



CITY OF SUGAR LAND

Annexation Revenue Neutral to the City

There will be no increase in costs or reduction in services to current city residents, and services to the annexed areas will be funded with money set aside during the last 10 years specifically for this purpose. Additional staff, vehicles, equipment and contracted services necessary to provide full municipal services to the newly annexed areas are paid for by the annexed residents through utility rates, property taxes and previously paid surcharges for City fire and ground water reduction services. A detailed report was recently presented to City Council ensuring that full city services will be provided to Greatwood and New Territory immediately upon annexation on Dec. 12.

City Confirms Financial Neutrality of Annexation

Sugar Land Assistant City Manager Jim Callaway and Director of Finance Jennifer Brown presented an update on finances and service levels related to the annexation of Greatwood and New Territory on Nov. 21. The analysis reconfirmed that the upcoming annexation in December will be financially neutral to the city of Sugar Land and that the city will meet all service level obligations to the annexed communities despite questions that have been raised.

Annexation On Track to Meet All Current & Future Service Levels

City staff has reconfirmed that the city will meet all current and future service-level obligations to current and newly annexed residents on day one of the annexation. For example, the city is providing a more than 50 percent increase in Animal Services floor space to accommodate an anticipated 30 percent increase in demand. Additional space has been leased for the Sugar Land Police Department, and current Public Safety Dispatch space accommodated the addition of a 911 console for one dispatcher per shift to meet projected call volumes after annexation. Ramping up for annexation has allowed the City to enhance services in some areas. Consolidation of existing customer service staff combined with new customer service staff allowed the City to create a 311 call center operation to expedite and enhance response to customer service calls and inquiries. Public Safety Dispatch equipment is already in place and operating, increasing dispatch capacity ahead of annexation. Because there are no new

facilities needed on day one of annexation, however, the City Council chose to prioritize the completion of drainage and street improvement projects (including capacity for projects related to Hurricane Harvey) in the five-year Capital Improvement program. Two new facilities – an emergency operations center/dispatch expansion and a new animal shelter – have been identified to further meet the needs of the city and enhance service levels to the annexed communities and current residents. The design of these facilities is currently anticipated for Fiscal Year 2022; this timeline may be accelerated if economic conditions improve.

“The financial integrity of the city of Sugar Land is strong and will remain strong after the annexation, which will occur in four short weeks,” said City Manager Allen Bogard. “We’re excited to welcome and begin providing the high-quality public services for which we are known to the residents of New Territory and Greatwood on Dec. 12.”

Review of Financial Analysis

An independent, external auditor recently confirmed the financial neutrality of the annexation of Greatwood and New Territory. City Council approved an agreement with Whitley Penn, LLP on Nov. 21 to review annexation data after questions about the finances related to the annexation were raised at a Nov. 7 meeting. The review was presented to City Council on Dec. 19; it confirmed the recent annexation was financially neutral to the city of Sugar Land.

Read the audit at <https://www.sugarlandtx.gov/DocumentCenter/View/16803>