A | N/A | 90% | Ensure 90% of client requests for Legal-LECS assistance receive a response within a pre-determined time frame, based on the urgency and nature of the request |
| Training on Employment & Labor Law Matters | N/A | N/A | N/A | min. rating of 3 | Provide a minimum of four (4) training sessions on labor & employment topics with an average rating of 3 out of 5 on post-training client surveys which evaluate the (a) training content and delivery; (b) impact on job performance; (c) overall satisfaction |



Municipal Prosecution

(\$ in thousands)

| | |
|--------------------------|---------------|
| Priority: | Public Safety |
| FY2026 FTE Count: | 22.9 |

Program Description

Represents the State and City in most cases filed in the Houston Municipal Courts. Appears in Justice or County Courts on behalf of the State of Texas and/or the City in Cruelly Treated Animal hearings, tow hearings and the appeals from those hearings. Advises, assists, and educates police and City inspectors regarding statutory and code enforcement. Drafts search and arrest warrants. Responds to questions and problems from citizens.

Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.

FY26 Prop Budget by Fund

| | |
|--------------|----------------|
| General Fund | \$4,188 |
| Total | \$4,188 |

Performance (continued on the next slide)

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|--|-------------|---------------|-------------|-------------|---|
| Number of adjudications facilitated for the various civil cases handled by City Prosecutors in Houston Municipal Courts and Harris County Courts | 59 | 45 | 45 | 45 | Measure the number of civil cases received each fiscal year, including cases related to dangerous dogs, tow hearings, animal cruelty cases, and administrative hearings; and the appeals of these cases |
| Number of discovery requests analyzed and reviewed related to Municipal prosecution cases pursuant to statutory requirements | 3,881 | 3,000 | 3,000 | 3,000 | Measure the number of discovery requests received during each fiscal year |

Municipal Prosecution (cont'd)

(\$ in thousands)



Performance

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|---|-------------|---------------|-------------|-------------|--|
| Number of trainings provided pertaining to criminal law and enforcement in Municipal Courts to various City enforcement officials | 11 | 6 | 6 | 6 | Measure the number of trainings provided per fiscal year |



Neighborhood Services

(\$ in thousands)

| | |
|--------------------------|---------------|
| Priority: | Public Safety |
| FY2026 FTE Count: | 11.0 |

| <u>Program Description</u> | <u>Significant Budget Items</u> | <u>FY26 Prop Budget by Fund</u> | |
|---|--|---------------------------------|----------------|
| Interfaces directly with neighborhood associations and citizens in order to prosecute nuisances and violations that negatively affect the preservation and protection of neighborhoods and the general quality of life in the community. Responsible for crime-based nuisance abatement, deed restriction enforcement, dangerous buildings abatement, T.A.B.C. (Texas Alcohol Beverage Commission) protests, and the supporting title work. | <ul style="list-style-type: none"> Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases. Includes a reduction of \$202K for 1.5 FTEs as part of the department saving initiatives. | General Fund | \$1,850 |
| | | Total | \$1,850 |

Performance (continued on the next slide)

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|---|-------------|---------------|-------------|-------------|---|
| Number of dangerous building orders and emergency review approvals presented to the Building Standards Commission or hearing official | 387 | 400 | 400 | 400 | Measure the number of dangerous building orders, emergency review approvals presented to the Building and Standards Commission panels or the hearing official |
| Number of deed restrictions reviewed and enforced | 494 | 550 | 550 | 550 | Measure the total number of deed restriction inquiries, complaints, and/or open files handled by the Legal Department |

Neighborhood Services (cont'd)

(\$ in thousands)



Performance

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|-------------------------------------|-------------|---------------|-------------|-------------|---|
| Number of nuisance lawsuits handled | 8 | 10 | 10 | 10 | Measure the total number of Chapter 125 Nuisance lawsuits filed by Neighborhood Services. Including Apartment Taskforce matters, HPD Vice Matters, HPD Narcotics matters and other nuisance matters |

Office of Inspector General (OIG)

(\$ in thousands)



| | |
|--------------------------|---------------|
| Priority: | Public Safety |
| FY2026 FTE Count: | 8.0 |

| Program Description | Significant Budget Items | FY26 Prop Budget by Fund | |
|--|---|--------------------------|----------------|
| Executive Order 1-39 established OIG to investigate and provide legal advice in connection with allegations of employee misconduct, with special emphasis on violations of the law. The Office of Policing Reform and Accountability is also housed within OIG, acting on executing the plans of the Independent Police Oversight Board in connection with complaints of misconduct against police officers. | <ul style="list-style-type: none"> Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases. | General Fund | \$1,219 |
| | | Property & Casualty Fund | \$400 |
| | | Total | \$1,619 |

| Performance (continued on the next slide) | | | | | |
|---|-------------|---------------|-------------|-------------|---|
| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
| Number of citizen-initiated complaints received by the OPRA office | N/A | 90 | 40 | 100 | Measure the number of citizen complaints received by the OPRA office |
| Number of confirmations for OIG cases received | 461 | 400 | 400 | 400 | Measure the number of cases opened/acknowledged per fiscal year |
| Number of investigations of fraud, waste, discrimination and retaliation, and documentation | 461 | 400 | 400 | 400 | Measure the cases closed per fiscal year for fraud, waste, discrimination and retaliation |

Office of Inspector General (OIG) (cont'd)

(\$ in thousands)



Performance

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|---|-------------|---------------|-------------|-------------|--|
| Number of Office of Police Reform and Accountability (OPRA) engagements in community outreach | 50 | N/A | N/A | N/A | Measure the number of community outreach activities, events or other methods to engage the community per fiscal year |
| Percent of citizens who feel safe in their neighborhood | N/A | 75% | 75% | 75% | Measure the number of citizen who feel safe in their neighborhoods |

Real Estate

(\$ in thousands)



| | |
|--------------------------|-----------------|
| Priority: | Quality of Life |
| FY2026 FTE Count: | 10.2 |

Program Description

Provides services related to land sales and acquisitions. Prepares grant and loan agreements for state and federal housing and community development programs. Advises the Housing and Community Development Department on compliance with federal and state regulations. Handles legal matters related to planning and development issues, including land development regulations, historic preservation, tax increment reinvestment zones and economic development agreements negotiated by the City.

Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.
- Includes a reduction of \$135K for 1 FTE as part of the department saving initiatives.

FY26 Prop Budget by Fund

| | |
|--------------|----------------|
| General Fund | \$2,015 |
| Total | \$2,015 |

Performance (continued on the next slide)

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|---|-------------|---------------|-------------|-------------|---|
| Number of agreements prepared that support Homeless and Single-Family Housing initiatives | 145 | 92 | 92 | 92 | Measure the number of agreements prepared that support the Homeless and Single-Family initiatives |
| Number of development-related easement dedications reviewed and approved | 291 | 300 | 300 | 300 | Measure the number of development-related easement dedications reviewed and approved |

Real Estate (cont'd)

(\$ in thousands)



Performance

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|--|-------------|---------------|-------------|-------------|---|
| Number of real estate transactions facilitated | 1,076 | 1,000 | 1,000 | 1,000 | Measure the number of leases, loan agreements, purchase and sale agreements, easements, annexation and other real estate documents prepared |



Torts & Civil Rights

(\$ in thousands)

| | |
|--------------------------|-----------------------|
| Priority: | Government that Works |
| FY2026 FTE Count: | 19.3 |

| <u>Program Description</u> | <u>Significant Budget Items</u> | <u>FY26 Prop Budget by Fund</u> | |
|--|---|---------------------------------|----------------|
| Defends the City and its employees on a wide variety of lawsuits, including claims brought pursuant to Chapter 101 of Texas Civil Practices and Remedies Code and civil rights claims, including 42 U.S.C. Section 1983, that are filed in state and federal courts. Advises various City departments on legal issues. | <ul style="list-style-type: none">Includes funding for health benefits, pension contributions, and municipal employees contractual pay increases.Includes a reduction of \$426K for services as part of the department saving initiatives. | General Fund | \$219 |
| | | Property & Casualty Fund | \$7,348 |
| | | Total | \$7,567 |

| <u>Performance (continued on the next slide)</u> | | | | | |
|--|-------------|---------------|-------------|-------------|---|
| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
| Conservative estimated revenue savings | N/A | N/A | N/A | \$1,500,000 | Measures estimated revenue savings for tort cases that are settled, tried to verdict, or won in whole or in part on dispositive motion, computed as the delta between payments made and 2x known actual medicals, which is a conservative potential trial outcome. Comparable estimates for civil rights cases cannot be provided with any measure of confidence because there are no statutory caps and damage models vary wildly depending on the nature of the claim |

Torts & Civil Rights (cont'd)

(\$ in thousands)



Performance

| Measure Name | FY24 Actual | FY25 Estimate | FY25 Target | FY26 Target | Target Context |
|--|-------------|---------------|-------------|-------------|---|
| Number of civil rights cases defended on behalf of the City of Houston | 27 | 28 | 28 | 28 | Measure the number of civil rights cases handled |
| Number of dispositions by motion (granted, non-suit, and voluntary non-suit) | N/A | 45 | 45 | 45 | Measure the number of cases won in trial court after filing of a dispositive motion, either through grant of the motion by the court or voluntary non-suit by plaintiff |
| Number of settlements for torts and civil right cases on behalf of the City of Houston | 71 | 60 | 60 | 60 | Measure the number of cases settled |
| Number of torts cases | 188 | 390 | 390 | 390 | Measure the number of torts cases handled |

Expenditures by Fund (\$ in thousands)



Objective

The table below lists the total expenditures by fund – FY26 Proposed vs FY25 Current Budget.

| Category | FY24* Actual | FY25* Budget | FY25* Estimate | FY26* Proposed | *Variance FY26 Proposed/ FY25 Budget | % Change |
|----------------------------|------------------|------------------|-------------------|-------------------|--|-------------|
| General Fund | \$ 19,044 | \$ 19,181 | \$ 19,181 | \$ 18,287 | \$ (894) | -5% |
| Property & Casualty Fund | \$ 23,928 | \$ 29,304 | \$ 29,304 | \$ 28,894 | \$ (409) | -1% |
| Workers' Compensation Fund | \$ 321 | \$ 374 | \$ 374 | \$ 390 | \$ 16 | 4% |
| Total | \$ 43,292 | \$ 48,858 | \$ 48,858 | \$ 47,570 | \$ (1,288) | -3% |

**Totals may reflect slight variances due to rounding*

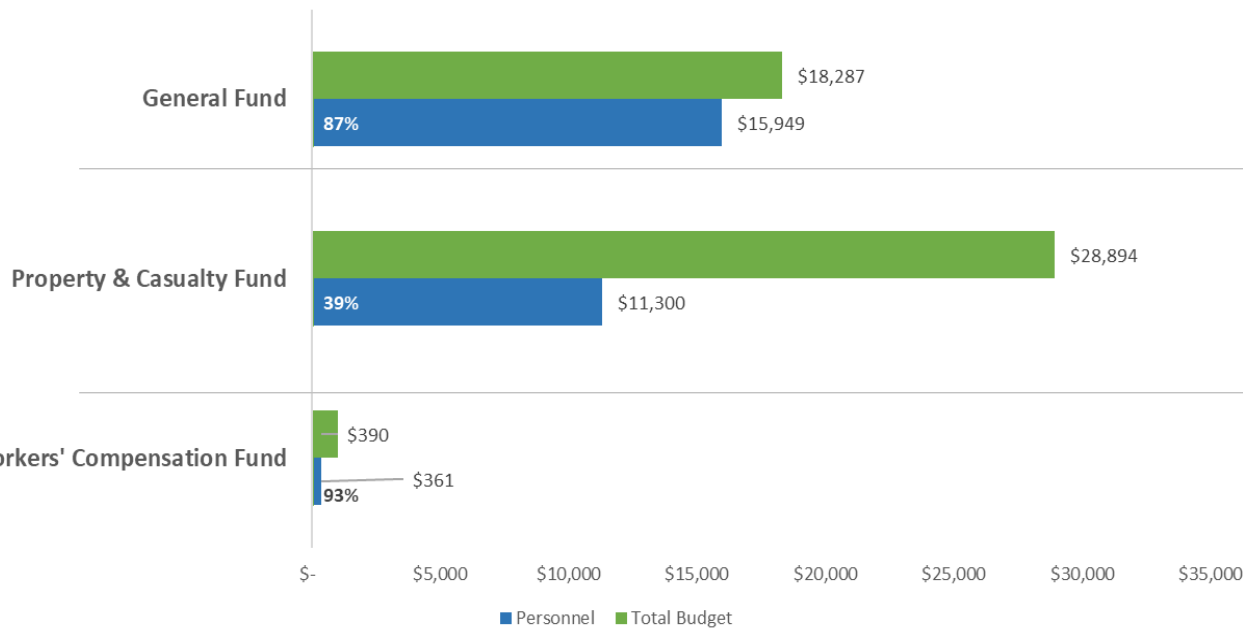
Personnel vs. Non-Personnel (\$ in thousands)



Objective

The graphs below illustrate the budget for personnel vs. non-personnel. All non-personnel charges are broken out by primary service function.

Personnel Breakdown



Non-Personnel Breakdown

| | | | |
|--------------------|-----------|--------------|------------|
| Supplies | \$ | 117 | 1% |
| Services | \$ | 1,306 | 7% |
| Restricted Account | \$ | 915 | 5% |
| Total | \$ | 2,337 | 13% |

| | | | |
|--------------------|-----------|---------------|------------|
| Supplies | \$ | 111 | 0% |
| Services | \$ | 17,118 | 59% |
| Restricted Account | \$ | 366 | 1% |
| Total | \$ | 17,595 | 61% |

| | | | |
|--------------------|-----------|-----------|-----------|
| Supplies | \$ | 10 | 3% |
| Services | \$ | 10 | 2% |
| Restricted Account | \$ | 9 | 2% |
| Total | \$ | 28 | 7% |



Plans to Eliminate the Gap (PEG)

Objective

Illustrates the FY26 General Fund budget reduction for the Legal Department

General Fund

| Name of Program | FTEs Filled | FTEs Vacant | Personnel Cost | Other Cost | Total Approved Reduction |
|-------------------------|-------------|-------------|-------------------|------------------|--------------------------|
| Administrative Services | 0.0 | 1.0 | \$ 113,773 | \$ 67,141 | \$ 180,914 |
| Contracts | 0.0 | 1.0 | \$ 206,077 | \$ - | \$ 206,077 |
| General Counsel | 0.0 | 1.0 | \$ 219,369 | \$ - | \$ 219,369 |
| Neighborhood Services | 0.0 | 1.5 | \$ 201,676 | \$ - | \$ 201,676 |
| Real Estate | 0.0 | 1.0 | \$ 135,842 | \$ - | \$ 135,842 |
| Total | 0.0 | 5.5 | \$ 876,736 | \$ 67,141 | \$ 943,877 |



Plans to Eliminate the Gap (PEG)

Objective

Illustrates the FY26 Property & Casualty Fund budget reduction for the Legal Department

Property & Casualty Fund

| Name of Program | FTEs Filled | FTEs Vacant | Personnel Cost | Other Cost | Total Approved Reduction |
|-------------------------|-------------|-------------|-------------------|-------------------|--------------------------|
| Administrative Services | 0.0 | 1.0 | \$ 319,913 | \$ - | \$ 319,913 |
| General Litigation | 0.0 | 1.0 | \$ 102,586 | \$ 425,683 | \$ 528,269 |
| Torts & Civil Rights | 0.0 | 0.0 | \$ - | \$ 425,683 | \$ 425,683 |
| Total | 0.0 | 2.0 | \$ 422,499 | \$ 851,365 | \$ 1,273,864 |

Voluntary Municipal Employee Retirement Payout Option (VMERPO)



Objective

Illustrates the impact of the VMERPO for the Legal Department

| Number Eligible for VMERPO | Number Accepting Option | % Accepting |
|----------------------------|-------------------------|-------------|
| 47 | 5 | 11% |

Reductions Included in Proposed Budget

| | Number of Employees | Value of Reduction |
|--|---------------------|--------------------|
| Non-Critical Positions Accepting Offer before April 20 th | 5 | \$847,769 |

Department Structure



Objective

Illustrates the current structure for the Legal Department

Current State

| | |
|--|----|
| Average Span of Control | 15 |
| % Managers/Supervisors with Less Than 4 Direct Reports | 0% |
| Layers of Management | 3 |

Revenue by Fund (\$ in thousands)



Objective

The table below lists the total revenues by fund – FY26 Proposed vs FY25 Estimate.

| Category | FY24* Actual | FY25* Budget | FY25* Estimate | FY26* Proposed | *Variance FY26 Proposed/ FY25 Estimate | % Change |
|--------------------------|------------------|------------------|-------------------|-------------------|--|-------------|
| General Fund | \$ 509 | \$ 626 | \$ 627 | \$ 631 | \$ 4 | 1% |
| Property & Casualty Fund | \$ 23,928 | \$ 29,304 | \$ 29,304 | \$ 28,894 | \$ (409) | -1% |
| Total | \$ 24,436 | \$ 29,930 | \$ 29,930 | \$ 29,525 | \$ (405) | -1% |

**Totals may reflect slight variances due to rounding*

Revenue Highlights



- . General Fund revenues are primarily comprised of the recapture of salaries of personnel dedicated to a specific department.
- . Property and Casualty revenues matched the expenditures in the fund.



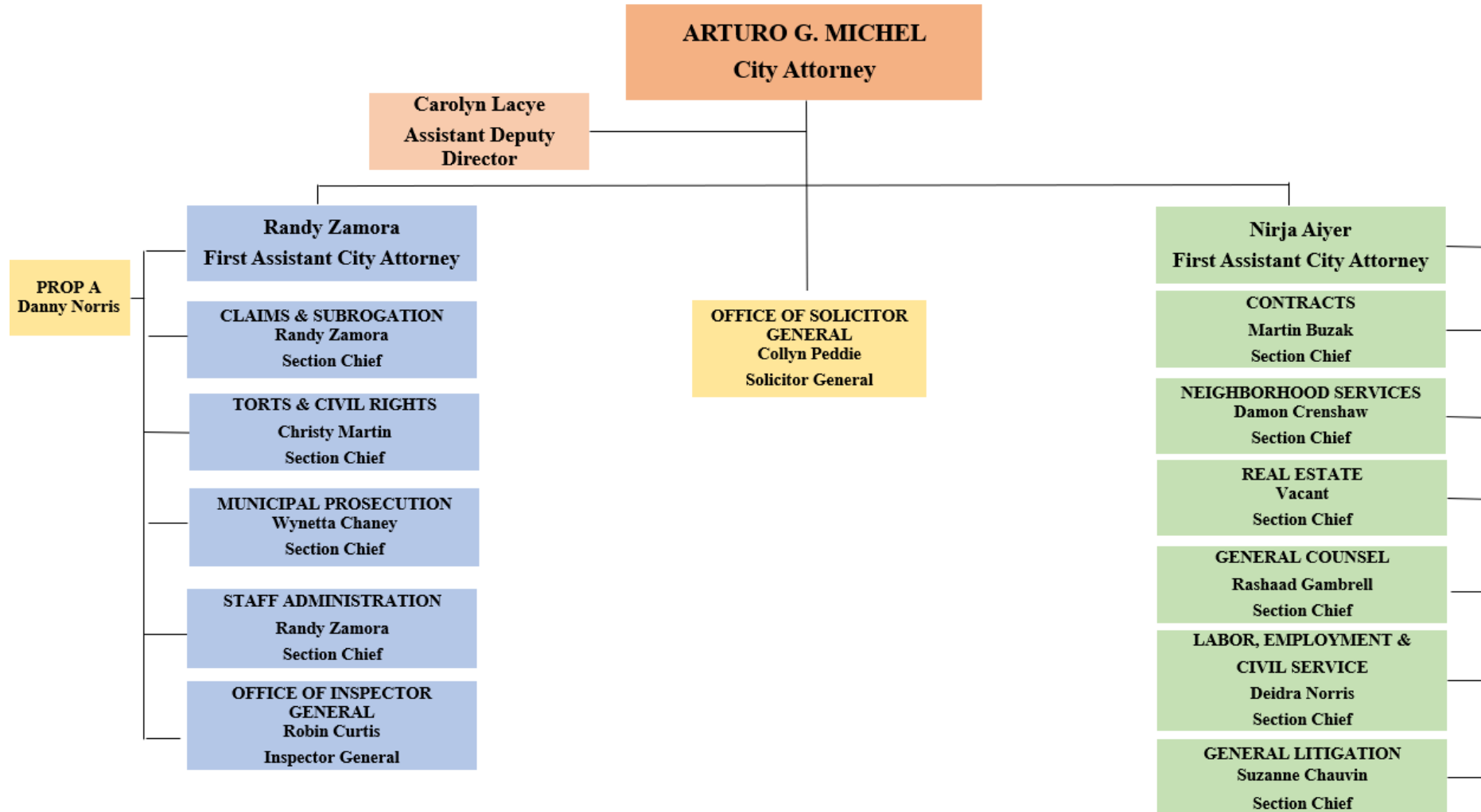
Questions



Appendix



Department Organization Chart

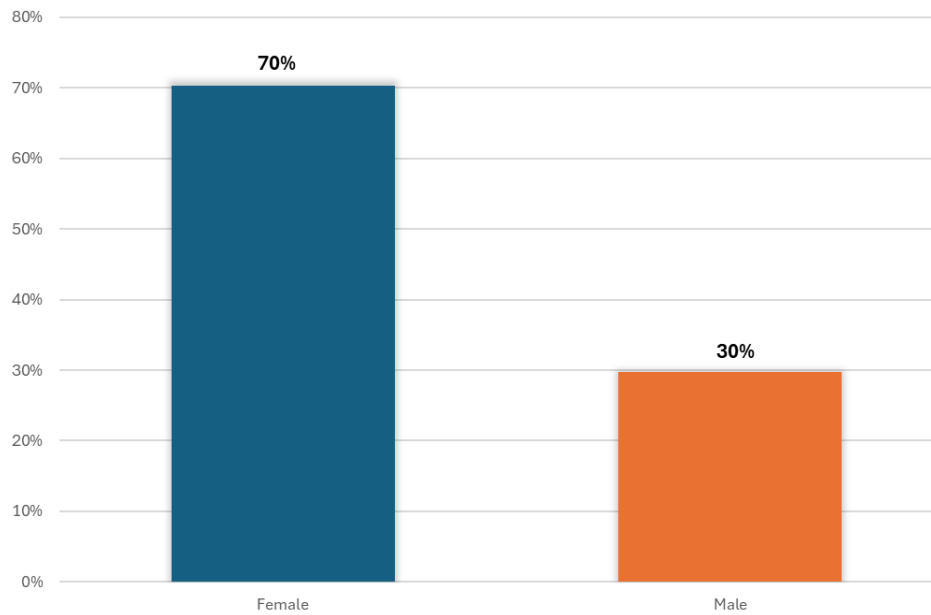


Demographics

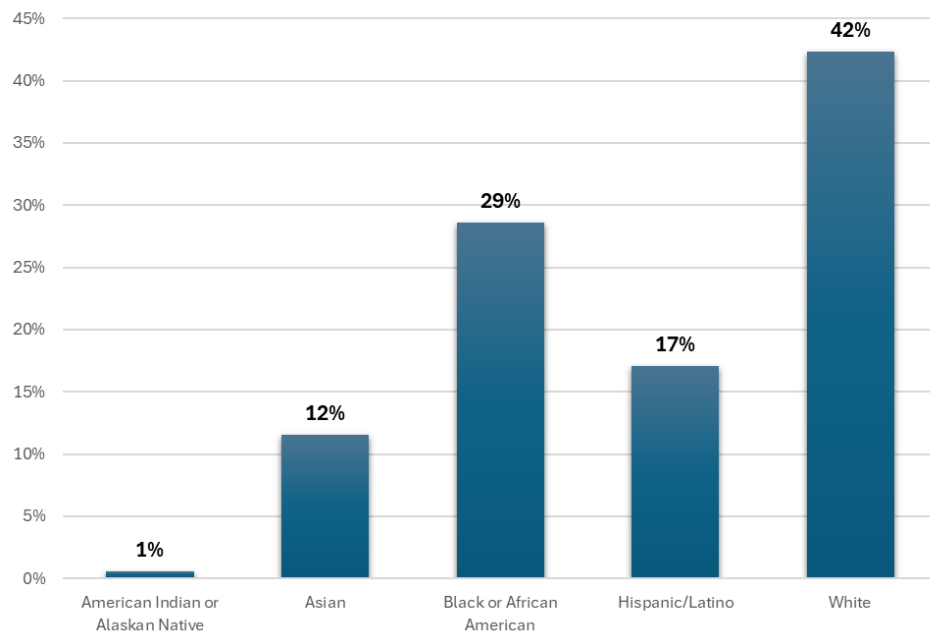
as of April 2025



GENDER



ETHNICITY



Department FY2025 Accomplishments



General Counsel

- Assisted with the issuance of \$720 million general obligation and public improvement refunding bonds, including \$650 million for the settlement agreement between the City of Houston and the Houston Professional Fire Fighter's Association, Local 341.
- Assisted in drafting the City's short-term rental ordinance by conducting legal research, reviewing litigation involving other city's short-term rental ordinances, and analyzing best practices from around the country—all within an evolving and dynamic legal landscape concerning private property rights.
- Assisted the City in obtaining a \$500,000 contribution from CenterPoint Energy for utility bill assistance for low-income residents.
- Analyzed 559 bills during the 89th Texas Legislature Regular Session, identifying potential impacts on municipal operations, advising the Mayor's Office of Government Relations and City departments on relevant developments with legislative proposals, and supporting timely policy responses to bills and legislative initiatives.
- Provided legal assistance to City departments on 755 public information requests*, achieving over 99% compliance with statutory deadline requirements—demonstrating a strong commitment to transparency, accuracy, and legal integrity in responding to public information requests.

**Information accurate through the 3rd QTR, FY25.*

Department FY2025 Accomplishments



Municipal Prosecution

- Obtained two large judgments against two game rooms totaling \$18,000
- Successfully advocated for the revocation of the noise permit against a problem Heights-area bar
- Successfully prosecuted a manager of White Oak Music Hall, obtaining the maximum fine
- Successfully represented the State in a dangerous dog serious bodily injury hearing in which a dog severely injured a small boy. The court ordered that the dog be humanely euthanized.

Real Estate

- Advising six City Boards and Commissions that facilitate thousands of plats and permits for development in the City and ETJ

Department FY2025 Accomplishments



Contracts

- Assisted the City with negotiating a settlement with the plaintiffs in the Jones & Watson lawsuit, reducing the City's current budget deficit by roughly \$100 million. The agreement allows the City to gradually increase funding for the Dedicated Drainage and Street Renewal Fund over several years, eventually reaching a half-billion dollars annually.
- Provided legal counsel throughout City Council's May 7, 2025, approval of a disparity study conducted in 2023. The new disparity study allows the City to use the most up-to-date data for an ongoing lawsuit against the City's Minority & Women-Owned Business Enterprises program.
- Provided complex legal assistance for the formation of ETHAN Health, LGC, a local government corporation administering the remote emergency telemedicine solution pioneered in the Houston Fire Department.
- Developed and implemented the DocuSign electronic routing process for paperless contracts and City Council ordinance packages.

Department FY2025 Accomplishments



General Litigation

- Obtained reversal on appeal of \$1.2 million attorneys' fees verdict in TPIA case
- Successfully resolved lawsuit seeking \$7.5 million for disaster relief work at approximately 65 cents on the dollar, avoiding attorneys' fees and interest under the Texas Prompt Payment Act
- Won dismissal of federal lawsuit that sought injunction and over \$750,000 relating to post-Harvey renovations to the City Hall tunnel and basement
- Won appeal resulting in dismissal of inverse condemnation lawsuit involving road improvement project surrounding multiplex movie theater
- Prevailed in numerous appellate cases, including
 - Won appeal dismissing three of six claims brought by unsuccessful vendor for airport concessions contract
 - Obtained dismissal of appeal in personal injury suit against HPD officer
 - Obtained reversal and dismissal of personal injury claims brought by airline employee who alleged negligence and special defect based on condition of airport apron

Department FY2025 Accomplishments



General Litigation (cont'd)

- Obtained reversal and dismissal of employment discrimination and retaliation claims brought by former HPD officer
- Obtained reversal and dismissal in tort case involving scope of employment
- Won appeal in civil rights case involving George Floyd protests
- Successfully obtained mandamus involving judge's failure to rule
- Won reversal and dismissal of tort case based on Emergency Exception
- Won dismissal of lawsuit challenging enforcement of City Sign Code
- Prevented nightclub from enjoining hearing on sound amplification permit under the noise ordinance, resulting in the club agreeing to a sound impact plan
- Successfully resolved two major disputes involving emergency water line repairs, which included the City's making direct payments to resolve claims of innocent subcontractors

Department FY2025 Accomplishments



General Litigation (cont'd)

- Resolved six figure water bill dispute resulting in City recovering significantly higher payment than expected
- Obtained dismissal of two lawsuits regarding complaints about permitting
- Obtained dismissal of lawsuit against the City over the Shepherd/Durham Road construction project
- Obtained dismissals of several water bill dispute lawsuits filed against the City
- Won interlocutory summary judgment in favor of the City on suit involving challenge to the City's drainage fee
- Won interlocutory partial summary judgment on multiple claims involving construction of the Northeast Water Purification Plant
- Acquired over fifty parcels of land through successful condemnation litigation or negotiations for over ten public improvement projects for Houston Public Works, Houston Parks and Recreation Department, and the General Services Department, including the successful condemnation of land needed for the George R Brown Convention Center Expansion and Transformation Project

Department FY2025 Accomplishments



General Litigation (cont'd)

- Defended the City's interest in five condemnation proceedings filed by the State of Texas to acquire property from the City to ensure that the City received adequate compensation for all parcels acquired by the State
- Resolved claims of thirteen tort plaintiffs, most for lower than actual medical cost.
- Won plea to the jurisdiction resulting in dismissal of personal injury lawsuit
- Recovered payment on past due weed liens owed on private property adversely possessed
- Worked with General Counsel Section on first denial of solid franchise by the City
- Worked with Contracts Section and HPW on settlement of potential claims with engineering firm that designed defective sludge tank

Department FY2025 Accomplishments



Torts and Civil Rights

- Managed a docket with over 300 open cases at any given time.
- Secured victory in Harding Street civil case
 - Obtained voluntary dismissal for 8 individual officers
- One Texas Supreme Court victory
- Four intermediate court victories in appeals handled within TCR
- Victories by Dispositive Motions (17 Civil Rights; 49 Torts)
 - 61 Victories at the pleadings stage (20 Civil Rights; 41 Torts)¹
 - 38 Victories at summary judgment stage (5 Civil Rights; 33 Torts)
 - 22 non-suits (Torts)

¹The total number of motions won exceeds the total number of case dispositions because COH represents multiple defendants in many cases.

Department FY2025 Accomplishments



Torts and Civil Rights (cont'd)

- Settled 57 tort cases, 29 of which were settled for less than actual medical expenses.
- Tried to verdict 3 tort cases.

Office of the Inspector General (OIG)

- Added 336 new matters to its Investigative Caseload while completing and closing 375 cases
- The Office of Policing Reform and Accountability (OPRA) facilitated the work of the Independent Police Oversight Board, which reviewed 114 cases, each falling under distinct categories, including Citizen Death, Bodily Injury, Use of Force, Discharge of Firearm, and requested cases.
- The Office of Policing Reform and Accountability (OPRA) advanced its public safety initiative by conducting targeted community surveys, yielding 193 responses from residents. Survey results indicated that 55% of respondents felt safe in their neighborhoods, reflecting the initiative's role in promoting transparency, strengthening public trust, and guiding efforts to enhance community-police relations and overall public safety.



Department FY2025 Accomplishments

Labor, Employment and Civil Service

Labor

- Negotiated monumental generational labor contract with the Houston Police Officers' Union which provided 36.5% salary increases over 5 years for Houston Police officers.
- Partnered with Human Resources to negotiate labor contract which provided 12.5% salary increases over 3 years for municipal employees.
- 100% success rate on employee grievances argued before grievance examiners

Litigation

- Obtained dismissal on the pleadings in 3 Federal Court lawsuits and 1 State court lawsuit.
- Obtained summary judgment in 2 Federal court lawsuits.
- Successfully settled 2 Federal court lawsuits.

Department FY2025 Accomplishments



Labor, Employment and Civil Service (cont'd)

Federal Investigations

- Successfully settled a Department of Labor (FMLA) claim

Administrative/Civil Service

- Advised the City Administration on retirement incentive package which is expected to slash the budget deficit, saving millions in general fund.
- Supported the creation of the ETHAN LGC by advising on employment matters.
- Supported/resolved/managed at more than 209 legal assistance matters related to City employees
- Reviewed and revised 16 City or departmental policies.
- Processed 274 Texas Workforce Commission Unemployment claims.
- 93% success rate of appeals of indefinite suspension argued before the Civil Service Commission

Department FY2025 Accomplishments



Neighborhood Services

- Reviewed and presented 290 dangerous building matters, including emergency abatement hearings, before the Building and Standards Commission or a hearing officer (anticipate 40-50 more within FY 2025)
- Investigated/handled 574 deed restriction violation complaints (anticipate 20-30 more within FY 2025)
- Successfully resolved significant Apartment Task Force lawsuit at large apartment complex resulting in substandard building conditions going to compliance with Houston Public Works requirements
- Successfully defended two injunction lawsuits regarding significant dangerous building matter
- Successfully resolved 4 deed restriction lawsuits and currently handling 3 additional deed restriction lawsuits
- Filed common nuisance lawsuit against large apartment complex and working on resolving two other nuisance lawsuits. Expect to file additional common nuisance lawsuits before end of FY 25, including four massage parlor fronts for prostitution

Department FY2025 Accomplishments



Neighborhood Services (cont'd)

- Handled 3 TABC hearing matters for Administration and Regulatory Affairs Department
- Involved in drafting and amending ordinances including Short-Term Residential Rental Ordinance, Apartment Inspection Reform Ordinance, Chapter 10 revisions for Houston Public Works, Retirement Homes Generator Ordinance, Pedal Bar Ordinance

Restricted Account Details



| GL Description | Justification & Cost Drivers |
|---|--|
| Interfund Electricity | Responsible for administering the electricity accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Electricity expenses are projected to be lower than the previous year as a function of the competitive bidding process. |
| Interfund HR Client Services | Include HR operation cost reflecting health benefits and restricted accounts increase. |
| Interfund KRONOS Service Charge | Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS). |
| Interfund Drainage Charge | Fee is based on impervious service. |
| Interfund Application Services | Costs include Microsoft Enterprise licenses, 3-1-1 maintenance support and applications, SAP licenses maintenance and support, various Enterprise Application and Server support personnel, CSMART (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department, eSignature. |
| Interfund Data Services | Costs associated with software and maintenance support contracts required to maintain city networks, applications, desktop devices, servers, payment card industry security, storage devices, cloud services, telephone systems and network equipment including Phonoscope circuits. Contracts cover Antivirus, Firewall and Network backup systems. Also, the Data Center costs are included in the Data Services restricted account. |
| Interfund Voice Services | Monthly costs for Voice/Communication Services. The services include: Local landlines, voice/data circuits, long distance, 1-800 numbers, calling cards, language lines, Citywide ISP/Internet Access. The major vendors are ATT, Department of Information Resources (DIR), Verizon and Century Link. |
| Interfund Wireless Services | Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets. |
| Interfund Voice Labor | Labor costs and parts needed to perform work associated with installation and/or upgrades of telephone systems and cabling. The sole vendor is Selrico. |
| Interfund Vehicle Accidents | Provides vehicle accidents repairs for all city departments' rolling stock equipment. |
| Interfund Permit Center Point of Sale | HPC Point of Sale chargeback. |
| Interfund Insurance Fees | Cost increase for property insurance premium. |
| Interfund GIS Services | Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS). |
| Interfund Permit Center Rent Chargeback | HPC lease chargeback. |
| Interfund Vehicle Services - Tires | Tire purchases and services costs for City's rolling stock equipment. |
| Interfund Vehicle Services | Provides repair, maintenance, and administrative support for all city departments' rolling stock equipment. Expense explanation - Vehicle Services are projected to increase driven by part cost, contractual increases, and an aging vehicle population. |
| Interfund Vehicle Fuel | Fuel Program operates and manages all City owned fuel sites. Expense explanation - Fuel services are driven primarily by market pricing. |
| Interfund Natural Gas | Responsible for administering the natural gas accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Natural gas expenses are projected to be lower than the previous year due to current market conditions and locking in a rate favorable to the City. |
| Interfund Radio System Access | Due to the consolidation of the radio group in General Fund to revolving fund for HITS. This group is responsible for the operation and maintenance of the City's public safety radio system. |