

Board of Directors



October Board Meeting

Schedule	Tuesday, October 20, 2026 10:00 AM — 11:00 AM CDT
Venue	3555 Timmons Ln. Houston, TX 77027, Second Floor
Organizer	Krissia Reyes

Agenda

1. CALL TO ORDER

2. INVOCATION

3. PLEDGE OF ALLEGIANCE

4. ROLL CALL

5. DECLARE CONFLICTS OF INTEREST

6. PUBLIC COMMENT

7. EXECUTIVE DIRECTOR'S REPORT

Report on current and upcoming H-GAC activities. (Staff Contact: Ron Papsdorf)

CONSENT AGENDA

8. SEPTEMBER 2026 MEETING MINUTES

Request approval of the September 2026 Minutes (Staff Contact: Rick Guerrero)

Board of Directors



9. REGIONAL ZERO-EMISSION VEHICLE INFRASTRUCTURE PLAN CONSULTANT SELECTION

Request authorization to contract with the selected firm in the order presented, in an amount not to exceed \$250,000. (Staff Contact: Andrew DeCandis)

10. SH 197 FREIGHT GRADE SEPARATION STUDY

Request authorization to contract with firms in the order presented for a contract term of one year, in an amount not to exceed \$125,000. (Staff Contact: Sydni Ligons)

11. TRANSIT AND ON-DEMAND PLANNING SOFTWARE

Request authorization to contract with REMIX Software for license and technical support for 2 years on fee for lease basis, for an amount not to exceed \$118,350. (Staff Contact: Pramod Sambidi)

12. 2026 ANNUAL AUDIT ENGAGEMENT

Request authorization for H-GAC to engage the services of Whitley Penn for the FY2026 annual audit in an amount of \$142,100. (Staff Contact: Arathi Nayak)

13. WORKFORCE: MICROSOFT 365 LICENSES

Request authorization to purchase approximately 875 Microsoft 365 G3 licenses for Workforce Solutions system staff at an amount not to exceed \$252,000 annually and \$756,000 over a three-year period. (Staff Contact: Thomas Brown)

14. WORKFORCE: CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM UPGRADE

Request approval to contract with Catalyst Consulting Group in an amount not to exceed \$600,000 over a three-year period. (Staff Contact: Thomas Brown)

Board of Directors



15. **BUFFALO BAYOU WATERSHED PROTECTION PLAN**
Request approval to enter a contract with the Texas Commission on Environmental Quality to develop a Watershed Protection Plan for the Buffalo Bayou Watershed; total amount \$362,048.02. (Staff Contact: Todd Running)
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16. **QUARTERLY INVESTMENT REPORT – THIRD QUARTER 2026**
Request approval of the Quarterly Investment Report for Third Quarter FY2026 ending September 30, 2026. (Staff Contact: Arathi Nayak)
-

FINANCE AND BUDGET COMMITTEE

17. **RECOMMENDED 2027 SALARY PROGRAM**
Request approval of the recommended 2027 Salary Program. (Staff Contact: Madison Handy)
-

18. **MONTHLY FINANCIAL REPORT – AUGUST 2026**
Request approval of the monthly financial report ending August 31, 2026. (Staff Contact: Shaun Downie)
-

19. **INDIRECT COST CARRYFORWARD**
Requesting approval to incorporate the FY2025 1.3 million carryforward as an adjustment in the rate computation for the FY2027 indirect cost proposal submitted to EPA. (Staff Contact: Yvette Gonzalez)
-

20. **2027 BUDGET & SERVICE PLAN – OCTOBER BUDGET WORKSHOP**
No action required. For information only. (Staff Contact: Yvette Gonzalez)
-

LEGISLATIVE COMMITTEE

21. **H-GAC 90TH LEGISLATIVE PRIORITIES**
Discussion and possible action on recommendations from the H-GAC Legislative Committee regarding the 90th Legislative Session priorities. (Staff contact: Rick Guerrero)
-

Board of Directors



H-GAC ADVISORY COMMITTEES AND AFFILIATE GROUPS

22. OCTOBER 2026 NOMINATIONS

Request approval of the advisory committee and affiliate group nominations. (Staff Contact: Raquel Meyer)

REPORTS

23. REGIONAL PUBLIC TRANSPORTATION COORDINATION PLAN 2027–2031

Information Only. No action required. (Staff Contact: Bennie Chambers)

24. OUTREACH AND GOVERNMENT AFFAIRS REPORT

Update on important current and upcoming public affairs activities. No action requested. (Staff contact: Rick Guerrero)

25. ADJOURNMENT

A LOOK AHEAD

**MEETING MINUTES
H-GAC BOARD OF DIRECTORS
September 15, 2026**

ATTENDANCE ROSTER

The following members of the Board of Directors (Board) of the Houston-Galveston Area Council (H-GAC) attended all or a portion of the September 15, 2026 Board meeting:

- Austin County – Judge Tim Lapham
- Brazoria County - Commissioner Stacy Adams
- Fort Bend County – Commissioner Andy Meyers
- Harris County – Commissioner Lesley Briones
- Liberty County – Judge Jay Knight
- Matagorda County – Judge Bobby Seiferman
- Montgomery County – Judge Mark Keough
- Walker County – Commissioner Bill Daugett (alternate for Commissioner Brandon Decker)
- Waller County – Judge Trey Duhon
- Wharton County – Judge Phillip Spenrath
- City of Alvin - Councilmember Martin Vela
- City of Baytown – Mayor Pro Tem Laura Alvarado
- City of Deer Park – Councilmember Tommy Ginn
- City of Friendswood – Councilmember Sally Branson
- City of Houston – Councilmember Joaquin Martinez
- City of Houston – Councilmember Fred Flickinger
- City of Huntsville - Mayor Russell Humphrey
- City of La Porte – Councilmember Chuck Engelken
- City of Missouri City – Councilmember Joanna Ouderkirk
- City of Pasadena – Councilmember Carlos Heredia Sr. (alternate for Mayor Thomas Schoenbein)
- City of Pearland – Councilmember Clint Byrom
- City of Sugar Land – Councilmember Stewart Jacobson
- City of Waller – Councilmember Nancy Arnold
- City of Daisetta – Alderman Ryan Taylor
- City of Bellaire – Councilmember Ross Gordon
- City of Manvel – Mayor Dan Davis

Not Present:

- Chambers County - Commissioner Tommy Hammond
- Colorado County - Judge Ty Prause
- Galveston County - Commissioner Hank Dugie
- Harris County - Commissioner Adrian Garcia
-
- City of Conroe - Councilmember David Hairel
- City of Galveston - Councilmember Jason Hardcastle
- City of Lake Jackson - Mayor Rhonda Seth
- City of League City - Mayor Nick Long
- City of Rosenberg - Mayor William Benton
- Huntsville ISD - Trustee Rissie Owens
- Houston ISD - Rick Campo

A quorum was confirmed and announced by Rick Guerrero.

1. CALL TO ORDER

Date: September 15, 2026

Time: Approximately 10:03 a.m.

Location: 3555 Timmons Lane, Houston, Texas 77027

The presiding officer, Councilmember Ross Gordon, Chair elect, called the meeting to order and stated that the meeting room was open and accessible to the public. Judge Ty Prause was unable to attend.

2. INVOCATION

Judge Jay Knight led the invocation.

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance and the Pledge to the Texas Flag were recited and led by Councilmember Ross Gordon

4. ROLL CALL

Roll call was conducted by Rick Guerrero.

INTRODUCTION OF SPECIAL GUESTS

Rick Guerrero introduced special guests in attendance:

- Freddie Guerra and Laura Parker, Office of Harris County Commissioner Lesley Briones
- Jay Guerrero, Office of U.S. Senator John Cornyn
- Edith Santamaria, Chief of Staff, Office of Houston Councilmember Joaquin Martinez
- Sloan Sweeney, Office of Houston Councilmember Fred Flickinger
- Councilmember Mark Townsend and City Manager Chase Carey, City of Dickinson
- Mayor Quinton Wiltz, City of Pearland
- Mason Holiday, Office of Brazoria County Commissioner Stacy Adams

5. DECLARE CONFLICTS OF INTEREST

The presiding officer asked whether any Board member had a conflict of interest to declare. None were reported.

6. PUBLIC COMMENT

No members of the public were signed up to speak, and no public comments were presented.

7. EXECUTIVE DIRECTOR'S REPORT

Juliet Stipeche presented the Executive Director's Report on behalf of Ron Papsdorf, who was attending the Association of Metropolitan Planning Organizations annual conference.

- H-GAC announced the selection of Sean Hufstedler as its new Chief Financial Officer, with a planned start date of November 2, 2026.
- Staff reported that development of the 2027 budget is on schedule for draft review in October and anticipated adoption in December 2026.

CONSENT AGENDA

The presiding officer presented the consent agenda. No items were requested to be removed.

Motion to approve the consent agenda was made by Councilmember Sally Branson and seconded by Commissioner Andy Meyers.

- All in favor; no opposed; motion passed.

The following consent items were approved:

- 8. August 2026 Meeting Minutes.
- 9. HGACBuy MB11-26 Modular Buildings, Shelters, and Structures – authorization for contracts with recommended respondents.
- 10. Clean Vehicles Program Replacement Assistance Agreements – authorization for a subagreement with MTZ Trucking Inc. to replace two vehicles, in an amount not to exceed \$180,446.64.

- 11. Data Migration, Governance, & Enterprise AI Implementation – approval of a contract with Fuchsia Services, Inc., in an amount not to exceed \$175,000.
- 12. Park Row Livable Center Study – Vendor Selection – authorization to contract with firms in order ranked, in a total amount not to exceed \$260,000.
- 13. Interlocal Agreement to Conduct Phase I of the Fort Bend County Emergency Radio Infrastructure Project.
- 14. Water Quality Management Plan Contract – approval of a contract with the Texas Commission on Environmental Quality in the amount of \$234,720.

FINANCE AND BUDGET COMMITTEE

Judge Tim Lapham reported that the Finance and Budget Committee met earlier in the day.

15. INDIRECT COST CARRY FORWARD

Presented by: Shaun Downie

- Staff reported cumulative indirect cost under-recovery of approximately \$2.4 million through FY2024 and approximately \$1.3 million for FY2025.
- Staff recommended using \$1.2 million in general funds in 2027 and \$1.2 million in 2028 to offset the \$2.4 million through FY2024. The Board discussed the effect on reserves, the annual indirect cost rate, and options for addressing the FY2025 under-recovery.
- The Board approved the use of general funds in 2027 and 2028 to offset the approximately \$2.4 million in cumulative indirect cost under-recovery through FY2024. Action on incorporating the approximately \$1.3 million FY2025 under-recovery into the FY2027 indirect cost rate was deferred until the October meeting, when additional budget and reserve information is expected.

Motion was made by: Councilmember Sally Branson

Second: Commissioner Andy Meyers

- All in favor; no opposed; motion passed.

16. MONTHLY FINANCIAL REPORT – JULY 2026

Presented by: Shaun Downie

- Cooperative purchasing revenue for July totaled approximately \$940,000, bringing year-to-date revenue to 54% of budget.
- Personnel expenditures remained below budget, with year-to-date costs at 48% of the annual budget compared with 58% of the year elapsed.
- Consultant and other contract service expenditures increased from 32% to 40% of budget in July, primarily due to activity in Community and Environmental Planning, Workforce, and Transportation.

Motion to approve was made by: Judge Mark Keough

Second: Councilmember Sally Branson

- All in favor; no opposed; motion passed.

COMMUNITY AND ENVIRONMENTAL PLANNING

17. AREA AGENCY ON AGING – FY 2027 CONTRACTS

Presented by: Aaron Sturgeon, Assistant Director, Area Agency on Aging

- Staff requested authorization for FY2027 nutrition and transportation provider contracts not to exceed \$6,347,540 and direct service provider contracts not to exceed \$3,000,000, for a total authorization not to exceed \$9,347,540.
- Staff stated that existing nutrition and transportation contractors were in good standing and that the direct-services procurement remains open to expand consumer choice, reduce wait times, and improve comparable service delivery across the service area.
- Staff noted that funding amounts are estimates pending final state allocations. The Board discussed timing of state funding, categorical transfer limitations between congregate and home-

delivered meals, carryover funding, and the population-based allocation formula. Staff agreed to provide an update as additional funding information becomes available.

Motion to approve was made by: Commissioner Andy Meyers

Second: Councilmember Laura Alvarado

- All in favor; no opposed; motion passed.

H-GAC ADVISORY COMMITTEES AND AFFILIATE GROUPS

18. SEPTEMBER 2026 NOMINATIONS

Presented by: Rick Guerrero

- The Board considered the nomination of Ricardo Villagrand, P.E., for an alternate position on the Regional Flood Management Council representing Walker County, submitted by Commissioner Brandon Decker.

Motion to approve was made by Judge Jay Knight.

Second by Councilmember Sally Branson.

- All in favor; no opposed; motion passed.

19. OUTREACH AND GOVERNMENT AFFAIRS REPORT

Presented by: Rick Guerrero

- The Legislative Committee met earlier in the day and reviewed proposed priorities for the 90th Texas Legislative Session. Staff will seek additional feedback from Board and General Assembly members, with a potential recommendation to the Board in October.
- Staff reported plans for an H-GAC Day at the Capitol during the legislative session and provided federal and state policy updates, including matters related to federal funding requirements, census procedures, and public-safety radio interoperability.
- Upcoming activities include the Leading with Purpose workshop on September 22, the Regional Air Quality Summit on October 8, the annual salary schedule for Board consideration in October, and a visit by Matagorda County Youth and Government students.

20. 2026 FIFA WORLD CUP REGIONAL REPORT

Presented by: Miguel Segura, Director of Public Affairs

- Staff reviewed H-GAC's regional support for the 2026 FIFA World Cup, including public safety and emergency preparedness, transportation and mobility, economic development and community vitality, and environmental sustainability.
- Staff reported that Houston hosted seven matches and highlighted regional transportation and incident-management efforts, including the Tow and Go program, coordination with Houston TranStar and METRO, and scenario-planning and event-evaluation tools used to forecast traffic and congestion.
- The Commute Solutions 'Commute Game Plan' campaign provided high-traffic-day information, maps, employer resources, and travel alternatives. Staff reported approximately 75,000 page views and 6,000 employer toolkit/resource downloads.
- Staff stated that tools and practices developed for the World Cup, including event scenario planning, mobility planning, air-quality coordination, and regional public-safety collaboration, will support future large-scale events.

21. ADJOURNMENT

With no further business, the September 15, 2026 H-GAC Board of Directors meeting was adjourned at approximately 11:05 a.m.

REGIONAL ZERO-EMISSION VEHICLE INFRASTRUCTURE PLAN CONSULTANT SELECTION

Background

H-GAC released a solicitation for a qualified firm to support activities related to the Regional Zero-Emission Vehicle (ZEV) Infrastructure Plan. The plan supports regional readiness for the growing presence of light-, medium-, and heavy-duty ZEVs within the eight-county Houston-Galveston Metropolitan Planning Area. The project builds upon previous planning efforts and will support a thorough planning process and final plan document.

The selected contractor, under the direction of H-GAC staff, will conduct a robust stakeholder and public involvement process, identify corridors where additional regional charging/fueling infrastructure is needed, develop reasonable projections of future populations, evaluate grid and utility readiness, assess the environmental, economic and workforce impacts of Zero-Emission Vehicle growth in the region, and other analyses.

Current Situation

H-GAC issued a competitive, sealed solicitation to solicit qualified Contractor(s) for the goods or services requested under Project ID: RFP-TRN26-11. Eight responsive submissions were received and thoroughly evaluated by a committee of H-GAC representatives. Based on the committee's scoring and evaluation of the proposal responses, the recommendation and rankings are presented below:

Rank	Vendor	Written Proposals
1	Eastern Research Group, Inc.	85.33
2	Houston Advanced Research Center	82
3	Arcadis U.S., Inc.	79

Evaluation Criteria: Methodology/Approach, Qualifications/Experience/Capability, Project Organization, Key Personnel and Management Plan, Budget

Funding Source

Federal

Budgeted

Yes

Action Requested

Request authorization to contract with the selected firm the order presented, in an amount not to exceed \$250,000. (Staff Contact: Andrew DeCandis)

SH 197 FREIGHT GRADE SEPARATION STUDY

Background

This study originated from requests by the City of Texas City and the Port of Texas City to evaluate potential improvements at the SH197/FM519 rail crossing and port entrance. The need was identified due to increasing freight activity, recurring congestion, and safety concerns associated with rail crossing operations. The project was incorporated into H-GAC's Freight Program, approved through the MPO planning process, and included in the 2026-2028 Unified Planning Work Program (UPWP). This study will evaluate the feasibility of grade separation and gate realignment to improve freight mobility and safety.

Current Situation

H-GAC issued a competitive, sealed solicitation to solicit qualified Contractor(s) for goods or services requested under Project ID: RFP-TRN26-12. Three responsive submissions were received and thoroughly evaluated by a committee of H-GAC representatives and stakeholders. Based on the committee's scoring and evaluation of the proposal responses, the recommendation and rankings are presented below:

Rank	Vendor	Score
1	The Goodman Corporation	79.8
2	ASRI Technical Services LLC	75.62
3	Colliers Engineering & Design	65.34

Evaluation Criteria: Study Methodology & Approach; Qualifications, Experience, and Capability; Challenge, Opportunity, and Success Statement; Project Organization; Key Personnel and Management Plan; and Schedule and Level of Effort by Task.

Funding Source:

Federal

Budgeted:

Yes

Action Requested:

Request authorization to contract with firms in the order presented for a contract term of one year, in an amount not to exceed \$125,000. (Staff Contact: Sydni Ligons)

TRANSIT ON-DEMAND PLANNING SOFTWARE

Background

The Houston-Galveston Area Council, as the Metropolitan Planning Organization (MPO) for the region, conducts long-range and short-range transportation planning at both regional and subregional levels. These planning activities include evaluating transportation needs, developing strategies for transit and other modes, and recommending transportation investments to improve mobility throughout the region.

Transit On-Demand Planning software can help H-GAC improve transit service design across the MPO region by providing clear, data-driven tools for analyzing existing transit routes, identifying service gaps, and planning new fixed-route or demand-responsive options. The platform allows planners to visualize demographics, transit rider travel patterns, transit demand, and costs in real time. It helps planners evaluate transit routes, services, accessibility, and connectivity; coordinate with local transit providers; and develop practical, equitable, and efficient mobility solutions.

Current Situation

H-GAC issued a competitive solicitation to solicit qualified Contractor(s) for the goods or services requested under Project ID: CP-DAR-TPS-08-26. One responsive submission was received and thoroughly evaluated by a committee of H-GAC representatives. Based on the committee’s scoring and evaluation of the proposal response, the recommendation and ranking are presented below:

Rank	Vendor	Score
1	Remix Technologies LLC.	89.67

Evaluation Criteria: Experience and Qualifications, Technical/Functional, Security/Compliance Requirements, Methodology/Approach & Support Model, Pricing, and Past Performance.

Approval from TxDOT prior to such purchases that use Transportation Planning Funds (TPF) was obtained June 30th, 2026.

Funding Source:
Federal

Budgeted

Yes

Action Requested:

Request authorization to pay for Remix Software license and technical support for 2 years on fee for lease basis, for an amount not to exceed \$118,350. (Staff Contact: Pramod Sambidi)

2026 ANNUAL AUDIT ENGAGEMENT

Background

In October 2023, with the Board's approval, H-GAC selected the external CPA audit firm, Whitley Penn to perform the FY2023 annual audit. The scope of the engagement included an audit of H-GAC's financial records, the H-GAC Retirement Plan and Local Development Corporation financial records.

The original agreement runs from 2024 through 2028, with three years approved and two optional renewal years, subject to satisfactory services.

Current Situation

The auditors will come back in February 2027 and present the Annual Comprehensive Financial Report to the May 2027 Board Meeting. During this timeframe, they will complete testing, perform compliance and internal controls and focus on financial statement (ACFR) preparation.

The 2026 audit will be Whitley Penn's fourth year of engagement with HGAC. H-GAC management have been satisfied with the services of Whitley Penn for the past year and recommend continuing their external audit services for the upcoming year.

The cost for Whitley Penn to conduct the FY2026 audit is \$142,100. The cost includes auditing

- H-GAC's financial records,
- The H-GAC Retirement Plan,
- The Local Development Corporation
- The Corporation for Regional Excellence, and
- Assistance with Governmental Accounting Standards Board (GASB) 103 - Financial Reporting Model Improvements.

Funding Source

Indirect

Budgeted

Yes

Action Requested

Request authorization for the Executive Director to execute an engagement for Whitley Penn's services for the FY2026 annual audit in an amount of \$142,100. (Staff Contact: Arathi Nayak)

WORKFORCE: MICROSOFT 365 LICENSES

Background

The Gulf Coast Workforce Board relies on Microsoft 365 applications and services to support day-to-day operations across the regional workforce system. These tools provide workforce staff with email, file storage and sharing, collaboration capabilities, and access to Microsoft Office applications necessary to conduct business and deliver workforce services.

Current Situation

Staff is seeking authorization to purchase Microsoft 365 G3 licenses for workforce system staff. The licenses provide access to Microsoft 365 applications and services, including:

- Email and calendaring,
- Microsoft SharePoint,
- Microsoft OneDrive,
- Microsoft Office applications, and
- Other Microsoft 365 collaboration, productivity, and security services.

Based on current staffing and system needs, approximately 875 licenses are anticipated. The estimated annual cost for the licenses is \$252,000, for a total estimated cost of \$756,000 over three years.

Funding Source

Texas Workforce Commission

Budgeted

Yes

Action Requested

Request authorization to purchase approximately 875 Microsoft 365 G3 licenses for Workforce Solutions system staff at an amount not to exceed \$252,000 annually and \$756,000 over a three-year period. (Staff Contact: Thomas Brown)

WORKFORCE: CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM UPGRADE

Background

The Gulf Coast Workforce Board's work requires ongoing coordination with a large network of customers, employers, community partners, service providers, and other stakeholders. These interactions often occur across multiple Workforce Division teams and through different communication channels. Currently, there is no centralized system for documenting and coordinating these interactions across teams. As a result, staff have limited visibility into prior or ongoing engagement, making it difficult to coordinate outreach, share information, identify opportunities for follow-up, and maintain a complete history of the Board's relationships with customers and partners.

To address this gap, the Board seeks to implement a Customer Relationship Management solution for designated Workforce Division teams. Initial implementation will support the Employer Engagement and Child Care teams, where improved coordination and tracking are particularly important to meeting programmatic and strategic objectives.

Ultimately, the Customer Relationship Management solution will provide the infrastructure needed to move from disconnected tracking of individual interactions to a coordinated, organization-wide approach to managing customer and partnership relationships.

Current Situation

H-GAC issued a competitive solicitation to solicit qualified Contractor(s) for the goods and services requested under Project ID: CP-HS-WKF-CRMCSL-08-26. One responsive submission was received and thoroughly evaluated by a committee of H-GAC representatives. Based on the committee's scoring and evaluation of the proposal response, the recommendation and ranking are presented below:

Rank	Vendor	Score
1	Catalyst Consulting Group	81

Evaluation Criteria: Methodology/Approach; Experience and Qualifications; Maintenance and Support; Pricing

Funding Source

State

Budgeted

Yes

Action Requested

Request approval to contract with Catalyst Consulting Group in an amount not to exceed \$600,000 over a three-year period. (Staff Contact: Thomas Brown)

BUFFALO BAYOU WATERSHED PROTECTION PLAN

Background

The Buffalo Bayou watershed has been identified through H-GAC's water quality monitoring and planning efforts as a priority area for water quality protection and improvement. H-GAC has secured funding from the Texas Commission on Environmental Quality, with support from member governments, to work with local stakeholders in completing a watershed protection plan for this area. The plan will focus on voluntary implementation measures that can be taken to reduce water pollution, based on input from local stakeholders and the public.

Current Situation

The three-year grant award would fund the development of a watershed protection plan. Project elements will include:

- Compiling and evaluating water quality data and trends.
- Identifying sources of pollution.
- Facilitating stakeholder development of voluntary strategies to reduce pollution.
- Engaging with project partners and the public throughout plan development.

The project will start upon signature (fall 2027) and end in August 2030.

Funding Source

State – Texas Commission on Environmental Quality

Budgeted

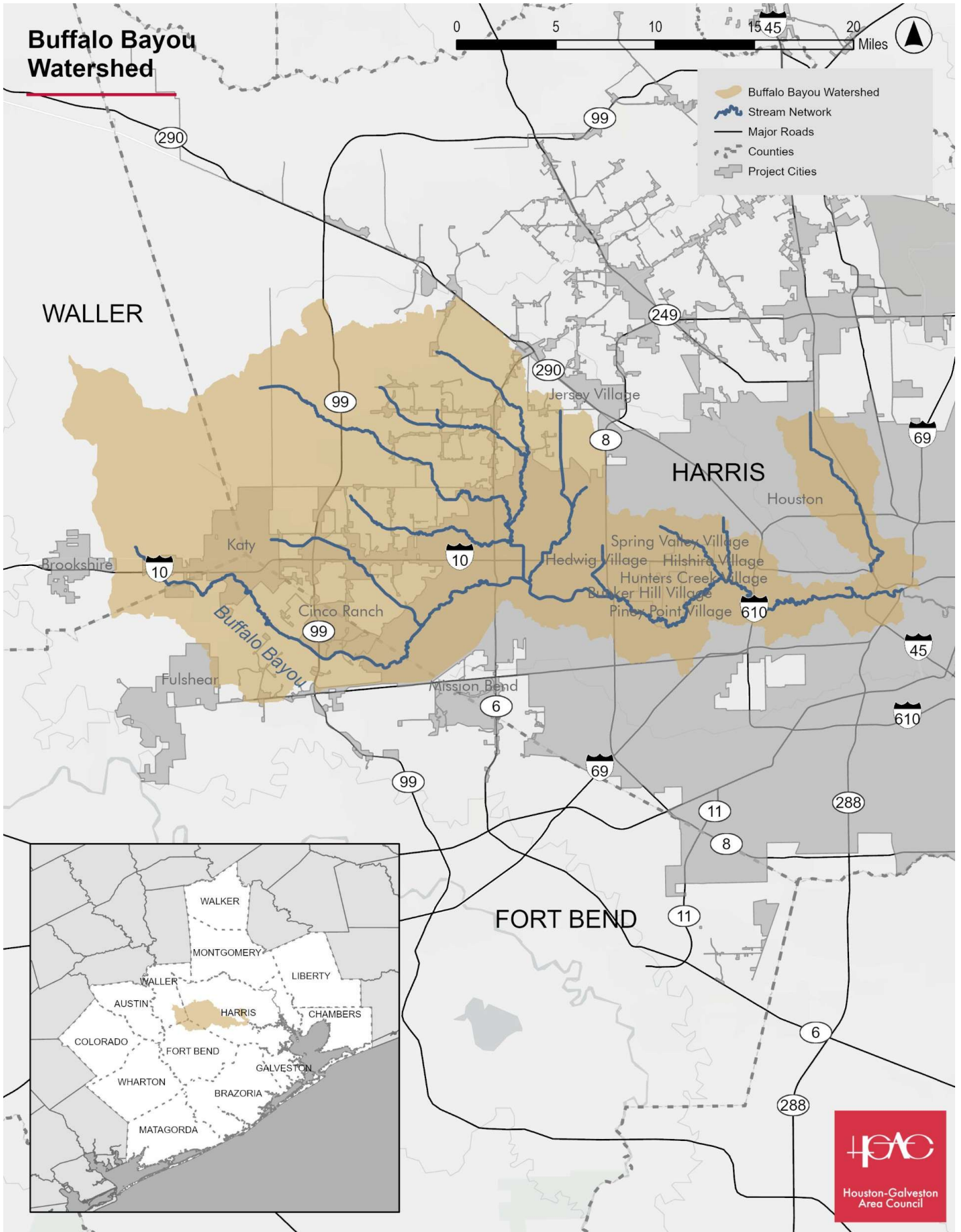
Yes

Action Requested

Request approval to enter a contract with the Texas Commission on Environmental Quality to develop a Watershed Protection Plan for the Buffalo Bayou Watershed; total amount \$362,048.02. (Staff Contact: Todd Running)

ATTACHMENTS:

Map of Buffalo Bayou Watershed



QUARTERLY INVESTMENT REPORT – THIRD QUARTER 2026

Background

H-GAC invests public funds in accordance with its adopted Investment Policy. Quarterly investment reports are presented to the Board to provide transparency regarding H-GAC's investment portfolio, including compliance with the Investment Policy, portfolio performance, and investment activity during the reporting period.

Current Situation

The Quarterly Investment Report for the Third Quarter of FY2026 provides an overview of H-GAC's investment portfolio and investment activity for the quarter ended September 30, 2026. During the quarter, we continued our efforts to diversify the investment portfolio by investing in TEXPOOL and TEXAS RANGE securities to enhance interest income. Overall, the investment portfolio is performing well and generating positive returns.

Funding Source

N/A

Budgeted

N/A

Action Requested

Request approval of the Quarterly Investment Report for Third Quarter FY2026 ending September 30, 2026. (Staff Contact: Arathi Nayak)

Houston Galveston Area Council
Investment Report
For Quarter Ending September 30th, 2026

	Opening Balance FY 26	Deposits	Withdrawal	Interest Earned FY 26	Current Balance / Market Value	Percent of Portfolio
TexPool Prime Account Yield 3.82% Book Value \$6,500,000	\$ 9,717,660	-	(\$2,000,000)	\$ 259,936	\$ 7,977,595	79.79%
Texas Range - Daily Select Yield 3.82%	-	2,000,000	(\$2,000,000)	2,717	2,717	0.03%
Texas Range - Term Investment Yield 3.89% (Maturity 11/06/2026) Book Value \$2,000,000	-	2,000,000	-	18,118	2,018,118	20.18%
Balance as of September 30, 2026	\$ 9,717,660	\$ 4,000,000	\$ (4,000,000)	\$ 280,770	\$ 9,998,429	100.00%

The above securities are in compliance with Texas Government Code Chapter 2256, Public Funds Investment Act (PFIA), and with the investment objectives of the H-GAC investment policy.

Ron Papsdorf
 Ron Papsdorf
 Executive Director

Shaun Downie
 Shaun Downie
 Investment Officer

Arathi Nayak
 Arathi Nayak
 Investment Officer

Houston Galveston Area Council - Component Unit
Investment Report
For Quarter Ending September 30th, 2026

	Opening Balance FY 26	Deposits	Withdrawal	Interest Earned FY 26	Current Balance / Market Value	Percent of Portfolio
Local Development Corporation						
Certificate of Deposit Yield 2.87% Chase Bank	\$ 349,572	\$ -	\$ (361,187)	\$ 11,615	\$ -	-
Texas Range - Daily Select Yield 3.82% Book Value \$362,000	-	362,000.00	-	3,266	365,266	2.96%
Corporation for Regional Excellence						
Certificate of Deposit Yield 2.87% Chase Bank	536,479	-	(554,304)	17,825	-	-
Texas Range - Daily Select Yield 3.82% Book Value \$560,000	-	560,000	-	4,878	564,878	4.58%
Gulf Coast 911 Regional District						
Certificate of Deposit Yield 2.87% Chase Bank	5,423,821	-	(5,604,033)	180,212	-	-
TexPool Prime Account Yield 3.82% Book Value \$6,000,000	-	6,000,000	-	48,249	6,048,249	49.06%
Texas Range - Daily Select Yield 3.82%	-	4,000,000	(4,000,000)	2,922	2,922	0.02%
Texas Range -Term Investment Yield 3.89% (Maturity 11/06/2026) Book Value \$4,000,000	-	4,000,000	-	36,236	4,036,236	32.74%
Emission Reduction Credit Corporation						
TexPool Prime Account Yield 3.82% Book Value \$600,000	-	600,000	-	4,825	604,825	4.91%
Gulf Coast Economic Development District						
TexPool Prime Account Yield 3.82% Book Value \$700,000	-	700,000	-	5,629	705,629	5.72%
Balance as of September 30, 2026	\$ 6,309,872	\$ 16,222,000	\$ (10,519,524)	\$ 315,658	\$ 12,328,006	100.00%

The above securities are in compliance with Texas Government Code Chapter 2256, Public Funds Investment Act (PFIA), and with the investment objectives of the H-GAC investment policy.


 Ron Papsdorf
 Executive Director


 Shaun Downie
 Investment Officer


 Arathi Nayak
 Investment Officer

RECOMMENDED 2027 SALARY PROGRAM

Background

H-GAC operates under a policy-oriented job classification and pay-for-performance framework designed to ensure equity, accountability, and market responsiveness. The system emphasizes:

- Common classifications for similar roles,
- Structured ranges that recognize performance and growth,
- Individual, merit-based evaluation, and
- Pay for performance.

The Board annually reviews and approves the agency job classifications. These classifications group comparable positions and establish minimum and maximum salaries for each job group. Individual compensation within each range is determined by management's assessment of current performance and expected future contribution. Each year, the schedule is reviewed for equity and market alignment using multiple data sources.

State law requires regional councils to implement a salary classification system similar to the State of Texas compensation system, with classifications submitted to the Governor's office for review.

Current Situation

For 2027, we compared H-GAC's proposed salary ranges to the State of Texas ranges for the 2027-2028 biennium (see attachment). We recommend adopting a salary structure that remains comparable to the state's schedule. This approach:

- Keeps H-GAC compliant with statutory expectations,
- Maintains competitiveness in attracting and retaining talent,
- Supports a merit-based culture by enabling management to differentiate pay based on performance within approved ranges, and
- Preserves fiscal discipline through defined salary bands.

Funding Source

N/A

Budgeted

N/A

Action Requested

Request approval of the recommended 2027 Salary Program and authorize submission of the classification schedule to the Governor's Office for review. (Staff Contact: Madison Handy)

ATTACHMENTS:

2027 H-GAC Salary Grade Schedule

H-GAC Salary Range Matrix 2027								
Grade	Job Family	H-GAC Job Family Titles	2027 Salary Range			State Salary Group	2026-2027 Texas State Salary Range	
			Minimum	Midpoint	Maximum			
E-25	Executive	Executive Director	\$215,000	\$287,500	\$360,000	B37	\$215,000	\$360,000
E-24	Executive	Chief, Deputy Executive Director	\$180,453	\$258,081	\$335,710	B35-B36	\$180,453	\$335,710
E-23	Executive	Senior Director	\$164,048	\$234,619	\$305,191	B34-B35	\$164,048	\$305,191
E-22	Executive	Director	\$149,134	\$213,290	\$277,446	B33-B34	\$149,134	\$277,446
E-21	Executive	Assistant Director	\$112,047	\$170,671	\$229,295	B30-B32	\$112,047	\$229,295
M-20	Manager	Senior Manager	\$112,047	\$150,773	\$189,499	B30	\$112,047	\$189,499
M-19	Manager	Manager II	\$101,860	\$137,066	\$172,272	B29	\$101,860	\$172,272
M-18	Manager	Manager	\$92,600	\$124,606	\$156,612	B28	\$92,600	\$156,612
M-17	Manager	Special Projects Manager	\$84,182	\$120,397	\$156,612	B27-B28	\$84,182	\$156,612
M-16	Manager	Supervisor	\$84,182	\$113,278	\$142,374	B27	\$84,182	\$142,374
P-15	Professional	Principal, Administrator	\$76,530	\$116,571	\$156,612	B26-B28	\$76,530	\$156,612
P-14	Professional	Lead II, Senior II	\$65,104	\$97,267	\$129,430	B24-B26	\$65,104	\$129,430
P-13	Professional	Lead, Senior	\$61,184	\$83,909	\$106,634	B23-B24	\$61,184	\$106,634
P-12	Professional	Analyst II, Coordinator II, Executive Assistant	\$57,614	\$78,636	\$99,658	B22-B23	\$57,614	\$99,658
P-11	Professional	Analyst, Coordinator	\$51,158	\$72,148	\$93,138	B20-B22	\$51,158	\$93,138
T-10	Technical/Professional	Specialist IV	\$54,278	\$73,708	\$93,138	B21-B22	\$54,278	\$93,138
T-9	Technical/Professional	Specialist III	\$48,244	\$64,798	\$81,351	B19-B20	\$48,244	\$81,351
T-8	Technical/Professional	Specialist II	\$42,976	\$57,016	\$71,055	B17-B18	\$42,976	\$71,055
T-7	Technical/Professional	Specialist	\$38,976	\$50,053	\$61,130	B15-B16	\$38,976	\$61,130
T-6	Technical/Professional	Communications Operator	\$33,840	\$44,487	\$55,134	B12-B14	\$33,840	\$55,134
S-5	Support	Administrative Assistant	\$45,521	\$60,775	\$76,028	A18-A19	\$45,521	\$76,028
S-4	Support	Support II	\$40,918	\$52,694	\$64,469	A16-A17	\$40,918	\$64,469
S-3	Support	Doctoral Intern, Support	\$33,840	\$45,943	\$58,045	A12-A15	\$33,840	\$58,045
S-2	Support	Graduate Intern, Receptionist	\$32,332	\$39,844	\$47,355	A11	\$32,332	\$47,355
S-1	Support	Undergraduate Intern	\$30,910	\$36,741	\$42,571	A10	\$30,910	\$42,571

MONTHLY FINANCIAL REPORT – AUGUST 2026

Background

H-GAC prepares the monthly financial report to provide the Board with an overview of the organization's financial position and operating results. This report helps the Board monitor financial performance and budget compliance.

Current Situation

As of August, revenue and expenditure remain below the year-to-date budget, although activity has increased in several areas. Many grants are reaching the end of their grant cycles, resulting in increased consultant and pass-through expenses. Consultant expenditure continues to steadily increase across programs, while Transportation saw a significant increase in pass-through expenses within the federal area. Personnel expenditure remains below budget, primarily due to the timing of vacancies and hiring. We are closely monitoring personnel costs as they impact indirect cost recovery. Overall, we continue to monitor areas with significant unspent balances and timing-related variances.

Funding Source

N/A

Budgeted

N/A

Action Requested

Request approval of the monthly financial report ending August 31, 2026. (Staff Contact: Shaun Downie)



HOUSTON GALVESTON AREA COUNCIL (H-GAC)

FY26 Monthly Financial Report

For Month Ending August 31, 2026

Prepared on October 6th, 2026

Esteemed H-GAC Board of Directors and Executive Director Ron Papsdorf, please find attached the financial report for August 2026. The information contained within is intended for managerial reporting purposes. All figures are unaudited and subject to change. Should you have any questions, please feel free to reach out to one of the accounting managers. Respectfully submitted, Arathi Nayak - Accounting Manager and Shaun Downie - Senior Accounting Manager.

SUMMARY OF KEY CHANGES

REVENUES

- > Cooperative Purchasing Fees revenue continues to fluctuate. Revenue decreased from \$939,711 in July to \$240,778 in August and is currently at 58% of the annual budget.
- > Gulf Coast Regional 911 Fees are ahead of budget, primarily due to favorable revenue activity during the year. Revenue increased by approximately \$734K from the prior month, with approximately \$306K of the increase related to the closeout of the ARPA grant.
- > Federal grant revenues are significantly higher than budgeted and are currently at 102% of the annual budget, largely attributable to activity in the Quick Clearance Programs, with approximately \$3.2 million in revenue recorded in August.

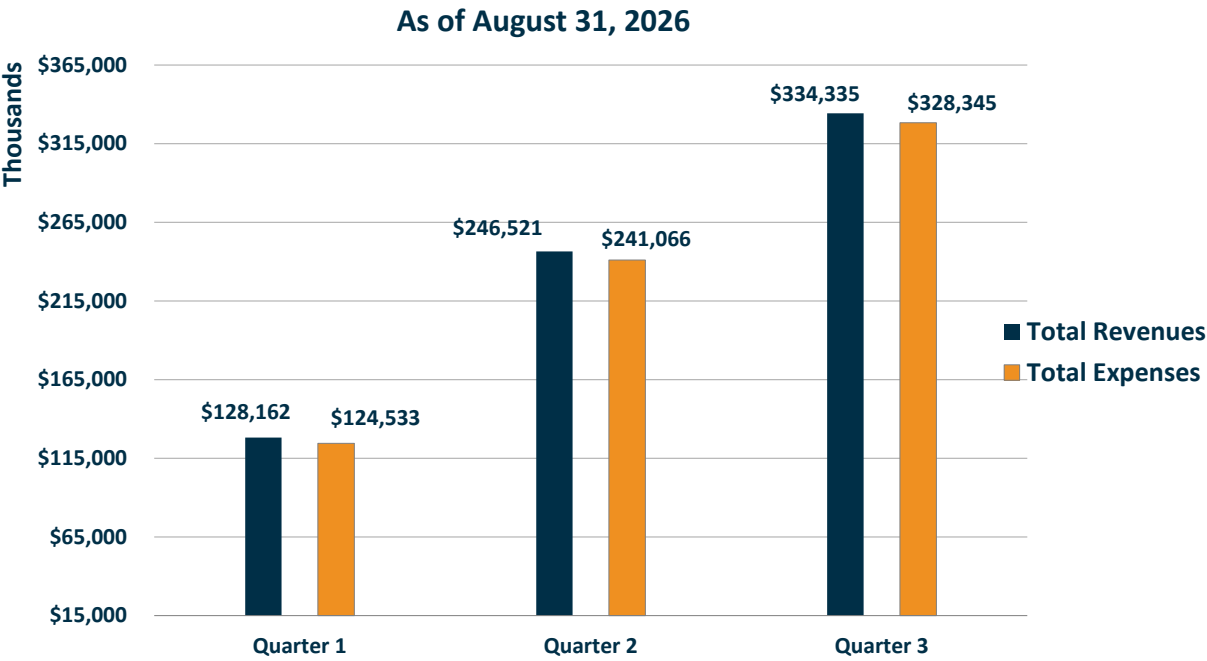
EXPENDITURES

- > Personnel expenditures remain below budget due to vacant positions. YTD personnel costs are at 55% of annual budget versus 66.67% of the year elapsed, primarily due to the timing of vacancies and hiring. Indirect program salaries are 10% below YTD budget, while direct program salaries are 20% below YTD budget.
- > Pass-through expenses increased slightly in August and are currently at 54% of the annual budget. We expect spending to continue increasing next month as several grants approach the end of their grant cycles.
- > Equipment expense is at 42% of the budget, compared to 30% in July, reflecting approximately \$790K in renovation costs paid in August.

*** Please note: the financial activity outlined above and in the report falls within the past trends observed in H-GAC's operations and is not out of the ordinary. ***

The activity (revenues and expenses) included in this report reflect actual amount recorded to date; some billings have not yet been processed or fully recorded. Reported figures are presented on a cumulative Year-to-Date basis and may be adjusted in subsequent periods to reflect finalized amounts.

Quarterly Trends Chart



HOUSTON GALVESTON AREA COUNCIL (H-GAC)

FY26 Quarterly Trends Report

For Month Ending August 31, 2026

	Quarter 1	Quarter 2	Quarter 3
Revenues			
General & Enterprise Fund Revenues			
Membership Dues	\$ 348,736	\$ 17,923	\$ -
HGAC Energy Corporation	21,889	19,688	12,340
Cooperative Purchasing Fees	1,513,184	1,655,053	1,180,490
Gulf Coast Regional 911 Fees	4,817,553	2,160,900	1,264,539
Interest Income	218,657	229,384	148,999
Other Revenues	563,131	428,707	397,235
General Funds - Local	383,847	1,714,067	1,025,149
Total General & Enterprise Fund Revenues	\$ 7,866,998	\$ 6,225,722	\$ 4,028,752
Special Revenue Fund			
Federal Grants	\$ 2,184,766	\$ 1,865,900	\$ 3,980,758
State Grants	118,110,075	110,267,634	79,804,097
Total Special Revenue Fund Revenues	\$ 120,294,841	\$ 112,133,534	\$ 83,784,855
Total Revenues	\$ 128,161,839	\$ 118,359,255	\$ 87,813,607
Expenditures			
Personnel	\$ 13,820,796	\$ 12,988,447	\$ 8,410,594
Pass-through Funds - Grant	105,264,896	94,158,621	73,095,622
Consultant and Contract Services	1,972,724	5,003,911	3,114,033
Lease of Office Space	577,406	520,701	448,063
Equipment	429,307	1,299,023	988,298
Travel	79,705	173,143	176,725
Other Expenses	2,388,047	2,389,020	1,045,748
Total Expenditures	\$ 124,532,883	\$ 116,532,865	\$ 87,279,082
Excess of Revenues Over(Under) Expenditures	\$ 3,628,956	\$ 1,826,390	\$ 534,525

HOUSTON GALVESTON AREA COUNCIL (H-GAC)**FY26 Monthly Trends Report****For Month Ending August 31, 2026**

	January 2026	February 2026	March 2026	April 2026	May 2026	June 2026	July 2026	August 2026
Revenues								
General & Enterprise Fund Revenues								
Membership Dues	\$ 38,083	\$ 249,630	\$ 61,023	\$ 8,501	\$ 6,895	\$ 2,526	\$ -	\$ -
HGAC Energy Corporation	3,735	9,939	8,215	2,980	7,289	9,419	3,319	9,021
Cooperative Purchasing Fees	199,384	406,185	907,615	570,363	517,124	567,566	939,711	240,779
Gulf Coast Regional 911 Fees	319,365	37,540	4,460,648	931,207	772,175	457,518	530,675	733,864
Interest Income	33,613	105,697	79,347	78,313	96,736	54,335	70,436	78,563
Other Revenues	68,866	392,365	101,900	94,430	121,230	213,048	155,836	241,399
General Funds - Local	69,655	129,840	184,352	442,690	786,748	484,628	339,753	685,396
Total General & Enterprise Fund Revenues	\$ 732,701	\$ 1,331,196	\$ 5,803,100	\$ 2,128,484	\$ 2,308,198	\$ 1,789,040	\$ 2,039,731	\$ 1,989,021
Special Revenue Fund								
Federal Grants	\$ 512,118	\$ 500,931	\$ 1,171,718	\$ 1,022,904	\$ 610,208	\$ 232,788	\$ 279,200	\$ 3,701,558
State Grants	33,401,154	38,168,463	46,540,458	24,521,780	45,406,474	40,339,380	40,029,539	39,774,558
Total Special Revenue Fund Revenues	\$ 33,913,272	\$ 38,669,393	\$ 47,712,176	\$ 25,544,684	\$ 46,016,681	\$ 40,572,168	\$ 40,308,739	\$ 43,476,116
Total Revenues	\$ 34,645,973	\$ 40,000,590	\$ 53,515,276	\$ 27,673,168	\$ 48,324,879	\$ 42,361,209	\$ 42,348,470	\$ 45,465,137
Expenditures								
Personnel	\$ 4,233,634	\$ 4,360,096	\$ 5,227,066	\$ 4,335,643	\$ 4,169,306	\$ 4,483,497	\$ 4,068,332	\$ 4,342,261
Pass-through Funds - Grant	28,908,852	33,193,949	43,162,096	19,468,024	40,556,534	34,134,062	35,358,858	37,736,764
Consultant and Contract Services	283,688	998,384	690,651	1,345,520	1,786,555	1,871,837	1,578,653	1,535,380
Lease of Office Space	181,274	195,662	200,471	152,829	183,247	184,625	240,801	207,262
Equipment	39,967	47,911	341,429	934,520	65,742	298,761	184,911	803,388
Travel	15,066	16,492	48,147	37,328	79,348	56,467	66,389	110,336
Other Expenses	1,385,364	505,970	496,713	660,450	760,032	968,538	557,936	487,812
Total Expenditures	\$ 35,047,845	\$ 39,318,465	\$ 50,166,573	\$ 26,934,314	\$ 47,600,764	\$ 41,997,788	\$ 42,055,880	\$ 45,223,202
Excess of Revenues Over(Under) Expenditures	\$ (401,872)	\$ 682,125	\$ 3,348,703	\$ 738,854	\$ 724,115	\$ 363,421	\$ 292,590	\$ 241,936

HOUSTON GALVESTON AREA COUNCIL (H-GAC)**FY26 Budget to Actual Report - All Funds****For Month Ending August 31, 2026****66.67 % of Year
Elapsed**

	FY26 Annual Budget	FY26 Year-to Date Budget	FY26 Year-to-Date Actuals	FY26 % of Actuals to Annual Budget	FY26 % of Actuals to YTD Budget
Revenues					
General & Enterprise Fund Revenues					
	FY26 Annual Budget	FY26 Year-to Date Budget	FY26 Year-to-Date Actuals	FY26 % of Actuals to Annual Budget	FY26 % of Actuals to YTD Budget
Membership Dues	\$ 466,583	\$ 376,146	\$ 366,659	79%	97%
HGAC Energy Purchasing Corporation	135,000	90,258	53,916	40%	60%
Cooperative Purchasing Fees	7,556,971	3,943,097	4,348,727	58%	110%
Gulf Coast Regional 911 Fees	9,355,194	3,608,086	8,242,993	88%	228%
Interest Income	1,200,000	747,022	597,040	50%	80%
Other Revenues	2,188,437	1,639,269	1,389,074	63%	85%
General Funds - Local	5,742,177	4,559,765	3,123,062	54%	68%
Total General & Enterprise Fund Revenues	\$ 26,644,362	\$ 14,963,642	\$ 18,121,471	68%	121%
Special Revenue Fund					
	FY26 Annual Budget	FY26 Year-to Date Budget	FY26 Year-to-Date Actuals	FY26 % of Actuals to Annual Budget	FY26 % of Actuals to YTD Budget
Federal Grant	\$ 7,875,088	\$ 3,882,818	\$ 8,031,424	102%	207%
State Grants	584,179,539	376,543,352	308,181,806	53%	82%
Total Special Revenue Fund Revenues	\$ 592,054,627	\$ 380,426,170	\$ 316,213,230	53%	83%
Total Revenues	\$ 618,698,989	\$ 395,389,813	\$ 334,334,701	54%	85%
Expenditures					
	FY26 Annual Budget	FY26 Year-to Date Budget	FY26 Year-to-Date Actuals	FY26 % of Actuals to Annual Budget	FY26 % of Actuals to YTD Budget
Personnel	\$ 64,137,302	\$ 39,458,577	\$ 35,219,836	55%	89%
Pass-through Funds - Grant	507,913,797	325,193,056	272,519,138	54%	84%
Consultant and Contract Services	21,545,932	16,725,685	10,090,668	47%	60%
Lease of Office Space	3,599,393	2,344,591	1,546,171	43%	66%
Equipment	6,476,840	3,356,441	2,716,628	42%	81%
Travel	1,215,721	618,812	429,573	35%	69%
Other Expenses	13,810,004	7,357,563	5,822,816	42%	79%
Total Expenditures	\$ 618,698,989	\$ 395,054,726	\$ 328,344,830	53%	83%
Excess of Revenues Over(Under) Expenditures	\$ -	\$ 335,086	\$ 5,989,871		
Beginning Fund Balance (all funds) - Jan. 1 (1)	\$ 52,762,360	\$ 46,532,496	\$ 52,762,360		
Ending Fund Balance (all funds) - August. 31 (2)	\$ 52,762,360	\$ 46,867,582	\$ 58,752,231		

(1) All beginning fund balances are as of January 1 of each year. The January 1, 2026 beginning fund balance is based on the 2026 ACFR presented at the May 2026 Board meeting.

(2) All ending fund balances are as of August 31 each year.

The Year-to-Date budget has been calculated using a three-year average spending & earning pattern. Historical monthly expenditure trends were analyzed to determine the proportion of annual spending incurred in each period, and these percentages were applied to the current year's approved budget to derive the YTD budget.

INDIRECT COST CARRYFORWARD

Background

H-GAC uses the Environmental Protection Agency, EPA, as its cognizant agency for approval of the organization's annual indirect cost rate. Each year, EPA approves an indirect cost rate that H-GAC uses to recover eligible administrative and support costs from grants and programs. After the fiscal year ends and actual costs are finalized, H-GAC compares the amount of indirect costs recovered during the year to the actual allowable indirect costs incurred. If H-GAC recovers less than the actual allowable amount, this is considered an under-recovery.

Current Situation

Historically, H-GAC experienced small deviations between budgeted indirect costs and actual indirect cost recovery. H-GAC went through a significant growth period beginning in about 2021 with increases in budgeted staff positions. At the same time, due to national economic conditions and recruiting and hiring challenges, higher than expected vacancy rates persisted, resulting in growing indirect under-recovery.

During its September 2026 meeting, the H-GAC Board of Directors approved the use of general funds in 2027 and 2028 to offset approximately \$2.4M in cumulative indirect cost under-recovery incurred as of FY2024.

Based on the timing of the rate approval process, the FY2025 under-recovery of \$1.3M is expected to be included as an adjustment in the FY2027 indirect cost rate, pending H-GAC Board of Directors concurrence and EPA approval.

Moving forward, staff will be implementing procedures and strategies to reduce the amount of indirect under-recovery with a focus on accurately budgeting personnel costs, position control, regular monitoring and interim corrective actions when necessary.

Funding Source

N/A

Budgeted

N/A

Action Requested

Requesting approval to incorporate the FY2025 1.3 million carryforward as an adjustment in the rate computation for the FY2027 indirect cost proposal submitted to EPA. (Staff Contact: Yvette Gonzalez)

2027 BUDGET & SERVICE PLAN – OCTOBER ITERATION

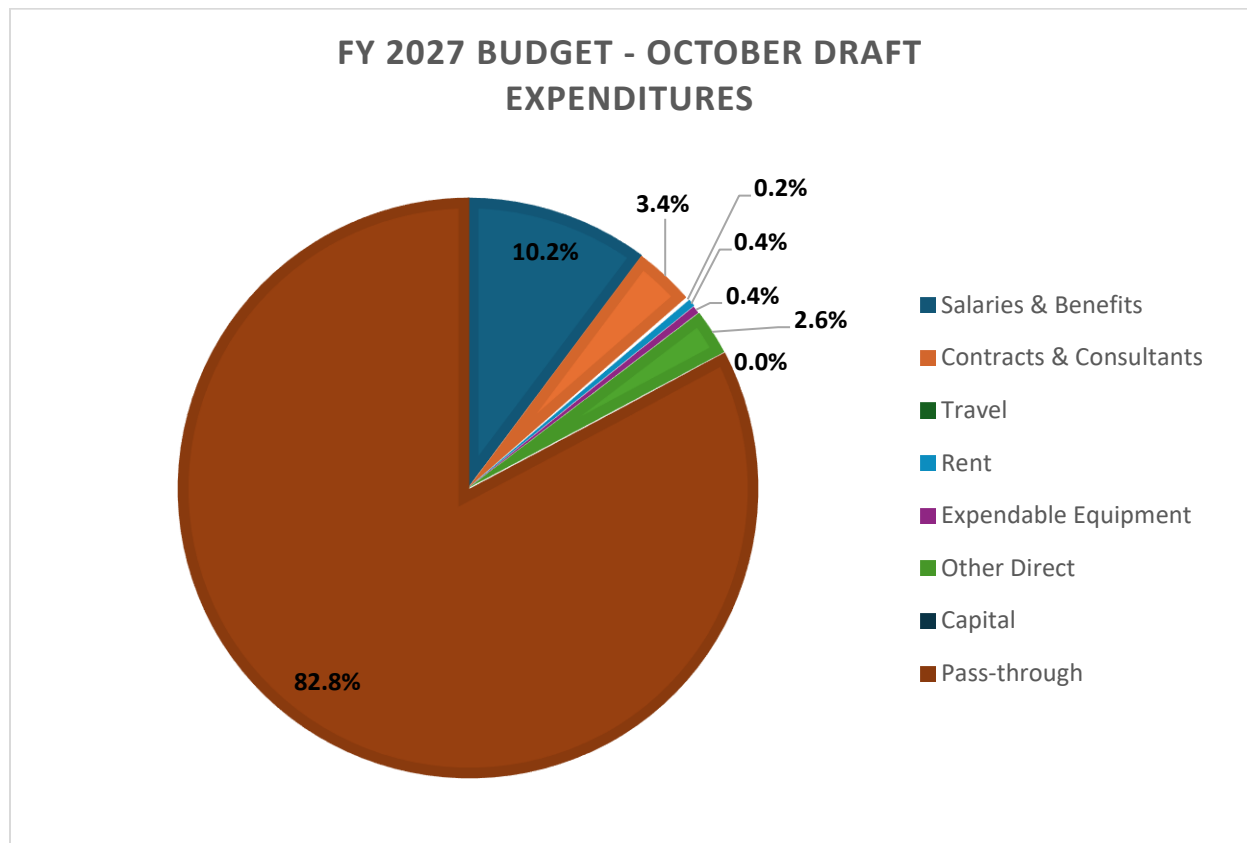
Background

The annual budget serves as the financial plan for H-GAC operations from January 1, 2027, through December 31, 2027. It supports activities across the agency's various service programs including Workforce Solutions, the Metropolitan Planning Organization, Area Agency on Aging, Economic Development, Public Safety, Environmental, and Disaster and Emergency Preparedness programs. It also includes cross-agency services including administration, finance, communications, audit, human resources, and network and information technology.

Budget development begins in late July with a review of previous year expenditure reports and assessment of estimated revenues. Departments work together to identify program needs and goals for the coming year and develop a draft budget for review and refinement by the Board of Directors.

Current Situation

This is the first iteration of the proposed budget. The total budget is \$674.9 million and represents a 9.1% increase over the FY 2026 Revised budget adopted July 21, 2026. The budget includes \$115.8 million in operational costs (salaries, benefits, contracted services, and other direct and indirect expenditures), which is a 4.6% increase from the FY 2026 Revised budget and \$559.1 million in pass-through funds, which is a 10.1% increase over the FY 2026 Revised budget.



Personnel costs include a 2% across-the-board salary adjustment, implemented as a 1% adjustment on January 1 and an additional 1% adjustment on July 1, along with a 3% performance-based merit pool awarded based on level of performance. The budget also reflects the previously approved Board of Directors approved medical insurance premium increase of 9%, with half budgeted as an employer cost and the other half paid by employees.

H-GAC's indirect cost rate is developed by finance and accounting staff following completion of the single audit, reviewed by independent auditors, and approved by H-GAC's cognizant agency, the Environmental Protection Agency. Indirect costs are allocated across all programs based on direct personnel expenditures. The FY 2027 indirect rate based on the draft proposed budget is projected to decrease from 30.74% to 28.97%. This includes the proposal to carryover FY 2025 indirect cost under recovery of \$1,336,281. Without that carryover, the projected FY 2026 indirect rate would be 27.5%. This is the result of continued organization growth and specific efforts to constrain indirect cost growth.

Capital expenditures are budgeted at \$208,500, representing a 96.4% reduction from FY 2026 due to completion of the build-out of additional office space at 3555 Timmons to accommodate growing staff and a reduction in capital expenditures in Community & Environmental due to completion of some large 9-1-1 capital expenditures.

A revised draft will be presented to the Board in November based on the Board's feedback, final adjustments, and any new or updated financial information. The final proposed budget will be presented in December for adoption prior to the beginning of the fiscal year on January 1, 2027.

Funding Source

Funding for the budget comes from a variety of federal and state grants, enterprise funds, and member contributions.

Budgeted

N/A

Action Requested

No action required. For information only. (Staff Contact: Yvette Gonzalez)

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FY 2027 Proposed Budget and Service Plan Summary
October Draft

Unified Budget			\$674,940,377
	Increase	9.09%	\$56,241,388
Pass-through funds			\$559,113,063
	Increase	10.08%	\$51,199,266
Operations*			\$115,827,314
	Increase	4.55%	\$5,042,122
Increases			
		% increase	increase
Workforce		10.91%	\$55,500,035
Transportation		20.73%	\$10,162,474
Enterprise Solutions		6.81%	\$686,874
Administration		12.05%	\$1,869,880
Decreases			
		% decrease	decrease
Aging		18.73%	\$3,461,399
Community & Environmental		12.44%	\$2,931,353
Local		63.11%	\$4,217,737
Employee Benefits			
		Rate	
Released Time		14.77%	\$6,917,625
Insurance, Retirement, and Social Security		33.27%	\$15,578,959
Benefit Carry Forward		(0.67%)	(\$316,847)
Total Benefits & Release Time		47.37%	\$22,179,737

*The operations category includes all expenditure categories that are not pass-through funds, including salaries and benefits, contracted services, equipment, rent, travel, and other direct expenditures.

H-GAC 90TH LEGISLATIVE PRIORITIES

Background

The H-GAC Legislative Committee, chaired by Harris County Commissioner Lesley Briones, met in September to review proposed priorities for the upcoming legislative session. The committee reviewed feedback gathered at the H-GAC Board retreat, as well as input from H-GAC programs and affiliate groups, and incorporated these insights into a draft set of priorities.

Current Situation

H-GAC staff surveyed the entire General Assembly - including member cities, counties, and school districts – to determine which of the draft priorities are most important to their communities and to gather additional input. The Legislative Committee will meet on Tuesday, October 20th to discuss the survey results, review any new feedback from members and consider final recommendations regarding the priorities.

Funding Source

N/A

Budgeted

N/A

Action Requested

Discussion and possible action on recommendations from the H-GAC Legislative Committee regarding the 90th Legislative Session priorities. (Staff contact: Rick Guerrero)

2026 ADVISORY COMMITTEE AND AFFILIATE GROUP APPOINTMENTS**Solid Waste Management Committee**

Solid Waste Management Program, established in 1983 by the Texas Comprehensive Municipal Solid Waste Management Resource Recovery and Conservation Act, provides technical assistance to local governments on solid waste issues, as well as continuing education opportunities for local governments and solid waste professionals.

Nominations received for terms expiring May 2028:

Name	Representing	Nomination By
Terry Woodson (Primary)	Industry	Solid Waste Management Committee
Lisa Gianukos (Primary)	Industry	Solid Waste Management Committee
Candace Seger (Primary)	Industry	Solid Waste Management Committee
Darien Ross (Alternate)	Industry	Solid Waste Management Committee
Rolando Guajardo (Primary)	Interested Citizen / Environmental Groups	Solid Waste Management Committee

Regional Air Quality Planning Advisory Committee

The Regional Air Quality Planning Advisory Committee (RAQPAC), herein referred to as the Committee, is appointed by the Board of Directors of the Houston-Galveston Area Council (H-GAC) to assist and advise H-GAC, regional and local governments, transportation organizations and other agencies on air quality issues. The Committee will review air quality plans for the H-GAC region and recommend actions necessary for improving the region's air quality.

Nominations received for terms expiring June 2027:

Name	Representing	Nomination By
Mustapha Beydoun (Primary)	Business/Industry	Port Houston
Ken Gathright (Alternate)	Business/Industry	Port Houston

Regional Flood Management Committee

The Committee addresses flood and floodplain management issues for the thirteen-county region. These issues include, but are not limited to, flood hazard mapping studies and funding; multi-jurisdictional flood management districts; and authorities for counties, drainage districts and cities, where needed, to effectively manage the floodplain and provide coordination to address entire watersheds.

Nominations received for terms expiring May 2028:

Name	Representing	Nomination By
Commissioner Matt Gray (Primary)	Montgomery County	Judge Mark Keough
Judge Mark Keough (Secondar)	Montgomery County	Judge Mark Keough

Action Requested:

Request approval of the proposed advisory committee nominations and affiliate group appointments as presented. (Staff contact: Raquel Meyer)

REGIONAL PUBLIC TRANSPORTATION COORDINATION PLAN 2027–2031

Background

The Houston-Galveston Area Council (H-GAC), as the designated lead agency for public transportation coordination planning for the 13-county Gulf Coast region, is developing the 2027–2031 Regional Public Transportation Coordination Plan (RPTCP). The plan is updated every five (5) years and serves as the region’s coordinated framework for improving public transportation and human service transportation. The plan identifies transportation needs and service gaps, documents existing transportation providers and services, and establishes regional goals, strategies, projects, and implementation priorities.

Development of the plan has included demographic and geographic analysis, an updated Transportation Provider Inventory, public and stakeholder engagement, coordination with the Regional Transit Coordination Subcommittee (RTCS), and input from transportation providers, local governments, human service organizations, and regional partners. The coordinated planning process also supports eligibility for Federal Transit Administration Section 5310 funding for projects that improve mobility for older adults and individuals with disabilities.

Current Situation

During the regularly scheduled October 8, 2026, Regional Transit Coordination Subcommittee meeting staff initiated the public comment period for the draft 2027–2031 Regional Public Transportation Coordination Plan. The document is available for comment on H-GAC’s Engage webpage through October 31, 2026. During the public-comment period staff will update the Technical Advisory Committee and the Transportation Policy Council to collect additional feedback and receive public comments.

Following the public-comment period H-GAC staff will collect and address any feedback received and prepare the document for final adoption by the Regional Transit Coordination Subcommittee—acting as the designated Regional Coordination Committee—as required prior to final submittal to the Texas Department of Transportation. The Transportation Policy Council will consider this document for adoption in January 2027.

Action Requested

Information Only. No action required. (Staff Contact: Bennie Chambers)



A Look Ahead

Schedule Notice

Meeting dates, times, locations, formats, event status, and agenda availability are subject to change. Before attending, please check the [H-GAC Calendar](#) or [Workforce Solutions Events Calendar](#) for the most current information.

BOARDS, COMMITTEES, AND SUBCOMMITTEES

October 2026

DATE AND TIME	ORGANIZATION	BOARD, COMMITTEE, OR SUBCOMMITTEE	FORMAT AND LOCATION	AGENDA / INFORMATION
Tuesday, October 20 11:00 a.m.– 12:30 p.m.	H-GAC	9-1-1 Board of Managers	In person H- GAC Conference Room D	H-GAC Calendar
Friday, October 23 9:30–11:00 a.m.	H-GAC	Transportation Policy Council	In person H- GAC Conference Rooms A–C	Meeting Agendas
Tuesday, October 27 1:00–3:00 p.m.	H-GAC	Bacteria Implementation Group – 2026 Fall Meeting	Hybrid H- GAC Conference Rooms B–C	H-GAC Calendar
Thursday, October 29 10:00–11:30 a.m.	H-GAC	Regional Air Quality Planning Advisory Committee Meeting	Virtual	H-GAC Calendar



November 2026

DATE AND TIME	ORGANIZATION	BOARD, COMMITTEE, OR SUBCOMMITTEE	FORMAT AND LOCATION	AGENDA / INFORMATION
Tuesday, November 3 9:30–11:00 a.m.	H-GAC	Transportation Improvement Program Subcommittee Meeting	In person External location	H-GAC Calendar
Wednesday, November 4 9:30–11:30 a.m.	H-GAC	Technical Advisory Committee Meeting	In person H-GAC Conference Rooms A–C	Committee Information
Thursday, November 5 1:00–4:00 p.m.	H-GAC	Natural Resources Advisory Committee Meeting	Hybrid H-GAC Conference Room D	H-GAC Calendar
Thursday, November 5 1:30–3:00 p.m.	H-GAC	Transportation Systems Management and Operations Subcommittee Meeting	Virtual	H-GAC Calendar
Thursday, November 5 1:30–3:00 p.m.	H-GAC	Greater Houston Freight Subcommittee Meeting	In person H-GAC Conference Rooms A–C	H-GAC Calendar
Tuesday, November 10 10:00 a.m.–noon	H-GAC	Gulf Coast Economic Development District Board Meeting	In person H-GAC Conference Room A	H-GAC Calendar
Tuesday,	H-GAC	H-GAC Board	In person H-	Board



November 17 10:00–11:00 a.m.		of Directors Meeting	GAC Conference Rooms A–C	Information
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GENERAL EVENTS AND COMMUNITY ACTIVITIES

October 2026

DATE AND TIME	ORGANIZATION	EVENT	FORMAT AND LOCATION	EVENT INFORMATION
Tuesday, October 20 2:00–4:00 p.m.	Workforce Solutions	Pop-Up Awareness	In person Fulshear Library 6350 GM Library Road, Fulshear, TX 77441	Workforce Solutions Events
Wednesday, October 21 10:00 a.m.–noon	Workforce Solutions	Pop-Up Awareness	In person George Memorial Library 1001 Golfview Drive, Richmond, TX 77469	Workforce Solutions Events
Thursday, October 22 11:00 a.m.–2:00 p.m.	Workforce Solutions	Hiring Event	In person Workforce Solutions Conroe 2218 I-45 North, Conroe, TX 77301	Workforce Solutions Events
Friday, October 23 10:00 a.m.–noon	Workforce Solutions	Career and Resource Assistance at Melanee Smith Memorial Library	In person Melanee Smith Memorial Library 1018 Saunders Street, Waller, TX 77484	Workforce Solutions Events
Tuesday,	H-GAC	Bringing Back	In person	H-GAC



October 27 9:30 a.m.– noon		Main Street Roundtable	External location	<u>Calendar</u>
Tuesday, October 27 1:00–3:00 p.m.	Workforce Solutions	Pop-Up Awareness	In person First Colony Library 2121 Austin Parkway, Sugar Land, TX 77479	<u>Workforce Solutions Events</u>
Thursday, October 29 9:30 a.m.–3:30 p.m.	H-GAC	HUD Thriving Communities Housing Transportation Group Assistance Session	In person H- GAC Conference Rooms A–C	<u>H-GAC Calendar</u>
Tuesday, November 3 9:00 a.m.– 2:00 p.m.	Workforce Solutions	15th Annual Hiring Red, White & You! Job Seeker Hiring Event	In person Reliant Center 1 Fannin Street Houston, TX 77054	<u>Event Details</u>

Online Calendars

H-GAC Calendar

www.h-gac.com/calendar

Workforce Solutions Events Calendar

www.wrksolutions.com/events

H-GAC Office

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Houston, Texas 77027
