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Statement from City Controller Chris Hollins on Texas Supreme Court Ruling Involving Drainage Lawsuit vs The City of Houston

Today's ruling, which was not unexpected, is a major blow to our city. The city may be liable for over \$100 million this fiscal year, and what was already a \$230 million budget gap for next year is now \$340 million. As such, city government will be under pressure to consider painful cuts to essential services or find new sources of revenue. Now, more than ever, this administration needs to make public its plan for how it will close the budget gap, including paying for the increased spending approved this year. Our credit rating agencies—who had already lowered their outlook for Houston from stable to negative after our most recent budget process—are watching. I will do everything I can to work with this administration to soften the blow on our most vulnerable citizens.

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Link to Video of Houston Monthly Financial Report: Controller Hollins delivers caution concerning paying for lawsuit at 8 minutes into video:

<https://houstontx.new.swagit.com/videos/309397>